

BOROUGH OF PALMYRA
ORDINANCE 2023-07

THIS ORDINANCE SECURES BONDS OR OTHER OBLIGATIONS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF THE REDEVELOPMENT AREA BOND FINANCING LAW, N.J.S.A. 40A:12A-64 ET SEQ., AND THE LIEN HEREOF IN FAVOR OF THE OWNERS OF SUCH BONDS OR OTHER OBLIGATIONS IS A MUNICIPAL LIEN SUPERIOR TO ALL OTHER NON-MUNICIPAL LIENS HEREAFTER RECORDED

ORDINANCE 07 OF 2023 PROVIDING FOR THE SPECIAL ASSESSMENT AGAINST BLOCK 156, LOT 2.03 (A PORTION OF THE PROPERTY FORMERLY IDENTIFIED AS BLOCK 156, LOTS 2, 2.01, 3.01, 4.01, 5.01 & 6.01), IN THE BOROUGH OF PALMYRA, IN THE COUNTY OF BURLINGTON, STATE OF NEW JERSEY, IN THE AMOUNT OF \$5,550,000, FOR CERTAIN COSTS TO BE INCURRED IN CONNECTION WITH AN AFFORDABLE HOUSING REDEVELOPMENT PROJECT ON BLOCK 156, LOT 1.02 (FUTURE BLOCK 156, LOT 1.07), IN THE BOROUGH OF PALMYRA, IN THE COUNTY OF BURLINGTON, STATE OF NEW JERSEY, AND AUTHORIZING THE EXECUTION OF CERTAIN AGREEMENTS IN CONNECTION THEREWITH

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

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

WHEREAS, in order to stimulate redevelopment, on September 9, 2002, the Borough adopted Resolution # 2002-92, designating Block 135.01, Lot 1 (formerly Bl. 135.A, Lot 1); Block 138, Lot 1; Block 139, Lot 1; Block 140, Lots 1, 2 & 3; Block 142.01 Lot 1 (formerly Bl. 142.A, Lot 1); Block 143, Lot 1; Block 144, Lot 1; Block 145, Lot 1; Block 146, Lots 1 & 2; Block 154 Lot 2.01 (formerly Bl. 154, L. 2.A); Block 154, Lot 4.01 (formerly Bl. 154, Lot 4.A); Block 156, Lots 1, 1.01, 1.02, 1.03, 1.04, 1.05, 1.06, 2, 2.01, 3.01, 4.01, 5.01, 6.01 & 16 (formerly Bl. 156, Lots 1, 1.A, 1.B, 1.C, 1.D, 1.E, 1.F, 2, 2.A, 3.A, 4.A, 5.A, 6.A & 16); Block 156.01, Lots 1, 1.01, 1.02 & 1.03 (formerly Block 156.A, Lots 1, 1.A, 1.B & 1.C) as being in need of redevelopment known as the Route 73 South Redevelopment Area (the “**Redevelopment Area**”) in accordance with the Act; and

WHEREAS, the Borough Council has adopted an ordinance approving and adopting the Route 73 South Redevelopment Plan (the “**Redevelopment Plan**”) in accordance with the Redevelopment Law; and

WHEREAS, the Borough, by ordinance has amended the Redevelopment Plan (all of which shall be referred to as the “Redevelopment Plan”) and subsequently designated Palmyra Urban Renewal Entity, LLC (“PURE”) as the redeveloper of the entire Redevelopment Area; and

WHEREAS, the Borough Council adopted Resolution 2020-173 on September 21, 2020, authorizing execution of a redevelopment agreement with PURE, and PURE and the Borough entered into a redevelopment agreement dated September 21, 2020 (the “**Original Redevelopment Agreement**”) for the entire Redevelopment Area; and

WHEREAS, Sansone Urban Renewal Entity, II, LLC (the “**Entity**” or “**SURE II**”) is the fee simple owner of the property from Fillit, Inc., which property was formerly designated as a portion of Block 156, Lots 2, 2.01, 3.01, 4.01, 5.01 & 6.01 on the official tax map of the Borough (which portion has now been re-designated as Block 156, Lot 2.03 as a result of an amended final subdivision map/plat recorded on April 5, 2023 at the Burlington County NJ Clerk, as Instrument 582-293-5 at Book/Page OR-13665/2876, approved on November 20, 2020) (such Lot 2.03 being the “**Specially Assessed Fillit Property**”), which land is located within the Redevelopment Area; and

WHEREAS, SURE II intends to construct a state of the art industrial distribution warehouse building totaling approximately 704,182 square feet in size and including approximately 253 trailer parking stalls, 439 car stalls, and associated site improvements (the “**Specially Assessed Fillit Improvements**”) to be located upon the Specially Assessed Fillit Property (the Specially Assessed Fillit Improvements, together with the Specially Assessed Fillit Property, the “**Specially Assessed Fillit Project**”); and

WHEREAS, the Borough approved and PURE and the Borough have entered into that certain Amended Redevelopment Agreement dated December 6, 2021, as further amended by that certain First Amendment to the Amended Redevelopment Agreement dated May 24, 2023, which applies to the Specially Assessed Fillit Project (collectively, the “**Fillit Redevelopment Agreement**”); and

WHEREAS, on May 24, 2023 all of PURE’s right, title, and interest in the Fillit Redevelopment Agreement was assigned to, and assumed by, SURE II; and

WHEREAS, the Borough entered into a Settlement Agreement dated November 15, 2016 with the Fair Share Housing Center (“FSHC”), an Intervenor-Defendant and interested party as designated by the New Jersey Supreme Court in In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1, 30, (2015), which Settlement Agreement was approved by the court on January 9, 2020, following a fairness hearing on May 10, 2017; and

WHEREAS, in connection with the November 15, 2016 Settlement Agreement, the Borough subsequently amended the Redevelopment Plan to include the construction of a 100% affordable housing development within the Redevelopment Area (the “**Affordable Housing Project**”), to be located on the property identified on the Borough tax maps as Block 156, Lot 1.02 (future Block 156, Lot 1.07) (the “**AH Parcel**”); and

WHEREAS, the Borough, PURE, and FSHC have entered into an Amended Settlement Agreement (the “**Amended FSHC Settlement Agreement**”) dated May 24, 2023, which supersedes the November 15, 2016 Settlement Agreement; and

WHEREAS, the Amended Settlement Agreement provides that PURE and the Borough shall commit a total of \$12.1 million in funding toward the Affordable Housing Project to ensure its completion, which funding shall be made available to the developer of the Affordable Housing Project (the “**Affordable Housing Project Developer**”) based on a specific order of funding options (the “**Traunches**”), which Traunches are set forth in Section 9 of the Amended Settlement Agreement, as follows:

- a. Traunch 1: \$1.7 million non-residential development fee previously advanced for the construction of a warehouse on the lands formerly owned by NAI Amusements, Inc. (deposited into and currently held in the Borough’s Affordable Housing Trust Fund);
- b. Traunch 2: \$2.5 million non-residential development fee previously advanced for the construction of a warehouse on the Specially Assessed Property (deposited into and currently held in the Borough’s Affordable Housing Trust Fund);
- c. Traunch 3: \$1.65 million cash deposit previously paid by PURE directly to the Affordable Housing Trust Fund (deposited into and currently held in the Borough’s Affordable Housing Trust Fund);
- d. Traunch 4: \$250,000 Borough contribution as authorized by Resolution #2022-225 adopted by the Borough Council on December 5, 2022, to be paid into the Borough’s Affordable Housing Trust Fund on or before the date upon which PURE closes on the transfer of the AH Parcel to the Affordable Housing Project Developer, or by June 30, 2023, whichever is later;
- e. Traunch 5: \$500,000 irrevocable letter of credit to be posted by PURE in favor of the Borough, which shall deposit the funds tendered thereunder in the Borough’s Affordable Housing Trust Fund on or before the date upon which PURE closes on the transfer of the AH Parcel to the Affordable Housing Project Developer, or by June 30, 2023, whichever is later;
- f. Traunch 6: \$3 million irrevocable letter of credit to be obtained by PURE in favor of the Borough, with proof thereof to be delivered to the Borough on or before the date upon which PURE closes on the transfer of the AH Parcel to the Affordable Housing Project Developer, or by June 30, 2023, whichever is later, and to be drawn upon by the Borough as needed for the benefit of the Affordable Housing Project as set forth in Paragraph 11 of the Amended FSHC Settlement Agreement;
- g. Traunch 7: \$1.50 million Redevelopment Area Bond (the “**Affordable Housing RAB**,” as more particularly hereinafter defined) to be authorized by the Borough via adoption of the requisite ordinance(s) in accordance with Paragraph 10 of the Amended FSHC Settlement Agreement on or before the date upon which the Borough transfers title to the AH Parcel to the Affordable Housing Project Developer, or by September 30, 2023, whichever is later, and to be drawn upon for the benefit of the Affordable Housing Project as set forth in Paragraph 11 of the Amended FSHC Settlement Agreement; and
- h. \$1 million final financial contribution from PURE and the Borough, respectively, as follows:

(i) Traunch 8: \$750,000 cash or cash equivalent to be paid by PURE into the Borough's Affordable Housing Trust Fund upon full expenditure of all previous Traunches (1-7) described above.

(ii) Traunch 9: \$250,000 cash contribution from the Borough to be approved by resolution adopted by Borough Council on or before the date upon which PURE closes on the transfer of the AH Parcel to the Affordable Housing Project Developer, or by June 30, 2023, whichever is later, and to be paid into the Borough's Affordable Housing Trust Fund upon full expenditure of all previous Traunches (1-8) described above; and

WHEREAS, pursuant to the Redevelopment Area Bond Financing Law (N.J.S.A. 40A:12A-64 *et seq.*, the "**RAB Law**"), a municipality may issue non-recourse bonds or notes ("**RABs**") to finance redevelopment projects pursuant to a redevelopment plan within an area in need of redevelopment, such as the Affordable Housing Project to be undertaken pursuant to the Redevelopment Plan, which RABs may be secured by, among other things, a special assessment on certain property within an area in need of redevelopment; and

WHEREAS, as previously described, Section 9(g) of the Amended FSHC Settlement Agreement requires as Traunch 7, that the Borough issue a RAB pursuant to the RAB Law, in order to finance a portion of the cost (not to exceed \$1,500,000) of the Affordable Housing Project (the "**Affordable Housing Project RAB**"), but only to the extent the funds raised in Traunches 1-6 pursuant to the Amended FSHC Settlement Agreement are insufficient to complete the Affordable Housing Project; and

WHEREAS, to the extent the Affordable Housing Project RAB is required to finance a portion of the Affordable Housing Project pursuant to the terms of the Amended FSHC Settlement Agreement, SURE II, pursuant to the Borough/SURE II Agreement (defined below), has agreed that such Affordable Housing Project RAB be non-recourse to the Borough and be secured solely by a special assessment to be imposed against the Specially Assessed Fillit Project; and

WHEREAS, the Borough and SURE II entered into an Agreement, dated May 17, 2023 (the "**Borough/SURE II Agreement**"), pursuant to which SURE II, among other things, (a) acknowledged and agreed to accept the Special Assessment (defined below), (b) agreed and consented to the terms and provisions set forth in a draft of the Special Assessment Agreement (defined below), which draft is attached as Exhibit A to the Borough/SURE II Agreement and (c) acknowledged and agreed to certain financial and other terms and matters relating to the Special Assessment and the non-recourse Affordable Housing Project RAB of the Borough to be secured solely by the Special Assessment; and

WHEREAS, in furtherance thereof, PURE has requested and SURE II has agreed that the Borough: (i) impose a special assessment upon the Specially Assessed Fillit Project in the amount of \$5,550,000 (the "**Special Assessment**") pursuant to the Redevelopment Law, the RAB Law and the Local Improvements Law (N.J.S.A. 40:56-1 *et seq.*, the "**Local Improvements Law**"); (ii) issue the Affordable Housing Project RAB pursuant to the Redevelopment Law and the RAB Law; and (iii) assign the Special Assessment to a trustee or banking institution in order to make payment of the debt service on the Affordable Housing Project RAB; provided, however, that the Borough shall only take the actions set forth in (ii) and (iii) above upon the Borough's receipt of a duly delivered request by the Affordable Housing Project Developer that the Affordable Housing Project RAB be issued in accordance with paragraph 11(b) of the Amended FSHC Settlement Agreement (the "**Request for RAB Funding Certificate**") ; and

WHEREAS, in order to provide security for the payment of the Affordable Housing Project RAB, the Borough desires to enter an agreement with SURE II pursuant to which the Borough shall have a right to impose the Special Assessment against the Specially Assessed Fillit Project in accordance with the terms of this Ordinance (the "**Special Assessment Agreement**"); and

WHEREAS, the Affordable Housing Project shall contribute to the Borough's satisfaction of its fair share of affordable housing requirement; and

WHEREAS, the Borough, upon the request of PURE and with the consent of SURE II, has determined to authorize the imposition of the Special Assessment and the Affordable Housing Project RAB relating thereto.

NOW, THEREFORE, BE IT ORDAINED BY THE BOROUGH COUNCIL OF THE BOROUGH OF PALMYRA, IN THE COUNTY OF BURLINGTON, NEW JERSEY AS FOLLOWS:

Section 1. The recitals hereof are incorporated by reference as it is set forth at length herein.

Section 2. The Special Assessment shall be imposed against the Specially Assessed Fillit Project in accordance with the Redevelopment Law, the RAB Law, and the Local Improvements Law. Notice is hereby given to the owner of Block 156, Lot 2.03 (formerly a portion of Block 156, Lots 2, 2.01, 3.01, 4.01, 5.01, & 6.01) that the Borough intends to make and levy a special assessment against a portion of such property as follows:

Amount: The amount of \$5,550,000, which amount is hereby deemed to be the "benefit conferred" within the meaning of N.J.S.A. 40A:12A-66(c).

Payment Dates: The Special Assessment shall be paid to the Borough in thirty approximately equal annual installments and each such annual installment shall be payable in four equal quarterly installments on February 1, May 1, August 1, and November 1 (each a "Special Assessment Payment Date") in each such year, with the first such installment to be due and payable on: (i) if there is no capitalized interest period on the Affordable Housing Project RAB, the first Special Assessment Payment Date following the issuance of the Affordable Housing Project RAB; or (ii) if there is a capitalized interest period on the Affordable Housing Project RAB, on the first Special Assessment Payment Date to allow for the sufficient and timely payment of all debt service charges following the expenditure of all capitalized interest on the Affordable Housing Project RAB; provided that in no case shall the first installment of the Special Assessment be due and payable prior to February 15, 2025.

Term of Special Assessment: The obligation of any owner of the Specially Assessed Fillit Project to make payments of the Special Assessment shall remain in effect: (i) if the Affordable Housing Project RAB is issued, for a period of thirty (30) years from the date that the first Special Assessment amount is due in accordance with the terms hereof but in no event exceeding the period of years for which the Affordable Housing Project RAB is issued; or (ii) if the Affordable Housing Project becomes eligible for the issuance of a Certificate of Occupancy without receipt by the Borough of a duly delivered Request for RAB Funding Certificate by the Affordable Housing Project Developer, until the date of eligibility for such Certificate of Occupancy, at which time this Special Assessment Agreement shall automatically terminate. The Owner of the Specially Assessed Fillit Project shall have the privilege of paying the full balance of installments, provided the amount of such prepayment shall be equal to the sum of all unpaid installments over the thirty (30) year payment schedule set forth on Exhibit C to the Special Assessment Agreement, as same may be updated from time to time in accordance with the terms thereof.

Special Assessment Agreement: The form of Special Assessment Agreement, which was approved by SURE II in the Borough/SURE II Agreement, attached hereto as Exhibit A is hereby approved, with such changes, revisions or alterations therefor as may be approved by the officer executing the same after consultation with the Borough's counsel, such approval to be conclusively evidenced by the execution thereof.

Section 3. This Ordinance and the Special Assessment shall constitute a municipal lien against the Specially Assessed Fillit Project. Compliance with the Special Assessment shall be enforced in accordance with the New Jersey Tax Sale Law, N.J.S.A. 54:5-1 et seq., including, if applicable, by means of in rem foreclosure.

Section 4. In accordance with the RAB Law, specifically N.J.S.A. 40A:12A-66(c), an event of a default by any owner of the Specially Assessed Fillit Project under the Special Assessment Agreement, including, without limitation, with respect to the timely payment of the Special Assessment, shall not subject the Special Assessment to acceleration and any subsequent installments (following such uncured default) of the Special Assessment which would not yet have become due except for the default shall be considered as not in default and that the lien for such installments not yet due shall continue.

Section 5. Each of the Mayor, Borough Clerk, Business Administrator and Chief Financial Officer are authorized to execute such agreements, documents and certificates, and take such actions, as may be necessary to carry out the terms of this Ordinance.

Section 6. This Ordinance shall take effect as provided by law.

Attachments:

Exhibit A

Form of Special Assessment Agreement

Approved for introduction at the regular meeting of the Borough of Palmyra Mayor and Council on **June 20th, 2023** Public Notice of the second reading and public hearing was published in the Burlington County Times on **June 25th, 2023**. Public Notice and second reading will be held **July 17th, 2023**.

RECORDED VOTE	MOTION	SECOND	INEAVOR	AGAINST	ABSTAIN	ABSENT
DR. CLOUD						X
MS. LATIMORE						X
MR. LIEBE			X			
MRS. MCCANN		X	X			

MS. O'CONNOR			X			
PRESIDENT HOWARD	X		X			
MAYOR GINA RAGOMO TAIT						

Approved for final adoption at the regular meeting of the Borough of Palmyra Mayor and Council on **July 17, 2023** after a public hearing was held. Public Notice was given for the public hearing by being published in the Burlington County Times on June 25, 2023

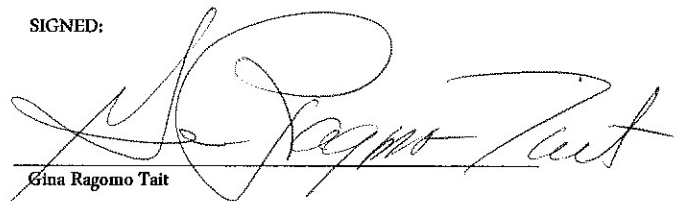
RECORDED VOTE	MOTION	SECOND	INFAVOR	AGAINST	ABSTAIN	ABSENT
DR. CLOUD			X			
MS. LATIMORE			X			
MR. LIEBE	X		X			
MRS. MCCANN		X	X			
MS. O'CONNOR			X			
PRESIDENT HOWARD			X			
MAYOR GINA RAGOMO TAIT						

DATE OF FINAL PUBLICATION: **July 21, 2023**

ATTEST:


Doretha Jackson
Municipal Clerk

SIGNED:


Gina Ragomo Tait
Mayor

\$5,550,000 Assessment

EXHIBIT A

THIS SPECIAL ASSESSMENT AGREEMENT SECURES BONDS OR OTHER OBLIGATIONS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF THE REDEVELOPMENT AREA BOND FINANCING LAW, N.J.S.A. 40A:12A-64 ET SEQ., AND THE LIEN HEREOF IN FAVOR OF THE OWNERS OF SUCH BONDS OR OTHER OBLIGATIONS IS A MUNICIPAL LIEN SUPERIOR TO ALL OTHER NON-MUNICIPAL LIENS HEREAFTER RECORDED

Record and return to:

Ted M. Rosenberg, Esq.
321 New Albany Road
P.O. Box 97
Moorestown, New Jersey 08057

SPECIAL ASSESSMENT AGREEMENT

BY AND BETWEEN

THE BOROUGH OF PALMYRA

AND

SANSONE URBAN RENEWAL ENTITY, II, LLC

THIS SPECIAL ASSESSMENT AGREEMENT (hereinafter "Special Assessment Agreement"), made this ____ day of _____, 2023 (the "Effective Date") by and between **SANSONE URBAN RENEWAL ENTITY, II, LLC** (the "Entity" or "SURE II"), being qualified to do business under applicable law, including the provisions of New Jersey's Long Term Tax Exemption Law, constituting Chapter 431 of the Pamphlet Laws of 1991, as amended and supplemented, and codified at N.J.S.A. 40A:20-1 et seq. (the "Exemption Law") with offices as hereinafter specified, along with its permitted successors and/or assigns, and the **BOROUGH OF PALMYRA** (the "Borough", and together with the Entity, each a "Party," and together, the "Parties"), a municipal corporation in the County of Burlington and the State of New Jersey (the "State").

WITNESSETH:

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

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

WHEREAS, the Borough has elected to exercise these redevelopment entity powers directly, as permitted by Section 4 of the Redevelopment Law; and

WHEREAS, in order to stimulate redevelopment, on September 9, 2002, the Borough adopted Resolution # 2002-92, designating Block 135.01, Lot 1 (formerly Bl. 135.A, Lot 1); Block 138, Lot 1; Block 139, Lot 1; Block 140, Lots 1, 2 & 3; Block 142.01 Lot 1 (formerly Bl. 142.A, Lot 1); Block 143, Lot 1; Block 144, Lot 1; Block 145, Lot 1; Block 146, Lots 1 & 2; Block 154 Lot 2.01 (formerly Bl. 154, L. 2.A); Block 154, Lot 4.01 (formerly Bl. 154, Lot 4.A); Block 156, Lots 1, 1.01, 1.02, 1.03, 1.04, 1.05, 1.06, 2, 2.01, 3.01, 4.01, 5.01, 6.01 & 16 (formerly Bl. 156, Lots 1, 1.A, 1.B, 1.C, 1.D, 1.E, 1.F, 2, 2.A, 3.A, 4.A, 5.A, 6.A & 16); Block 156.01, Lots 1, 1.01, 1.02 & 1.03 (formerly Block 156.A, Lots 1, 1.A, 1.B & 1.C) as being in need of redevelopment and created the redevelopment area known as the Route 73 South Redevelopment Area (the "Redevelopment Area") in accordance with the Act; and

WHEREAS, the Borough Council has adopted an ordinance approving and adopting the Route 73 South Redevelopment Plan (the "Redevelopment Plan") in accordance with the Redevelopment Law (together with the Exemption Law, the "Acts"); and

WHEREAS, the Borough, by ordinance has amended the Redevelopment Plan (all of which shall be referred to as the "Redevelopment Plan") and subsequently designated Palmyra Urban Renewal Entity, LLC (the predecessor in interest to the Entity with respect to the hereinafter defined Specially Assessed Fillit Property, "PURE") as the redeveloper of the entire Redevelopment Area; and

WHEREAS, the Borough Council adopted Resolution 2020-173 on September 21, 2020, authorizing execution of a redevelopment agreement with PURE, and PURE and the Borough entered into a redevelopment agreement dated September 21, 2020 (the “Original Redevelopment Agreement”) for the entire Redevelopment Area; and

WHEREAS, SURE II is the fee simple owner of the property from Fillit, Inc., which property was formerly designated as a portion of Block 156, Lots 2, 2.01, 3.01, 4.01, 5.01 & 6.01 on the official tax map of the Borough (which portion has now been re-designated as Block 156, Lot 2.03 as a result of an amended final subdivision map/plat recorded on April 5, 2023 at the Burlington County NJ Clerk, as Instrument 582-293-5 at Book/Page OR-13665/2876, approved on November 20, 2020) (such Lot 2.03 being the “Specially Assessed Fillit Property”), which land is located within the Redevelopment Area; and

WHEREAS, SURE II intends to construct a state of the art industrial distribution warehouse building totaling approximately 704,182 square feet in size and including approximately 253 trailer parking stalls, 439 car stalls, and associated site improvements (the “Specially Assessed Fillit Improvements”) to be located upon the Specially Assessed Fillit Property (the Specially Assessed Fillit Improvements, together with the Specially Assessed Fillit Property, the “Specially Assessed Fillit Project”); and

WHEREAS, the Borough approved and PURE and the Borough have entered into that certain Amended Redevelopment Agreement dated December 6, 2021, as further amended by that certain First Amendment to the Amended Redevelopment Agreement dated May 24, 2023, which applies to the Specially Assessed Fillit Project (collectively, the “Fillit Redevelopment Agreement”); and

WHEREAS, on May 24, 2023 all of PURE’s right, title, and interest in the Fillit Redevelopment Agreement was assigned to, and assumed by, SURE II; and

WHEREAS, the Borough entered into a Settlement Agreement dated November 15, 2016 with the Fair Share Housing Center (“FSHC”), an Intervenor-Defendant and interested party as designated by the New Jersey Supreme Court in In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1, 30, (2015) (“Mount Laurel IV”), which Settlement Agreement was approved by the court on January 9, 2020, following a fairness hearing on May 10, 2017; and

WHEREAS, in connection with the November 15, 2016 Settlement Agreement, the Borough subsequently amended the Redevelopment Plan to include the construction of a 100% affordable housing development within the Redevelopment Area (the “Affordable Housing Project”), to be located on the property identified on the Borough tax maps as Block 156, Lot 1.02 (future Block 156, Lot 1.07) (the “AH Parcel”); and

WHEREAS, the Borough, PURE, and FSHC have entered into an Amended Settlement Agreement (the “Amended FSHC Settlement Agreement”) dated May 24, 2023, which supersedes the November 15, 2016 Settlement Agreement; and

WHEREAS, the Amended Settlement Agreement provides that PURE and the Borough shall commit a total of \$12.1 million in funding toward the Affordable Housing Project to ensure

OTHER OWNER(S), AND ITS RESPECTIVE PARCEL OR PORTION OF LAND, AND ANY IMPROVEMENTS RELATED THERETO, SHALL CONTINUE TO BE SUBJECT TO, GOVERNED BY AND BOUND BY THIS SPECIAL ASSESSMENT AGREEMENT.

SECTION 1.02 General Definitions — The recitals and Exhibits to this Special Assessment Agreement are hereby incorporated by reference herein as if set forth at length. The following terms shall have the meaning assigned to such terms in the recitals hereof:

Acts	Party or Parties
Affordable Housing Project	PURE
Affordable Housing Project Developer	RAB Law
Affordable Housing Project RAB	RABs
AH Parcel	Redevelopment Area
Amended Settlement Agreement	Redevelopment Law
Borough	Redevelopment Plan
Effective Date	Request for RAB Funding Certificate
Fillit Redevelopment Agreement	Special Assessment
FSHC	Special Assessment Agreement
Exemption Law	Specially Assessed Fillit Improvements
Local Improvements Law	Specially Assessed Fillit Project
Mount Laurel IV	Specially Assessed Fillit Property
Original Redevelopment Agreement	State
	SURE II
	Traunches

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

Certificate of Occupancy – A temporary or permanent certificate of occupancy issued by the Borough authorizing occupancy of the Specially Assessed Fillit Project or any portion thereof, pursuant to N.J.S.A. 52:27D-133.

Debt Service Charges – shall mean debt service, reserves, and administrative expenses related to the Affordable Housing Project RAB, as further described in the Indenture.

Default - shall have the meaning ascribed to such term in Section 5.01.

Indenture - shall mean the indenture of trust approved in connection with and providing for, among other things, the trust estate securing the Affordable Housing Project RAB, which shall be executed simultaneously with the issuance of the Affordable Housing Project RAB.

In Rem Tax Foreclosure - shall mean a summary proceeding by which the Borough may enforce the lien for taxes, special assessments, and other statutory liens. Said foreclosure is governed by N.J.S.A. 54:5-1 et seq.

Land - shall mean the Specially Assessed Fillit Property as described in Exhibit A attached hereto.

Legal Interest - in the event that an Owner fails to timely pay, in full, any installment of the Special Assessment, Legal Interest with respect to such installment shall mean the highest rate of interest permitted under State law in the case of unpaid real estate taxes or real estate tax sale certificates on land until paid.

Owner - shall have the meaning ascribed to such term in Section 1.01.

Pledge and Assignment Agreement - shall mean the agreement to be executed in connection herewith, but only if and to the extent the Affordable Housing Project RAB is issued by the Borough, between the Borough and the Trustee assigning the Special Assessment to the Trustee for the benefit of the holders of the Affordable Housing Project RAB.

Special Assessment Payment Date - shall have the meaning ascribed to such term in Section 3.01(b).

Trustee - shall mean the trustee appointed under the Indenture.

ARTICLE II. DURATION OF SPECIAL ASSESSMENT AGREEMENT

SECTION 2.01 Term. The Parties hereby expressly, irrevocably, and unconditionally acknowledge, agree, warrant, and covenant that this Special Assessment Agreement, including the obligation to pay the Special Assessment required under Article III hereof, shall remain in effect: (i) if the Affordable Housing Project RAB is issued, for a period of thirty (30) years from the date that the first Special Assessment amount is due in accordance with the terms hereof; or (ii) if the Affordable Housing Project becomes eligible for the issuance of a Certificate of Occupancy without receipt by the Borough of a duly delivered Request for RAB Funding Certificate from the Affordable Housing Project Developer, until the date of eligibility for such Certificate of Occupancy, at which time this Special Assessment Agreement shall automatically terminate. To the extent this Special Assessment Agreement is terminated pursuant to clause (ii) above without issuance of the Affordable Housing Project RAB, the Special Assessment Ordinance and this Special Assessment Agreement shall be discharged of record and the Parties shall cooperate in the preparation and filing of any appropriate documentation effectuating such discharge.

ARTICLE III. SPECIAL ASSESSMENT AMOUNT

SECTION 3.01 Special Assessment Amount and Installments

(a) The Owner hereby expressly, irrevocably, and unconditionally acknowledges and agrees that, with respect to the Land and Specially Assessed Fillit Improvements to be constructed thereon, the Special Assessment allocable to the Specially Assessed Fillit Project to be applied as set forth in **Exhibit B** and **Exhibit C**, shall be, and is hereby irrevocably and unconditionally accepted in full and agreed to by the present Owner of the Land and Specially Assessed Fillit Improvements to be constructed thereon from time-to-time (on behalf of such present Owner and all subsequent Owner(s)) and in accordance with the Local Improvements Law and N.J.S.A. 40A:12A-66(c) of the RAB Law and shall be deemed to be, in lieu of a determination by the

procedures otherwise applicable to determining the actual benefit conferred on the Land and Specially Assessed Fillit Improvements constructed thereon from time-to-time, the benefit conferred on the Specially Assessed Fillit Project by the Special Assessment.

(b) The Special Assessment for the Specially Assessed Fillit Project shall be allocated to the Owner's undivided interest in the Specially Assessed Fillit Land the Specially Assessed Fillit Improvements and shall be payable quarterly on February 1, May 1, August 1, and November 1 (each, a "Special Assessment Payment Date") of each year during the term of this Special Assessment Agreement with the first such installment to be due and payable on: (i) if there is no capitalized interest period on the Affordable Housing RAB, the first Special Assessment Payment Date following the issuance of the Affordable Housing Project RAB; or (ii) if there is a capitalized interest period on the Affordable Housing Project RAB, on the first Special Assessment Payment Date to allow for the sufficient and timely payment of all debt service charges following the expenditure of all capitalized interest on the Affordable Housing Project RAB; provided that in no case shall the first installment of the Special Assessment be due and payable prior to February 15, 2025. The Owner shall have the privilege of paying the full balance of installments and the Owner hereby acknowledges that the amount of such prepayment shall be equal to the sum of all unpaid installments over the thirty (30) year payment schedule set forth on Exhibit C hereto, as same may be updated from time to time in accordance with the terms hereof. For avoidance of doubt, if the Affordable Housing Project RAB is not issued by the Borough, no installments of the Special Assessment shall become due and payable under this Special Assessment Agreement.

(c) The Special Assessment for the Specially Assessed Fillit Project shall be the amount set forth in Exhibit C hereto, and shall be irrevocably assigned by the Borough pursuant to the Pledge and Assignment Agreement and paid over to the Trustee to be applied to the payment of the Debt Service Charges on the Affordable Housing Project RAB.

(d) Each installment payment of the aforesaid Special Assessment amount is to be made to the Trustee and shall be clearly identified as a Special Assessment payment for the Specially Assessed Fillit Project. The Trustee shall apply the payment of the Special Assessment pursuant to and in accordance with that certain Revenue Collection and Disbursement Agreement by and between the Trustee and the Borough, to be dated as of the date of issuance of the Affordable Housing Project RABs.

SECTION 3.02 Interest on Past Due Amounts; Legal Interest

(a) The Owner hereby expressly, irrevocably, and unconditionally agrees, warrants, covenants, and accepts that in the event that the Owner fails to timely pay, in full, any installment of any Special Assessment amount, the amount past due shall bear the highest rate of interest permitted under State law in the case of unpaid real estate taxes or tax sale certificates on land until paid.

(b) The Parties hereby agree that the Borough shall have the obligation to charge Legal Interest on unpaid installments of the Special Assessments.

(c) The Borough agrees that upon SURE II's transfer of title to the Specially Assessed Fillit Project to a successor Owner, the obligation to make payments of Special Assessments shall

run with the Land to the successor Owner(s) and the predecessor Owner shall have no further obligation to make future payments.

ARTICLE IV. MUNICIPAL LIEN; SUBORDINATION OF FEE TITLE

SECTION 4.01 Municipal Lien

(a) The Parties hereby expressly, irrevocably, and unconditionally acknowledge, agree, warrant, and covenant that in accordance with the Local Improvements Law, specifically N.J.S.A. 40:56-33, and the RAB Law, specifically N.J.S.A. 40A:12A-66(c), and such other statutes as may be sources of relevant authority, if any, upon and as a consequence of the recordation of the Special Assessment Ordinance and the recordation of this Special Assessment Agreement, as set forth in Section 7.01 hereof, the Special Assessment Ordinance, this Special Assessment Agreement, and any amount due hereunder, including without limitation, the Special Assessment, shall constitute an automatic, enforceable, and perfected statutory municipal lien for all purposes of law.

(b) The Parties hereby expressly, irrevocably, and unconditionally represent, agree, warrant, and covenant that this Special Assessment Agreement, and the municipal lien created hereby, is valid and enforceable in accordance with all applicable law, including without limitation the Local Improvements Law and the RAB Law.

SECTION 4.02 Subordination of Fee Title. The Parties hereby expressly, irrevocably, and unconditionally acknowledge, agree, warrant, and covenant that the Owner has the right, subordinate to the municipal lien, as a matter of law, to encumber the fee title to its property, including any improvements related thereto, and that any such subordinate encumbrance shall not be deemed to be a violation of this Special Assessment Agreement.

ARTICLE V. DEFAULT

SECTION 5.01 Default. Default shall be failure of any Party to perform its obligations under this Special Assessment Agreement, beyond any applicable notice, cure or grace period (each a "Default"). In addition, a Default under this Special Assessment Agreement by any Owner shall only be considered a Default against the Specially Assessed Fillit Property, without any implication of Default against any other owner or property.

SECTION 5.02 Cure Upon Default. Should any Party be in Default of any obligation under this Special Assessment Agreement, the defaulting Party shall have fourteen (14) calendar days to cure following receipt from the other Party providing notice of such Default; provided however, in the event of a payment Default by the Entity, such Default may be cured by the Entity, or any mortgagee or limited partner of Entity for whom notice information is provided pursuant to Section 6.01, any time prior to the first date for payment of principal of, or interest on, the Affordable Housing Project RAB, for which insufficient amounts are available for such payment.

SECTION 5.03 Remedies for Default. In the event of any uncured Default by an Owner, the Borough may take whatever action at law or in equity, as may be necessary or desirable to enforce the performance or observance of any rights under this Special Assessment Agreement,

including an action for specific performance or damages. No Default hereunder by an Owner shall terminate this Special Assessment Agreement (except as described herein) and its obligation to pay the Special Assessment amounts due hereunder, which shall continue in effect for the duration as set forth in Section 2.01 hereof.

SECTION 5.04 Default by Owner. Upon any Default by the Owner in payment of any installment of the Special Assessment, the Borough, in addition to its other remedies, reserves the right to proceed against the Owner's undivided interest in the Land to which the Default applies, and any improvements related thereto, in the manner provided by applicable law and shall have the right to proceed to In Rem Tax Foreclosure consistent with the provisions and procedures of the In Rem Tax Foreclosure law. In accordance with the Special Assessment Ordinance and the RAB Law, specifically N.J.S.A. 40A:12A-66(c), an event of a Default by the Owner either pursuant to Section 5.01 hereof or in the payment of an installment of the Special Assessment shall not subject the Special Assessment to acceleration and any subsequent installments (following such uncured Default) of the Special Assessment which would not yet have become due except for the Default shall be considered as not in Default and that the lien for such installments not yet due shall continue.

ARTICLE VI. NOTICES

SECTION 6.01 Notice. Formal notices, demands, and communications between and among the Borough and an Owner shall be in writing and deemed given if dispatched to the address set forth below by registered or certified mail, postage prepaid, return receipt requested, or by a commercial overnight delivery service with packaging tracking capability and for which proof of delivery is available. In that case such notice is deemed effective upon delivery. Such written notices, demands, and communications may be sent in the same manner to such other addresses as either Party may from time to time designate by written notice.

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

If to the Borough:

Borough of Palmyra
20 West Broad Street
Palmyra, New Jersey 08065
Attention: Municipal Clerk

With a copy to:

Ted M. Rosenberg, Esq.
321 New Albany Road
P.O. Box 97
Moorestown, New Jersey 08057

Andrew M. Brewer, Esq.
Maraziti, Falcon
240 Cedar Knolls Road, Suite 301
Cedar Knolls, NJ 07927

If to SURE II:

Sansone Urban Renewal Entity, II, LLC
[insert]

With a copy to:

[insert]

Any additional mortgagee or limited partner for which the Entity provides the Borough an address for notices.

If to any other Owner:

The notice shall be directed to the Owner's address as set forth in the property tax records of the Borough.

**ARTICLE VII.
MISCELLANEOUS**

SECTION 7.01 Recording. Upon the execution and delivery of this Special Assessment Agreement, the entire Special Assessment Agreement and the Special Assessment Ordinance shall be filed and recorded with the Burlington County Register by the Borough, at the Entity's expense, such that this Special Assessment Agreement and the Special Assessment Ordinance shall be reflected upon the land records of the County of Burlington as a municipal lien upon and a covenant running with the Owner's undivided interest in the Land and any improvements related thereto.

SECTION 7.02 Counterparts. This Special Assessment Agreement may be simultaneously executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 7.03 Amendments. This Special Assessment Agreement may not be amended, changed, modified, altered, or terminated without the written consent of the Trustee and the Parties hereto.

SECTION 7.04 Severability of Invalid Provisions. 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. In such event, the Parties shall confer in good faith and endeavor to reform this Special Assessment Agreement in a manner which is lawful and produces the same or substantially the same results as existed prior to the declaration of illegality or invalidity.

SECTION 7.05 Exhibits. The Exhibits attached to this Special Assessment Agreement are incorporated herein and made part of this Special Assessment Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have caused this Special Assessment Agreement to be executed the day and year first above written.

SANSONE URBAN RENEWAL ENTITY, II, LLC,
a New Jersey limited liability company

By: _____
Name: _____
Title: Authorized Signatory

ACKNOWLEDGMENT

STATE OF)
)
COUNTY OF) SS.:

Be it remembered that on the ____ day of _____, 2023,
_____ personally appeared before me, and this person acknowledged under oath, to my satisfaction that:

- (a) he is the authorized signatory of Sansone Urban Renewal Entity, II, LLC, the limited liability company identified as the Entity in the attached Special Assessment Agreement;
- (b) he is authorized to execute the attached Special Assessment Agreement on behalf of the Entity;
- (c) he executed the attached Special Assessment Agreement on behalf of and as the act of the Entity; and
- (d) the attached Special Assessment Agreement was signed and made by the Entity as its duly authorized and voluntary act.

BOROUGH OF PALMYRA

By: _____
Name: Gina Ragomo Tait
Title: Mayor

ACKNOWLEDGMENT

STATE OF NEW JERSEY)
)
COUNTY OF BURLINGTON) SS.:

Be it remembered that on the ____, day of _____, 2023, Gina Ragomo Tait personally appeared before me, and this person acknowledged under oath, to my satisfaction that:

- (a) she is the Mayor of the Borough of Palmyra, New Jersey, the Borough in the attached Special Assessment Agreement;
- (b) she is authorized to execute the attached Special Assessment Agreement on behalf of the Borough;
- (c) she executed the attached Special Assessment Agreement on behalf of and as the act of the Borough; and
- (d) the attached Special Assessment Agreement was signed and made by the Borough as its duly authorized and voluntary act.

LIST OF EXHIBITS

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

Exhibit A	Property Description
Exhibit B	Scope of Special Assessment
Exhibit C	Calculation of Special Assessment

EXHIBIT A

PROPERTY DESCRIPTION

EXHIBIT B

SCOPE OF SPECIAL ASSESSMENT

The Special Assessment shall include the costs related to the Affordable Housing Project, allocable to the Land, including but not limited to the hard costs of construction, the costs of engineering, planning, and design, the cost of construction management services and other softs cost and costs related thereto, and any other costs allowable pursuant to applicable law, including not to exceed \$1,500,000 for construction costs, not to exceed \$250,000 of costs related to the authorization and issuance of the Affordable Housing Project RAB and capitalized interest thereon and Debt Service Charges on the Affordable Housing Project RAB as described in **Exhibit C**.

EXHIBIT C
CALCULATION OF SPECIAL ASSESSMENT

The Special Assessment shall be calculated as follows: During the term of this Special Assessment Agreement, the Special Assessment shall be set in amounts necessary to repay not to exceed \$1,750,000 par amount of Affordable Housing Project RABs issued to fund a portion of the Affordable Housing Project. The Special Assessment shall be adjusted periodically, if applicable, to reflect any redemption, refunding, prepayment, or other change in the Debt Service Charges requirement with respect to the Affordable Housing Project RABs. This Exhibit C shall be updated to reflect the schedule of actual Debt Service Charges attributable to the Affordable Housing Project RABs upon: (i) issuance of the Affordable Housing Project RABs and thereafter upon any redemption, refunding, prepayment, or other change in the Debt Service Charges attributable to the Affordable Housing Project RABs, and (ii) the delivery of a certificate of an authorized representative of the Borough and the Entity setting forth the amount of such Debt Service Charges. In no event shall the annual Special Assessment exceed the greater of \$175,000 or twenty-five cents (\$0.25) per square foot of improvements comprising the Specially Assessed Fillit Project and in no event shall the sum of all Special Assessment payments over the full payment term exceed \$5,550,000. Upon issuance of the Affordable Housing Project RABs, the \$5,550,000 Special Assessment shall be reduced to the sum of all Debt Service Charges attributable to such Affordable Housing Project RABs as reflected in such updated Exhibit C.

Year	Projected Debt Service Charges/ Projected Special Assessment
1	\$175,000
2	\$175,000
3	\$175,000
4	\$175,000
5	\$175,000
6	\$175,000
7	\$175,000
8	\$175,000
9	\$175,000
10	\$175,000
11	\$175,000
12	\$175,000
13	\$175,000
14	\$175,000
15	\$175,000
16	\$175,000
17	\$175,000
18	\$175,000
19	\$175,000
20	\$175,000
21	\$175,000
22	\$175,000
23	\$175,000
24	\$175,000
25	\$175,000
26	\$175,000
27	\$175,000
28	\$175,000
29	\$175,000
30	\$175,000