

## Application for Long Term Tax Exemption

Name of Applicant

MARINER'S VILLAGE AT KEYPORT URBAN  
RENEWAL, LLC

Address of Applicant

79401 4<sup>th</sup> Street North  
Suite 300  
St. Petersburg, FL 33702

Address of Project Site

6 BROADWAY KEYPORT, NEW JERSEY  
07735  
Block 20 Lot 16.01

**Overview of application contents:**

- Section I - General instructions regarding the completion of the application
- Section II - Identification of the applicant
- Section III - Detailed description of the Project
- Section IV - Type of exemption and term requested
- Representations and certifications required by statute
- Signature by the applicant
- Exhibits

**I. Instructions:**

**Please complete this application in its entirety and attach all required supporting documentation. Incomplete applications will be returned and may significantly delay the tax exemption authorization process or cause the application to be denied.**

**Important notes:**

- 1) Certain documents required in this application must be prepared by qualified professionals other than the applicant. In particular, survey documents must be signed and sealed by a licensed surveyor, site plan documents must be signed and sealed by a professional engineer and detailed cost estimates must be certified by a licensed engineer or architect.
- 2) Under New Jersey law, applicants for long-term exemption must be organized as an Urban Renewal Entity as certified by the New Jersey Department of Community Affairs. (Low and moderate income housing projects located in particular areas may be exempt from this requirement in certain cases.)
- 3) The application must be accompanied by a proposed form of financial agreement. Please ensure that the financial agreement attached to this application is appropriate to the type of project for which you are seeking an exemption.

Completed applications should be submitted to:

**Mayor  
Borough of Keyport  
70 West Front Street  
Keyport, New Jersey 07735**

If you have any questions regarding the application or the tax exemption process, please contact:

**Borough Administrator  
Borough of Keyport  
70 West Front Street  
Keyport, New Jersey 07735**

**II. Developer Identification:**

**A. Name of Applicant:**

**MARINER'S VILLAGE AT KEYPORT URBAN RENEWAL, LLC**

**B. Principal Address:**

**79401 4<sup>th</sup> Street North, Suite 300. St. Petersburg, FL 33702**

**C. Type of Entity (check one)**

Corporation  LLC  LLP  Partnership  Other (please specify)

**D. Contact Information**

1. Name of Primary Contact: **CLAY PERLMAN**

2. Contact Numbers:

a. Phone: **(732) 264-2940**

b. Fax: **(732) 264-2219**

c. Email: **ckp783@gmail.com**

**E. Name and Address of Statutory Agent:**

Please list the name and address of the entity upon whom a legal process can be served:

**MARINER'S VILLAGE AT KEYPORT URBAN RENEWAL, LLC**  
**C/O INCORP SERVICES INC. 208 WEST STATE STREET, TRENTON, NJ-08608**

F. Federal Tax Identification Number: **46-2965859**

**G. Disclosure of Ownership:**

New Jersey law (*N.J.S.A. 52:25-24.2*) requires that all corporations and partnerships seeking a public contract submit a list of the names and addresses of all principals who own more than 10% of any class of stock, or 10% or more of the total stock (if a corporation), or 10% or more of the partnership. In addition, if the Developer has, as one or more of its owners, a corporation or partnership, the ownership of those entities must be similarly disclosed, and that process shall continue down the entire chain of ownership until the names and addresses of every unincorporated stockholder and/or individual partner is disclosed.

Please provide the necessary information utilizing the form provided with Exhibit 1 of this application.

**Attached.**

**H. Certificates of Incorporation and Approval:**

Please provide a copy of the approved certificate of incorporation or formation by the State of New Jersey for the entity applying for the exemption. Attach the certificate as Exhibit 2.

**Attached.**

Also include a copy of the certificate of approval of the urban renewal entity issued by the State of New Jersey Department of Community Affairs. Attach that certificate as Exhibit 3. (The only projects exempt from this requirement are low and moderate income housing projects located outside a designated redevelopment area.)

**Attached.**

**I. Authorization to Submit Application:**

Please provide a certified copy, bearing the seal of the urban renewal entity, of a company resolution authorizing submission of the application in the form provided as Exhibit 4 of this application. Attached is a corporate resolution authorizing the submission of this application.

**Attached.**

**III. Project Description:**

**A. Applicant's Ownership Interest in the Project:**

Conventional (Fee Simple)     Condominium     Other (specify)

**B. Project Type (Please check all that apply):**

Residential;  Retail;  Office;  Manufacturing;  Distribution Facility;  
 Hotel;  Other (Specify):  Restaurant (a mixed use development)

If the project involves more than one type of usage, indicate the percentage that each usage bears to the overall project measured using square feet of gross area:

100% Residential;  % Retail;  % Office;  % Manufacturing;  % Distribution Facility;  
 % Hotel;  % Other (specify)

**C. Marketing Expectation:**

For Sale     For Lease     Both

**D. Project Location:**

1. Provide the street address(es) by which the project site is currently known:

**6 BROADWAY KEYPORT, NEW JERSEY 07735**

2. Provide all tax lots that comprise the project site. Designate lots as they appear on the official maps of the Tax Assessor as of the date of this application (i.e. prior to any subdivision associated with the project):

**Block 20 Lots 16.01**

3. Metes and Bounds Description: If available, please attach the metes and bounds description of the project site as Exhibit 5 of this application. If the metes and bounds description has not yet been completed, a certified copy will be required as a condition of any financial agreement.

**This will not be prepared until after site plan approval.**

4. Survey: Please attach survey of the project site as Exhibit 6 of this application. If a survey has not yet been completed, a plotting on the official tax map may be provided at this time. A certified survey will be required as a condition of any financial agreement.

Attached.

**E. Deed or Lease Agreement:**

Please attach a copy of the deed or lease agreement for the property as Exhibit 7 confirming that the project is under the control of the applicant.

Attached.

**F. Purpose of Project:**

Please check all that apply:

1. This project is located within an officially designated "area in need of redevelopment."  
 Yes  No
2. This project is located within an Urban Enterprise Zone.  
 Yes  No
3. This Project is intended to provide housing to low and/or moderate income households:  
 Yes  No

Please indicate the number of units of each type listed below, as appropriate.

Number of units for low income households 0  
Number of units for moderate income households 0  
Number of market rate units 120  
Total number of residential units 120

4. This Project is intended to provide housing to households relocated as a result of a redevelopment project:  Yes  No
5. This Project is intended as a means to implement the objectives set forth in an adopted Redevelopment Plan:  Yes  No

**H. Narrative Description of Project:**

Provide a brief narrative description of the project, including the height and bulk of proposed improvements, type of construction materials to be used and expected square foot area of each proposed use. Indicate the number and type of each unit to be constructed as part of the project and whether the project will be restricted to any group or groups on the basis of age or income. Include maps, renderings, floor plans and other graphic materials if available. Attach this description as Exhibit 8 of this application.

Attached.

**I. Current Conditions:**

1. Provide a brief description of any improvements that are in place currently on the project site and indicate which if any are expected to be reused as part of the project. Attach extra pages as needed.

**The project site contains a 4,000 sq./ft. building known as Endeavor House. This will be eliminated for construction.**

2. Provide a list with the current tax assessment and the current real property tax levy for each lot included within the project site. Attach extra pages as needed.

Block/Lot	Land	Improvements
20/1	\$116,500	\$89,300
20/2	\$116,500	\$94,200
20/3	\$124,500	\$83,400
20/5	\$310,300	\$461,700
20/6 & 6.01	\$1,587,500	\$194,400
20/7	\$158,800	\$80,000
20/9	\$23,700	\$0

**NOTE: Due to the newly recorded subdivision, tax assessments and Ad Valorem taxes are still being calculated on pre-subdivided block and lot numbers described above.**

3. Provide a list showing the current status of all municipal fees and charges which are currently levied against each lot located within the project site, including, without limitation water charges, sewer charges, permit or license fees, fines and/or penalties. Attach extra pages as needed.

Block	Lot	Current Status of Municipal Fees and Charges (specify type)	
20	1	Water & Sewer	\$141.46
20	2	Water & Sewer	\$73.20
20	3	Water & Sewer	\$0
20	5	Water & Sewer	\$469.14
20	7	Water & Sewer	\$103.84

**NOTE: Due to the newly recorded subdivision, water and sewer fees are still being calculated on pre-subdivided block and lot numbers described above.**

**J. Site Plan Approval:**

Provide a copy of the site plan approved by the Planning Board for the Project. Also provide a copy of the resolution of the Planning Board providing final site plan approval for the project. If available, attach the site plan as Exhibit 9 of this application and the resolution as Exhibit 10 of this application. If final site plan approval for the project has not been obtained, a copy of the final site plan and the resolution approving the site plan will be required as a condition of any financial agreement.

**K. Project Cost Estimates**

1. Provide a detailed cost breakdown for the project, including both hard and soft costs. The estimate should be certified by a licensed architect or engineer. Attach the completed estimate for the entire Project, with the required certification, as Exhibit 11 of this application.

**The estimated total project cost is \$46,618,312**

2. For each type of unit to be included within the Project, provide an estimate of the total unit cost for that unit. This may be provided at a summary level, not at the level set forth for the estimate required by section K.1 above. The estimate should also be certified by a licensed architect or engineer. Attach the completed unit estimates, with the required certification, as Exhibit 12 of this application.

- 725 sq/ft = \$275,752
- 800 sq/ft = \$304,279
- 827 sq/ft = \$314,548
- 850 sq/ft = \$323,296
- 870 sq/ft = \$330,903
- 907 sq/ft = \$344,976
- 1,055 sq/ft = \$401,276
- 1,120 sq/ft = \$425,990
- 1,147 sq/ft = \$436,260
- 1,170 sq/ft = \$445,007
- 1,205 sq/ft = \$458,310
- 1,250 sq/ft = \$475,435

**L. Project Pro-Forma:**

Provide a detailed projection of the estimated revenues and expenses for the project. The projections for all rental projects and for the rental component of mixed-use projects should cover the full exemption period. Projections involving the sale of units should be for the period expected to be needed to complete all sales activity. Attach the projection as Exhibit 13 of this application.

**Attached.**

**M. Project Financing Plan:**



1. Provide a detailed explanation of the expected method by which the project will be financed, indicating the amount of equity to be contributed and its source, all public loans and/or grants that are to be used and all private sources of capital. Attach this explanation as Exhibit 14 of this application.

**Attached.**

2. Private Financing Commitments: If available, provide certified copies of any and all letters from public or private sources of capital indicating a commitment to make funds available for the project. Attach these letters as Exhibit 15 of this application.

**Applicant's financing commitments will be obtained after receiving site plan approval and Applicant will supplement this Application after obtaining such financing commitments.**

**N. Explanation of the Need for Tax Exemption:**

Provide an explanation of why the applicant believes that a long term tax exemption is necessary to make this project economically feasible. Attach the explanation as Exhibit 16 of this application.

**Attached.**

**O. Project Schedule:**

Attach a detailed schedule of the key milestone dates in the approval, construction and leasing or sale of the project as Exhibit 17 of the application.

**Attached.**

**P. Statement of Project Benefits:**

Provide a detailed description of the public benefits that would result from the project. At a minimum, include a projection of the number and type of construction jobs to be created, the number and type of permanent jobs to be created and the amount of municipal revenue to be generated by the project through the payment of taxes, payments in lieu of taxes, water and sewer fees and any other municipal payments. Attach the description as Exhibit 18 of the application.

**Attached.**

**IV. Exemption Information:**

**A. Annual Service Charge to be based on:** (check one)

- An amount not less than 10% of Annual Gross Revenue (Non-condominium)
- An amount not greater than 15% of Annual Gross Revenue (Non-condominium/low and moderate income housing project)
- An amount not less than 2% of Total Project
- An amount not greater than 2% of Total Project Cost (low and moderate income housing project)
- Imputed debt service (Condominium)
- A negotiated amount pursuant to the *Redevelopment Area Bond Financing Law, N.J.S.A. 40A:12A-64 et seq.*

**B. Term Requested:**        30 Years

**C. Proposed Rates and Phases:**

10.35% for years 1-5, 11.00% for years 6-10, 12.00% for years 11-14, 12.5% for years 15-20, 14% for years 21-25 and 14.65% for years 26-30.

**D. Form of Financial Agreement:**

Attach the proposed form of the financial agreement as Exhibit 19 of the application. The correct form for your project type should be attached to this application. Please note that the final financial agreement provides that a sealed certification by the project architect as to the final project cost must be submitted so that it can be added to the agreement within 60 days after the issuance of the Certificate of Occupancy for the project.

Attached.

**Representations and Certifications:**

**In submitting the application, the Developer certifies that all of the information is true and accurate to the best of his or her knowledge and further certifies to the following:**

- A. The project conforms to the Redevelopment Plan that is in effect for the area that includes the project site and with any Redevelopment Agreement as may be in place between the Municipality and the Developer.
- B. The Project either (1) conforms to the Master Plan of the Municipality; or (2) to the extent that the Redevelopment Plan is inconsistent with the Master Plan, the Project conforms to the Redevelopment Plan and the Municipal Council, in adopting the Redevelopment Plan, set forth its reasons for adopting a Redevelopment Plan with such inconsistencies.
- C. The project will conform to and the applicant(s) agrees to comply with all Federal and State laws and to all applicable municipal ordinances.
- D. Construction of the project has not commenced as of the time of the submission of this application. The applicant understands that the Municipal Council is under no obligation to approve this tax exemption application. Any work done on the assumption of receipt of a tax exemption following the submission of the application and before final approval is undertaken at the risk of the developer. **Note that under no circumstances will an exemption be granted for a project that has already reached substantial completion.**
- F. No officer or employee of the Municipality has any interest, directly or indirectly, in the project that is the subject of this application.

**Signatures**

By my signature below, I hereby submit this long term tax exemption application on behalf of the Developer. I certify that all of the information contained herein, including, but not limited to the information contained in the Exhibits attached hereto, is true and accurate to the best of my knowledge and belief. I am aware that if any of the information provided is willfully false, that I am, subject to prosecution.

**For the Redeveloper:**

	<u><i>Roger Miller</i></u>	<u>10/16/23</u>
<b>Name:</b>	Roger Miller	<b>Date:</b>
<b>Title:</b>	Manager	

**Please notarize here or  
provide attestation and  
seal of corporate secretary**

**EXHIBITS**

The following is a check-list of required exhibits that must be attached to the application and are hereby incorporated as if set forth at length in the application:

<b><u>Exhibit #</u></b>	<b><u>Description</u></b>	<b><u>Included?</u></b>
1	Disclosure of Ownership	_____
2	Certificate of Formation	_____
3	Certificate of DCA Approval of Urban Renewal Entity	_____
4	Resolution Authorizing Submission of Application	_____
5	Metes and Bounds Description	_____
6	Survey	_____
7	Copy of Deed or Lease Agreement	_____
8	Narrative Description of Project	_____
9	Site Plan as Approved by Planning Board	_____
10	Site Plan Approval Resolution	_____
11	Total Project Cost Estimate (as certified by Architect or Engineer)	_____
12	Cost Estimates for Each Unit Type (as certified by Architect or Engineer)	_____
13	Project Pro-Forma	_____
14	Project Financing Plan	_____
15	Private Financing Commitments	_____
16	Explanation of the Need for Tax Exemption	_____
17	Project Schedule	_____
18	Summary of Project Benefits	_____
19	Form of Financial Agreement	_____

**EXHIBIT 1  
DISCLOSURE OF OWNERSHIP**

**Ownership % of Mariner's Village at Keyport Urban Renewal, LLC**

<b>ENTITY / INDIVIDUAL</b>	<b>CURRENT OWNERSHIP %</b>
The Morris Tract Corp, Inc. (Owned 100% by Roger Miller)	100%

# EXHIBIT 2

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

CERTIFICATE OF FORMATION  
MARINER'S VILLAGE AT KEYPORT LLC  
0400580254

The above-named DOMESTIC LIMITED LIABILITY COMPANY was duly filed in accordance with New Jersey state law on 06/11/2013 and was assigned identification number 0400580254. Following are the articles that constitute its original certificate.

1. **Name:**  
MARINER'S VILLAGE AT KEYPORT LLC
2. **Registered Agent:**  
INCorp SERVICES INC
3. **Registered Office:**  
208 WEST STATE STREET  
TRENTON, NJ 08608 1002
4. **Business Purpose:**  
REAL ESTATE DEVELOPMENT
5. **Members/Managers:**  
ROGER MILLER  
2601 BISCAYNE BLVD  
MIAMI, FL 33137
6. **Main Business Address:**  
2601 BISCAYNE BLVD  
MIAMI, FL 33137

**Signatures:**  
ROGER MILLER  
AUTHORIZED REPRESENTATIVE



Certification# 128645749

Verify this certificate at  
[https://www1.state.nj.us/TYTR/StandlingCert/ISP/Verify\\_Cert.jsp](https://www1.state.nj.us/TYTR/StandlingCert/ISP/Verify_Cert.jsp)

*IN TESTIMONY WHEREOF, I have  
hereunto set my hand and affixed my  
Official Seal at Trenton, this  
11th day of June, 2013*

A handwritten signature in black ink, appearing to read "Andrew P. Sidamon-Eristoff".

*Andrew P. Sidamon-Eristoff  
State Treasurer*



C'6N

FILED  
JAN 08 2018  
STATE TREASURER

**CERTIFICATE OF AMENDMENT  
TO  
CERTIFICATE OF FORMATION  
OF MARINER'S VILLAGE AT KEYPORT, LLC**

0400580254

The undersigned limited liability company, organized under the laws of the State of New Jersey, to amend its Certificate of Formation, in accordance with the New Jersey Limited Liability Company Act, the *N.J.S.A. 42:2C, et seq.*, hereby certifies that:

**FIRST:** The name of the limited liability company was registered as Mariner's Village at Keyport, LLC (the "Company").

**SECOND:** The business identification number of the Company is 0400580254.

**THIRD:** The new name of the Company is Mariner's Village at Keyport Urban Renewal, LLC.

**FOURTH:** This Amendment to the Certificate of Formation of the Company shall become effective on filing in the Business Services Office of the Department of the Treasury.

**FIFTH:** Article 1 of the Certificate of Formation, filed with the New Jersey State Treasurer on June 11, 2013, is amended as follows: The business name is Mariner's Village at Keyport Urban Renewal, LLC.

**SIXTH:** Article 4 of the Certificate of Formation is amended to read as follows:

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

4761912 529 34367  
JS 173705

by financial agreement with the municipality, to acquire, plan, develop, construct, alter, maintain or operate housing, senior citizen housing, business, industrial, commercial, administrative, community, health, recreational, educational or welfare projects, or any combination of two or more of these types of improvement in a single project, under such conditions as to use, ownership, management and control as regulated pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.).

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

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

(d) The Company shall not voluntarily transfer more than 10% of the ownership of the project or any portion thereof undertaken by it under P.L.1991, c.431 (C.40A:20-1 et seq.), until it has first removed both itself and the project from all restrictions of P.L. 1991, c. 431 (C. 40A:20-1 et seq.) in the manner required by P.L. 1991, c. 431 (C. 40A:20-1 et seq.) and, if the project includes housing units, has obtained the consent of the Commissioner of Community Affairs

to such transfer, with the exception of transfer to another urban renewal entity, as approved by the municipality in which the project is situated, which other urban renewal entity shall assume all contractual obligations of the transferor entity under the financial agreement with the municipality. The entity shall file annually with the municipal governing body a disclosure of the persons having an ownership interest in the project, and of the extent of the ownership interest of each. Nothing herein shall prohibit any transfer of the ownership interest in the urban renewal entity itself provided that the transfer, if greater than 10%, is disclosed to the municipal governing body in the annual disclosure statement or in correspondence sent to the municipality in advance of the annual disclosure statement referred to above.

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

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

IN WITNESS WHEREOF, Mariner's Village at Keyport, LLC has caused a duly authorized person to execute this Certificate of Amendment to Certificate of Formation this 30<sup>th</sup> day of November, 2017.

MARINER'S VILLAGE AT KEYPORT, LLC

By: 

Roger Miller, Authorized Representative

# EXHIBIT 3



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

CHRIS CHRISTIE  
Governor  
KIM GUADAGNO  
Lt. Governor

CHARLES A. RICHMAN  
Commissioner

DEPARTMENT OF COMMUNITY AFFAIRS

TO: State Treasurer  
RE: Mariner's Village at Keyport Urban Renewal, LLC  
(formerly Mariner's Village at Keyport, LLC)  
File#: 2183

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

Done this 20th day of December 2017 at Trenton, New Jersey.

DEPARTMENT OF COMMUNITY AFFAIRS

BY   
Edward M. Smith, Director  
Division of Codes and Standards



# EXHIBIT 4

**EXHIBIT 4**

**RESOLUTION**

In accordance with the provisions of the Mariner's Village at Keyport LLC ("Company") operating agreement, the following resolution of the Company is adopted:

1. **BE IT RESOLVED**, that the Company ratifies, confirms and authorizes the submission of the Keyport "Long Term Tax Exemption" application.
2. **BE IT FUTHER RESOLVED** that the undersigned Managing Member of the Company, is authorized to legally bind the Company, and prepare, review, and execute all instruments necessary for the implementation of the foregoing resolution.

I have hereunto signed my name as the sole member of the Company and pursuant to the Company's operating agreement, I am duly authorized to execute this Resolution.

BY:

  
Reger Miller, Member

# EXHIBIT 5

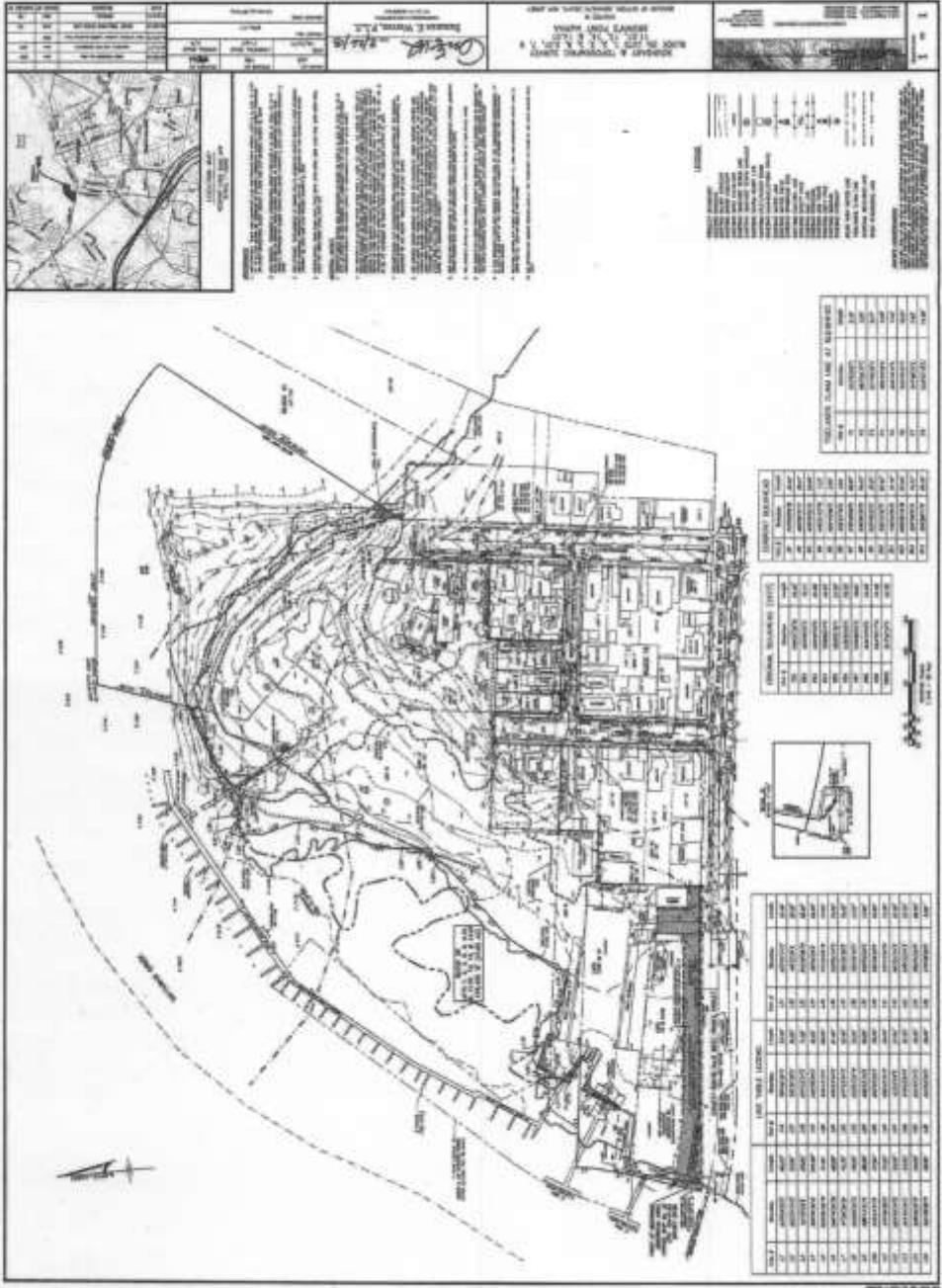


**Exhibit 5**

TO BE PROVIDED

11/11/11

# EXHIBIT 6



PROJECT: [Project Name]

DATE: [Date]

SCALE: [Scale]

DRAWN BY: [Name]

CHECKED BY: [Name]

APPROVED BY: [Name]

PREPARED BY: [Name]

DATE OF PREPARATION: [Date]

DATE OF REVISION: [Date]

THESE PLANS AND SPECIFICATIONS ARE THE PROPERTY OF THE ARCHITECT AND ARE NOT TO BE REPRODUCED OR COPIED IN ANY MANNER WITHOUT THE WRITTEN CONSENT OF THE ARCHITECT.

THE ARCHITECT ASSUMES NO LIABILITY FOR THE ACCURACY OF THE INFORMATION PROVIDED BY THE CLIENT OR FOR THE CONSTRUCTION OF THE PROJECT.

THE ARCHITECT'S OBLIGATION IS LIMITED TO THE DESIGN AND CONSTRUCTION OF THE PROJECT AS SHOWN ON THESE PLANS AND SPECIFICATIONS.

THE ARCHITECT DOES NOT GUARANTEE THE PERFORMANCE OF THE PROJECT OR THE SAFETY OF THE STRUCTURE.

THE ARCHITECT IS NOT RESPONSIBLE FOR THE CONSTRUCTION OF THE PROJECT OR FOR THE SAFETY OF THE STRUCTURE.

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THE ARCHITECT IS NOT RESPONSIBLE FOR THE CONSTRUCTION OF THE PROJECT OR FOR THE SAFETY OF THE STRUCTURE.

TABLES 1-4: LOT DATA

# EXHIBIT 7

# Deed

This Deed is made on June 13, 2013  
BETWEEN  
367 West Front Street, LLC

having its principal offices at: Brown's Point Marina, 367 West Front Street, Keyport, New Jersey  
referred to as the Grantor,  
AND

Marina's Village at Keyport, LLC

having its principal offices at: 2601 Marine Boulevard, Miami FL 33133  
referred to as the Grantee.

The words "Grantor" and "Grantee" shall mean all Grantors and all Grantees listed above.

1. **Transfer of Ownership.** The Grantor grants and conveys the Property, as defined below, to Grantee, in fee determinable. This deed was made for and in consideration of the sum of ONE DOLLAR (\$1.00), in further consideration, Grantee has executed and delivered to Grantor a promissory note, payable as specified in the note, secured by a mortgage on the property dated June 7, 2013. The receipt and sufficiency of this consideration are acknowledged by the parties.

2. **Tax Map Reference** (N.J.S.A. 46:15-1.1) Municipality of Keyport  
Block No. 28, Lot No. 5, Qualifier No. Amount Six

No property tax identification number is available on the date of this Deed. (Check Box if Applicable)

3. **Property** The Property consists of the land and all the building and structures on the land in the BOROUGH of Keyport County of Monmouth and State of New Jersey. The legal description is:

Please see attached Legal Description annexed hereto and made part hereof. (Check Box if Applicable)

Prepared by (Print signer's name below signature)

(For Recorder Use Only)

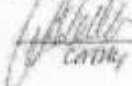
RALPH P. FERRARA, ESQ.

The street address of the Property is: **357 West Front Street, Keyport New Jersey**

**4. Promissory by Grantor.** The Grantor promises that the Grantor has done an act to encumber the Property. This promise is called a "Covenant as to grantor's acts" (N.J.S.A. 46:4-10). This promise means that the Grantor has not allowed anyone else to obtain any legal rights which affect the Property (such as by making a mortgage or allowing a judgment to be entered against the Grantor).


**5. Signatures.** The undersigned Managing Member of the Grantor warrants and represents that he or she is duly authorized under the Limited Liability Company Agreement to execute and deliver this Deed to the Grantee on behalf of the limited liability company and all of the members.

Witnessed or Attested by:

  
Cathy M. Wallace

357 West Front Street, LLC

By:

  
Clayton Perlman, Managing Member

STATE OF NEW JERSEY, COUNTY OF \_\_\_\_\_ SS:

I CERTIFY that on June \_\_\_\_\_, 2013, Clayton aka "Clay" Perlman personally came before me and stated to my satisfaction that this person:

(a) that this person is the a manager/ member of 357 West Front Street, LLC, the limited liability company named in this deed;

(b) the person signed the deed as member/manager by virtue of the authority given to by the members on his by the limited liability company;

(c) made this Deed for \$1.00, a promissory note and mortgage from buyer as the full and actual consideration paid or to be paid for the transfer of title. (Such consideration is defined in N.J.S.A. 46:15-5); and

(d) that this deed was signed and delivered by the member/manager on behalf of the limited liability company as a its voluntary act.

RECORD AND RETURN TO

RALPH F. FERRARA, Esquire  
Richardson & Patel, LLP  
100 Overlook Center  
Princeton, New Jersey 08540

RALPH F. FERRARA  
An Attorney At Law of the State of NJ

# EXHIBIT 8

**EXHIBIT "8"**

**Mariner's Village at Keyport**

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The proposed construction is four stories with a four story parking garage situated in the center of the residential units. Exterior finishes would consist of cultured stone veneer with vinyl style siding, vinyl windows, architectural shingle roof and paver and or concrete walkways and common areas. Interior finishes would include hard wood foyer, carpeting, base, window and door moldings, appliances including washer/dryer in each unit, central air and heat or similar, Jacuzzi tub options and bathroom tile.

The units will consist of:

- (2) one-bedroom units with 725 square feet
- (1) one-bedroom units with 800 square feet
- (7) one-bedroom units with 827 square feet
- (5) one-bedroom units with 850 square feet
- (11) one-bedroom units with 870 square feet
- (14) one-bedroom units with 907 square feet
- (20) two-bedroom units with 1,055 square feet
- (12) two-bedroom units with 1,120 square feet
- (7) two-bedroom units with 1,147 square feet
- (32) two-bedroom units with 1,170 square feet
- (6) two-bedroom units with 1,205 square feet
- (3) two-bedroom units with 1,250 square feet

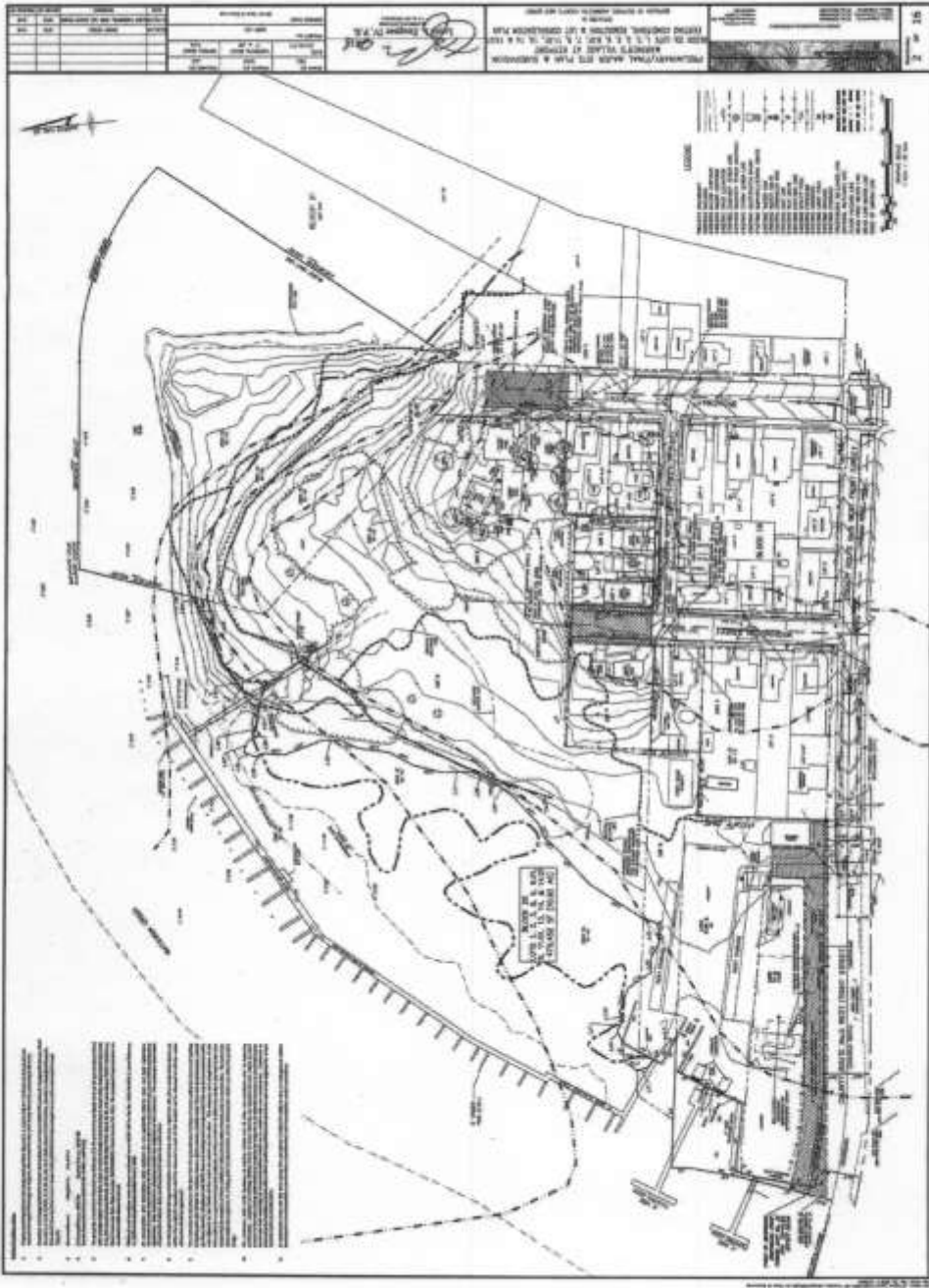
Total construction square footage is estimated at 163,600 with total rentable square footage at 125,546.

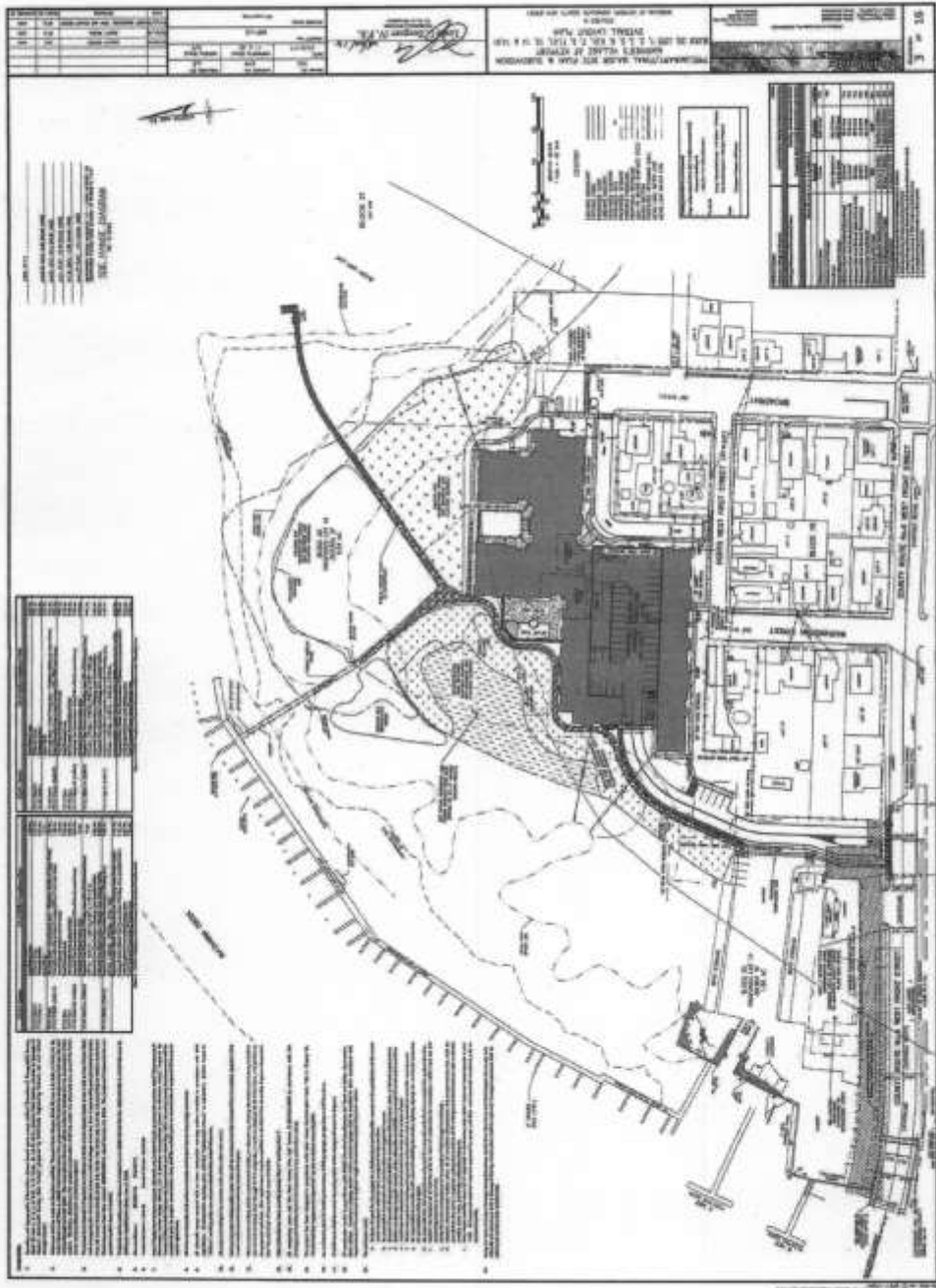
The project will not be constricted to any age or other group.

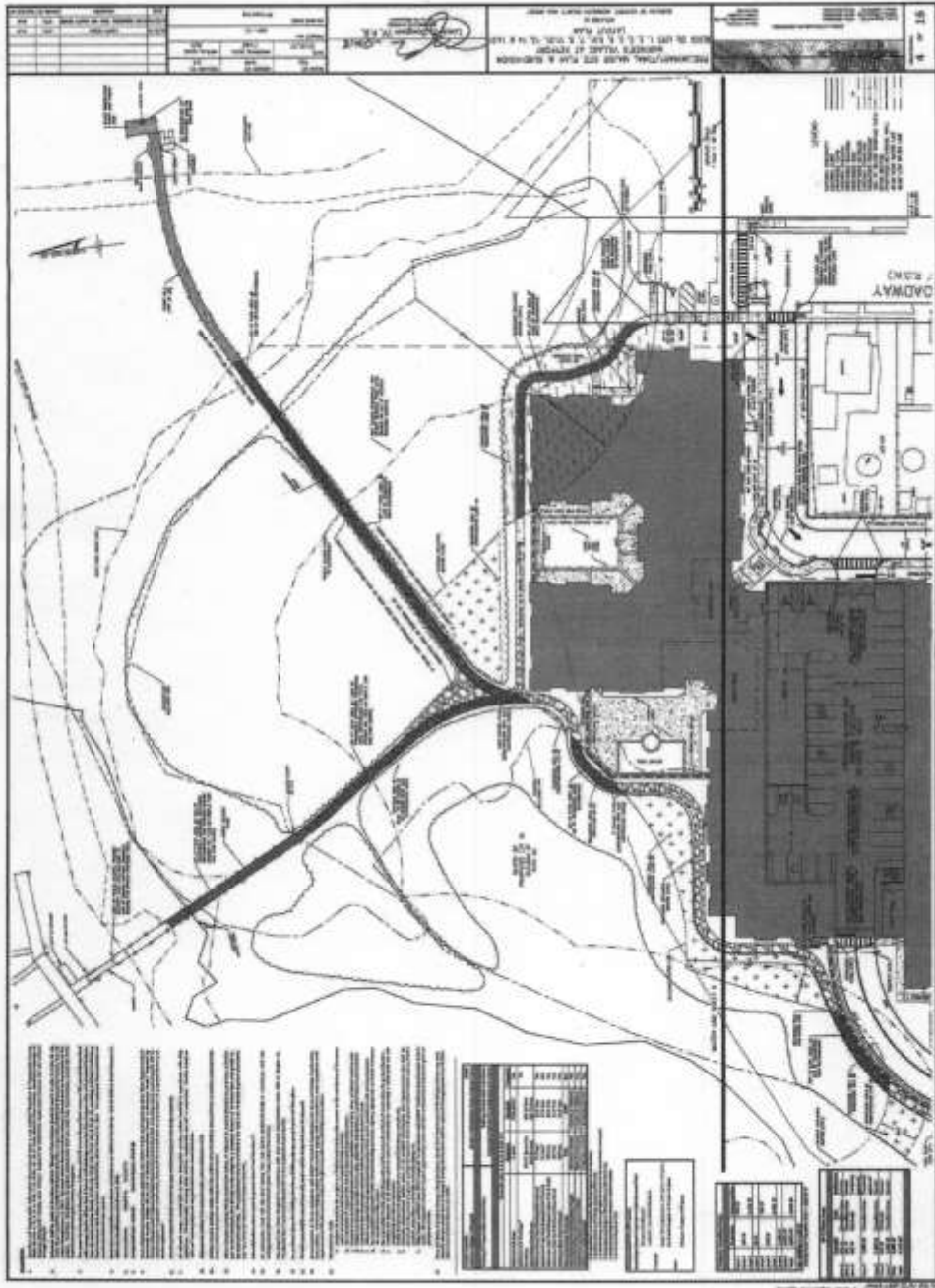


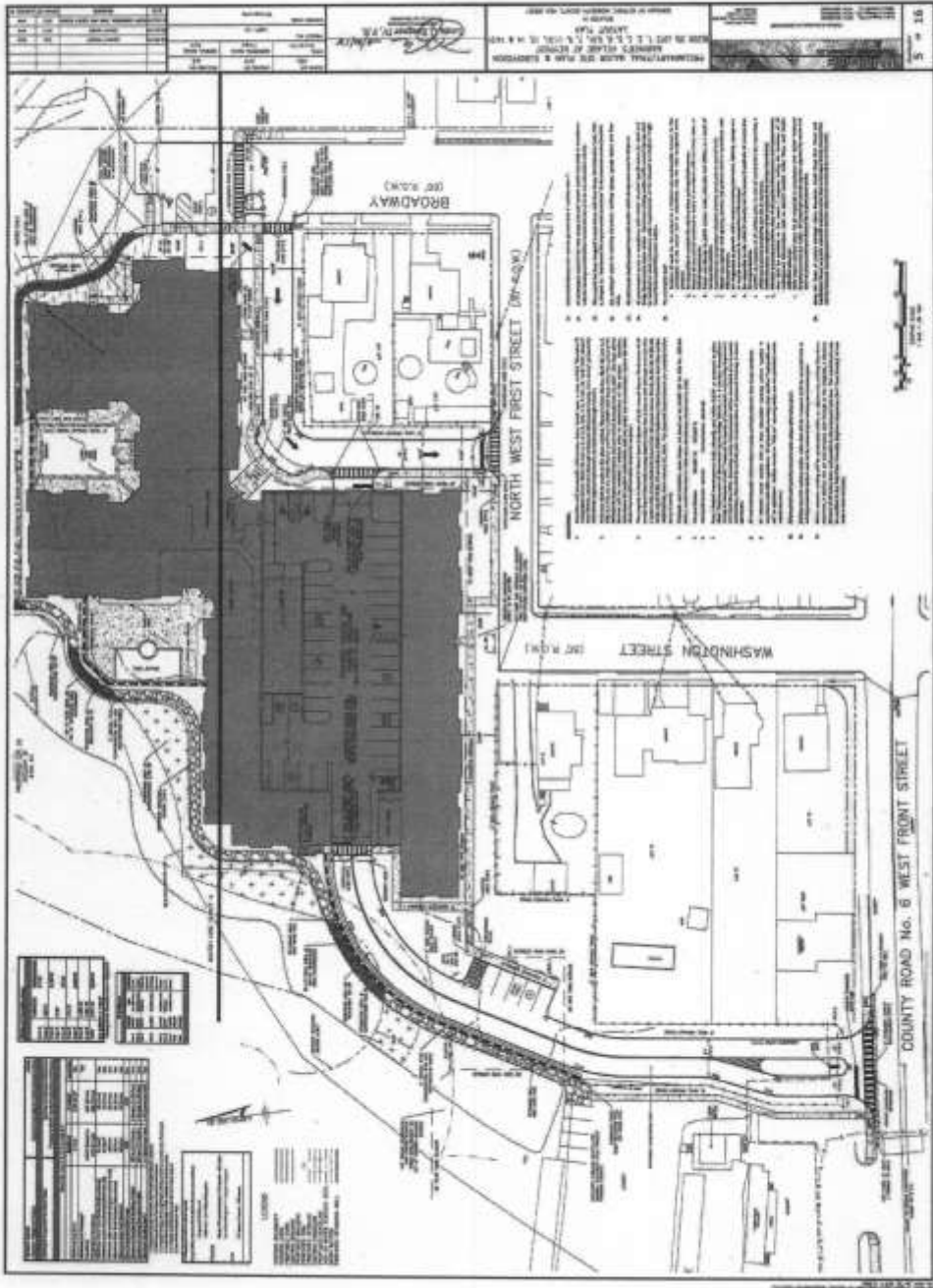
# EXHIBIT 9









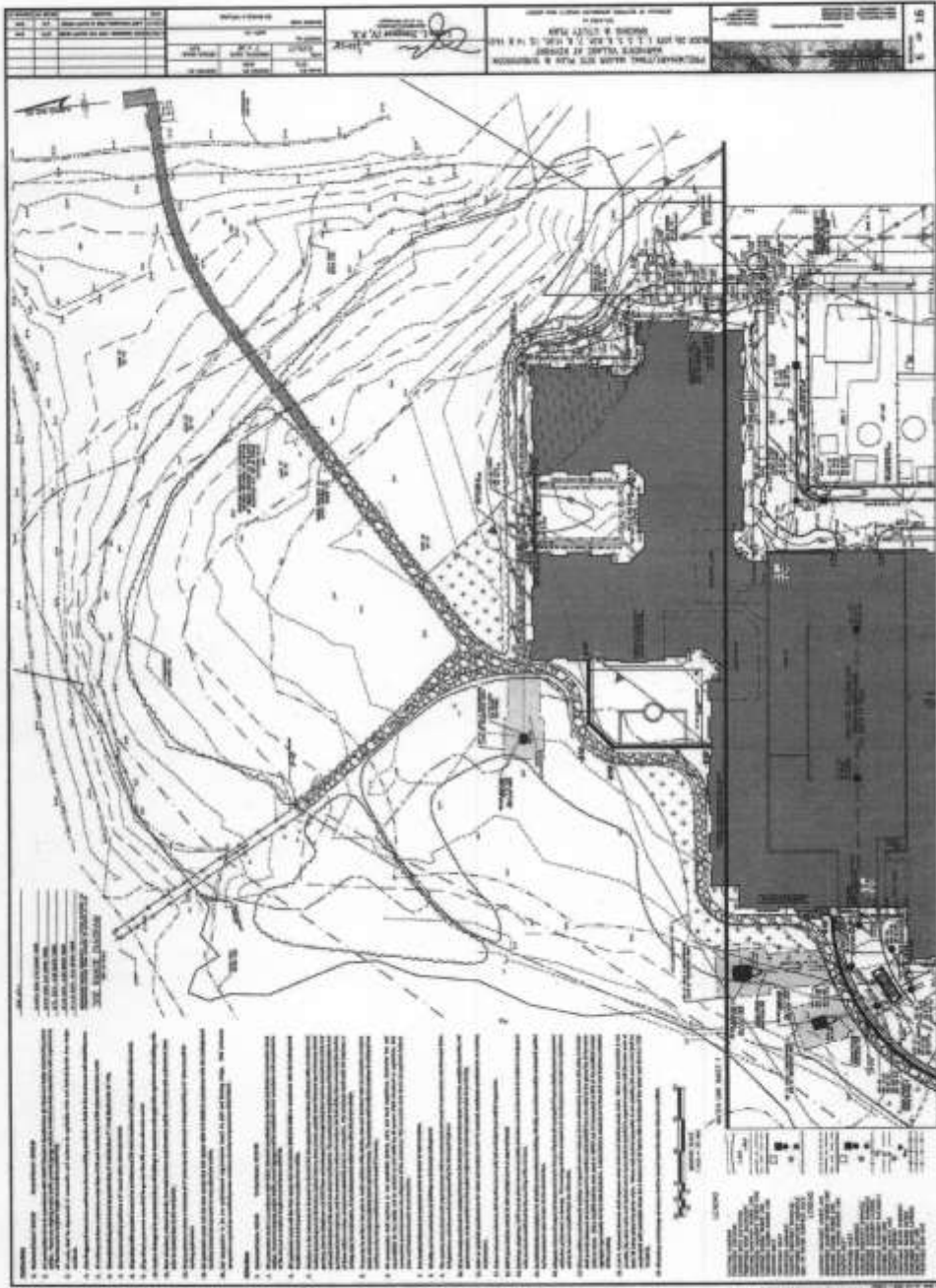


PROJECT: [Blank]		SHEET NO. 16	
DATE: [Blank]		DRAWN BY: [Blank]	
CHECKED BY: [Blank]		APPROVED BY: [Blank]	
SCALE: [Blank]		PROJECT NO.: [Blank]	

BROADWAY (TOP ROW)  
 NORTH WEST FIRST STREET (TOP ROW)  
 WASHINGTON STREET (TOP ROW)  
 COUNTY ROAD No. 6 WEST FRONT STREET

[Detailed architectural notes and specifications regarding building materials, structural requirements, and site conditions.]

NO.	DESCRIPTION	QUANTITY	UNIT
1	CONCRETE	100	CU YD
2	STEEL	50	TONS
3	BRICK	1000	1000'S
4	CEMENT	200	TONS
5	SAND	500	CU YD
6	GRAVEL	300	CU YD
7	ASPHALT	100	TONS
8	PAVING	100	TONS
9	ROOFING	100	TONS
10	MECHANICAL	100	TONS
11	ELECTRICAL	100	TONS
12	PLUMBING	100	TONS
13	PAINT	100	TONS
14	GLASS	100	TONS
15	IRON	100	TONS
16	COPPER	100	TONS
17	ZINC	100	TONS
18	ALUMINUM	100	TONS
19	STEEL	100	TONS
20	CONCRETE	100	CU YD



1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100.

# **EXHIBIT 10**



**Exhibit 10**

TO BE PROVIDED

10

**EXHIBIT 11-13**

Mariner's Village at Keyport Urban Renewal, LLC

PRO FORMA

| CONSTRUCTION LOAN / USE OF FUNDS       | PER FT.         | % / TOTAL      | PER UNIT          | TOTAL                | CONST DEBT           | CASH REQUIRED        |
|--|-----------------|----------------|-------------------|----------------------|----------------------|----------------------|
| Land (used for equity)                 | \$48.51         | 16.33%         | -\$63,445         | -\$7,613,345         | \$0                  | \$0                  |
| Land acquisition:                      | \$0.49          | 0.17%          | -\$646            | -\$77,500            | \$0                  | -\$77,500            |
| Land development                       | \$0.00          | 0.00%          | \$0               | \$0                  | \$0                  | \$0                  |
| Municipal permits and fees             | \$0.54          | 0.18%          | -\$706            | -\$84,717            | -\$55,066            | -\$29,651            |
| Offsite construction                   | \$5.11          | 1.72%          | -\$6,688          | -\$802,500           | -\$521,625           | -\$280,875           |
| Onsite construction                    | \$9.97          | 3.36%          | -\$13,034         | -\$1,564,087         | -\$1,016,657         | -\$547,431           |
| Lot construction                       | \$2.08          | 0.70%          | -\$2,717          | -\$326,040           | -\$211,926           | -\$114,114           |
| Indirect construction                  | \$17.40         | 5.86%          | -\$22,752         | -\$2,730,267         | -\$1,774,674         | -\$955,593           |
| Direct construction (incl. garage)     | \$184.97        | 62.27%         | -\$241,892        | -\$29,027,066        | -\$18,867,593        | -\$10,159,473        |
| Finance related & Insurance            | \$13.93         | 4.69%          | -\$18,220         | -\$2,186,356         | -----                | -\$2,186,356         |
| Marketing                              | \$2.42          | 0.81%          | -\$3,158          | -\$379,000           | -\$246,350           | -\$132,650           |
| Lease Up                               | \$1.21          | 0.41%          | -\$1,577          | -\$189,200           | -\$122,380           | -\$66,220            |
| General & Administrative               | \$0.70          | 0.24%          | -\$917            | -\$110,000           | -\$71,500            | -\$38,500            |
| Developer's fees                       | \$0.00          | 0.00%          | \$0               | \$0                  | \$0                  | \$0                  |
| Contractor's fees                      | \$9.74          | 3.28%          | -\$12,735         | -\$1,528,234         | -\$993,352           | -\$534,882           |
| Hard cost escalator (total for period) | \$0.00          | 0.00%          | \$0               | \$0                  | \$0                  | \$0                  |
| <b>TOTAL CONSTRUCTION EXPENSES</b>     | <b>\$257.06</b> | <b>100.00%</b> | <b>-\$388,486</b> | <b>-\$46,618,312</b> | <b>-\$23,881,722</b> | <b>-\$15,123,245</b> |
| <b>PROFIT / % / ACTUAL LTV</b>         |                 |                |                   | <b>-\$3,787,511</b>  | <b>51.23%</b>        | <b>32.44%</b>        |

UNITS

RENTAL REVENUE DETAIL

| Market Rate Units | Rentable Sq./Ft. | Bedrooms | Bathrooms | Unit Mix | Number of Units | Construction Footage | Rentable Footage | Price Per Square Foot | Rent Price | Total Monthly Rents | Total Annual Rents |
|-------------------|------------------|----------|-----------|----------|-----------------|----------------------|------------------|-----------------------|------------|---------------------|--------------------|
| Model A           | 0                | 0        | 0.0       | 0.00%    | 0               | 0                    | 0                | #DIV/0!               | \$0        | \$0                 | \$0                |
| Model B           | 0                | 0        | 0.0       | 0.00%    | 0               | 0                    | 0                | #DIV/0!               | \$0        | \$0                 | \$0                |
| Model C           | 0                | 0        | 0.0       | 0.00%    | 0               | 0                    | 0                | #DIV/0!               | \$0        | \$0                 | \$0                |

|  | 725          | 1 | 1.5 | 1.67%          | 2          | 1,813          | 1,450          | \$2.61        | \$1,892        | \$3,785          | \$45,415           |
|--|--------------|---|-----|----------------|------------|----------------|----------------|---------------|----------------|------------------|--------------------|
| A-1  |              |   |     |                |            |                |                |               |                |                  |                    |
| A-2  | 800          | 1 | 1.5 | 0.83%          | 1          | 1,000          | 800            | \$2.46        | \$1,969        | \$1,969          | \$23,622           |
| A-3  | 827          | 1 | 1.5 | 5.83%          | 7          | 7,236          | 5,789          | \$2.44        | \$2,019        | \$14,135         | \$169,621          |
| A-4  | 850          | 1 | 1.5 | 4.17%          | 5          | 5,313          | 4,250          | \$2.41        | \$2,045        | \$10,224         | \$122,682          |
| A-5  | 870          | 1 | 1.5 | 9.17%          | 11         | 11,963         | 9,570          | \$2.38        | \$2,070        | \$22,771         | \$273,253          |
| A-6  | 907          | 1 | 1.5 | 11.67%         | 14         | 15,873         | 12,698         | \$2.37        | \$2,146        | \$30,048         | \$360,578          |
| B-1  | 1,055        | 2 | 2.0 | 16.67%         | 20         | 26,375         | 21,100         | \$2.35        | \$2,477        | \$49,530         | \$594,360          |
| B-2  | 1,120        | 2 | 2.0 | 10.00%         | 12         | 16,800         | 13,440         | \$2.34        | \$2,616        | \$31,394         | \$376,733          |
| B-3  | 1,147        | 2 | 2.0 | 5.83%          | 7          | 10,036         | 8,029          | \$2.33        | \$2,667        | \$18,669         | \$224,028          |
| B-4  | 1,170        | 2 | 2.0 | 26.67%         | 32         | 46,800         | 37,440         | \$2.31        | \$2,705        | \$86,563         | \$1,038,758        |
| B-5  | 1,205        | 2 | 2.0 | 5.00%          | 6          | 9,038          | 7,230          | \$2.30        | \$2,769        | \$16,612         | \$199,339          |
| B-6  | 1,250        | 2 | 2.0 | 2.50%          | 3          | 4,688          | 3,750          | \$2.29        | \$2,858        | \$8,573          | \$102,870          |
| <b>Totals</b>                                |              |   |     | <b>100.00%</b> | <b>120</b> | <b>156,933</b> | <b>125,546</b> |               |                | <b>\$294,272</b> | <b>\$3,531,260</b> |
| <b>Average</b>                               | <b>1,046</b> |   |     |                |            | <b>1,308</b>   | <b>1,046</b>   | <b>\$2.34</b> | <b>\$2,452</b> | <b>\$2,452</b>   | <b>\$29,427</b>    |
| <b>OTHER INCOME</b>                          |              |   |     |                |            |                |                |               |                |                  |                    |
| Premium Units (MONTHLY INPUT)                |              |   |     |                | 25         | X              | \$100          | =             | \$2,500        | or               | \$30,000           |
| Premium Units (MONTHLY INPUT)                |              |   |     |                | 25         | X              | \$50           | =             | \$1,250        | or               | \$15,000           |
| Premium parking spaces (MONTHLY INPUT)       |              |   |     |                | 50         | X              | \$25           | =             | \$1,250        | or               | \$15,000           |
| Vending machines (MONTHLY INPUT)             |              |   |     |                | 10         | X              | \$100          | =             | \$1,000        | or               | \$12,000           |
| Non-refundable pet deposits (ANNUALLY INPUT) |              |   |     |                | 40         | X              | \$150          | =             | \$500          | or               | \$6,000            |
| Pet fee (MONTHLY INPUT)                      |              |   |     |                | 40         | X              | \$50           | =             | \$2,000        | or               | \$24,000           |
| Non-Refundable utility costs (MONTHLY INPUT) |              |   |     |                | 120        | X              | \$25           | =             | \$3,000        | or               | \$36,000           |
| <b>INCOME SUMMARY</b>                        |              |   |     |                |            |                |                |               |                |                  |                    |
| Market rate units                            |              |   |     |                |            |                |                |               |                | \$294,272        | \$3,531,260        |
| COAH Units                                   |              |   |     |                |            |                |                |               |                | \$0              | \$0                |
| Unit premiums                                |              |   |     |                |            |                |                |               |                | \$2,500          | \$45,000           |
| Parking premiums                             |              |   |     |                |            |                |                |               |                | \$1,250          | \$15,000           |
| Vending                                      |              |   |     |                |            |                |                |               |                | \$1,000          | \$12,000           |
| Annual non-refundable pet deposits           |              |   |     |                |            |                |                |               |                | \$500            | \$6,000            |
| Monthly pet fee                              |              |   |     |                |            |                |                |               |                | \$2,000          | \$24,000           |
| Refundable utility costs                     |              |   |     |                |            |                |                |               |                | \$3,000          | \$36,000           |
| <b>Total Gross Income</b>                    |              |   |     |                |            |                |                |               |                | <b>\$304,522</b> | <b>\$3,669,260</b> |

**LAND DETAIL**

| ITEM                                 | Per Unit         | Total Project       | % of Total     | Per Foot        |
|--------------------------------------|------------------|---------------------|----------------|-----------------|
| <i>Land</i>                          |                  |                     |                |                 |
| Land                                 | -\$63,445        | -\$7,613,345        | 100.00%        | -\$60.64        |
| Street vacations                     | \$0              |                     | 0.00%          | \$0.00          |
| Contingency                          | \$0              |                     | 0.00%          | \$0.00          |
| <i>Fixed amount per unit / total</i> | <u>\$0</u>       | <u>\$0</u>          | <u>0.00%</u>   | <u>\$0.00</u>   |
| <b>TOTAL LAND DETAIL</b>             | <b>-\$63,445</b> | <b>-\$7,613,345</b> | <b>100.00%</b> | <b>-\$60.64</b> |

**LAND ACQUISITION DETAIL**

| ITEM                                 | Per Unit      | Total Project    | % of Total     | Per Foot       |
|--------------------------------------|---------------|------------------|----------------|----------------|
| <i>Land</i>                          |               |                  |                |                |
| Appraisals                           | -\$21         | -\$2,500         | 3.23%          | -\$0.02        |
| Property taxes                       | -\$625        | -\$75,000        | 96.77%         | -\$0.48        |
| <i>Legal</i>                         |               |                  |                |                |
| Site acquisition                     | \$0           | \$0              | 0.00%          | \$0.00         |
| Development approvals due diligence  | \$0           | \$0              | 0.00%          | \$0.00         |
| PILOT due diligence                  | \$0           | \$0              | 0.00%          | \$0.00         |
| Engineering - Due diligence          | \$0           | \$0              | 0.00%          | \$0.00         |
| Architect - Due diligence            | \$0           | \$0              | 0.00%          | \$0.00         |
| <i>Closing</i>                       |               |                  |                |                |
| Excrow costs                         | \$0           | \$0              | 0.00%          | \$0.00         |
| Title company fees                   | \$0           | \$0              | 0.00%          | \$0.00         |
| Title insurance                      | \$0           | \$0              | 0.00%          | \$0.00         |
| Realty transfer fees                 | \$0           | \$0              | 0.00%          | \$0.00         |
| Real estate commissions              | \$0           | \$0              | 0.00%          | \$0.00         |
| Other seller compensation            | \$0           | \$0              | 0.00%          | \$0.00         |
| Contingency                          | \$0           | \$0              | 0.00%          | \$0.00         |
| <i>Fixed amount per unit / total</i> | <u>\$0</u>    | <u>\$0</u>       | <u>0.00%</u>   | <u>\$0.00</u>  |
| <b>TOTAL LAND ACQUISITION DETAIL</b> | <b>-\$646</b> | <b>-\$77,500</b> | <b>100.00%</b> | <b>-\$0.49</b> |

### LAND DEVELOPMENT DETAIL

| ITEM                                     | Per Unit | Total Project | % of Total | Per Foot |
|--|----------|---------------|------------|----------|
| <b>Legal</b>                             |          |               |            |          |
| Development approvals                    | \$0      | \$0           | #DIV/0!    | \$0.00   |
| Pilot                                    | \$0      | \$0           | #DIV/0!    | \$0.00   |
| <b>Studies</b>                           |          |               |            |          |
| Marketing                                | \$0      | \$0           | #DIV/0!    | \$0.00   |
| Traffic                                  | \$0      | \$0           | #DIV/0!    | \$0.00   |
| Fiscal analysis                          | \$0      | \$0           | #DIV/0!    | \$0.00   |
| <b>Architectural</b>                     |          |               |            |          |
| Concept plans                            | \$0      | \$0           | #DIV/0!    | \$0.00   |
| Renderings, color boards & presentations | \$0      | \$0           | #DIV/0!    | \$0.00   |
| Meetings                                 | \$0      | \$0           | #DIV/0!    | \$0.00   |
| <b>Engineering</b>                       |          |               |            |          |
| Development approvals                    | \$0      | \$0           | #DIV/0!    | \$0.00   |
| CAFRA                                    | \$0      | \$0           | #DIV/0!    | \$0.00   |
| Township escrows                         | \$0      | \$0           | #DIV/0!    | \$0.00   |
| Contingency                              | \$0      | \$0           | #DIV/0!    | \$0.00   |
| <i>Fixed amount per unit / total</i>     | \$0      | \$0           | #DIV/0!    | \$0.00   |
| <b>TOTAL LAND DEVELOPMENT DETAIL</b>     | \$0      | \$0           | #DIV/0!    | \$0.00   |

### GOVERNMENT, MUNICIPAL PERMITS & FEES DETAIL

| ITEM                                | Per Unit | Total Project | % of Total | Per Foot |
|-------------------------------------|----------|---------------|------------|----------|
| <b>Governmental</b>                 |          |               |            |          |
| Township escrows                    | \$0      | \$0           | 0.00%      | \$0.00   |
| DEP - CAFRA permit                  | \$0      | \$0           | 0.00%      | \$0.00   |
| DEP - Waterfront development permit | \$0      | \$0           | 0.00%      | \$0.00   |
| DEP - General permits               | \$0      | \$0           | 0.00%      | \$0.00   |
| County                              | \$0      | \$0           | 0.00%      | \$0.00   |
| FNMA                                | \$0      | \$0           | 0.00%      | \$0.00   |
| DCA                                 | \$0      | \$0           | 0.00%      | \$0.00   |
| Soil conservation                   | \$0      | \$0           | 0.00%      | \$0.00   |
| Community impact fees               | \$0      | \$0           | 0.00%      | \$0.00   |

|  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|
| School fees                                      |  |  |  |  |  |  |  |  |  |
| Park fees  |  |  |  |  |  |  |  |  |  |
| Sewer district fees                              |  |  |  |  |  |  |  |  |  |
| Water district fees                              |  |  |  |  |  |  |  |  |  |
| Light signal fees                                |  |  |  |  |  |  |  |  |  |
| Landscape district fee                           |  |  |  |  |  |  |  |  |  |
| Flood / drainage fees                            |  |  |  |  |  |  |  |  |  |
| Transportation district fees                     |  |  |  |  |  |  |  |  |  |
| Private consulting fees                          |  |  |  |  |  |  |  |  |  |
| <b>Bond Premiums</b>                             |  |  |  |  |  |  |  |  |  |
| County   |  |  |  |  |  |  |  |  |  |
| Township   |  |  |  |  |  |  |  |  |  |
| DEP  |  |  |  |  |  |  |  |  |  |
| FNMA   |  |  |  |  |  |  |  |  |  |
| Completion                                       |  |  |  |  |  |  |  |  |  |
| Contingency                                      |  |  |  |  |  |  |  |  |  |
| <b>Fixed amount per unit / total</b>             |  |  |  |  |  |  |  |  |  |
| <b>TOTAL MUNICIPAL PERMITS &amp; FEES DETAIL</b> |  |  |  |  |  |  |  |  |  |

| ITEM                        | Per Unit | Total Project | % of Total | Per Foot |
|-----------------------------|----------|---------------|------------|----------|
| <b>Engineering</b>          |          |               |            |          |
| Civil engineering / staking |          |               |            |          |
| <b>Laterals</b>             |          |               |            |          |
| Storm drain connect         |          |               |            |          |
| Sewer connect               |          |               |            |          |
| Water connect               |          |               |            |          |
| Underground utilities       |          |               |            |          |
| Electric connections        |          |               |            |          |
| <b>Site improvements</b>    |          |               |            |          |
| Curb, gutter & walks        |          |               |            |          |
| Street improvements         |          |               |            |          |
| Landscaping & walls         |          |               |            |          |
| Street lighting             |          |               |            |          |

|                                      |                 |                   |                |                |
|--------------------------------------|-----------------|-------------------|----------------|----------------|
| Concrete walks & drives              | \$0             | \$0               | 0.00%          | \$0.00         |
| Retaining walls                      | \$0             | \$0               | 0.00%          | \$0.00         |
| Contingency                          | -\$313          | -\$37,500         | 4.67%          | -\$0.24        |
| <b>Fixed amount per unit / total</b> | <b>\$0</b>      | <b>\$0</b>        | <b>0.00%</b>   | <b>\$0.00</b>  |
| <b>TOTAL OFFSITE DETAIL</b>          | <b>-\$6,688</b> | <b>-\$602,500</b> | <b>100.00%</b> | <b>-\$5.11</b> |

### ONSITE CONSTRUCTION DETAIL

| ITEM                                    | Per Unit | Total Project | % of Total | Per Foot |
|---|----------|---------------|------------|----------|
| <b>Engineering</b>                      |          |               |            |          |
| Civil engineering / Staking             | -\$108   | -\$13,000     | 0.83%      | -\$0.08  |
| <b>Clearing</b>                         |          |               |            |          |
| Mobilization                            | -\$54    | -\$6,500      | 0.42%      | -\$0.04  |
| Tracking pad                            | -\$33    | -\$3,900      | 0.25%      | -\$0.02  |
| Tree removal                            | -\$108   | -\$13,000     | 0.83%      | -\$0.08  |
| Demolition                              | -\$1,083 | -\$130,000    | 8.31%      | -\$0.83  |
| Silt fence                              | -\$22    | -\$2,600      | 0.17%      | -\$0.02  |
| Clearing & grubbing                     | -\$108   | -\$13,000     | 0.83%      | -\$0.08  |
| <b>Grading</b>                          |          |               |            |          |
| Rough grading                           | -\$217   | -\$26,000     | 1.66%      | -\$0.17  |
| Import / export fill                    | -\$1,083 | -\$130,000    | 8.31%      | -\$0.83  |
| Strip topsoil                           | -\$54    | -\$6,500      | 0.42%      | -\$0.04  |
| Import / export topsoil                 | -\$325   | -\$39,000     | 2.49%      | -\$0.25  |
| Temporary stabilization                 | \$0      | \$0           | 0.00%      | \$0.00   |
| <b>Infrastructure Improvements</b>      |          |               |            |          |
| Underground detension (MTD)             | -\$1,815 | -\$217,776    | 13.92%     | -\$1.39  |
| Drywells                                | \$0      | \$0           | 0.00%      | \$0.00   |
| Storm drain                             | -\$108   | -\$13,000     | 0.83%      | -\$0.08  |
| Water                                   | -\$108   | -\$13,000     | 0.83%      | -\$0.08  |
| Sewer                                   | -\$108   | -\$13,000     | 0.83%      | -\$0.08  |
| Underground utilities                   | -\$108   | -\$13,000     | 0.83%      | -\$0.08  |
| <b>Site Improvements</b>                |          |               |            |          |
| Above ground Detension basin / culverts | -\$271   | -\$32,500     | 2.08%      | -\$0.21  |
| Pillings                                | \$0      | \$0           | 0.00%      | \$0.00   |
| Garage                                  | \$0      | \$0           |            | \$0.00   |



|                                      |  |  |  |  |  |  |  |  |  |
|--------------------------------------|--|--|--|--|--|--|--|--|--|
| DEP restorations                     |  |  |  |  |  |  |  |  |  |
| Retaining walls                      |  |  |  |  |  |  |  |  |  |
| Curb & gutter                        |  |  |  |  |  |  |  |  |  |
| Sidewalks                            |  |  |  |  |  |  |  |  |  |
| Entry & monuments                    |  |  |  |  |  |  |  |  |  |
| Concrete walks                       |  |  |  |  |  |  |  |  |  |
| Street lighting                      |  |  |  |  |  |  |  |  |  |
| <b>Laterals</b>                      |  |  |  |  |  |  |  |  |  |
| Street opening                       |  |  |  |  |  |  |  |  |  |
| Water                                |  |  |  |  |  |  |  |  |  |
| Sewer                                |  |  |  |  |  |  |  |  |  |
| Storm drain                          |  |  |  |  |  |  |  |  |  |
| Drywell                              |  |  |  |  |  |  |  |  |  |
| <b>Roadway</b>                       |  |  |  |  |  |  |  |  |  |
| Stake out                            |  |  |  |  |  |  |  |  |  |
| Street - base course                 |  |  |  |  |  |  |  |  |  |
| Asphalt drives & preparation         |  |  |  |  |  |  |  |  |  |
| Street - Final cap                   |  |  |  |  |  |  |  |  |  |
| Driveway pavers                      |  |  |  |  |  |  |  |  |  |
| Dust control                         |  |  |  |  |  |  |  |  |  |
| <b>Landscape</b>                     |  |  |  |  |  |  |  |  |  |
| Foundation planting                  |  |  |  |  |  |  |  |  |  |
| Lawn irrigation                      |  |  |  |  |  |  |  |  |  |
| Sod                                  |  |  |  |  |  |  |  |  |  |
| Seeding                              |  |  |  |  |  |  |  |  |  |
| Landscaping                          |  |  |  |  |  |  |  |  |  |
| Final grading                        |  |  |  |  |  |  |  |  |  |
| Tree lighting                        |  |  |  |  |  |  |  |  |  |
| Contingency                          |  |  |  |  |  |  |  |  |  |
| <i>Fixed amount per unit / total</i> |  |  |  |  |  |  |  |  |  |
| <b>TOTAL ONSITE DETAIL</b>           |  |  |  |  |  |  |  |  |  |

**LOT CONSTRUCTION DETAIL**

| ITEM                                 | Per Unit | Total Project | % of Total | Per Foot |
|--------------------------------------|----------|---------------|------------|----------|
| DEP restorations                     |          |               |            |          |
| Retaining walls                      |          |               |            |          |
| Curb & gutter                        |          |               |            |          |
| Sidewalks                            |          |               |            |          |
| Entry & monuments                    |          |               |            |          |
| Concrete walks                       |          |               |            |          |
| Street lighting                      |          |               |            |          |
| <b>Laterals</b>                      |          |               |            |          |
| Street opening                       |          |               |            |          |
| Water                                |          |               |            |          |
| Sewer                                |          |               |            |          |
| Storm drain                          |          |               |            |          |
| Drywell                              |          |               |            |          |
| <b>Roadway</b>                       |          |               |            |          |
| Stake out                            |          |               |            |          |
| Street - base course                 |          |               |            |          |
| Asphalt drives & preparation         |          |               |            |          |
| Street - Final cap                   |          |               |            |          |
| Driveway pavers                      |          |               |            |          |
| Dust control                         |          |               |            |          |
| <b>Landscape</b>                     |          |               |            |          |
| Foundation planting                  |          |               |            |          |
| Lawn irrigation                      |          |               |            |          |
| Sod                                  |          |               |            |          |
| Seeding                              |          |               |            |          |
| Landscaping                          |          |               |            |          |
| Final grading                        |          |               |            |          |
| Tree lighting                        |          |               |            |          |
| Contingency                          |          |               |            |          |
| <i>Fixed amount per unit / total</i> |          |               |            |          |
| <b>TOTAL ONSITE DETAIL</b>           |          |               |            |          |

|                                |     |     |       |        |
|--------------------------------|-----|-----|-------|--------|
| <b>Engineering</b>             |     |     |       |        |
| Civil engineering / Staking    | \$0 | \$0 | 0.00% | \$0.00 |
| <b>Cleaning</b>                |     |     |       |        |
| Excavate foundation            | \$0 | \$0 | 0.00% | \$0.00 |
| Stone footing stabilization    | \$0 | \$0 | 0.00% | \$0.00 |
| Backfill & rough grade         | \$0 | \$0 | 0.00% | \$0.00 |
| Fill dirt                      | \$0 | \$0 | 0.00% | \$0.00 |
| <b>Grading</b>                 |     |     |       |        |
| Top soil import                | \$0 | \$0 | 0.00% | \$0.00 |
| Final grade                    | \$0 | \$0 | 0.00% | \$0.00 |
| Curb                           | \$0 | \$0 | 0.00% | \$0.00 |
| Driveway / apron               | \$0 | \$0 | 0.00% | \$0.00 |
| Service walks - concrete       | \$0 | \$0 | 0.00% | \$0.00 |
| Patios / pavers                | \$0 | \$0 | 0.00% | \$0.00 |
| Temporary stabilization        | \$0 | \$0 | 0.00% | \$0.00 |
| <b>Laterals</b>                |     |     |       |        |
| Mailboxes                      | \$0 | \$0 | 0.00% | \$0.00 |
| Leader drains                  | \$0 | \$0 | 0.00% | \$0.00 |
| Drywells                       | \$0 | \$0 | 0.00% | \$0.00 |
| Septic system                  | \$0 | \$0 | 0.00% | \$0.00 |
| Well                           | \$0 | \$0 | 0.00% | \$0.00 |
| Conditioning system            | \$0 | \$0 | 0.00% | \$0.00 |
| Water & sewer laterals         | \$0 | \$0 | 0.00% | \$0.00 |
| Pretile                        | \$0 | \$0 | 0.00% | \$0.00 |
| Temporary utilities / services | \$0 | \$0 | 0.00% | \$0.00 |
| Retaining walls                | \$0 | \$0 | 0.00% | \$0.00 |
| <b>Landscaping</b>             |     |     |       |        |
| Foundation planting            | \$0 | \$0 | 0.00% | \$0.00 |
| Lawn irrigation                | \$0 | \$0 | 0.00% | \$0.00 |
| Sod                            | \$0 | \$0 | 0.00% | \$0.00 |
| Seeding                        | \$0 | \$0 | 0.00% | \$0.00 |
| Landscaping                    | \$0 | \$0 | 0.00% | \$0.00 |
| Final grading                  | \$0 | \$0 | 0.00% | \$0.00 |
| Tree lighting                  | \$0 | \$0 | 0.00% | \$0.00 |
| <b>Other</b>                   |     |     |       |        |









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|--------------------------|---------------------|---------------------|-------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|---------------------|---------------------|
|                          |                     |                     |                   |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            | \$0                 | \$0                 |
|                          |                     |                     |                   |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            | \$0                 | \$0                 |
|                          |                     |                     |                   |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            | \$0                 | \$0                 |
|                          |                     |                     |                   |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            | \$0                 | \$0                 |
|                          |                     |                     |                   |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            | \$0                 | \$0                 |
|                          |                     |                     |                   |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            | \$0                 | \$0                 |
|                          |                     |                     |                   |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            | \$0                 | \$0                 |
|                          |                     |                     |                   |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            | \$0                 | \$0                 |
|                          |                     |                     |                   |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            | \$0                 | \$0                 |
| <b>Fixed Amt. / Unit</b> | <b>-\$227,485</b>   | <b>-\$234,290</b>   | <b>-\$243,039</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>-\$704,813</b>   | <b>-\$9,414,361</b> |
| <b>COST / PLAN</b>       | <b>-\$227,485</b>   | <b>-\$234,290</b>   | <b>-\$243,039</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>-\$704,813</b>   | <b>-\$9,414,361</b> |
| <b>NUMBER UNITS</b>      | <b>32</b>           | <b>6</b>            | <b>3</b>          | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>41</b>           | <b>41</b>           |
| <b>TOTAL / PLAN</b>      | <b>-\$7,279,306</b> | <b>-\$1,405,738</b> | <b>-\$729,117</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>-\$9,414,361</b> | <b>-\$9,414,361</b> |

### INDIRECT CONSTRUCTION DETAIL

| ITEM                              | Per Unit | Total Project | % of Total | Per Foot |
|-----------------------------------|----------|---------------|------------|----------|
| <i>Architectural</i>              |          |               |            |          |
| Foundation plans                  | \$0      | \$0           | 0.00%      | \$0.00   |
| Truss plans                       | \$0      | \$0           | 0.00%      | \$0.00   |
| Structural plans                  | -\$217   | -\$26,000     | 0.95%      | -\$0.17  |
| Production plans (Incl all other) | -\$4,550 | -\$546,000    | 20.00%     | -\$3.48  |
| LEED                              | \$0      | \$0           | 0.00%      | \$0.00   |
| Landscape plan                    | -\$108   | -\$13,000     | 0.48%      | -\$0.08  |
| Site visits                       | \$0      | \$0           | 0.00%      | \$0.00   |
| <i>Engineering</i>                |          |               |            |          |
| Tree plan                         | \$0      | \$0           | 0.00%      | \$0.00   |
| Plot plan                         | \$0      | \$0           | 0.00%      | \$0.00   |
| Foundation location               | \$0      | \$0           | 0.00%      | \$0.00   |
| Soils & geology                   | -\$108   | -\$13,000     | 0.48%      | -\$0.08  |
| Utility consultants               | \$0      | \$0           | 0.00%      | \$0.00   |
| Drainage plan                     | -\$271   | -\$32,500     | 1.19%      | -\$0.21  |
| Soil conservation                 | -\$54    | -\$6,500      | 0.24%      | -\$0.04  |



|   |            |          |            |            |         |         |
|---|------------|----------|------------|------------|---------|---------|
| Final survey                                | \$0        | \$0      | \$0        | \$0        | 0.00%   | \$0.00  |
| <b>Permits &amp; Fees</b>                   |            |          |            |            |         |         |
| Building permits & Fees (incl all other)    | \$0        | \$0      | \$0        | \$0        | 0.00%   | \$0.00  |
| Sewer connection fees                       | -\$210,000 | -\$2,275 | -\$273,000 | -\$273,000 | 10.00%  | -\$1.74 |
| Bayshore sewer connection fees              | -\$240,000 | -\$2,000 | -\$240,000 | -\$240,000 | 8.79%   | -\$1.53 |
| Water connection fees                       | -\$600,000 | -\$5,000 | -\$600,000 | -\$600,000 | 21.98%  | -\$3.82 |
| Sprinkler connection fees                   | \$0        | \$0      | \$0        | \$0        | 0.00%   | \$0.00  |
| Connection fees rebate                      | \$374,836  | \$3,124  | \$374,836  | \$374,836  | -13.73% | \$2.39  |
| Plan check                                  | \$0        | \$0      | \$0        | \$0        | 0.00%   | \$0.00  |
| Inspection                                  | \$0        | \$0      | \$0        | \$0        | 0.00%   | \$0.00  |
| County (road opening) permits               | \$0        | \$0      | \$0        | \$0        | 0.00%   | \$0.00  |
| Trenching permits                           | \$0        | \$0      | \$0        | \$0        | 0.00%   | \$0.00  |
| Street light permits                        | \$0        | \$0      | \$0        | \$0        | 0.00%   | \$0.00  |
| Temporary facility permits                  | \$0        | \$0      | \$0        | \$0        | 0.00%   | \$0.00  |
| <b>Temporary utilities &amp; facilities</b> |            |          |            |            |         |         |
| Field offices                               | -\$30,000  | -\$325   | -\$39,000  | -\$39,000  | 1.43%   | -\$0.25 |
| Bathrooms                                   | -\$8,000   | -\$87    | -\$10,400  | -\$10,400  | 0.38%   | -\$0.07 |
| Storage containers                          | -\$6,000   | -\$65    | -\$7,800   | -\$7,800   | 0.29%   | -\$0.05 |
| Electric / power sources                    | -\$10,000  | -\$108   | -\$13,000  | -\$13,000  | 0.48%   | -\$0.08 |
| Water & sewer                               | -\$5,000   | -\$54    | -\$6,500   | -\$6,500   | 0.24%   | -\$0.04 |
| Heating oil / gas                           | \$0        | \$0      | \$0        | \$0        | 0.00%   | \$0.00  |
| <b>Salaries</b>                             |            |          |            |            |         |         |
| Project manager                             | -\$200,000 | -\$2,167 | -\$260,000 | -\$260,000 | 9.52%   | -\$1.66 |
| Superintendent                              | -\$168,000 | -\$1,820 | -\$218,400 | -\$218,400 | 8.00%   | -\$1.39 |
| Assitant superintendent                     | -\$125,000 | -\$1,354 | -\$162,500 | -\$162,500 | 5.95%   | -\$1.04 |
| Handyman                                    | -\$75,000  | -\$813   | -\$97,500  | -\$97,500  | 3.57%   | -\$0.62 |
| General labor                               | -\$150,000 | -\$1,625 | -\$195,000 | -\$195,000 | 7.14%   | -\$1.24 |
| Administrative assistant                    | -\$75,000  | -\$813   | -\$97,500  | -\$97,500  | 3.57%   | -\$0.62 |
| Project manager -bonus                      | \$0        | \$0      | \$0        | \$0        | 0.00%   | \$0.00  |
| Superintendent - bonus                      | \$0        | \$0      | \$0        | \$0        | 0.00%   | \$0.00  |
| Assitant superintendent - bonus             | \$0        | \$0      | \$0        | \$0        | 0.00%   | \$0.00  |
| Handymn - bonus                             | \$0        | \$0      | \$0        | \$0        | 0.00%   | \$0.00  |
| General labor - bonus                       | \$0        | \$0      | \$0        | \$0        | 0.00%   | \$0.00  |
| Administrative assistant - bonus            | \$0        | \$0      | \$0        | \$0        | 0.00%   | \$0.00  |
| Payroll taxes                               | \$0        | \$0      | \$0        | \$0        | 0.00%   | \$0.00  |

|   |            |                  |                     |            |                |            |                 |
|---|------------|------------------|---------------------|------------|----------------|------------|-----------------|
| Insurance / Hospitalization               | \$0        | \$0              | \$0                 | \$0        | 0.00%          | \$0        | \$0.00          |
| Retirement plan                           | \$0        | \$0              | \$0                 | \$0        | 0.00%          | \$0        | \$0.00          |
| <b>Equipment Rental / Repairs</b>         |            |                  |                     |            |                |            |                 |
| Forklifts                                 | -\$5,000   | -\$54            | \$0                 | \$0        | 0.24%          | -\$6,500   | -\$0.04         |
| Mechanics                                 | \$0        | \$0              | \$0                 | \$0        | 0.00%          | \$0        | \$0.00          |
| Lulls                                     | \$0        | \$0              | \$0                 | \$0        | 0.00%          | \$0        | \$0.00          |
| Bobcats                                   | \$0        | \$0              | \$0                 | \$0        | 0.00%          | \$0        | \$0.00          |
| Tools                                     | \$0        | \$0              | \$0                 | \$0        | 0.00%          | \$0        | \$0.00          |
| <b>Auto Allowance</b>                     |            |                  |                     |            |                |            |                 |
| Project manager                           | \$0        | \$0              | \$0                 | \$0        | 0.00%          | \$0        | \$0.00          |
| Assistant superintendent                  | \$0        | \$0              | \$0                 | \$0        | 0.00%          | \$0        | \$0.00          |
| Handyman                                  | \$0        | \$0              | \$0                 | \$0        | 0.00%          | \$0        | \$0.00          |
| General labor                             | \$0        | \$0              | \$0                 | \$0        | 0.00%          | \$0        | \$0.00          |
| Administrative assistant                  | \$0        | \$0              | \$0                 | \$0        | 0.00%          | \$0        | \$0.00          |
| Job truck                                 | -\$10,000  | -\$108           | \$0                 | -\$13,000  | 0.48%          | -\$13,000  | -\$0.08         |
| <b>Auto maintenance / Fuel Allowances</b> |            |                  |                     |            |                |            |                 |
| Project manager                           | \$0        | \$0              | \$0                 | \$0        | 0.00%          | \$0        | \$0.00          |
| Superintendent                            | \$0        | \$0              | \$0                 | \$0        | 0.00%          | \$0        | \$0.00          |
| Assistant superintendent                  | \$0        | \$0              | \$0                 | \$0        | 0.00%          | \$0        | \$0.00          |
| Handyman                                  | \$0        | \$0              | \$0                 | \$0        | 0.00%          | \$0        | \$0.00          |
| General labor                             | \$0        | \$0              | \$0                 | \$0        | 0.00%          | \$0        | \$0.00          |
| Administrative assistant                  | \$0        | \$0              | \$0                 | \$0        | 0.00%          | \$0        | \$0.00          |
| Job truck                                 | \$0        | \$0              | \$0                 | \$0        | 0.00%          | \$0        | \$0.00          |
| <b>Other</b>                              |            |                  |                     |            |                |            |                 |
| Tools                                     | \$0        | \$0              | \$0                 | \$0        | 0.00%          | \$0        | \$0.00          |
| Cleanup                                   | -\$10,000  | -\$108           | \$0                 | -\$13,000  | 0.48%          | -\$13,000  | -\$0.08         |
| Trash removal                             | -\$13,960  | -\$151           | \$0                 | -\$18,148  | 0.66%          | -\$18,148  | -\$0.12         |
| Vandalism / Theft                         | -\$25,000  | -\$271           | \$0                 | -\$32,500  | 1.19%          | -\$32,500  | -\$0.21         |
| <b>Security</b>                           |            |                  |                     |            |                |            |                 |
| Fencing                                   | -\$10,000  | -\$108           | \$0                 | -\$13,000  | 0.48%          | -\$13,000  | -\$0.08         |
| Guard                                     | \$0        | \$0              | \$0                 | \$0        | 0.00%          | \$0        | \$0.00          |
| Contingency                               | -\$116,427 | -\$1,261         | \$0                 | -\$151,355 | 5.54%          | -\$151,355 | -\$0.96         |
| <b>Fixed amount per unit / total</b>      |            | <b>\$0</b>       | <b>\$0</b>          | <b>\$0</b> | <b>0.00%</b>   | <b>\$0</b> | <b>\$0.00</b>   |
| <b>TOTAL INDIRECT CONSTRUCTION DETAIL</b> |            | <b>-\$22,752</b> | <b>-\$2,730,267</b> |            | <b>100.00%</b> |            | <b>-\$17.40</b> |

### FINANCE RELATED & INSURANCE DETAIL

| ITEM  | Per Unit         | Total Project       | % of Total     | Per Foot        |
|---|------------------|---------------------|----------------|-----------------|
| <b>Legal fees</b>                                   |                  |                     |                |                 |
| Land loan   | \$0              | \$0                 | 0.00%          | \$0.00          |
| Construction loan                                   | -\$42            | -\$5,000            | 0.23%          | -\$0.03         |
| Permanent loan                                      | -\$42            | -\$5,000            | 0.23%          | -\$0.03         |
| Unit leases   | -\$42            | -\$5,000            | 0.23%          | -\$0.03         |
| General   | -\$42            | -\$5,000            | 0.23%          | -\$0.03         |
| <b>Loan costs</b>                                   |                  |                     |                |                 |
| Points  | -\$995           | -\$119,409          | 5.46%          | -\$0.76         |
| Interest  | -\$14,727        | -\$1,767,247        | 80.83%         | -\$11.26        |
| <b>Other finance related</b>                        |                  |                     |                |                 |
| Appraisals  | -\$83            | -\$10,000           | 0.46%          | -\$0.06         |
| Closing costs & title                               | \$0              | \$0                 | 0.00%          | \$0.00          |
| Bank closing fees                                   | \$0              | \$0                 | 0.00%          | \$0.00          |
| Bank inspection fees                                | -\$63            | -\$7,500            | 0.34%          | -\$0.05         |
| HUD Related Fees                                    | \$0              | \$0                 | 0.00%          | \$0.00          |
| <b>Insurance</b>                                    |                  |                     |                |                 |
| Builder's risk                                      | \$0              | \$0                 | 0.00%          | \$0.00          |
| General liability                                   | -\$1,458         | -\$175,000          | 8.00%          | -\$1.12         |
| Environmental                                       | \$0              | \$0                 | 0.00%          | \$0.00          |
| Title policy  | \$0              | \$0                 | 0.00%          | \$0.00          |
| Contingency   | -\$727           | -\$87,200           | 3.99%          | -\$0.56         |
| <i>Fixed amount per unit / total</i>                | \$0              | \$0                 | 0.00%          | \$0.00          |
| <b>TOTAL FINANCE RELATED &amp; INSURANCE DETAIL</b> | <b>-\$18,220</b> | <b>-\$2,186,356</b> | <b>100.00%</b> | <b>-\$13.93</b> |

### MARKETING DETAIL

| ITEM                 | Per Unit | Total Project | % of Total | Per Foot |
|----------------------|----------|---------------|------------|----------|
| <b>Advertising</b>   |          |               |            |          |
| Advertising manager  | \$0      | \$0           | 0.00%      | \$0.00   |
| Advertising campaign | \$0      | \$0           | 0.00%      | \$0.00   |
| Monthly production   | -\$42    | -\$5,000      | 1.32%      | -\$0.03  |

|                                      |                 |                   |               |                |
|--------------------------------------|-----------------|-------------------|---------------|----------------|
| Advertising print                    | -\$125          | -\$15,000         | 3.96%         | -\$0.10        |
| Outdoor                              | \$0             | \$0               | 0.00%         | \$0.00         |
| Radio                                | -\$42           | -\$5,000          | 1.32%         | -\$0.03        |
| Internet / social media              | -\$333          | -\$40,000         | 10.55%        | -\$0.25        |
| Direct mail                          | \$0             | \$0               | 0.00%         | \$0.00         |
| <b>Advertising - other</b>           |                 |                   |               |                |
| Web site setup & monthly             | -\$83           | -\$10,000         | 2.64%         | -\$0.06        |
| Welcome gifts                        | \$0             | \$0               | 0.00%         | \$0.00         |
| Market research / studies            | -\$42           | -\$5,000          | 1.32%         | -\$0.03        |
| Grand opening costs                  | \$0             | \$0               | 0.00%         | \$0.00         |
| Press party                          | \$0             | \$0               | 0.00%         | \$0.00         |
| Neighborhood party                   | \$0             | \$0               | 0.00%         | \$0.00         |
| Telemarketing                        | \$0             | \$0               | 0.00%         | \$0.00         |
| Photography                          | -\$42           | -\$5,000          | 1.32%         | -\$0.03        |
| Public relations                     | -\$17           | -\$2,000          | 0.53%         | -\$0.01        |
| NIHBA fees                           | -\$33           | -\$4,000          | 1.06%         | -\$0.03        |
| SAM Awards                           | \$0             | \$0               | 0.00%         | \$0.00         |
| Brochures                            | -\$67           | -\$8,000          | 2.11%         | -\$0.05        |
| Signage                              | -\$83           | -\$10,000         | 2.64%         | -\$0.06        |
| Residential warranty                 | \$0             | \$0               | 0.00%         | \$0.00         |
| Educational expenses                 | \$0             | \$0               | 0.00%         | \$0.00         |
| <b>HOA</b>                           |                 |                   |               |                |
| Electric car purchases               | -\$1,250        | -\$150,000        | 39.58%        | -\$0.96        |
| Electric car facility & misc.        | -\$292          | -\$35,000         | 9.23%         | -\$0.22        |
| Gym - hard construction & decorating | \$0             | \$0               | 0.00%         | \$0.00         |
| Gym - equipment                      | -\$500          | -\$60,000         | 15.83%        | -\$0.38        |
| Contingency                          | -\$208          | -\$25,000         | 1.14%         | -\$0.16        |
| Fixed amount per unit                | \$0             | \$0               | 0.00%         | \$0.00         |
| <b>TOTAL MARKETING DETAIL</b>        | <b>-\$3,158</b> | <b>-\$379,000</b> | <b>94.55%</b> | <b>-\$2.42</b> |

| <b>LEASE UP DETAIL</b>          |          |               |            |          |
|---------------------------------|----------|---------------|------------|----------|
| ITEM                            | Per Unit | Total Project | % of Total | Per Foot |
| Leasing consultants / employees | -\$250   | -\$30,000     | 15.86%     | -\$0.19  |
| Lease manager                   |          |               |            |          |

|   |        |           |       |         |
|---|--------|-----------|-------|---------|
| Lease representatives                         | \$0    | \$0       | 0.00% | \$0.00  |
| Receptionist                                  | -\$108 | -\$13,000 | 6.87% | -\$0.08 |
| Weekend model hostess                         | -\$108 | -\$13,000 | 6.87% | -\$0.08 |
| Payroll taxes                                 | \$0    | \$0       | 0.00% | \$0.00  |
| Insurance / hospitalization                   | \$0    | \$0       | 0.00% | \$0.00  |
| Retirement                                    | \$0    | \$0       | 0.00% | \$0.00  |
| Commissions - Lease manager                   | \$0    | \$0       | 0.00% | \$0.00  |
| Commissions - incentive program               | \$0    | \$0       | 0.00% | \$0.00  |
| Uniforms                                      | \$0    | \$0       | 0.00% | \$0.00  |
| <b>Temporary Leasing office &amp; setup</b>   |        |           |       |         |
| Leasing trailer mobilization / demobilization | -\$17  | -\$2,000  | 1.06% | -\$0.01 |
| Trailer rental                                | -\$33  | -\$4,000  | 2.11% | -\$0.03 |
| Temporary toilets                             | -\$4   | -\$500    | 0.26% | \$0.00  |
| Temporary telephone & installation            | -\$8   | -\$1,000  | 0.53% | -\$0.01 |
| Temporary Utilities & installation            | -\$8   | -\$1,000  | 0.53% | -\$0.01 |
| Temporary water & installation                | \$0    | \$0       | 0.00% | \$0.00  |
| Drinking water / refrig. / coffee             | -\$4   | -\$500    | 0.26% | \$0.00  |
| Office cleaning                               | -\$8   | -\$1,000  | 0.53% | -\$0.01 |
| Office equipment / computers                  | -\$42  | -\$5,000  | 2.64% | -\$0.03 |
| Office supplies                               | -\$4   | -\$500    | 0.26% | \$0.00  |
| Office maintenance                            | -\$8   | -\$1,000  | 0.53% | -\$0.01 |
| <b>Temporary Leasing office renovations</b>   |        |           |       |         |
| Direct construction                           | -\$25  | -\$3,000  | 1.59% | -\$0.02 |
| Furniture                                     | -\$25  | -\$3,000  | 1.59% | -\$0.02 |
| Fixtures                                      | \$0    | \$0       | 0.00% | \$0.00  |
| <b>Permanent Leasing office &amp; setup</b>   |        |           |       |         |
| Telephone & installation                      | -\$4   | -\$500    | 0.26% | \$0.00  |
| Utilities & installation                      | \$0    | \$0       | 0.00% | \$0.00  |
| Office equipment / computers                  | \$0    | \$0       | 0.00% | \$0.00  |
| Office supplies                               | \$0    | \$0       | 0.00% | \$0.00  |
| Office maintenance                            | \$0    | \$0       | 0.00% | \$0.00  |
| <b>Permanent Leasing office renovations</b>   |        |           |       |         |
| Direct construction                           | -\$83  | -\$10,000 | 5.29% | -\$0.06 |
| Furniture                                     | -\$42  | -\$5,000  | 2.64% | -\$0.03 |
| Fixtures                                      | -\$8   | -\$1,000  | 0.53% | -\$0.01 |

| <b>Lease - other</b>                   |                 |               |  |                |
|--|-----------------|---------------|--|----------------|
| Display / graphics                     | -\$2,500        | 1.32%         |  | -\$0.02        |
| Special lighting                       | -\$1,000        | 0.53%         |  | -\$0.01        |
| Sound system / alarm                   | -\$3,000        | 1.59%         |  | -\$0.02        |
| Color / options selection room         | \$0             | 0.00%         |  | \$0.00         |
| Signs / flags                          | -\$500          | 0.26%         |  | \$0.00         |
| canopy / deck                          | -\$1,000        | 0.53%         |  | -\$0.01        |
| Trap fencing / parking / other fencing | -\$1,000        | 0.53%         |  | -\$0.01        |
| Sidewalks - pavers                     | \$0             | 0.00%         |  | \$0.00         |
| Sprinklers / landscaping               | \$0             | 0.00%         |  | \$0.00         |
| Special decorating / blinds / drapes   | \$0             | 0.00%         |  | \$0.00         |
| <b>Models</b>                          | -\$3,000        | 1.59%         |  | -\$0.02        |
| Hard construction renovations          | -\$417          | 26.43%        |  | -\$0.32        |
| Furniture, fixtures & effects          | -\$125          | 7.93%         |  | -\$0.10        |
| Utility costs                          | \$0             | 0.00%         |  | \$0.00         |
| Maintenance                            | \$0             | 0.00%         |  | \$0.00         |
| Cleaning                               | \$0             | 0.00%         |  | \$0.00         |
| Contingency                            | -\$143          | 0.79%         |  | -\$0.11        |
| Fixed amount per unit                  | \$0             | 0.00%         |  | \$0.00         |
| <b>TOTAL LEASE UP DETAIL</b>           | <b>-\$1,577</b> | <b>91.70%</b> |  | <b>-\$1.21</b> |

| <b>GENERAL &amp; ADMINISTRATIVE DETAIL</b> |          |               |            |          |
|--|----------|---------------|------------|----------|
| ITEM                                       | Per Unit | Total Project | % of Total | Per Foot |
| <b>Equipment</b>                           |          |               |            |          |
| Copier                                     | \$0      | \$0           | 0.00%      | \$0.00   |
| Fax machine                                | \$0      | \$0           | 0.00%      | \$0.00   |
| Computers                                  | \$0      | \$0           | 0.00%      | \$0.00   |
| Telephones                                 | \$0      | \$0           | 0.00%      | \$0.00   |
| Miscellaneous                              | \$0      | \$0           | 0.00%      | \$0.00   |
| <b>Operations</b>                          |          |               |            |          |
| Secretary                                  | \$0      | \$0           | 0.00%      | \$0.00   |
| Office cleaning                            | \$0      | \$0           | 0.00%      | \$0.00   |
| Postage / Freight / Courier                | \$0      | \$0           | 0.00%      | \$0.00   |
| Office supplies                            | \$0      | \$0           | 0.00%      | \$0.00   |

|  |        |            |         |         |
|--|--------|------------|---------|---------|
| Printing   | \$0    | \$0        | 0.00%   | \$0.00  |
| Help wanted ads                                  | \$0    | \$0        | 0.00%   | \$0.00  |
| Entertainment / Meals                            | \$0    | \$0        | 0.00%   | \$0.00  |
| <b>Corporate</b>                                 |        |            |         |         |
| Corporate taxes                                  | \$0    | \$0        | 0.00%   | \$0.00  |
| Accounting                                       | \$0    | \$0        | 0.00%   | \$0.00  |
| Contingency                                      | -\$833 | -\$10,000  | 9.09%   | -\$0.06 |
| <b>Fixed amount per unit</b>                     | -\$833 | -\$100,000 | 90.91%  | -\$0.64 |
| <b>TOTAL GENERAL &amp; ADMINISTRATIVE DETAIL</b> | -\$917 | -\$110,000 | 100.00% | -\$0.70 |

**DEVELOPER & CONTRACTOR FEES DETAIL**

| Item  | Per Unit     | Total Project | % of Total | Per Foot |
|---|--------------|---------------|------------|----------|
| Developer's Fee                                     | \$0          | \$0           | 0.00%      | \$0.00   |
| Contractor's fee                                    | -\$1,491,648 | -\$1,528,234  | 97.61%     | -\$9.51  |
| Loan Guarantee Fee                                  | \$0          | \$0           | 0.00%      | \$0.00   |
| Contingency   | \$0          | \$0           | 0.00%      | \$0.00   |
| <b>Fixed amount per unit</b>                        | -\$12,735    | -\$1,528,234  | 97.61%     | -\$0.00  |
| <b>TOTAL DEVELOPER &amp; CONTRACTOR FEES DETAIL</b> | -\$12,735    | -\$1,528,234  | 97.61%     | -\$0.00  |

| INCOME / YEAR                 | 1                  | 2                  | 3                  | 4                  | 5                  | 6                  |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Occupancy                     | 90.00%             | 95.00%             | 95.00%             | 95.00%             | 95.00%             | 95.00%             |
| Market Rate Rents             | \$3,531,260        | \$3,601,886        | \$3,673,923        | \$3,747,402        | \$3,822,350        | \$3,898,797        |
| Rent premiums                 | \$45,000           | \$45,900           | \$46,818           | \$47,754           | \$48,709           | \$49,684           |
| Parking premiums              | \$15,000           | \$15,300           | \$15,606           | \$15,918           | \$16,236           | \$16,561           |
| Other income                  | \$78,000           | \$79,560           | \$81,151           | \$82,774           | \$84,430           | \$86,118           |
| <b>SUB-TOTAL GROSS INCOME</b> | <b>\$3,669,260</b> | <b>\$3,742,646</b> | <b>\$3,817,499</b> | <b>\$3,893,848</b> | <b>\$3,971,725</b> | <b>\$4,051,160</b> |
| Vacancy                       | -\$1,834,630       | -\$187,132         | -\$190,875         | -\$194,692         | -\$198,586         | -\$202,558         |
| <b>GROSS INCOME</b>           | <b>\$1,834,630</b> | <b>\$3,555,513</b> | <b>\$3,626,624</b> | <b>\$3,699,156</b> | <b>\$3,773,139</b> | <b>\$3,848,602</b> |

| EXPENSES                                    | 1                   | 2                   | 3                   | 4                   | 5                   | 6                   |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Administrative / Management                 | -\$44,250           | -\$90,270           | -\$92,075           | -\$93,917           | -\$95,795           | -\$97,711           |
| Office expense                              | -\$4,720            | -\$9,629            | -\$9,821            | -\$10,018           | -\$10,218           | -\$10,423           |
| Advertising / Promotion                     | -\$17,700           | -\$36,108           | -\$36,830           | -\$37,567           | -\$38,318           | -\$39,084           |
| Insurance (Sprinkled)                       | -\$24,709           | -\$50,407           | -\$51,415           | -\$52,444           | -\$53,493           | -\$54,562           |
| Parking permits                             | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Maintenance contracted                      | -\$2,950            | -\$6,018            | -\$6,138            | -\$6,261            | -\$6,386            | -\$6,514            |
| Maintenance                                 | -\$29,500           | -\$60,180           | -\$61,384           | -\$62,611           | -\$63,863           | -\$65,141           |
| Superintendent                              | -\$29,500           | -\$60,180           | -\$61,384           | -\$62,611           | -\$63,863           | -\$65,141           |
| Assistant super / Handyman                  | -\$17,700           | -\$36,108           | -\$36,830           | -\$37,567           | -\$38,318           | -\$39,084           |
| Leasing agent                               | -\$23,600           | -\$48,144           | -\$49,107           | -\$50,089           | -\$51,091           | -\$52,113           |
| Payroll taxes                               | -\$17,700           | -\$36,108           | -\$36,830           | -\$37,567           | -\$38,318           | -\$39,084           |
| Turn over / Make ready                      | -\$11,800           | -\$24,072           | -\$24,553           | -\$25,045           | -\$25,545           | -\$26,056           |
| Recycle / garbage removal                   | -\$11,800           | -\$24,072           | -\$24,553           | -\$25,045           | -\$25,545           | -\$26,056           |
| PILOT / Taxes                               | -\$189,884          | -\$367,996          | -\$375,356          | -\$382,863          | -\$390,520          | -\$423,346          |
| Reserves                                    | -\$29,500           | -\$60,180           | -\$61,384           | -\$62,611           | -\$63,863           | -\$65,141           |
| Utilities                                   | -\$107,073          | -\$218,430          | -\$222,798          | -\$227,254          | -\$231,799          | -\$236,435          |
| Audit & Legal                               | -\$5,900            | -\$12,036           | -\$12,277           | -\$12,522           | -\$12,773           | -\$13,028           |
| Electric car maintenance / power            | -\$590              | -\$1,204            | -\$1,228            | -\$1,252            | -\$1,277            | -\$1,303            |
| Amortisation of total project costs per LTE | -\$997,549          | -\$997,549          | -\$997,549          | -\$997,549          | -\$997,549          | -\$997,549          |
| <b>TOTAL EXPENSES</b>                       | <b>-\$1,566,426</b> | <b>-\$2,138,690</b> | <b>-\$2,161,513</b> | <b>-\$2,184,792</b> | <b>-\$2,208,537</b> | <b>-\$2,257,773</b> |
| <b>NOI</b>                                  | <b>\$268,205</b>    | <b>\$1,416,823</b>  | <b>\$1,465,111</b>  | <b>\$1,514,364</b>  | <b>\$1,564,602</b>  | <b>\$1,590,829</b>  |
| Expense / Income Ratio                      | 85.38%              | 60.15%              | 59.60%              | 59.06%              | 58.53%              | 58.66%              |
| PILOT vs Tax ratio                          | -----               | 55.73%              | 56.00%              | 56.28%              | 56.55%              | 60.40%              |

| LEVERAGE PAYMENTS              | 1                   | 2                   | 3                   | 4                   | 5                   | 6                   |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Primary Construction Interest  | -\$955,269          | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Primary Permanent Mortgage     | -\$1,225,681        | -\$2,451,363        | -\$2,451,363        | -\$2,451,363        | -\$2,451,363        | -\$2,451,363        |
| <b>TOTAL MORTGAGE PAYMENTS</b> | <b>-\$2,180,950</b> | <b>-\$2,451,363</b> | <b>-\$2,451,363</b> | <b>-\$2,451,363</b> | <b>-\$2,451,363</b> | <b>-\$2,451,363</b> |
| <b>LTE CASH FLOW</b>           | <b>-\$1,912,746</b> | <b>-\$1,034,539</b> | <b>-\$986,252</b>   | <b>-\$936,999</b>   | <b>-\$886,760</b>   | <b>-\$860,533</b>   |

| SUMMARY              | 1            | 2            | 3            | 4            | 5            | 6            |
|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| AD VALOREM RE TAXES  | -\$330,180   | -\$660,360   | -\$670,265   | -\$680,319   | -\$690,524   | -\$700,882   |
| PILOT STAGE %        | 10.35%       | 10.35%       | 10.35%       | 10.35%       | 10.35%       | 11.00%       |
| PILOT TAXES          | -\$183,998   | -\$367,996   | -\$375,356   | -\$382,863   | -\$390,520   | -\$423,346   |
| Capital Invested     | \$22,736,590 | \$18,778,291 | \$18,778,291 | \$18,778,291 | \$18,778,291 | \$18,778,291 |
| R.O.E. Without PILOT | -5.31%       | -3.37%       | -3.18%       | -2.98%       | -2.78%       | -2.57%       |
| R.O.E. With PILOT    | -4.03%       | -0.20%       | 0.06%        | 0.32%        | 0.59%        | 0.73%        |



| INCOME / YEAR                                | 7                   | 8                   | 9                   | 10                  | 11                  | 12                  |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Occupancy                                    | 95.00%              | 95.00%              | 95.00%              | 95.00%              | 95.00%              | 95.00%              |
| Market Rate Rents                            | \$3,976,773         | \$4,056,308         | \$4,137,434         | \$4,220,183         | \$4,304,587         | \$4,390,678         |
| Rent premiums                                | \$50,677            | \$51,691            | \$52,725            | \$53,779            | \$54,855            | \$55,952            |
| Parking premiums                             | \$16,892            | \$17,230            | \$17,575            | \$17,926            | \$18,285            | \$18,651            |
| Other income                                 | \$87,841            | \$89,597            | \$91,389            | \$93,217            | \$95,082            | \$96,983            |
| <b>SUB-TOTAL GROSS INCOME</b>                | <b>\$4,132,183</b>  | <b>\$4,214,827</b>  | <b>\$4,299,123</b>  | <b>\$4,385,106</b>  | <b>\$4,472,808</b>  | <b>\$4,562,264</b>  |
| Vacancy                                      | -\$206,609          | -\$210,741          | -\$214,956          | -\$219,255          | -\$223,640          | -\$228,113          |
| <b>GROSS INCOME</b>                          | <b>\$3,925,574</b>  | <b>\$4,004,085</b>  | <b>\$4,084,167</b>  | <b>\$4,165,851</b>  | <b>\$4,249,168</b>  | <b>\$4,334,151</b>  |
| EXPENSES                                     | 7                   | 8                   | 9                   | 10                  | 11                  | 12                  |
| Administrative / Management                  | -\$99,665           | -\$101,659          | -\$103,692          | -\$105,766          | -\$107,881          | -\$110,039          |
| Office expense                               | -\$10,631           | -\$10,844           | -\$11,060           | -\$11,282           | -\$11,507           | -\$11,737           |
| Advertising / Promotion                      | -\$39,866           | -\$40,663           | -\$41,477           | -\$42,306           | -\$43,152           | -\$44,015           |
| Insurance (Sprinkled)                        | -\$55,654           | -\$56,767           | -\$57,902           | -\$59,060           | -\$60,241           | -\$61,446           |
| Parking permits                              | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Maintenance contracted                       | -\$6,644            | -\$6,777            | -\$6,913            | -\$7,051            | -\$7,192            | -\$7,336            |
| Maintenance                                  | -\$66,444           | -\$67,772           | -\$69,128           | -\$70,510           | -\$71,921           | -\$73,359           |
| Superintendent                               | -\$66,444           | -\$67,772           | -\$69,128           | -\$70,510           | -\$71,921           | -\$73,359           |
| Assistant super / Handyman                   | -\$39,866           | -\$40,663           | -\$41,477           | -\$42,306           | -\$43,152           | -\$44,015           |
| Leasing agent                                | -\$53,155           | -\$54,218           | -\$55,302           | -\$56,408           | -\$57,537           | -\$58,687           |
| Payroll taxes                                | -\$39,866           | -\$40,663           | -\$41,477           | -\$42,306           | -\$43,152           | -\$44,015           |
| Turn over / Make ready                       | -\$26,577           | -\$27,109           | -\$27,651           | -\$28,204           | -\$28,768           | -\$29,344           |
| Recycle / garbage removal                    | -\$26,577           | -\$27,109           | -\$27,651           | -\$28,204           | -\$28,768           | -\$29,344           |
| PILOT / Taxes                                | -\$431,813          | -\$440,449          | -\$449,258          | -\$458,244          | -\$509,900          | -\$520,098          |
| Reserves                                     | -\$66,444           | -\$67,772           | -\$69,128           | -\$70,510           | -\$71,921           | -\$73,359           |
| Utilities                                    | -\$241,164          | -\$245,987          | -\$250,907          | -\$255,925          | -\$261,044          | -\$266,265          |
| Audit & Legal                                | -\$13,289           | -\$13,554           | -\$13,826           | -\$14,102           | -\$14,384           | -\$14,672           |
| Electric car maintenance / power             | -\$1,329            | -\$1,355            | -\$1,383            | -\$1,410            | -\$1,438            | -\$1,467            |
| Amortisation of total project costs per LTTE | -\$997,549          | -\$997,549          | -\$997,549          | -\$997,549          | -\$997,549          | -\$997,549          |
| <b>TOTAL EXPENSES</b>                        | <b>-\$2,282,977</b> | <b>-\$2,308,686</b> | <b>-\$2,334,908</b> | <b>-\$2,361,656</b> | <b>-\$2,431,429</b> | <b>-\$2,460,107</b> |
| <b>NOI</b>                                   | <b>\$1,642,597</b>  | <b>\$1,695,400</b>  | <b>\$1,749,259</b>  | <b>\$1,804,195</b>  | <b>\$1,817,738</b>  | <b>\$1,874,044</b>  |
| Expense / Income Ratio                       | 58.16%              | 57.66%              | 57.17%              | 56.69%              | 57.22%              | 56.76%              |
| PILOT vs Tax ratio                           | 60.70%              | 61.00%              | 61.30%              | 61.60%              | 67.53%              | 67.86%              |
| LEVERAGE PAYMENTS                            | 7                   | 8                   | 9                   | 10                  | 11                  | 12                  |
| Primary Construction Interest                | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Primary Permanent Mortgage                   | -\$2,451,363        | -\$2,451,363        | -\$2,451,363        | -\$2,451,363        | -\$2,451,363        | -\$2,451,363        |
| <b>TOTAL MORTGAGE PAYMENTS</b>               | <b>-\$2,451,363</b> | <b>-\$2,451,363</b> | <b>-\$2,451,363</b> | <b>-\$2,451,363</b> | <b>-\$2,451,363</b> | <b>-\$2,451,363</b> |
| <b>LTE CASH FLOW</b>                         | <b>-\$808,766</b>   | <b>-\$755,963</b>   | <b>-\$702,104</b>   | <b>-\$647,168</b>   | <b>-\$633,624</b>   | <b>-\$577,319</b>   |
| SUMMARY                                      | 7                   | 8                   | 9                   | 10                  | 11                  | 12                  |
| AD VALOREM RE TAXES                          | -\$711,395          | -\$722,066          | -\$732,897          | -\$743,891          | -\$755,049          | -\$766,375          |
| PILOT STAGE %                                | 11.00%              | 11.00%              | 11.00%              | 11.00%              | 12.00%              | 12.00%              |
| PILOT TAXES                                  | -\$431,813          | -\$440,449          | -\$449,258          | -\$458,244          | -\$509,900          | -\$520,098          |
| Capital Invested                             | \$18,778,291        | \$18,778,291        | \$18,778,291        | \$18,778,291        | \$18,778,291        | \$18,778,291        |
| R.O.E. Without PILOT                         | -2.36%              | -2.15%              | -1.93%              | -1.71%              | -1.48%              | -1.25%              |
| R.O.E. With PILOT                            | 1.01%               | 1.29%               | 1.57%               | 1.87%               | 1.94%               | 2.24%               |

| INCOME / YEAR                                | 13                  | 14                  | 15                  | 16                  | 17                  | 18                  |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Occupancy                                    | 95.00%              | 95.00%              | 95.00%              | 95.00%              | 95.00%              | 95.00%              |
| Market Rate Rents                            | \$4,478,492         | \$4,568,062         | \$4,659,423         | \$4,752,612         | \$4,847,664         | \$4,944,617         |
| Rent premiums                                | \$57,071            | \$58,212            | \$59,377            | \$60,564            | \$61,775            | \$63,011            |
| Parking premiums                             | \$19,024            | \$19,404            | \$19,792            | \$20,188            | \$20,592            | \$21,004            |
| Other Income                                 | \$98,923            | \$100,901           | \$102,919           | \$104,978           | \$107,077           | \$109,219           |
| <b>SUB-TOTAL GROSS INCOME</b>                | <b>\$4,653,509</b>  | <b>\$4,746,580</b>  | <b>\$4,841,511</b>  | <b>\$4,938,341</b>  | <b>\$5,037,108</b>  | <b>\$5,137,850</b>  |
| Vacancy                                      | -\$232,675          | -\$237,329          | -\$242,076          | -\$246,917          | -\$251,855          | -\$256,893          |
| <b>GROSS INCOME</b>                          | <b>\$4,420,834</b>  | <b>\$4,509,251</b>  | <b>\$4,599,436</b>  | <b>\$4,691,424</b>  | <b>\$4,785,253</b>  | <b>\$4,880,958</b>  |
| EXPENSES                                     | 13                  | 14                  | 15                  | 16                  | 17                  | 18                  |
| Administrative / Management                  | -\$112,239          | -\$114,484          | -\$116,774          | -\$119,109          | -\$121,492          | -\$123,921          |
| Office expense                               | -\$11,972           | -\$12,212           | -\$12,456           | -\$12,705           | -\$12,959           | -\$13,218           |
| Advertising / Promotion                      | -\$44,896           | -\$45,794           | -\$46,710           | -\$47,644           | -\$48,597           | -\$49,569           |
| Insurance (Sprinkled)                        | -\$62,675           | -\$63,929           | -\$65,207           | -\$66,511           | -\$67,842           | -\$69,198           |
| Parking permits                              | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Maintenance contracted                       | -\$7,483            | -\$7,632            | -\$7,785            | -\$7,941            | -\$8,099            | -\$8,261            |
| Maintenance                                  | -\$74,826           | -\$76,323           | -\$77,849           | -\$79,406           | -\$80,994           | -\$82,614           |
| Superintendent                               | -\$74,826           | -\$76,323           | -\$77,849           | -\$79,406           | -\$80,994           | -\$82,614           |
| Assistant super / Handyman                   | -\$44,896           | -\$45,794           | -\$46,710           | -\$47,644           | -\$48,597           | -\$49,569           |
| Leasing agent                                | -\$59,861           | -\$61,058           | -\$62,279           | -\$63,525           | -\$64,795           | -\$66,091           |
| Payroll taxes                                | -\$44,896           | -\$45,794           | -\$46,710           | -\$47,644           | -\$48,597           | -\$49,569           |
| Turn over / Make ready                       | -\$29,931           | -\$30,529           | -\$31,140           | -\$31,762           | -\$32,398           | -\$33,046           |
| Recycle / garbage removal                    | -\$29,931           | -\$30,529           | -\$31,140           | -\$31,762           | -\$32,398           | -\$33,046           |
| PILOT / Taxes                                | -\$530,500          | -\$541,110          | -\$551,932          | -\$566,428          | -\$598,157          | -\$610,120          |
| Reserves                                     | -\$74,826           | -\$76,323           | -\$77,849           | -\$79,406           | -\$80,994           | -\$82,614           |
| Utilities                                    | -\$271,590          | -\$277,022          | -\$282,562          | -\$288,213          | -\$293,978          | -\$299,857          |
| Audit & Legal                                | -\$14,965           | -\$15,265           | -\$15,570           | -\$15,881           | -\$16,199           | -\$16,523           |
| Electric car maintenance / power             | -\$1,497            | -\$1,526            | -\$1,557            | -\$1,588            | -\$1,620            | -\$1,652            |
| Amortization of total project costs per LTTE | -\$997,549          | -\$997,549          | -\$997,549          | -\$997,549          | -\$997,549          | -\$997,549          |
| <b>TOTAL EXPENSES</b>                        | <b>-\$2,489,358</b> | <b>-\$2,519,194</b> | <b>-\$2,549,627</b> | <b>-\$2,604,126</b> | <b>-\$2,636,258</b> | <b>-\$2,669,032</b> |
| <b>NOI</b>                                   | <b>\$1,931,476</b>  | <b>\$1,990,056</b>  | <b>\$2,049,808</b>  | <b>\$2,087,298</b>  | <b>\$2,148,995</b>  | <b>\$2,211,926</b>  |
| Expense / Income Ratio                       | 56.31%              | 55.87%              | 55.43%              | 55.51%              | 55.09%              | 54.68%              |
| PILOT vs Tax ratio                           | 68.20%              | 68.53%              | 68.87%              | 72.10%              | 72.45%              | 72.81%              |
| LEVERAGE PAYMENTS                            | 13                  | 14                  | 15                  | 16                  | 17                  | 18                  |
| Primary Construction Interest                | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Primary Permanent Mortgage                   | -\$2,451,363        | -\$2,451,363        | -\$2,451,363        | -\$2,451,363        | -\$2,451,363        | -\$2,451,363        |
| <b>TOTAL MORTGAGE PAYMENTS</b>               | <b>-\$2,451,363</b> | <b>-\$2,451,363</b> | <b>-\$2,451,363</b> | <b>-\$2,451,363</b> | <b>-\$2,451,363</b> | <b>-\$2,451,363</b> |
| <b>LTE CASH FLOW</b>                         | <b>-\$519,887</b>   | <b>-\$461,306</b>   | <b>-\$401,554</b>   | <b>-\$364,064</b>   | <b>-\$302,367</b>   | <b>-\$239,436</b>   |
| SUMMARY                                      | 13                  | 14                  | 15                  | 16                  | 17                  | 18                  |
| AD VALOREM RE TAXES                          | -\$777,870          | -\$789,538          | -\$801,381          | -\$813,402          | -\$825,603          | -\$837,987          |
| PILOT STAGE %                                | 12.00%              | 12.00%              | 12.00%              | 12.50%              | 12.50%              | 12.50%              |
| PILOT TAXES                                  | -\$530,500          | -\$541,110          | -\$551,932          | -\$566,428          | -\$598,157          | -\$610,120          |
| Capital Invested                             | \$18,778,291        | \$18,778,291        | \$18,778,291        | \$18,778,291        | \$18,778,291        | \$18,778,291        |
| R.O.E. Without PILOT                         | -1.02%              | -0.78%              | -0.53%              | -0.28%              | -0.02%              | 0.24%               |
| R.O.E. With PILOT                            | 2.54%               | 2.86%               | 3.17%               | 3.37%               | 3.70%               | 4.04%               |

| INCOME / YEAR                 | 19                 | 20                 | 21                 | 22                 | 23                 | 24                 |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Occupancy                     | 95.00%             | 95.00%             | 95.00%             | 95.00%             | 95.00%             | 95.00%             |
| Market Rate Rents             | \$5,043,509        | \$5,144,380        | \$5,247,267        | \$5,352,213        | \$5,459,257        | \$5,568,442        |
| Rent premiums                 | \$64,271           | \$65,557           | \$66,868           | \$68,205           | \$69,569           | \$70,960           |
| Parking premiums              | \$21,424           | \$21,852           | \$22,289           | \$22,735           | \$23,190           | \$23,653           |
| Other income                  | <u>\$111,403</u>   | <u>\$113,631</u>   | <u>\$115,904</u>   | <u>\$118,222</u>   | <u>\$120,586</u>   | <u>\$122,998</u>   |
| <b>SUB-TOTAL GROSS INCOME</b> | <b>\$5,240,607</b> | <b>\$5,345,420</b> | <b>\$5,452,328</b> | <b>\$5,561,374</b> | <b>\$5,672,602</b> | <b>\$5,786,054</b> |
| Vacancy                       | <u>-\$262,030</u>  | <u>-\$267,271</u>  | <u>-\$272,616</u>  | <u>-\$278,069</u>  | <u>-\$283,630</u>  | <u>-\$289,303</u>  |
| <b>GROSS INCOME</b>           | <b>\$4,978,577</b> | <b>\$5,078,149</b> | <b>\$5,179,712</b> | <b>\$5,283,306</b> | <b>\$5,388,972</b> | <b>\$5,496,751</b> |

| EXPENSES                                     | 19                  | 20                  | 21                  | 22                  | 23                  | 24                  |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Administrative / Management                  | -\$126,400          | -\$128,928          | -\$131,506          | -\$134,136          | -\$136,819          | -\$139,556          |
| Office expense                               | -\$13,483           | -\$13,752           | -\$14,027           | -\$14,308           | -\$14,594           | -\$14,886           |
| Advertising / Promotion                      | -\$50,560           | -\$51,571           | -\$52,603           | -\$53,655           | -\$54,728           | -\$55,822           |
| Insurance (sprinkled)                        | -\$70,582           | -\$71,994           | -\$73,434           | -\$74,903           | -\$76,401           | -\$77,929           |
| Parking permits                              | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Maintenance contracted                       | -\$8,427            | -\$8,595            | -\$8,767            | -\$8,942            | -\$9,121            | -\$9,304            |
| Maintenance                                  | -\$84,267           | -\$85,952           | -\$87,671           | -\$89,424           | -\$91,213           | -\$93,037           |
| Superintendent                               | -\$84,267           | -\$85,952           | -\$87,671           | -\$89,424           | -\$91,213           | -\$93,037           |
| Assistant super / Handyman                   | -\$50,560           | -\$51,571           | -\$52,603           | -\$53,655           | -\$54,728           | -\$55,822           |
| Leasing agent                                | -\$67,413           | -\$68,761           | -\$70,137           | -\$71,539           | -\$72,970           | -\$74,430           |
| Payroll taxes                                | -\$50,560           | -\$51,571           | -\$52,603           | -\$53,655           | -\$54,728           | -\$55,822           |
| Turn over / Make ready                       | -\$33,707           | -\$34,381           | -\$35,068           | -\$35,770           | -\$36,485           | -\$37,215           |
| Recycle / garbage removal                    | -\$33,707           | -\$34,381           | -\$35,068           | -\$35,770           | -\$36,485           | -\$37,215           |
| PILOT / Taxes                                | -\$622,322          | -\$634,769          | -\$725,160          | -\$739,663          | -\$754,456          | -\$769,545          |
| Reserves                                     | -\$84,267           | -\$85,952           | -\$87,671           | -\$89,424           | -\$91,213           | -\$93,037           |
| Utilities                                    | -\$305,854          | -\$311,972          | -\$318,211          | -\$324,575          | -\$331,067          | -\$337,688          |
| Audit & Legal                                | -\$16,853           | -\$17,190           | -\$17,534           | -\$17,885           | -\$18,243           | -\$18,607           |
| Electric car maintenance / power             | -\$1,685            | -\$1,719            | -\$1,753            | -\$1,788            | -\$1,824            | -\$1,861            |
| Amortization of total project costs per LTTE | <u>-\$997,549</u>   | <u>-\$997,549</u>   | <u>-\$997,549</u>   | <u>-\$997,549</u>   | <u>-\$997,549</u>   | <u>-\$997,549</u>   |
| <b>TOTAL EXPENSES</b>                        | <b>-\$2,702,461</b> | <b>-\$2,736,560</b> | <b>-\$2,849,036</b> | <b>-\$2,886,065</b> | <b>-\$2,923,836</b> | <b>-\$2,962,361</b> |
| <b>NOI</b>                                   | <b>\$2,276,116</b>  | <b>\$2,341,589</b>  | <b>\$2,330,676</b>  | <b>\$2,397,241</b>  | <b>\$2,465,136</b>  | <b>\$2,534,390</b>  |
| Expense / Income Ratio                       | 54.28%              | 53.89%              | 55.00%              | 54.63%              | 54.26%              | 53.89%              |
| PILOT vs Tax ratio                           | 73.17%              | 73.53%              | 82.76%              | 83.16%              | 83.57%              | 83.98%              |
| LEVERAGE PAYMENTS                            | 19                  | 20                  | 21                  | 22                  | 23                  | 24                  |
| Primary Construction Interest                | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Primary Permanent Mortgage                   | <u>-\$2,451,363</u> | <u>-\$2,451,363</u> | <u>-\$2,451,363</u> | <u>-\$2,451,363</u> | <u>-\$2,451,363</u> | <u>-\$2,451,363</u> |
| <b>TOTAL MORTGAGE PAYMENTS</b>               | <b>-\$2,451,363</b> | <b>-\$2,451,363</b> | <b>-\$2,451,363</b> | <b>-\$2,451,363</b> | <b>-\$2,451,363</b> | <b>-\$2,451,363</b> |
| <b>LTE CASH FLOW</b>                         | <b>-\$175,247</b>   | <b>-\$109,774</b>   | <b>-\$120,687</b>   | <b>-\$94,122</b>    | <b>\$13,774</b>     | <b>\$83,027</b>     |
| SUMMARY                                      | 19                  | 20                  | 21                  | 22                  | 23                  | 24                  |
| AD VALOREM RE TAXES                          | -\$850,557          | -\$863,315          | -\$876,265          | -\$889,409          | -\$902,750          | -\$916,292          |
| PILOT STAGE %                                | 12.50%              | 12.50%              | 14.00%              | 14.00%              | 14.00%              | 14.00%              |
| PILOT TAXES                                  | -\$622,322          | -\$634,769          | -\$725,160          | -\$739,663          | -\$754,456          | -\$769,545          |
| Capital Invested                             | \$18,778,291        | \$18,778,291        | \$18,778,291        | \$18,778,291        | \$18,778,291        | \$18,778,291        |
| R.O.E. Without PILOT                         | 0.50%               | 0.77%               | 1.05%               | 1.33%               | 1.62%               | 1.91%               |
| R.O.E. With PILOT                            | 4.38%               | 4.73%               | 4.67%               | 5.02%               | 5.39%               | 5.75%               |

| INCOME / YEAR                 | 25                 | 26                 | 27                 | 28                 | 29                 | 30                 |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Occupancy                     | 95.00%             | 95.00%             | 95.00%             | 95.00%             | 95.00%             | 95.00%             |
| Market Rate Rents             | \$5,679,811        | \$5,793,407        | \$5,909,275        | \$6,027,461        | \$6,148,010        | \$6,270,970        |
| Rent premiums                 | \$72,380           | \$73,827           | \$75,304           | \$76,810           | \$78,346           | \$79,913           |
| Parking premiums              | \$24,127           | \$24,609           | \$25,101           | \$25,603           | \$26,115           | \$26,638           |
| <u>Other Income</u>           | <u>\$125,458</u>   | <u>\$127,967</u>   | <u>\$130,527</u>   | <u>\$133,137</u>   | <u>\$135,800</u>   | <u>\$138,516</u>   |
| <b>SUB-TOTAL GROSS INCOME</b> | <b>\$5,901,775</b> | <b>\$6,019,811</b> | <b>\$6,140,207</b> | <b>\$6,263,011</b> | <b>\$6,388,271</b> | <b>\$6,516,037</b> |
| <u>Vacancy</u>                | <u>-\$295,089</u>  | <u>-\$300,991</u>  | <u>-\$307,010</u>  | <u>-\$313,151</u>  | <u>-\$319,414</u>  | <u>-\$325,802</u>  |
| <b>GROSS INCOME</b>           | <b>\$5,606,686</b> | <b>\$5,718,820</b> | <b>\$5,833,196</b> | <b>\$5,949,860</b> | <b>\$6,068,858</b> | <b>\$6,190,235</b> |

| EXPENSES   | 25                  | 26                  | 27                  | 28                  | 29                  | 30                  |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Administrative / Management                        | -\$142,347          | -\$145,194          | -\$148,098          | -\$151,059          | -\$154,081          | -\$157,162          |
| Office expense                                     | -\$15,184           | -\$15,487           | -\$15,797           | -\$16,113           | -\$16,435           | -\$16,764           |
| Advertising / Promotion                            | -\$56,939           | -\$58,077           | -\$59,239           | -\$60,424           | -\$61,632           | -\$62,865           |
| Insurance (Sprinkled)                              | -\$79,487           | -\$81,077           | -\$82,698           | -\$84,352           | -\$86,039           | -\$87,760           |
| Parking permits                                    | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Maintenance contracted                             | -\$9,490            | -\$9,680            | -\$9,873            | -\$10,071           | -\$10,272           | -\$10,477           |
| Maintenance  | -\$94,898           | -\$96,796           | -\$98,732           | -\$100,706          | -\$102,720          | -\$104,775          |
| Superintendent                                     | -\$94,898           | -\$96,796           | -\$98,732           | -\$100,706          | -\$102,720          | -\$104,775          |
| Assistant super / Handyman                         | -\$56,939           | -\$58,077           | -\$59,239           | -\$60,424           | -\$61,632           | -\$62,865           |
| Leasing agent                                      | -\$75,918           | -\$77,437           | -\$78,985           | -\$80,565           | -\$82,176           | -\$83,820           |
| Payroll taxes                                      | -\$56,939           | -\$58,077           | -\$59,239           | -\$60,424           | -\$61,632           | -\$62,865           |
| Turn over / Make ready                             | -\$37,959           | -\$38,718           | -\$39,493           | -\$40,283           | -\$41,088           | -\$41,910           |
| Recycle / garbage removal                          | -\$37,959           | -\$38,718           | -\$39,493           | -\$40,283           | -\$41,088           | -\$41,910           |
| PILOT / Taxes                                      | -\$784,936          | -\$837,807          | -\$854,563          | -\$871,655          | -\$889,088          | -\$906,869          |
| Reserves   | -\$94,898           | -\$96,796           | -\$98,732           | -\$100,706          | -\$102,720          | -\$104,775          |
| Utilities  | -\$344,442          | -\$351,331          | -\$358,357          | -\$365,524          | -\$372,835          | -\$380,292          |
| Audit & Legal                                      | -\$18,980           | -\$19,359           | -\$19,746           | -\$20,141           | -\$20,544           | -\$20,955           |
| Electric car maintenance / power                   | -\$1,898            | -\$1,936            | -\$1,975            | -\$2,014            | -\$2,054            | -\$2,095            |
| <u>Amortization of total project costs per LTE</u> | <u>-\$997,549</u>   | <u>-\$997,549</u>   | <u>-\$997,549</u>   | <u>-\$997,549</u>   | <u>-\$997,549</u>   | <u>-\$997,549</u>   |
| <b>TOTAL EXPENSES</b>                              | <b>-\$3,001,658</b> | <b>-\$3,078,912</b> | <b>-\$3,120,539</b> | <b>-\$3,162,999</b> | <b>-\$3,206,308</b> | <b>-\$3,250,483</b> |
| <b>NOI</b>   | <b>\$2,605,029</b>  | <b>\$2,639,908</b>  | <b>\$2,712,657</b>  | <b>\$2,786,861</b>  | <b>\$2,862,549</b>  | <b>\$2,939,751</b>  |
| <b>Expense / Income Ratio</b>                      | <b>53.54%</b>       | <b>53.84%</b>       | <b>53.90%</b>       | <b>53.16%</b>       | <b>52.83%</b>       | <b>52.51%</b>       |
| <b>PILOT vs Tax ratio</b>                          | <b>84.40%</b>       | <b>88.75%</b>       | <b>89.19%</b>       | <b>89.63%</b>       | <b>90.07%</b>       | <b>90.51%</b>       |

| LEVERAGE PAYMENTS                 | 25                  | 26                  | 27                  | 28                  | 29                  | 30                  |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Primary Construction Interest     | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| <u>Primary Permanent Mortgage</u> | <u>-\$2,451,363</u> | <u>-\$2,451,363</u> | <u>-\$2,451,363</u> | <u>-\$2,451,363</u> | <u>-\$2,451,363</u> | <u>-\$2,451,363</u> |
| <b>TOTAL MORTGAGE PAYMENTS</b>    | <b>-\$2,451,363</b> | <b>-\$2,451,363</b> | <b>-\$2,451,363</b> | <b>-\$2,451,363</b> | <b>-\$2,451,363</b> | <b>-\$2,451,363</b> |
| <b>LTE CASH FLOW</b>              | <b>\$153,666</b>    | <b>\$188,545</b>    | <b>\$261,295</b>    | <b>\$335,499</b>    | <b>\$411,187</b>    | <b>\$488,389</b>    |

| SUMMARY              | 25           | 26           | 27           | 28           | 29           | 30           |
|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| AD VALOREM RE TAXES  | -\$930,036   | -\$943,986   | -\$958,146   | -\$972,518   | -\$987,106   | -\$1,001,913 |
| PILOT STAGE %        | 14.00%       | 14.65%       | 14.65%       | 14.65%       | 14.65%       | 14.65%       |
| PILOT TAXES          | -\$784,936   | -\$837,807   | -\$854,563   | -\$871,655   | -\$889,088   | -\$906,869   |
| Capital Invested     | \$18,778,291 | \$18,778,291 | \$18,778,291 | \$18,778,291 | \$18,778,291 | \$18,778,291 |
| R.O.E. Without PILOT | 2.21%        | 2.52%        | 2.83%        | 3.15%        | 3.47%        | 3.80%        |
| R.O.E. With PILOT    | 6.13%        | 6.32%        | 6.70%        | 7.10%        | 7.50%        | 7.91%        |

| Square Footage |    |       |
|----------------|----|-------|
| Unit           | BR | Sq/Ft |
| A-1            | 1  | 725   |
| A-2            | 1  | 800   |
| A-3            | 1  | 827   |
| A-4            | 1  | 850   |
| A-5            | 1  | 870   |
| A-6            | 1  | 907   |
| B-1            | 2  | 1,055 |
| B-2            | 2  | 1,120 |
| B-3            | 2  | 1,147 |
| B-4            | 2  | 1,170 |
| B-5            | 2  | 1,205 |
| B-6            | 2  | 1,250 |

| Pro Forma Changes |             |             |
|-------------------|-------------|-------------|
| Change            | Old         | Current     |
| Land costs        | \$4,200,000 | \$7,614,345 |
| Interest costs    | 4.25%       | 4.75%       |
| Hard costs (ft)   | \$110.00    | \$120.00    |

| PILOT Changes |        |         |
|---------------|--------|---------|
| Change        | Old    | Current |
| Year 1-10     | 10.00% | 11.00%  |
| Year 11-14    | 11.00% | 12.00%  |
| Year 15-20    | 11.50% | 12.50%  |
| Year 21-25    | 14.00% | 14.00%  |
| Year 26-30    | 16.00% | N/A     |

# **EXHIBIT 14**

**EXHIBIT 14**

It is anticipated that the project will be financed either with standard bank financing and cash equity or with HUD 221(d)4 financing. Under standard financing, it is anticipated that the bank loan would be 65.00% to 75.00% LTV with the equity being 25.00% to 35.00%. Under HUD 221(d)4 financing, it is anticipated that the bank loan would be 85.00% with a cash requirement of 15.00%.

# **EXHIBIT 15**



**Exhibit 15**

To be supplied

**EXHIBIT 16**

## EXHIBIT 16

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There is no precedent or method to quantify the results of the first substantial project to be built in Keyport. This increases the risk substantially. Based upon market rents, the tax savings in necessary to obtain sufficient cash flow necessary to achieve an adequate debt coverage ratio and project valuation. Without these thresholds being met, the project is not financeable or feasible.

*Art Bernard & Associates, L.L.C.*

**Fiscal Impact Analysis**  
**Mariner's Village at Keyport**  
**Proposed Residential Development**

**Borough of Keyport**  
**Monmouth County, New Jersey**

**July 31, 2018**

Prepared for:  
Kenneth L. Pape, Esq.  
Heilbrunn Pape  
516 Highway 33  
Millstone, NJ 08535

Prepared by:



Art Bernard, P.P.  
*Art Bernard & Associates, L.L.C.*  
77 North Union Street, Lambertville, New Jersey 08530  
Tel: (609) 397-8070 email: yukygolfer@aol.com

**Fiscal Impact Analysis**  
**Mariner's Village at Keyport**  
**Keyport, New Jersey**

**INTRODUCTION**

Mariner's Village at Keyport, LLC proposes to construct a 120-unit residential development in the Borough of Keyport, Monmouth County, New Jersey. The development would contain forty (40) one-bedroom units and eighty (80) two-bedroom units. This analysis has been prepared to estimate the fiscal impacts upon municipal services and the local public school district associated with the proposed residential development.

The projected revenue as set forth in this report is based upon a PILOT (Payment In-Lieu of Taxes) and pro forma provided by the developer. The methodology is set forth in The New Practitioners Guide to Fiscal Impact Analysis by Robert W. Burchell, David Listokin, and William R. Dolphin of the Center for Urban Policy Research, 1985.

**REVENUES**

For purposes of estimating revenues, we have assumed a 95 percent occupancy rate for the 120 proposed units over the term of the PILOT. The analysis is provided for various years during the PILOT, when the percentage of PILOT generated revenue would change. Table 1 provides the specific years of analysis and the corresponding PILOT revenues to Keyport Borough for municipal services and public school education. This report illustrates the value of the PILOT over time. Since we cannot project increases in costs, we have assumed that municipal and school costs will remain constant over time. In order to provide a fair comparison between costs and revenues, this report assumes that the rents will remain constant over time. By keeping costs and revenues constant, we are able to isolate the value of the PILOT over time.

As shown in Table 1, based upon an eleven (11) percent PILOT in Year 2, assuming a 95 percent occupancy rate, it is estimated that \$311,085 in gross PILOT revenue will be generated. Of this total, five (5) percent must go to Monmouth County, leaving Keyport with \$295,531 for municipal services and public school education in Year 2. When the PILOT increases to twelve (12) percent in Year 11, based upon a constant gross income of \$2,828,046, the revenue to Keyport would be \$322,398. In Year 15, the PILOT would increase to 12.5%, resulting in \$335,831 in revenue to Keyport, while in Year 21, the PILOT would increase to 14% of gross revenue, generating \$376,130 in revenue to Keyport Borough.

Table 1  
**Project Generated PILOT Revenue - (95% Occupancy)**

| GROSS PROJECT INCOME BASE:<br>\$2,828,046 | YEAR 2           | YEAR 11          | YEAR 15          | YEAR 21          |
|---|------------------|------------------|------------------|------------------|
| PILOT (PORTION OF INCOME)                 | 11%              | 12%              | 12.5%            | 14%              |
| ANNUAL PILOT (GROSS REVENUE)              | \$311,085        | \$339,366        | \$353,506        | \$395,926        |
| - COUNTY PORTION (5%)                     | \$15,554         | \$16,968         | \$17,675         | \$19,796         |
| <b>NET PILOT REVENUE TO KEYPORT</b>       | <b>\$295,531</b> | <b>\$322,398</b> | <b>\$335,831</b> | <b>\$376,130</b> |

### COSTS

To determine the costs of providing municipal services to the proposed development, it is necessary to estimate the number of people and school age children that will be generated from the proposed residential community over the term of the PILOT. Projected costs for municipal services and public school education are determined using a methodology known as the "per capita multiplier method", as set forth in the Urban Land Institute's *Development Impact Assessment Handbook*.<sup>1</sup> This approach uses an average costing technique to project annual revenues and costs assignable to a development.

Demographic multipliers utilized to estimate the resident population and the number of public school attendees is obtained from a demographic study for the State of New Jersey published by Rutgers University.<sup>2</sup> The study, which is based upon 2000 Census data, provides specific demographic household population and school-aged children multipliers for development in New Jersey, depending upon housing/structure type, bedroom mix, value and tenure.<sup>3</sup>

To be consistent with the assumptions regarding revenues, this analysis assumes that the 120-unit development will be 95 percent occupied. Based upon the above noted demographic study, it is estimated that the 120-unit development will yield a total resident population of 223 persons at 95 percent occupancy. The number of school aged children generated by the development is 14 children at 95 percent occupancy, of which 10 school-aged children could be expected to attend public schools.

<sup>1</sup> Burchell, Listokin, Dolphin, et al., *the Urban Land Institute*, 1994.

<sup>2</sup> *Who Lives in New Jersey Housing*, Listokin, David, et al., Center for Urban Policy Research, Rutgers University, November, 2006.

<sup>3</sup> As discussed, the school age multipliers are dated and seem to overstate the number of school age children. We use this information because it is the best information readily available. We view their use as conservative.

To establish the costs of the proposed residential development on Keyport Borough for municipal services, the Borough's assessed valuations were apportioned (residential vs. nonresidential) as described in the *Development Impact Assessment Handbook*.<sup>4</sup> According to Burchell et al. (1994), "... it is incorrect simply to divide the incurred outlays by the local population because such services benefit both residential and nonresidential land uses. Service costs must therefore be apportioned between these two types of development."<sup>5</sup>

The total municipal budget for municipal services in Keyport Borough in 2018 was \$9,988,208. Local property taxes expected to be raised in support of the adopted budget is \$6,213,583. In order to determine the portion of property taxes raised for municipal services for the residential sector of the Borough, we average the percentage of residential parcels (86.41%) and the residential valuation (77.88%) to derive an average factor of 82.15 percent. Based upon this derived average percentage, \$5,104,458 of local property taxes are raised in support of municipal services [ $0.8215 \times \$6,213,583 = \$5,104,458$ ]. Table 2 presents the data utilized to determine the costs associated with the provision of municipal services to the residential sector of the Borough.

Table 2  
Budget and Valuation Data - Keyport Borough, 2018

|   |    |                  |                       |
|---|----|------------------|-----------------------|
| Keyport 2018 Total Municipal Budget   | \$ | 9,988,208*       |                       |
| Local property tax for municipal purposes (2018)                                    | \$ | 6,213,583*       |                       |
| Valuation Data (land use class):  |    | <u>Parcels**</u> | <u>Valuation**</u>    |
| Vacant (1)  |    | 82               | \$ 4,751,200          |
| Residential (2)   |    | 1,972            | \$ 503,552,600        |
| Farm (3A)   |    | 0                | \$ ---                |
| Farm (3B)   |    | 0                | \$ ---                |
| Commercial (4A)   |    | 225              | \$ 135,388,700        |
| Industrial (4B)   |    | 6                | \$ 12,983,500         |
| Apartment (4C)  |    | 19               | \$ 35,502,900         |
| <b>Total</b>  |    | <b>2,304</b>     | <b>\$ 692,178,900</b> |
| Residential Percentage (2, 3A, 4C)  |    | 86.41%           | 77.88%                |
| <i>Average Percentage:</i>  |    |                  | <b>82.15%</b>         |
| <b>Estimated share of residential expenditures derived from local property tax:</b> |    |                  | <b>\$ 5,104,458</b>   |

\* Keyport Borough Adopted 2018 Municipal Budget.

\*\* Keyport Borough 2018 Tax Assessment Records.

### Per Capita Residential Costs for Municipal services

<sup>4</sup> Burchell, Listokin, Dolphin, et al., *the Urban Land Institute*, 1994.

<sup>5</sup> Burchell et al. (1994, p. 11).

To determine the cost of municipal services to the proposed 120-unit residential development, the average cost of providing these services to current residents of the Borough must first be determined. According to the average-cost methodology approach, this average cost is determined by dividing the number of existing residents in the municipality into the portion of local property taxes raised in support of the local municipal budget from the Borough's residential parcels.

The US Census estimates that in July, 2016 (*latest data available*), the resident population of Keyport Borough was 7,085 persons. To determine the cost of providing municipal services to residents of the Borough, the portion of local property taxes raised to support residential services (\$5,104,458) is divided by the estimated 2016 population (7,085 persons). This results in an average cost of **\$720 per resident** [ $\$5,104,458 \div 7,085 \text{ residents} = \$720/\text{resident}$ ].

Utilizing the average cost to provide municipal services derived from local property taxes as noted above (\$720 per resident), it is possible to project the anticipated cost to provide municipal services to residents of the proposed 120-unit residential development. Based upon an estimated resident population of 223 persons (95% occupancy), the estimated cost of municipal services to the proposed development is \$160,560 [223 residents x \$720/resident = \$160,560].

#### **Educational Costs**

Public school education is provided by the Keyport Public School District for kindergarten through grade 12. As part of a sending/receiving relationship, students in grades 9-12 from Union Beach Borough also attend Keyport public schools.

To determine the cost of public education for the proposed residential development, the average per-student cost must first be determined. Utilizing the average-cost methodology approach, this cost is determined by dividing the number of existing public school attendees in the school district into the portion of the Keyport Public School District 2018-2019 budget supported by local property taxes.

Review of the approved 2018-2019 budget for the Keyport Public School District indicates that the projected total pupil enrollment for October, 2018 is 1,060 students. The total adopted operating budget for the school district for the 2018-2019 school year is \$19,651,989, of which \$12,270,481 is expected to be raised in local property taxes and tuition. Accordingly, the per-capita (student) cost of providing public education to school-aged children funded through these local revenues is **\$11,576 per student** [ $\$12,270,481 \div 1,060 \text{ students} = \$11,576/\text{student}$ ].



Utilizing the average cost to provide public education derived from local property taxes and tuition as noted above (\$11,576 per student), it is possible to project the anticipated cost to provide public education to the school-aged children (public school attendees) generated by the proposed residential development. Based upon the estimate of ten (10) public school attendees generated by the proposed development (95% occupancy), the estimated cost of education for the proposed development is \$115,760 [10 school-aged children x \$11,576/student = \$115,760.

In summary, the projected initial cost to provide municipal services (\$160,560) and public school education (\$115,760) for the proposed development, assuming 95 percent occupancy, would be \$276,320 per year. For purposes of the analysis it is assumed that the cost for public services will remain constant over the term of the PILOT.

### NET FISCAL IMPACTS

Table 3 presents a summary of the findings for the analysis. As noted previously, these findings are based upon the assumption that costs for municipal services and public education would remain constant over the term of the PILOT. Likewise, it is assumed that gross income (rent) would also remain constant over the term of the PILOT, thereby providing a fair comparison between costs and revenues and to illustrate the value of the PILOT over time.

Table 3  
**Net Fiscal Impact**  
**Municipal Services & Public Education**  
*(95% Occupancy)*

|   | YEAR 2<br>(11%) | YEAR 11<br>(12%) | YEAR 15<br>(12.5%) | YEAR 21<br>(14%) |
|---|-----------------|------------------|--------------------|------------------|
| NET PILOT REVENUE TO KEYPORT*                   | \$295,531       | \$322,398        | \$335,831          | \$376,130        |
| COSTS (Municipal services and public education) | \$276,320       | \$276,320        | \$276,320          | \$276,320        |
| <b>Net Surplus</b>                              | <b>\$19,211</b> | <b>\$46,078</b>  | <b>\$59,511</b>    | <b>\$99,810</b>  |

As shown on Table 3, in Year 2 (assuming 95 percent occupancy), the PILOT will generate \$295,531 in revenue to Keyport Borough. The total costs of providing municipal services and public education for the 223 residents of the community and the 10 public school attendees in Year 2 would be \$276,320. Accordingly, in Year 2 the PILOT generated revenues for the

development would yield an initial net fiscal benefit of \$19,211. As further illustrated on Table 3, as local revenue would increase over the term of the PILOT, significant surplus revenue to Keyport Borough is generated for both municipal services and public school education.

I view the cost of school age children used in this report as conservative. Recent experiences indicate that the "Who Lives in New Jersey" multipliers often overstate the number of school children generated by residential development.

In addition, the Keyport public school enrollment has decreased steadily over the last decade. School enrollment data from the New Jersey Department of Education website and the Keyport public school district indicates that school enrollment has decreased from 1,176 for the 2005 – 2006 school year to an expected enrollment of 1,060 students in the 2018 – 2019 school year. Thus, it is unlikely that the addition of 10 public school children will tax the public schools and require additional investment in buildings, facilities or staff. As a result, this report probably overstates the cost of educating the projected students from the proposed community.

The fiscal impact analysis model also understates the positive impacts by not even considering the positive impact of the proposed 120 units on local businesses.

## **Appendix A**

### **Demographic Multipliers**

**(“Who Lives in New Jersey Housing?”, Listokin, David, et al, Rutgers  
University Center for Urban Policy Research, November, 2006)**

| STRUCTURE TYPE/<br>BEDROOMS/<br>VALUE/TENURE | TOTAL<br>PERSONS | AGE   |       |       |       |       |       |       |       |
|--|------------------|-------|-------|-------|-------|-------|-------|-------|-------|
|  |                  | 0-4   | 5-17  | 18-34 | 35-44 | 45-54 | 55-64 | 65-74 | 75+   |
|  |                  |       |       |       |       |       |       |       |       |
| <b>5+ UNITS-OWN, 0-1 BR</b>                  |                  |       |       |       |       |       |       |       |       |
| All Values                                   | 1,694            | 0.094 | 0.123 | 0.530 | 0.104 | 0.143 | 0.123 | 0.159 | 0.214 |
| Below Median \$183,161                       | 1,702            | 0.137 | 0.167 | 0.474 | 0.164 | 0.140 | 0.097 | 0.151 | 0.177 |
| Above Median \$185,161                       | 1,682            | 0.036 | 0.069 | 0.685 | 0.223 | 0.150 | 0.159 | 0.171 | 0.270 |
| <b>5+ UNITS-OWN, 2 BR</b>                    |                  |       |       |       |       |       |       |       |       |
| All Values                                   | 1,797            | 0.071 | 0.122 | 0.485 | 0.320 | 0.294 | 0.191 | 0.114 | 0.161 |
| Below Median \$226,552                       | 1,771            | 0.074 | 0.141 | 0.520 | 0.324 | 0.290 | 0.164 | 0.121 | 0.147 |
| Above Median \$226,552                       | 1,814            | 0.064 | 0.085 | 0.419 | 0.312 | 0.301 | 0.241 | 0.215 | 0.186 |
| <b>5+ UNITS-OWN, 3 BR</b>                    |                  |       |       |       |       |       |       |       |       |
| All Values                                   | 2,469            | 0.234 | 0.471 | 0.537 | 0.481 | 0.332 | 0.245 | 0.129 | 0.063 |
| Below Median \$226,552                       | 2,629            | 0.201 | 0.655 | 0.588 | 0.524 | 0.412 | 0.204 | 0.101 | 0.041 |
| Above Median \$226,552                       | 2,106            | 0.124 | 0.281 | 0.486 | 0.438 | 0.250 | 0.282 | 0.235 | 0.086 |
| <b>5+ UNITS-RENT, 0-1 BR</b>                 |                  |       |       |       |       |       |       |       |       |
| All Values                                   | 1,517            | 0.069 | 0.070 | 0.569 | 0.190 | 0.098 | 0.077 | 0.149 | 0.284 |
| Below Median \$123,716                       | 1,370            | 0.053 | 0.083 | 0.285 | 0.143 | 0.188 | 0.093 | 0.262 | 0.351 |
| Above Median \$125,736                       | 1,644            | 0.085 | 0.057 | 0.855 | 0.237 | 0.097 | 0.061 | 0.015 | 0.216 |
| <b>5+ UNITS-RENT, 2 BR</b>                   |                  |       |       |       |       |       |       |       |       |
| All Values                                   | 2,305            | 0.207 | 0.323 | 0.967 | 0.353 | 0.180 | 0.112 | 0.069 | 0.090 |
| Below Median \$177,123                       | 2,455            | 0.285 | 0.478 | 0.959 | 0.364 | 0.195 | 0.115 | 0.085 | 0.060 |
| Above Median \$177,123                       | 2,107            | 0.147 | 0.165 | 0.984 | 0.342 | 0.164 | 0.112 | 0.071 | 0.121 |
| <b>5+ UNITS-RENT, 3 BR</b>                   |                  |       |       |       |       |       |       |       |       |
| All Values                                   | 1,545            | 0.441 | 0.973 | 1.157 | 0.577 | 0.199 | 0.109 | 0.075 | 0.044 |
| Below Median \$173,004                       | 1,664            | 0.192 | 1.242 | 1.064 | 0.587 | 0.244 | 0.114 | 0.022 | 0.030 |
| Above Median \$173,004                       | 1,422            | 0.470 | 0.702 | 1.212 | 0.568 | 0.151 | 0.104 | 0.128 | 0.088 |
| <b>2-4 UNITS, 0-1 BR</b>                     |                  |       |       |       |       |       |       |       |       |
| All Values                                   | 2,013            | 0.179 | 0.288 | 0.747 | 0.258 | 0.221 | 0.112 | 0.087 | 0.113 |
| Below Median \$123,574                       | 1,868            | 0.151 | 0.259 | 0.650 | 0.282 | 0.141 | 0.111 | 0.117 | 0.158 |
| Above Median \$123,574                       | 2,225            | 0.207 | 0.310 | 0.847 | 0.274 | 0.301 | 0.113 | 0.057 | 0.106 |
| <b>2-4 UNITS, 2 BR</b>                       |                  |       |       |       |       |       |       |       |       |
| All Values                                   | 2,651            | 0.250 | 0.451 | 0.940 | 0.477 | 0.217 | 0.157 | 0.094 | 0.061 |
| Below Median \$149,607                       | 2,657            | 0.141 | 0.608 | 0.939 | 0.497 | 0.200 | 0.144 | 0.082 | 0.052 |
| Above Median \$149,607                       | 2,440            | 0.158 | 0.301 | 0.940 | 0.456 | 0.235 | 0.169 | 0.106 | 0.075 |
| <b>2-4 UNITS, 3 BR</b>                       |                  |       |       |       |       |       |       |       |       |
| All Values                                   | 3,529            | 0.293 | 0.805 | 1.062 | 0.654 | 0.363 | 0.209 | 0.107 | 0.016 |
| Below Median \$226,552                       | 3,685            | 0.155 | 1.070 | 1.085 | 0.718 | 0.209 | 0.099 | 0.047 | 0.021 |
| Above Median \$226,552                       | 1,188            | 0.228 | 0.530 | 1.018 | 0.588 | 0.460 | 0.122 | 0.170 | 0.052 |
| <b>2-4 UNITS, 4-5 BR</b>                     |                  |       |       |       |       |       |       |       |       |
| All Values                                   | 3,995            | 0.184 | 0.749 | 1.141 | 0.623 | 0.527 | 0.216 | 0.194 | 0.162 |
| Below Median \$370,722                       | 4,231            | 0.474 | 0.965 | 1.232 | 0.744 | 0.557 | 0.071 | 0.129 | 0.078 |
| Above Median \$370,722                       | 3,699            | 0.270 | 0.477 | 1.052 | 0.471 | 0.499 | 0.396 | 0.276 | 0.268 |

| STRUCTURE TYPE/<br>BEDROOMS/<br>VALUE/TENURE | TOTAL<br>SAC | GRADE      |                    |             |
|--|--------------|------------|--------------------|-------------|
|  |              | ELEMENTARY | JUNIOR HIGH SCHOOL | HIGH SCHOOL |
|  |              | K-6        | 7-9                | 10-12       |
| <b>5+ UNITS-OWN, 0-1 BR</b>                  |              |            |                    |             |
| All Values                                   | 0.125        | 0.100      | 0.076              | 0.088       |
| Below Median \$183,361                       | 0.187        | 0.137      | 0.071              | 0.015       |
| Above Median \$183,361                       | 0.069        | 0.051      | 0.018              | 0.000       |
| <b>3+ UNITS-OWN, 2 BR</b>                    |              |            |                    |             |
| All Values                                   | 0.122        | 0.081      | 0.015              | 0.024       |
| Below Median \$226,532                       | 0.131        | 0.088      | 0.011              | 0.031       |
| Above Median \$226,532                       | 0.105        | 0.076      | 0.019              | 0.011       |
| <b>3+ UNITS-OWN, 3 BR</b>                    |              |            |                    |             |
| All Values                                   | 0.471        | 0.335      | 0.076              | 0.060       |
| Below Median \$276,352                       | 0.655        | 0.425      | 0.151              | 0.070       |
| Above Median \$276,352                       | 0.281        | 0.234      | 0.080              | 0.189       |
| <b>3+ UNITS-RENT, 0-1 BR</b>                 |              |            |                    |             |
| All Values                                   | 0.070        | 0.044      | 0.014              | 0.012       |
| Below Median \$123,716                       | 0.081        | 0.050      | 0.019              | 0.014       |
| Above Median \$123,716                       | 0.057        | 0.038      | 0.009              | 0.010       |
| <b>3+ UNITS-RENT, 2 BR</b>                   |              |            |                    |             |
| All Values                                   | 0.323        | 0.216      | 0.059              | 0.019       |
| Below Median \$177,123                       | 0.476        | 0.317      | 0.086              | 0.022       |
| Above Median \$177,123                       | 0.165        | 0.112      | 0.028              | 0.023       |
| <b>3+ UNITS-RENT, 3 BR</b>                   |              |            |                    |             |
| All Values                                   | 0.071        | 0.580      | 0.229              | 0.152       |
| Below Median \$171,884                       | 1.242        | 0.813      | 0.231              | 0.127       |
| Above Median \$171,884                       | 0.702        | 0.367      | 0.208              | 0.127       |
| <b>2-4 UNITS, 0-1 BR</b>                     |              |            |                    |             |
| All Values                                   | 0.288        | 0.168      | 0.051              | 0.084       |
| Below Median \$121,574                       | 0.259        | 0.148      | 0.044              | 0.057       |
| Above Median \$121,574                       | 0.318        | 0.190      | 0.067              | 0.061       |
| <b>2-4 UNITS, 2 BR</b>                       |              |            |                    |             |
| All Values                                   | 0.453        | 0.304      | 0.079              | 0.021       |
| Below Median \$149,687                       | 0.603        | 0.422      | 0.091              | 0.090       |
| Above Median \$149,687                       | 0.300        | 0.182      | 0.066              | 0.051       |
| <b>2-4 UNITS, 3 BR</b>                       |              |            |                    |             |
| All Values                                   | 0.801        | 0.468      | 0.189              | 0.147       |
| Below Median \$226,552                       | 1.070        | 0.615      | 0.256              | 0.206       |
| Above Median \$226,552                       | 0.530        | 0.316      | 0.120              | 0.093       |
| <b>2-4 UNITS, 4-8 BR</b>                     |              |            |                    |             |
| All Values                                   | 0.749        | 0.405      | 0.178              | 0.167       |
| Below Median \$270,722                       | 0.905        | 0.481      | 0.119              | 0.165       |
| Above Median \$270,722                       | 0.477        | 0.309      | 0.090              | 0.168       |

| STRUCTURE TYPE/<br>BEDROOMS/<br>VALUE/TENURE | TOTAL<br>PSC | PUBLIC SCHOOL GRADE |                    |             |
|--|--------------|---------------------|--------------------|-------------|
|  |              | ELEMENTARY          | JUNIOR HIGH SCHOOL | HIGH SCHOOL |
|  |              | K-4                 | 7-9                | 10-12       |
| <b>3+ UNITS-OWN, 0-1 BR</b>                  |              |                     |                    |             |
| All Values                                   | 0.117        | 0.100               | 0.009              | 0.000       |
| Below Median \$183,361                       | 0.167        | 0.137               | 0.015              | 0.013       |
| Above Median \$185,361                       | 0.051        | 0.031               | 0.000              | 0.000       |
| <b>3+ UNITS-OWN, 2 BR</b>                    |              |                     |                    |             |
| All Values                                   | 0.098        | 0.067               | 0.011              | 0.018       |
| Below Median \$226,332                       | 0.101        | 0.065               | 0.013              | 0.024       |
| Above Median \$226,332                       | 0.091        | 0.072               | 0.011              | 0.007       |
| <b>3+ UNITS-OWN, 3 BR</b>                    |              |                     |                    |             |
| All Values                                   | 0.442        | 0.323               | 0.066              | 0.054       |
| Below Median \$226,332                       | 0.500        | 0.406               | 0.134              | 0.058       |
| Above Median \$226,332                       | 0.283        | 0.234               | 0.000              | 0.049       |
| <b>3+ UNITS-RENT, 0-1 BR</b>                 |              |                     |                    |             |
| All Values                                   | 0.000        | 0.040               | 0.012              | 0.000       |
| Below Median \$125,716                       | 0.000        | 0.041               | 0.013              | 0.011       |
| Above Median \$125,716                       | 0.051        | 0.037               | 0.009              | 0.006       |
| <b>3+ UNITS-RENT, 2 BR</b>                   |              |                     |                    |             |
| All Values                                   | 0.271        | 0.181               | 0.033              | 0.041       |
| Below Median \$177,123                       | 0.432        | 0.286               | 0.061              | 0.065       |
| Above Median \$177,123                       | 0.113        | 0.079               | 0.019              | 0.017       |
| <b>3+ UNITS-RENT, 3 BR</b>                   |              |                     |                    |             |
| All Values                                   | 0.831        | 0.493               | 0.239              | 0.309       |
| Below Median \$173,004                       | 1.163        | 0.761               | 0.251              | 0.091       |
| Above Median \$173,004                       | 0.560        | 0.223               | 0.206              | 0.127       |
| <b>2-4 UNITS, 0-1 BR</b>                     |              |                     |                    |             |
| All Values                                   | 0.230        | 0.138               | 0.052              | 0.055       |
| Below Median \$123,374                       | 0.217        | 0.126               | 0.044              | 0.067       |
| Above Median \$123,374                       | 0.264        | 0.151               | 0.060              | 0.051       |
| <b>2-4 UNITS, 2 BR</b>                       |              |                     |                    |             |
| All Values                                   | 0.382        | 0.252               | 0.074              | 0.057       |
| Below Median \$149,687                       | 0.314        | 0.360               | 0.081              | 0.071       |
| Above Median \$149,687                       | 0.240        | 0.141               | 0.064              | 0.042       |
| <b>2-4 UNITS, 3 BR</b>                       |              |                     |                    |             |
| All Values                                   | 0.684        | 0.386               | 0.171              | 0.128       |
| Below Median \$226,332                       | 0.940        | 0.523               | 0.244              | 0.307       |
| Above Median \$226,332                       | 0.432        | 0.244               | 0.094              | 0.074       |
| <b>2-4 UNITS, 4-5 BR</b>                     |              |                     |                    |             |
| All Values                                   | 0.356        | 0.247               | 0.141              | 0.167       |
| Below Median \$370,722                       | 0.742        | 0.321               | 0.250              | 0.165       |
| Above Median \$370,722                       | 0.322        | 0.354               | 0.000              | 0.166       |

# **EXHIBIT 17**

**Exhibit 17**  
**Project Schedule**

|   |                    |
|---|--------------------|
| Site Plan Approval                                    | September 30, 2018 |
| Obtain all other Governmental Approvals and Financing | September 30, 2024 |
| Commence Construction                                 | March 2025         |



**EXHIBIT 18**

## EXHIBIT 18

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The project would create construction and sales jobs. It is not known exactly how many jobs would be created. Tax and municipal water and sewer fees will be generated. The township will bring in residents who will shop, dine and utilize local services benefitting not only the local businesses but municipality as well through increased revenues. It is not known exactly how much revenue will be generated.

# EXHIBIT 19

## FINANCIAL AGREEMENT

**THIS FINANCIAL AGREEMENT** (hereinafter this "**Agreement**"), made this \_\_\_ day of \_\_\_\_\_, 2018, (the "**Effective Date**") by and between **MARINER'S VILLAGE AT KEYPORT URBAN RENEWAL, LLC**, an urban renewal entity qualified to do business under the provisions of the Long Term Tax Exemption Law, *N.J.S.A. 40A:20-1 et seq.*, as amended and supplemented (the "**Long Term Tax Exemption Law**"), with offices at 2601 Biscayne Boulevard, Miami, Florida 33137 (the "**Entity**") and the **BOROUGH OF KEYPORT**, a municipal corporation in the County of Monmouth and the State of New Jersey (the "**Borough**", and together with the Entity, the "**Parties**" or "**Party**").

### **WITNESSETH:**

**WHEREAS**, the Entity is the owner of the property commonly known as Block 20, Lots 1, 2, 3, 5, 6, 6.01, 7, and 9 on the tax map of the Borough, and more particularly described by the property description attached hereto as **Exhibit A**; and

**WHEREAS**, on August 4, 2015, the Municipal Council (the "**Council**") of the Borough adopted a resolution designating the property commonly known as Brown's Point Marina and identified as Block 20, Lots 5, 6, 6.01, 7, and 9 on the tax map of the Borough of Keyport, State of New Jersey as a non-condemnation redevelopment area (the "**Initial Redevelopment Area**") in accordance with the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.*, as amended from time to time (the "**Redevelopment Law**"); and

**WHEREAS**, after a re-investigation by the planning board of the Borough (the "**Planning Board**") in accordance with the Redevelopment Law, on April 5, 2016, the Borough adopted a resolution designating the property commonly known as Block 20, Lots 1, 2, and 3 on the tax map of the Borough of Keyport, State of New Jersey, as a non-condemnation redevelopment area (together with the Initial Redevelopment Area, the "**Redevelopment Area**"); and

**WHEREAS**, pursuant to *N.J.S.A. 40A:12A-7*, on May 16, 2017 the Borough Council adopted an ordinance approving and adopting a redevelopment plan for the Redevelopment Area (#3-17) (the "**Redevelopment Plan**"); and

**WHEREAS**, the proposed project to be undertaken by the Entity on the Redevelopment Area is the construction of up to 120 residential rental units, an integrated parking facility and associated supporting facilities, amenities and parking, consistent with the Redevelopment Plan (the "**Project**"); and

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

**WHEREAS**, on December 19, 2017, the Borough Council adopted an ordinance, entitled, "Ordinance of the Borough of Keyport, County of Monmouth, New Jersey Approving Application for a Long Term Tax Exemption and Authorizing the Execution of a Financial

Agreement", approving the application and authorizing the execution of this Agreement, a copy of which is attached hereto as Exhibit C (the "Ordinance"); and

**WHEREAS**, the Borough has undertaken a policy to encourage jobs, both construction related and permanent, and redevelopment of underutilized areas within the Borough; and

**WHEREAS**, the Borough made the following findings with respect to the Project:

**A. Relative Benefits of the Project:**

- i. The Project site is currently vacant and underutilized. The Project will redevelop the site with up to 120 residential units renting in accordance with the Redevelopment Plan. The Project will create numerous construction jobs during and permanent jobs after completion. The Project will generate significant amounts of new (otherwise unavailable) municipal revenues through the Annual Service Charge and water/sewer fees. In light of the cost of environmental remediation market conditions, economic factors and development costs impacting this Project, it is not financially feasible to undertake the development of this Project in the absence of the tax exemption. Accordingly, without the incentive the tax exemption, it is unlikely that the Project would be undertaken. Without the Project, the benefits described above would not be realized.

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

- i. The tax exemption permits the development of underutilized property and provides a stream of revenue in the form of the Annual Service Charges. The relative stability and predictability of the Annual Service Charges will allow the owners and, by extension, the occupants, of the Project to stabilize their expenses, which will ensure the likelihood of the success of the Project and ensure that it will have a positive impact on the surrounding area. Further, the relative stability and predictability of the Annual Service Charge makes the Project more attractive to investors and lenders needed to finance the Project. The tax exemption permits the development of the Project in an area that cannot otherwise be developed by reducing the expenses associated with the operation of the Project. Reduced expenses allows for more competitive rents in an otherwise untested market. As a result, the locational decisions of the probable tenants will be influenced positively by the tax exemption.

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

**ARTICLE I**  
**GENERAL PROVISIONS**

**1.01 Governing Law**

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

**1.02 General Definitions**

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

Agreement  
Application  
Borough  
Council  
Effective Date  
Entity  
Initial Redevelopment Area  
Long Term Tax Exemption Law  
Ordinance  
Party/Parties  
Planning Board  
Project  
Redevelopment Area  
Redevelopment Law  
Redevelopment Plan

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

Adjusted Annual Service Charge – An amount determined within ninety (90) days after the end of year twenty (20) and then again within ninety (90) days after the end of year twenty-five (25) to equal one percent (1%) of Market Value of the Project.

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

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

Allowable Profit Rate – The greater of (a) twelve percent (12%) or (b) the percentage per annum arrived at by adding one and one-quarter percent (1¼%) to the annual interest percentage rate

payable on the Entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing, or if the financing is internal or undertaken by a related party, the Allowable Profit Rate shall be the greater of (x) twelve percent (12%) or (y) the percentage per annum arrived at by adding one and one-quarter percent (1¼%) to the interest rate per annum that the Borough determines to be the prevailing rate of mortgage financing on comparable improvements in the County. The provisions of *N.J.S.A. 40A:20-3(b)* are incorporated herein by reference.

Annual Gross Revenue – Pursuant to *N.J.S.A. 40A:20-3(a)*, the annual gross revenue shall be calculated as one hundred percent (100%) of the rental charges generated from the residential units comprising the Project and one hundred percent (100%) of the application fees, pet fees, parking fees, floor or view premiums and any other charges that may be collected from tenants of the Project.

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

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

Applicable Law – All federal, State and local laws, ordinances, approvals, rules, regulations and requirements applicable thereto including, but not limited to, the Local Redevelopment and Housing Law and the Long Term Tax Exemption Law, as applicable, relevant construction codes including construction codes governing access for persons with disabilities, and such zoning, sanitary, pollution and other environmental safety ordinances, laws and such rules and regulations thereunder, including all applicable environmental laws, and applicable federal and State labor standards.

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

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

Clerk – The municipal clerk of the Borough.

County – The County of Monmouth.

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

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

Default Notice – As defined in Section 15.02.

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

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

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

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

Land – The real property, but not the Improvements, commonly known as Block 20, Lots 1, 2, 3, 5, 6, 6.01, 7, and 9 on the tax maps of the Borough, as more particularly described by the property description set forth in Exhibit A of this Agreement and to be exempt hereunder.

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

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

Market Value – An amount determined by a binding process as follows: (1) each of the parties submit third-party appraisals, within thirty (30) days of the end of the applicable year. If the appraisals are within ten (10%) of each other the Market Value shall be the average value of such appraisals. If the difference between appraisals is greater than ten percent (10%) then the appraisals will be submitted to a third appraiser (selected by the parties within thirty (30) days of the end of the applicable year) and (2) such third party appraiser selects one of the two appraisals within thirty (30) days of receipt thereof.

Material Conditions – As defined in Section 4.07.

Mayor – The mayor of the Borough.



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

Net Profit – The Annual Gross Revenue of the Entity pertaining to the Redevelopment Area, less all operating and non-operating expenses of the Entity, all determined in accordance with generally accepted accounting principles and the provisions of *N.J.S.A. 40A:20-3(c)*, which includes, but is not limited to, an annual amount sufficient to amortize the Total Project Cost and all capital costs determined in accordance with generally accepted accounting principles over the term of the abatement granted pursuant to this Agreement as well as all other expenses permitted under the provisions of *N.J.S.A. 40A:20-3(c)*.

Notice of Termination – As defined in Section 15.04.

State – The State of New Jersey.

Tax Assessor – The Borough tax assessor.

Tax Collector – The Borough tax collector.

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

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

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

### **1.03 Interpretation and Construction**

In this Agreement, unless the context otherwise requires:

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

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

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

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

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

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

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

**1.04** Reliance by Borough

It is expressly understood and agreed that the Borough has relied upon the facts and representations contained in the Application in granting the tax exemption described in this Agreement.

**{End of Article I}**

**ARTICLE II**  
**APPROVAL**

**2.01 Approval of Tax Exemption**

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

**2.02 Approval of the Entity**

Approval is granted to the Entity based on its representation that its Amended Certificate of Incorporation, attached to the Application as Exhibit 3 thereto, contains all the requisite provisions of law, has been reviewed and approved by the Commissioner of the Department of Community Affairs, and has been filed with, as appropriate, the Secretary of State, all in accordance with *N.J.S.A. 40A:20-5*.

**2.03 Improvements to Be Constructed**

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

**2.04 Construction Schedule**

The Entity agrees to diligently undertake to commence construction within eighteen (18) months of the issuance of the Final Site Plan Approval and complete construction within thirty-six (36) months of the issuance of the final site plan approval subject only to "Force Majeure". If the Entity fails to commence construction within eighteen (18) months of the issuance of the Final Site Plan Approval the Borough may terminate this Agreement upon thirty (30) days prior written notice to the Entity.

**2.05 Ownership, Management and Control**

The Entity represents that it is the owner of or under contract to purchase the Redevelopment Area. The Entity expressly covenants, warrants and represents that upon completion, the Project, including all Land and Improvements, shall be used, managed and operated for the purposes set forth in the Application and in accordance with the Redevelopment Plan and all Applicable Laws.

**2.06 Financial Plan**

The Entity represents that the Improvements shall be financed substantially in accordance with the representations set forth in the Financial Plan. The Application and Financial Plan, made a part hereof, set forth the estimated Total Project Cost, amortization rate on Total Project Cost, the source of funds, the interest rates to be paid on construction financing, the source and amount

of paid-in capital, the terms of any mortgage amortization, and rental schedules and lease terms, as applicable, in accordance with the Long Term Tax Exemption Law.

**2.07 Affordable Housing**

The Entity shall not be required to provide any affordable housing units within the Project nor make any payments in lieu of such obligation.

**{End of Article II}**

**ARTICLE III**  
**DURATION OF AGREEMENT**

**3.01 Term**

This Agreement is effective on the Effective Date. So long as there is compliance with the Applicable Laws and this Agreement, it is understood and agreed by the Parties that this Agreement, including the obligation to pay Annual Service Charges under Article IV and the tax exemption granted and referred to in Section 2.01, shall remain in effect until the earlier of (i) thirty (30) years from the date of the Effective Date or (ii) twenty-five (25) years from the Annual Service Charge Start Date for the Project. The tax exemption shall only be effective during the period of usefulness of the Project and shall continue in force only while the Project is owned by a corporation, association or other entity formed and operating under the Long Term Tax Exemption Law.

Upon Termination, the tax exemption for the Project shall expire and the Land and Improvements shall thereafter be assessed and taxed according to the general laws applicable to other non-exempt property in the Borough. Upon Termination all restrictions and limitations upon the Entity shall terminate upon the Entity's rendering and the Borough's acceptance of its final accounting, pursuant to *N.J.S.A. 40A:20-12*. Notwithstanding the above, if the Entity fails to commence construction within the timeframe set forth in Section 2.04, above, then the Borough may terminate the Agreement upon thirty (30) days prior written notice to the Entity.

**3.02 Date of Termination**

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

**3.03 Voluntary Termination by Entity**

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

**{End of Article III}**

**ARTICLE IV**  
**ANNUAL SERVICE CHARGE**

**4.01 Annual Service Charge Consent**

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

**4.02 Payment of Annual Service Charge**

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

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

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

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

The Annual Service Charge for the first (1<sup>st</sup>) year and last year of the tax exemption shall be calculated on a pro rata basis, based respectively on the number of days remaining in the calendar year or the number of days having elapsed in the calendar year, divided by three hundred sixty-five (365). For the first year, the exemption shall be in effect from the Annual Service Charge Start Date of the exemption to the close of the first calendar year. For the year ending the tax exemption, the exemption shall be in effect from the first day of the year to the termination of the exemption.

#### **4.03 Annual Service Charge Amount**

Pursuant to *N.J.S.A. 40A:20-12*, the Annual Service Charge shall be an amount equal to the greater of: (a) eleven percent (11%) of Annual Gross Revenues for the first ten (10) years after the Annual Service Charge Start Date; (ii) twelve percent (12%) of Annual Gross Revenues for years eleven (11) through fourteen (14) after the Annual Service Charge Start Date; (iii) twelve and one half percent (12.5%) of Annual Gross Revenues for the years fifteen (15) through twenty (20) after the Annual Service Charge Start Date; and fourteen percent (14%) of the Annual Gross Revenue for years twenty-one (21) through twenty-five (25) after the Annual Service Charge Start Date, or (b) the Adjusted Annual Service Charge or (c) the Minimum Annual Service Charge. The first year of the Annual Service Charge shall be billed based on the Minimum Annual Service Charge. The Entity shall use the prior year's Annual Gross Revenues to estimate the Annual Service Charge for each year. Within ninety (90) days of the end of each year the Entity shall calculate the Annual Service Charge for the prior year and determine apply any underpayment or overpayment to the then current year. The Entity shall calculate the actual The Annual Gross Revenues represent all of the revenues related to the Project and such Gross Revenues will not be limited by a master lease structure.

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

#### **4.04 Land Taxes and Credits, Reformation of Annual Service Charge**

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

B. In the event the exemption of the Land authorized under *N.J.S.A. 40A:20-12* is invalidated as described in Section 4.04(A), all Land Taxes, shall be separately assessed for the Project Site, and shall be computed according to the general laws applicable to all other tax ratables and shall be separately assessed for the Redevelopment Area, and shall be assessed only on the Land without regard to any improvements or increase in value to the Land because of the Improvements. The payment for Land Taxes shall be applied as a credit against the Annual Service Charge for the subsequent year. The Entity's failure in any tax year to make any Land Tax Payments when due and owing shall render the Entity ineligible for any land tax credits against the Annual Service Charge during that period, subject to a right to cure any such delinquency prior to the end of the applicable tax year. The Entity is required to make payment of both the Annual Service Charge and the Land Tax Payments, if applicable. The Entity is

required to pay the full Land Tax Payments in any given year, and no credits will be applied against the Annual Service Charge for partial payment of the Land Taxes, where delinquency extends beyond the cure period. The Entity's failure to make the requisite Annual Service Charge payment and/or the requisite Land Tax Payment in a timely manner shall constitute a violation and breach of this Agreement. The Borough shall, among its other remedies, have the right to proceed against the Redevelopment Area pursuant to the Tax Sale Law and/or may declare a Default under this Agreement upon sixty (60) days written notice to the Entity.

#### **4.05 Schedule of Stage Adjustments to Annual Service Charge**

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

Stage One. Commencing on the Annual Service Charge Start Date through the sixth (6<sup>th</sup>) year of the Agreement, the Annual Service Charge shall be the amount established in accordance with Section 4.03 of the Agreement.

Stage Two. From the seventh (7<sup>th</sup>) year through the twelfth (12<sup>th</sup>) year of the Agreement, the Annual Service Charge shall be the amount established in accordance with Section 4.03 or 4.04 of the Agreement, as applicable, or twenty percent (20%) of the amount of the taxes otherwise due on the Land and Improvements, whichever is greater.

Stage Three. From the thirteenth (13<sup>th</sup>) year through the twentieth (20<sup>th</sup>) year of the Agreement, the Annual Service Charge shall be the amount established in accordance with Section 4.03 or 4.04 of the Agreement, as applicable, or forty percent (40%) of the amount of the taxes otherwise due on the Land and Improvements, whichever is greater.

Stage Four. From the twenty-first (21<sup>st</sup>) year through the twenty-fourth (24<sup>th</sup>) year of the Agreement, the Annual Service Charge shall be the amount established in accordance with Section 4.03 or 4.04 of the Agreement, as applicable, or sixty percent (60%) of the amount of the taxes otherwise due on the Land and Improvements, whichever is greater.

Stage Five. For the twenty-fifth (25<sup>th</sup>) year, the Annual Service Charge shall be the amount established in accordance with Section 4.03 or 4.04 of the Agreement, as applicable, or eighty percent (80%) of the amount of the taxes otherwise due on the Land and Improvements, whichever is greater.

#### **4.06 Administrative Fee**

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



#### 4.07 Material Conditions

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

#### 4.08 No Reduction in Payment of the Annual Service Charge

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

#### 4.09 Annual Service Charges as Municipal Lien

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

#### 4.10 Security for Payment of Annual Service Charges

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

#### 4.11 County Portion Paid to the County

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

{End of Article IV}

**ARTICLE V**  
**REMEDIES**

**5.01 Dispute Resolution**

In the event of a dispute arising between the Parties in reference to the terms and provisions as set forth herein, the Parties shall submit the dispute to the American Arbitration Association in the State to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of the Long Term Tax Exemption Law. Each Party to this Agreement shall designate an arbitrator, and the two (2) arbitrators shall choose a third arbitrator. The arbitrators designated and acting under this Agreement shall make a determination, and produce a reasoned decision, regarding the issue(s) in controversy in strict conformity with the terms of this Agreement and Applicable Law. Costs for said arbitration shall be borne equally by both Parties. In the event of a Default on the part of the Entity to pay any installment of the Annual Service Charge required by Article IV above, the Borough, in addition to their other remedies, reserves the right to proceed against the Redevelopment Area and the Project, in the manner provided by law, including the Tax Sale Law, and any act supplementary thereto or amendatory thereof.

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

**5.02 Remedies**

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

**{End of Article V}**

**ARTICLE VI**  
**CERTIFICATE OF OCCUPANCY**

**6.01** Certificate of Occupancy

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

**6.02** Filing of Certificate of Occupancy

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

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

**{End of Article VI}**

**ARTICLE VII**  
**ANNUAL AUDITS**

**7.01 Accounting System**

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

**7.02 Periodic Reports**

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

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

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

**7.03 Inspection**

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

**7.04 Limitation on Profits and Reserves**

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

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

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

#### **7.05 Payment of Dividend and Excess Profit Charge**

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

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

**{End of Article VII}**

**ARTICLE VIII**  
**ASSIGNMENT AND/OR ASSUMPTION**

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

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

A. As permitted by *N.J.S.A. 40A:20-10(a)*, it is understood and agreed that the Borough, on written application by the Entity after completion of the Project, may consent to a sale of the Project and the transfer of this Agreement provided: (i) the transferee entity does not own or lease any other Project subject to long term tax exemption at the time of transfer; (ii) the transferee entity is formed and eligible to operate under the Long Term Tax Exemption Law; (iii) the Entity is not then in Default of this Agreement or the Long Term Tax Exemption Law; (iv) the Entity's obligations under this Agreement are fully assumed by the transferee entity; (v) the transferee entity agrees to abide by all terms and conditions of this Agreement including, without limitation, the filing of an application pursuant to *N.J.S.A. 40A:20-8*, and any other terms and conditions of the Borough in regard to the Project; and (vi) the principal owners of the transferee entity possess satisfactory business reputation and sufficient financial qualifications and credit worthiness to manage and, if applicable, complete the Project. In the event that the transfer contemplated in this Section 8.01(A) is for less than the whole of the Project, the Annual Service Charge to be paid each by the Entity and the transferee entity after the transfer shall be pro-rated based on the land area being transferred compared to the total land area for the Project.

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

C. If the Entity transfers the Project to another urban renewal entity, and the transferee entity has assumed all of the Entity's contractual obligations under this Agreement, then, pursuant to *N.J.S.A. 40A:20-6*, the Entity shall be discharged from any further obligation under this Agreement and shall be qualified to undertake another project pursuant to the Long Term Tax Exemption Law. The date of transfer of title of the Project to a purchasing entity shall be considered to be the close of the fiscal year of the Entity. Within ninety (90) days after that date of the transfer of title, the Entity shall pay to the Borough the amount of reserve, if any, maintained by it, as well as the excess Net Profit, if any, pursuant to *N.J.S.A. 40A:20-15*.

**8.02 Severability**

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

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

**8.03 Subordination of Fee Title**

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

**{End of Article VIII}**

**ARTICLE IX**  
**BOROUGH DETERMINATIONS AND OBLIGATIONS**

**9.01 Relative Benefits**

In accordance with the Long Term Tax Exemption Law, specifically *N.J.S.A. 40A:20-11(a)*, the Borough hereby finds and determines that this Agreement is to the direct benefit of the health, safety, welfare and financial well-being of the Borough and its citizens despite the tax exemption granted hereunder. The Project site is currently vacant and underutilized. The Project will redevelop the site with up to 120 residential units in accordance with the Redevelopment Plan. The Project will create numerous construction jobs and permanent jobs after construction. The Project will generate significant amounts of new (otherwise unavailable) municipal revenues through the Annual Service Charge and water/sewer fees. In light of the substantial cost of remediating environmental conditions, market conditions, economic factors and development costs impacting this Project, it is not financially feasible to undertake the development of this Project in the absence of the tax exemption. Accordingly, without the incentive the tax exemption, it is unlikely that the Project would be undertaken. Without the Project, the benefits described above would not be realized.

**9.02 Importance of Tax Exemption**

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

**{End of Article IX}**



**ARTICLE X**  
**WAIVER**

**10.01 Waiver**

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

**{End of Article X}**

**ARTICLE XI**  
**NOTICE**

**11.01 Notice**

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

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

Clay Perlman  
Mariner's Village at Keyport, LLC  
2601 Biscayne Boulevard  
Miami, Florida 33137

**with copies to:**

Robert Beckelman, Esq.  
Greenbaum, Rowe, Smith & Davis LLP  
Metro Corporate Campus One  
P.O. Box 5600  
Woodbridge, New Jersey 07095-0988  
Fax No. 732-476-2621  
Email: rbeckelman@greenbaumlaw.com

When sent to the Borough, it shall be addressed as follows:

Borough Clerk  
Borough of Keyport  
70 West Front Street  
Keyport, New Jersey 07735

**with copies to:**

Joseph P. Baumann, Jr., Esq.  
McManimon, Scotland & Baumann, LLC  
75 Livingston Avenue, 2<sup>nd</sup> Floor  
Roseland, New Jersey 07068

The notice to the Borough shall identify the subject with the tax account numbers of the tax parcels comprising the Redevelopment Area.

**{End of Article XI}**

**ARTICLE XII**  
**COMPLIANCE**

**12.01 Statutes and Ordinances**

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

**{End of Article XII}**

**ARTICLE XIII**  
**CONSTRUCTION**

**13.01 Construction**

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

**{End of Article XIII}**

**ARTICLE XIV**  
**INDEMNIFICATION**

**14.01 Indemnification**

It is understood and agreed that in the event the Borough shall be named as a party defendant in any action respecting the Redevelopment Area brought against the Borough or the Entity by allegation of any breach, Default or a violation of any of the provisions of this Agreement and/or the provisions of the Long Term Tax Exemption Law or any other Applicable Law, the Entity shall indemnify and hold the Borough harmless from and against all liability, losses, damages, demands, costs, claims, actions or expenses (including reasonable attorneys' fees and expenses) of every kind, character and nature arising out of or resulting from the action or inaction of the Entity and/or by reason of any breach, Default or a violation of any of the provisions of this Agreement, the provisions of *N.J.S.A. 40A:20-1 et seq.*, and/or any other Applicable Law except for any misconduct by the Borough or any of its officers, officials, employees or agents, and the Entity shall defend the suit at its own expense. However, the Borough maintains the right to intervene as a party thereto, to which intervention the Entity hereby consents, the expense thereof to be borne by the Entity.

**{End of Article XIV}**

**ARTICLE XV**  
**DEFAULT**

**15.01 Default**

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

**15.02 Cure Upon Default**

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

**15.03 Remedies Upon Default Cumulative; No Waiver**

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

**15.04 Termination Upon Default of the Entity**

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

**15.05 Final Accounting**

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

**15.06 Conventional Taxes**

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

**(End of Article XV)**

**ARTICLE XVI**  
**MISCELLANEOUS**

**16.01 Conflict**

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

**16.02 Oral Representations**

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

**16.03 Entire Document**

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

**16.04 Good Faith**

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

**16.05 Recording**

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

**16.06 Municipal Services**

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

**16.07 Annual Service Charge Paid to County**

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



**16.08 Financing Matters**

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

**16.09 Counterparts**

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

**16.10 Amendments**

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

**16.11 Certification**

The Clerk shall certify to the Tax Assessor, pursuant to *N.J.S.A. 40A:20-12*, that an agreement with an urban renewal entity, i.e., the Entity, for the development of the Redevelopment Area, has been entered into and is in effect as required by *N.J.S.A. 40A:20-1, et seq.* Delivery by the Clerk to the Tax Assessor of a certified copy of the Ordinance adopted by the Borough Council approving the tax exemption described herein and this Agreement shall constitute the required certification. Upon certification as required hereunder, the Tax Assessor shall implement the exemption and continue to enforce that exemption without further certification by the Clerk until the expiration of the entitlement to exemption by the terms of this Agreement or until the Tax Assessor has been duly notified by the Clerk that the exemption has been terminated.

Further, upon the adoption of this Agreement, a certified copy of the Ordinance adopted by the Borough Council approving the tax exemption described herein and this Agreement shall forthwith be transmitted to the Director of the Division of Local Government Services by the Clerk.

**16.12 Severability**

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

**16.13 Effect of Amendment and Restatement**

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

**{End of Article XVI}**

*[Signatures appear on the following page]*

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

**MARINER'S VILLAGE AT KEYPORT URBAN RENEWAL,  
LLC**

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

**BOROUGH OF KEYPORT**

By: \_\_\_\_\_  
Harry M. Aumack II, Mayor

STATE OF \_\_\_\_\_ :  
: ss  
COUNTY OF \_\_\_\_\_ :

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2018, by \_\_\_\_\_, the \_\_\_\_\_ of **MARINER'S VILLAGE AT KEYPORT URBAN RENEWAL, LLC**, a New Jersey urban renewal entity, on behalf of the company.

\_\_\_\_\_  
Notary Public

STATE OF NEW JERSEY :  
: ss  
COUNTY OF \_\_\_\_\_ :

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2018, by Harry M. Aumack II, the Mayor of the **BOROUGH OF KEYPORT**, a municipal corporation of the County of Monmouth and State of New Jersey, on behalf of the Borough.

\_\_\_\_\_  
Notary Public

**LIST OF EXHIBITS**

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

- Exhibit A.** Land Description
- Exhibit B.** Exemption Application with Exhibits
- Exhibit C.** Ordinance

**EXHIBIT A  
REDEVELOPMENT AREA DESCRIPTION**

**EXHIBIT B**  
**EXEMPTION APPLICATION WITH EXHIBITS**

**EXHIBIT C  
ORDINANCE**