

RESOLUTION #2898

AMENDED AND RESTATED BOND RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE TOWNSHIP OF WOODBRIDGE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$6,500,000 RENTAL ASSISTANCE DEMONSTRATION BONDS AND RELATED INSTRUMENTS AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Housing Authority of the Township of Woodbridge (the “**Authority**”) is a public body corporate and politic, constituting an instrumentality of the State of New Jersey (the “**State**”), created by the Township of Woodbridge (the “**Township**”) pursuant to the provisions of the Housing Authorities Law, Chapter 67 of the Pamphlet Laws of 1950, codified at N.J.S.A. 55:14A-1 *et seq.*, repealed and replaced by the Local Redevelopment and Housing Law, under Chapter 79 of the Pamphlet Laws of 1992, as amended and supplemented, and codified at N.J.S.A. 40A:12A-1 *et seq.* (the “**Act**”);

WHEREAS, the Authority owns and operates residential rental public housing projects, for which it has received approval from the United States Department of Housing and Urban Development (“**HUD**”) to convert to Authority owned and operated multifamily housing under the Rental Assistance Demonstration program, P.L. 11255 (2012) (“**RAD**”), administered by HUD;

WHEREAS, the Act authorizes the Authority to issue bonds (*N.J.S.A.* 40A:12A-16(5) and -29);

WHEREAS, in furtherance of the purposes of the Act, and in order to comply with the RAD program, the Authority proposes to issue one or more series of bonds in an aggregate principal amount not to exceed \$6,500,000 (the “**Bonds**”) and to apply the proceeds of the Bonds (i) to finance capital improvements to the housing projects that are subject to the RAD program, (ii) to refund existing debt with respect to the housing projects that are subject to the RAD program, and/or (iii) pay costs of issuance in connection therewith (collectively, the “**Project**”); and

WHEREAS, the Bonds, when issued, will be special and limited obligations of the Authority, and neither the Township, nor any political subdivision thereof (other than the Authority, but solely to the extent of the trust estate as defined in this Bond Resolution), will be obligated to pay the principal or redemption price of, or interest on, the Bonds, and neither the faith and credit nor the taxing power of the Township or any political subdivision thereof will be pledged to the payment of the principal or redemption price of, or interest on, the Bonds; and

WHEREAS, in connection with the foregoing, the Authority has determined to apply a portion of the proceeds of the Bonds, together with available moneys of the Authority, to redeem its allocable share of the principal, interest and redemption premium, if any, on the outstanding bonds of the New Jersey Housing Mortgage Finance Agency’s Capital Fund Program Revenue

Bonds, Series 2007 A issued on August 15, 2007 with respect to the Authority to finance certain capital improvements in the original principal amount of \$480,000 (the “**HMFA Bonds**”); and

WHEREAS, in connection with the foregoing, the Authority has determined to apply a portion of the proceeds of the Bonds, together with available moneys of the Authority, to refund amounts outstanding in connection with a loan from TD Bank, NA for energy savings improvements (the “**ESCO Loan**”); and

WHEREAS, the Authority further desires to authorize all actions and undertakings necessary, and ratify all prior actions taken, to issue the Bonds, redeem the HMFA Bonds, refund the ESCO Loan, and execute all necessary or useful and convenient Program documents, including directing the Chairman, Vice Chairman, Executive Director or other officer so designated by resolution (the “**Authorized Officers**”) to execute and deliver all documents, agreements, notices, and correspondences contemplated thereby.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE TOWNSHIP OF WOODBRIDGE, as follows:

Section 1. In order to finance the cost of the Project, one or more series of Bonds of the Authority are hereby authorized to be issued in an aggregate principal amount not to exceed \$6,500,000. The Bonds shall be dated, shall bear interest at such rate of interest, and shall be payable as to principal, interest and premium, if any, all as is specified therein; provided, however, that the Bonds shall bear interest at a fixed rate of three and twenty-five hundredths per centum (3.25%) per annum for a term of thirty (30) years and shall bear no prepayment penalty upon thirty (30) days’ notice to the Township of the Authority’s desire to make such prepayment. In the event the Authority desires to prepay a portion of the principal amount of the Bond, such prepayment shall be made up in integral multiples of \$10,000. The Bonds shall be issued in the form, shall mature, shall be subject to redemption prior to maturity and shall have such other details and provisions as are prescribed by the Bonds.

Section 2. The Bonds shall be a special, limited obligation of the Authority, payable solely out of the moneys derived pursuant to the Mortgage and all such moneys are hereby pledged to the payment of the Bonds. The payment of the principal of, premium, if any, and interest on the Bonds shall be secured by a pledge and assignment of revenues and certain rights of the Authority as provided in the loan documents. Neither the members of the Authority nor any person executing the Bonds issued pursuant to this Bond Resolution and the Act shall be liable personally on the Bonds by reason of the issuance thereof. The Bonds shall not be in any way a debt or liability of the State, the County of Middlesex, the Township or any political subdivision of any of them, other than the Authority, whether legal, moral or otherwise.

Section 3. The Housing Revenue Bond (Exhibit A) and Mortgage (Exhibit B) (together with such other documents executed and delivered in connection therewith, collectively, the “**Loan Documents**”), in substantially the forms attached hereto, are hereby approved. The Authorized Officers are hereby authorized to execute, acknowledge and deliver the Loan Documents and all instruments attached thereto or contemplated thereby, and other documents reasonably required thereby, with any changes, insertions and omissions as may be approved by an Authorized Officer, and each such person is hereby authorized to affix the seal of

the Authority on the Loan Documents, the Bonds and all instruments attached as exhibits thereto or contemplated thereby and attest the same. The execution of the Loan Documents shall be conclusive evidence of any approval required by this Section.

Section 4. The Authority hereby determines to apply a portion of the proceeds of the Bonds, together with available moneys of the Authority, to effectuate the redemption of the HMFA Bonds and the refunding of the ESCO Loan, and each Authorized Officer is hereby authorized and directed to undertake all actions necessary or useful and convenient to redeem the Authority's allocable share of the principal, interest and redemption premium, if any, on the outstanding HMFA Bonds, and the amounts payable with respect to the ESCO Loan, all in connection with the issuance of the Bonds. Any one of the Authorized Officers is hereby authorized to appoint an Escrow Agent or Escrow Agents to act pursuant to the Loan Documents. Execution of the Loan Agreement by the Authority shall be conclusive evidence of the appointment of such Escrow Agents, as applicable, as provided in this Section. The Authority shall execute and deliver Escrow Deposit Agreements and any other document or agreement related to the HMFA Bonds, the ESCO Loan and the Bonds to effectuate the defeasance of debt.

Section 5. The Bonds are hereby authorized to be sold in accordance with the Loan Documents.

Section 6. The Bonds, generally in the form and substance annexed to the Loan Documents with any changes, insertions or omissions that may be approved by any Authorized Officer and all of the terms set forth therein are hereby approved and are incorporated as part of this Bond Resolution with the same effect as if the entire text thereof were set forth herein in full. Any Authorized Officer is hereby authorized to execute (by manual or facsimile signature), acknowledge and deliver the Bonds, in one or more series, with any changes, insertions and omissions as may be approved by such Authorized Officer. The Secretary or Assistant Secretary or any other officer of the Authority who shall have power to do so under the By-Laws of the Authority and any resolution adopted thereunder is hereby authorized to affix the seal of the Authority on the Bonds and attest the same. The execution of the Bonds as hereinabove provided shall be conclusive evidence of any approval required by this Section. The Authorized Officers are hereby designated to be the authorized representatives of the Authority, charged by this Bond Resolution with the responsibility for issuing the Bonds and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Bond Resolution, the Loan Documents and the issuance of the Bonds.

Section 7. In case any one or more of the provisions of this Bond Resolution, the Loan Documents or the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Bond Resolution or the Loan Documents and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein.

Section 8. Notwithstanding any other provision of this Bond Resolution to the

contrary, a Certificate of an Authorized Officer of the Authority is hereby authorized for execution and delivery by an Authorized Officer of the Authority which Certificate, upon its execution and delivery to the Trustee, shall determine such matters with respect to the Bonds as may be necessary, desirable or convenient for the issuance of the Bonds or the implementation of the Project, subject only to this Bond Resolution, the Act and other applicable law, and which Certificate shall only be issued after consultation with Bond Counsel and any other applicable professional advisors of the Authority. The Authorized Officer executing any such Certificate shall keep a copy of this Bond Resolution on file with the Secretary of the Authority for review by any member of the governing body of the Authority or governing body or administration of the Township of Woodbridge, and for review by others in accordance with applicable law.

Section 9. The Authorized Officers of the Authority are hereby authorized and directed to execute and deliver such documents, and to take such other action as may be necessary or appropriate in order: (i) to maintain the tax-exempt status of the interest on the Bonds (including the hearing or preparation and filing of any reports or other documents with respect to the Bonds as may at any time be required under Sections 145 and 148 of the Code and any regulations thereunder); and (ii) to otherwise consummate the transactions contemplated hereby.

Section 10. The Authorized Officers are hereby authorized to execute any and all agreements, certificates or other documents necessary or useful and convenient in connection with the issuance of the Bonds or the effectuation of the Project, including, but not limited to, all RAD documents, Bond documents, the Property Leasing and Management Agreement, real estate documents, tax documents, among others.

Section 11. The Authorized Officers are hereby authorized, prior to the execution and delivery of the Bonds, through the execution of a Certificate of Authority Officer, to approve and to implement any amendments and/or supplements to any financing documents, including this Bond Resolution, that may be required to amend, modify or clarify the terms and conditions of the this Bond Resolution relating to the authorization, issuance, sale, security, flow of funds or covenants of the Bonds; provided however, that, the Authorized Officer, in conjunction with the Authority's Bond Counsel and General Counsel, has determined that any such amendments and/or supplements will not have a material or adverse effect on the ability of the Authority to sell and deliver the Bonds or on any of the material terms, conditions and/or covenants set forth in this Bond Resolution.

Section 12. A copy of this Bond Resolution shall be filed with the Clerk of the Township of Woodbridge. This bond resolution shall take effect immediately and the Secretary, or any Assistant Secretary, of the Authority is hereby directed to publish a notice of adoption as provided in the Act and attached hereto.

Section 13. This Bond Resolution amends and restates Resolution #2893 adopted on October 23, 2017, and by adoption hereof Resolution #2893 is hereby rescinded and repealed.

Section 13. This Bond Resolution shall take effect immediately upon adoption

Motion to adopt Resolution #2898 moved by Commissioner Walker and seconded by Commissioner Perez-Rosado and upon roll call, the vote was as follows:

ROLL CALL: Kenny Michelson Perez-Rosado Rupasinghe Shah Walker Ficarra
AYES: Kenny Michelson Perez-Rosado Rupasinghe Shah Walker Ficarra
NAYS: None
Abstain: None
Absent: None

I hereby certify that the above is a true and exact copy of the Resolution adopted by the Board of Commissioners of the Housing Authority of the Township of Woodbridge at their Special Meeting of November 22, 2017.

Donna F. Brightman, Secretary

EXHIBIT A
Housing Revenue Bond

\$6,500,000.00
HOUSING AUTHORITY OF THE TOWNSHIP OF WOODBRIDGE
HOUSING REVENUE BOND (RENTAL ASSISTANCE DEMONSTRATION
PROJECT), SERIES 2017

November __, 2017

FOR VALUE RECEIVED, THE HOUSING AUTHORITY OF THE TOWNSHIP OF WOODBRIDGE, a public body corporate and politic and an agency and instrumentality of the Township of Woodbridge, in the County of Middlesex, the State of New Jersey, having its principal place of business at 10 Bunns Lane, Woodbridge, New Jersey 07095 (“Borrower”) hereby promises to pay to the order of the **TOWNSHIP OF WOODBRIDGE**, a municipal corporation and a political subdivision of the State of New Jersey, with its office located at One Main Street, Woodbridge, New Jersey 07095, and its successors and assigns (“Mortgagee” or “Lender”), the principal sum of [**SIX MILLION FIVE HUNDRED THOUSAND and NO/100 DOLLARS (\$6,500,000.00)**], together with interest according to the following terms and conditions (the “Loan”):

1. Interest Rate. The Borrower shall pay the Lender interest on the unpaid principal balance of the Loan from the date of this Bond at the initial annual rate (calculated on the actual number of days elapsed over a 360-day year) of three and twenty-five hundredths (3.25%) per centum per annum for the Term of this Bond.

2. Term. The Loan shall mature on December 1, 2047, the date that is thirty (30) years from the first day of the month following the date of Closing (the “Maturity Date”).

3. Payments. The Borrower shall pay principal and interest by making payments as follows (which payments, unless indicated otherwise, shall be applied first to fees, then to accrued interest and finally to unpaid principal):

Coincident with the closing of the Loan, Borrower shall pay an amount equal to the interest which would accrue from said closing date until the first day of the next succeeding month.

Thereafter, Borrower shall pay consecutive equal monthly installments of principal and interest in the amount of \$_____, said payment amount being based upon a thirty (30) year amortization schedule and based upon the interest rate of three and twenty-five hundredths (3.25%) percent per annum. Payments of principal and interest shall be paid by the Borrower on the first day of each month commencing January 1, 2018, until the Maturity Date, when the entire unpaid amount of fees, interest and principal is due.

On the Maturity Date, the Borrower shall pay a final payment of all outstanding principal, accrued interest and fees that are due and owing hereunder.

The Lender shall automatically debit the monthly payments due under this Bond on the first day of each month during the Term of the Bond from an operating account held by a bank and designated by the Borrower.

4. Application of Payments. Payments received under this Bond (including prepayments) shall be applied first to accrued interest and then to installments of principal, in inverse order of their maturity dates. Notwithstanding the previous sentence, Mortgagee shall have the right, at its sole option, to apply any payment received under this Bond first to any late fees, collection or other expenses to which Mortgagee may be entitled under this Bond, the Mortgage (as defined below) or any other Loan Document. The making of any partial prepayment shall not change the due dates or amounts of monthly installment payments next becoming due, but shall only change the allocations of future payments of interest and principal based on such prepayment and produce possibly an earlier payoff date on this Bond.

5. Late Fee. If any payment (including tax escrow payments, if any) is not received by Mortgagee within fifteen (15) days following the first of each month, without limiting any right or remedy under this Bond, the Mortgage or any other Loan Document, Mortgagee may charge a late fee equal to five percent (5%) of the total amount overdue, provided, however, that the foregoing late charge will not apply with respect to any payment due upon the acceleration or maturity of the Bond. Any such late charge assessed is immediately due and payable.

6. Prepayments. At any time during the Term of this Bond, the Borrower may, from time to time, upon thirty (30) days' prior written notice to the Lender, prepay the principal amount due under this Bond, in whole or in part, by paying, in addition to said principal amount, accrued interest and all other sums due under this Bond.

Any prepayment of principal shall be in integral multiples of \$10,000.00, unless the Loan is paid in full. All prepayments shall be applied first to unpaid fees, then to unpaid interest and then to installments of principal in their inverse order of maturity.

No prepayment premium shall be due or payable in connection with the application of any insurance or condemnation proceeds to the reduction of the principal balance of the Loan.

7. Place and Manner of Payment. Payments under this Bond are to be made in United States currency at the offices of Mortgagee listed in this Bond or at such other location designated by Mortgagee.

Any delay by Mortgagee in submitting a statement of any amount due under this Bond shall not relieve Borrower of its duty to make timely payments.

8. Collateral. The Loan shall be evidenced by this Bond, a Mortgage and a Collateral Assignment of Leases, together with such other documents deemed necessary by the Lender or its counsel and shall be secured by the following:

(a) A first mortgage on real estate located at the following addresses, all in the County of Middlesex, State of New Jersey:

- 1) Adams Towers, 555 Rahway Avenue, (Block 552J, Lot 45A1), Woodbridge, New Jersey;
- 2) Finn Towers, 19 Martin Terrace, (Block 552J, Lot 45A2), Woodbridge, New Jersey;
- 3) Olsen Towers, 555 New Brunswick Avenue, (Block 59H, Lots 6B, 6C, 6D, 7A, 7B, 8 and 10A), Woodbridge, New Jersey;

- 4) Cooper Towers, 1422 Oak Tree Road, (Block 442P, Lot 4), Iselin, New Jersey; and
- 5) Greiner Towers, 460 Inman Avenue, (Block 509, Lot 1B), Colonia, New Jersey.

and on all of the improvements thereon (collectively, hereinafter referred to as the “Projects”).

(b) A perfected security interest (UCC) on all property, fixtures of every nature presently, or in the future attached to, or used in connection with the Projects; and

(c) An assignment of all of Borrower’s rights in and to all present and future rents and leases affecting the Projects.

9. Defaults and Remedies. Upon the occurrence of an Event of Default, all sums outstanding under this Bond may, at Mortgagee's sole option, become, or may be declared to be, immediately due and payable in full, and the Mortgagee may exercise any of its other rights and remedies as set forth in the Mortgage and/or all other Loan Documents, including, without limitation, the right to increase the interest rate on such sums to the Default Rate. Mortgagee's delay or failure to accelerate this Bond or to exercise any other available right or remedy shall not impair any such right or remedy, nor shall it be construed to be a forbearance or waiver. The term “Default Rate” means a floating rate of five percent (5%) in excess of the interest rate provided for in this Bond. This increase shall be retroactive to the date of the first occurrence of an Event of Default or notice of an Event of Default, whichever is earlier, unless such Event of Default is cured, or Mortgagor has commenced to cure, in accordance with the provisions of the Mortgage and any other applicable Loan Document, and shall be computed on the basis of actual days elapsed over a 360-day year. Borrower acknowledges that: (i) the Default Rate is a material inducement to the Lender to make the Loan; (ii) the Lender would not have made the Loan in the absence of the agreement of Borrower to pay the Default Rate; (iii) the Default Rate represents compensation for increased risk to the Lender that the Loan will not be repaid; and (iv) the Default Rate is not a penalty and represents a reasonable estimate of: (a) the cost to Lender in allocating its resources (both personnel and financial) to the ongoing review, monitoring, administration and collection of the Loan; and (b) compensation to Lender for losses that are difficult to ascertain. If Borrower fails to make any other payment as and when required hereunder or pursuant to the Loan Documents and Lender advances such payment, the amount advanced shall bear interest at the Default Rate. The provision addressing attorneys' fees and the rights derived therefrom by the Lender shall (a) operate, subsist and survive any entry of a partial or final judgment on the parties' agreement herein and (b) provide the basis for both liability and damages against any Borrower being a party to this agreement or agreements related hereto or incorporated hereby in this agreement, for any and all of Lender’s costs, expenses and reasonable attorneys' fees incurred to obtain full recovery of the principal, interest, late charges and other obligations due and owing to the Lender under this agreement including, but not limited to, any and all sums expended for preservation of the property securing any Borrower payment obligations to Lender under this agreement. The parties agree the doctrine of merger is not applicable to this contractual provision, that is, all the aforescribed payment obligations owing to Lender in this provision extend beyond and survive the date of entry of any judgment directly or indirectly related to this agreement.

10. Financial Covenants. Throughout the term of the Loan and so long as any of Borrower’s obligations hereunder remain outstanding, Borrower shall:

(a) maintain a loan to value ratio not greater than seventy (70%) percent. The value shall be defined as the fair market value of all property and assets pledged as security for the repayment of the Loan and shall be determined by Lender through reference to acceptable

guides, indexes and/or appraisals; and

(b) Maintain a Property Debt Service Coverage Ratio (“PDSCR”) of not less than 1.10:1 tested on an annual basis as of the last day of each calendar year, beginning December 31, 2017. As used herein, “PDSCR” shall mean Borrower’s: (i) net earnings from the Projects before income taxes, excluding any gain or loss arising from extraordinary or non-recurring items *plus* (ii) interest expense on this Bond; *plus* (iii) depreciation, amortization and other non-cash charges *divided by* the annual required payments of principal and interest on this Bond; and

(c) maintain a Debt Service Coverage Ratio (“DSCR”) of not less than 1.10:1, tested on an annual basis. As used herein, “DSCR” shall be defined as Borrower’s (i) net earnings before income taxes, excluding any gain or loss arising from extraordinary or non-recurring items; *plus* (ii) interest expense; *plus* (iii) depreciation, amortization and other non-cash charges; *divided by* (iv) the annual required payments or principal and interest on all indebtedness.

Lender will provide Borrower with written notice in the event Borrower fails to maintain any of the aforementioned ratios, and, unless waived by Lender for the specific year in question, Borrower will be granted a 45-day period to cure said deficiency or if such deficiency is not reasonably capable of being cured in 45 days and Borrower has diligently commenced curing such deficiency within such 45-day period, Borrower shall be granted such reasonable time to cure said deficiency not to exceed 90 days from the date of notice.]

11. Financial Reporting. Throughout the term of the Loan and so long as any of Borrower’s obligations hereunder remain outstanding, the Borrower shall immediately notify Lender of any Material Adverse Change in the financial condition of Borrower and deliver (or cause to be delivered) to the Lender the following:

(a) annually, during the term of the Loan, within 270 days after Borrower’s fiscal year end, annual audited financial statements of Borrower;

(b) annually, during the term of the Loan, within 90 days after the end of each calendar year, an annual income and expense statement and certified rent roll with respect to the Projects;

(c) submit evidence of annual payment of Payments In Lieu of Taxes (“PILOT”) for the Projects during any period where no escrow payments are required by the Lender; and

(d) such other commercially reasonable information about Borrower as Lender reasonably requests.

Said statements and balance sheets shall be reasonably satisfactory to the Lender in form, and shall be certified as true and correct by the Borrower.

12. New Jersey Law. This Bond shall be governed by, and construed in accordance with, the laws of the State of New Jersey. Borrower hereby consents to personal jurisdiction in the State of New Jersey with respect to any and all matters arising under or relating to this Bond.

13. Partial Invalidity. If any term or provision of this Bond is at any time held to be invalid by any court of competent jurisdiction, the remaining terms and provisions of this Bond shall not be affected and shall remain in full force and effect.

14. Waivers. Borrower hereby waives presentment, demand, protest, notice of protest, diligence and all other demands and notices in connection with the payment and enforcement of this Bond. BORROWER HEREBY WAIVES ANY RIGHT TO REQUEST A TRIAL BY JURY IN ANY LITIGATION WITH RESPECT TO THIS BOND AND REPRESENTS THAT COUNSEL HAS BEEN CONSULTED SPECIFICALLY AS TO THIS WAIVER.

15. Interest Limits. If any provision of this Bond relating to the rate of interest violates any applicable law in effect at the time payment is due, the interest rate then in effect shall be automatically reduced to the maximum rate then permitted by law. If for any reason Mortgagee should receive as interest an amount that would exceed the highest applicable lawful rate of interest, the amount that would exceed that highest lawful rate shall be deemed to be credited against principal and not to the payment of interest.

16. Successors and Assigns. This Bond shall be binding on Borrower and its successors and assigns, and shall inure to the benefit of Mortgagee and its successors and assigns. The term "Mortgagee" in this Bond shall refer to the Township of Woodbridge or to any other future holder of this Bond.

17. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Mortgage and the Glossary of Defined Terms attached thereto as Appendix A and incorporated by reference therein.

[No further text on this page – Signatures appear on following page]

IN WITNESS WHEREOF, Borrower has caused this Bond to be duly executed on the date first written above.

WITNESS:

**BORROWER:
HOUSING AUTHORITY OF THE
TOWNSHIP OF WOODBRIDGE,
COUNTY OF MIDDLESEX,
STATE OF NEW JERSEY**

By: _____
Donna Brightman, Secretary

By: _____
Gregg Ficarro, Chairman

EXHIBIT B

Mortgage

MORTGAGE

FROM

HOUSING AUTHORITY OF THE TOWNSHIP OF WOODBRIDGE

TO

TOWNSHIP OF WOODBRIDGE

Dated: November _____, 2017

Pertaining to the following properties:

1. Adams Towers, 555 Rahway Avenue, (Block 552J, Lot 45A1), Woodbridge, New Jersey;
2. Finn Towers, 19 Martin Terrace, (Block 552J, Lot 45A2), Woodbridge, New Jersey;
3. Olsen Towers, 555 New Brunswick Avenue, (Block 59H, Lots 6B, 6C, 6D, 7A, 7B, 8 and 10A), Woodbridge, New Jersey;
4. Cooper Towers, 1422 Oak Tree Road, (Block 442P, Lot 4), Iselin, New Jersey; and
5. Greiner Towers, 460 Inman Avenue, (Block 509, Lot 1B), Colonia, New Jersey.

RECORD AND RETURN TO:

Frank Borin, Esq.
Decotiis, Fitzpatrick, Cole & Giblin, LLC
500 Frank W. Burr Boulevard
Teaneck, New Jersey 07666

MORTGAGE

This Mortgage (as the same may from time to time hereafter be modified, supplemented or amended, this "Mortgage") is made on the _____ day of November _____, 2017, and effective as of the _____ day of November _____, 2017, by:

HOUSING AUTHORITY OF THE TOWNSHIP OF WOODBRIDGE, a public body corporate and politic and an agency and instrumentality of the Township of Woodbridge, in the County of Middlesex, the State of New Jersey, having its principal place of business at 10 Bunns Lane, Woodbridge, New Jersey 07095 ("Mortgagor" or "Borrower"),

AND

TOWNSHIP OF WOODBRIDGE, a political subdivision of the State of New Jersey, having offices at One Main Street, Woodbridge, New Jersey 07095 ("Mortgagee" or "Lender");

Background. This Mortgage secures various Obligations (as defined below) including, without limitation, a loan by Mortgagee to Mortgagor in the original principal amount of [**SIX MILLION FIVE HUNDRED THOUSAND and NO/100 DOLLARS (\$6,500,000.00)**] [TBD] plus interest thereon (the "Loan"), as evidenced by the [\$6,500,000.00] Housing Authority of the Township of Woodbridge Housing Revenue Bond (Rental Assistance Demonstration Project), Series 2017 (the "Bond"). In consideration of the above-referenced loan and other good and valuable consideration, receipt of which is hereby acknowledged, Mortgagor agrees as follows:

SECTION 1 - DEFINITIONS AND INTERPRETATIONS

The definitions of the capitalized terms used in this Mortgage and the Bond are set forth in the body of this Mortgage and in Appendix A attached hereto and incorporated herein in its entirety.

SECTION 2 - GRANTING CLAUSE

To secure the observance, payment and performance of all Obligations, Mortgagor hereby mortgages, grants a security interest in, and absolutely assigns all rents, profits, leases, income and proceeds arising from, the Mortgaged Property to Mortgagee and to Mortgagee's successors and assigns forever. These grants are, however, made upon the express condition that after all Obligations are paid and performed in full, this Mortgage shall be discharged by Mortgagee upon Mortgagor's request.

SECTION 3 - MORTGAGED PROPERTY

The "Mortgaged Property" consists of the Land, the Improvements, the Fixtures and Equipment, all Leases and Rents, all Awards and Proceeds, all Other Rights, and all present and future estate, right, title, interest, property, possessory interest and claims whatsoever in law as well as in equity of Mortgagor or any other owner in and to the Land, Improvements and Fixtures, Equipment and Other Rights.

SECTION 4 - REPRESENTATIONS

Mortgagor, knowing and agreeing that Mortgagee shall rely hereon, hereby represents and warrants to Mortgagee that:

4.1 Warranty of Title. Mortgagor holds good and marketable title in fee simple to the Mortgaged Property free of all liens, restrictions, taxes and encumbrances, other than any Permitted Encumbrances, and will warrant and forever defend that title and the enforceability and priority of all liens created under this Mortgage against all claims whatsoever, except for Permitted Encumbrances, at Mortgagor's sole expense.

4.2 Valid Obligations. This Mortgage and the Bond are valid and binding obligations of Mortgagor, enforceable in accordance with their terms. This Mortgage constitutes a valid first mortgage lien on, and absolute assignment of Leases and Rents, and security interest in the Mortgaged Property, subject to any Permitted Encumbrances.

4.3 Existence and Authority. Mortgagor is a duly organized and validly existing public body corporate and politic, constituting an agency and instrumentality of the Township of Woodbridge, of the State of New Jersey. Mortgagor has full power, authority and license to enter into and perform this Mortgage and the other Loan Documents to which Mortgagor is a party and Mortgagor has full power, authority and license to own and operate the Mortgaged Property and to conduct its business as now being conducted. Mortgagor has obtained all necessary consents, authorizations, permits, licenses and approvals required before Mortgagor may execute and deliver this Mortgage and operate the Mortgaged Property.

4.4 No Conflicts. The execution, delivery and performance of this Mortgage and other Loan Documents by Mortgagor will violate no charter, bylaw, lease, indenture, agreement, instrument, law, ordinance, regulation, order or administrative ruling to which Mortgagor is subject or a party or that affects or relates to the Mortgaged Property.

4.5 Proceedings. Except as has been accurately and completely described in writing in the Affidavit of Title, there is no action, application, petition, proceeding or hearing pending or threatened (to the knowledge or the Mortgagor) against any Obligor or the Mortgaged Property that might (a) adversely affect any Obligor's ability to perform the Mortgage or any other Loan Document, (b) involve the possibility of any material adverse change in any Obligor's financial condition, (c) relate to any land use variance, subdivision, zoning or other matters, (d) involve the possibility of any limitation on any intended uses of the Mortgaged Property, (e) impair the lien or security of this Mortgage or the value of the Mortgaged Property, or (f) involve possible or threatened claims totaling in excess of \$10,000.00.

4.6 Compliance with Laws. Mortgagor and the Mortgaged Property is in compliance with all laws, regulations, ordinances and codes that are applicable to the use and operation of the Mortgaged Property, including, without limitation, all Environmental Laws. All present and planned uses and tenants of the Mortgaged Property are in full compliance with applicable zoning, environmental and building laws, ordinances, regulations and codes. Mortgagor and all tenants of the Mortgaged Property have obtained all certificates of occupancy and building and other permits that are required for all intended uses of, and for any construction, renovations and repairs with respect to, the Mortgaged Property.

4.7 Condition of Property. The Mortgaged Property is structurally sound, in good condition and suitable for its intended use.

4.8 Taxes. All applicable property taxes, payments in lieu of taxes (“PILOT Payments”) and assessments due and owing in connection with the Mortgaged Property have been paid in full through the date of this Mortgage, including any penalties, deficiency assessments and interest. Mortgagor has filed all tax returns and reports required to be filed by it and has paid all taxes that are due and owing, including penalties, deficiency assessments and interest.

4.9 Financial Condition. All statements, representations and warranties made by or on behalf of Mortgagor to Mortgagee have been, and as of the date of the Mortgage are, accurate and complete and no information has been omitted that would make any of them misleading or incomplete. Immediately prior to and after the making of, this Mortgage, Mortgagor was not, nor will be, “insolvent” as that term is defined in N.J.S.A. 14A:1-2(k) or 11 U.S.C.A. 101(31).

4.10 Leases. All leases with respect to the Mortgaged Property are set forth on the certified rent roll, a true copy of which has been delivered to the Mortgagee. The leases are in full force and effect and have not been amended or modified. There has not occurred, and there is no circumstance or state of facts that with notice or lapse of time would constitute, a default under the leases.

4.11 Survival. All representations and warranties made by, or on behalf of, Mortgagor in this Mortgage or otherwise made to Mortgagee shall survive the closing of this Mortgage and any independent investigation by Mortgagee.

4.12 Purpose of Loan. The proceeds of the Loan shall be used solely for the following purposes: purchase by the Lender of a tax-exempt bond to be issued by the Mortgagor to fund capital repairs to the Mortgaged Property, payoff existing debt, pay costs of issuance, and fund the initial deposit to the long-term capital replacement reserve for the Mortgaged Property.

SECTION 5 - MORTGAGOR’S COVENANTS

Mortgagor and any other owner of the Mortgaged Property covenant and agree that they shall do all of the following:

5.1 Obligations. Pay all indebtedness, and abide by all terms and conditions, under all Obligations, including without limitation this Mortgage and the Bond.

5.2 Escrow Account. Mortgagor shall pay in full, prior to the disbursement of the Loan, all applicable taxes or PILOT Payments, assessments, sewer rents or water rates with respect to the Mortgaged Property. Mortgagor shall pay when due all future real estate taxes, and assessments, if any, water and sewer charges and any other claims, liens or charges against the Mortgaged Property. Mortgagor shall deliver to Mortgagee evidence of such payments of applicable real estate taxes, PILOT Payments and assessments, water and sewer charges or other charges on a quarterly basis. Notwithstanding the foregoing, after the occurrence of an Event of Default as described herein, Mortgagee may, at its sole option, require at the time of each monthly payment that Mortgagor pay to Mortgagee (a) the sum equal to one-twelfth (1/12th) of the known (of if not known, estimated by Mortgagee) annual real estate taxes, or PILOT Payments, as the case may be, and assessments, water, sewer and other charges levied or to be levied

against the Mortgaged Property by governmental entities and (b) such sums, if required by Mortgagee, as are necessary to assure the timely payment of all charges described in Section 6 below, to be held by Mortgagee in a non-interest bearing account and applied by Mortgagee to the payment of such taxes, assessments and other charges when due. If the total of such monthly payments shall exceed the amounts actually paid by Mortgagee for taxes, assessments and other charges, as the case may be, such excess shall be credited on subsequent monthly payments of the same nature; but if the total of such monthly payments shall be insufficient to pay applicable taxes, PILOT Payments, assessments and other charges when due, then Mortgagor shall pay to Mortgagee, on demand, any amount necessary to make up the deficiency. Notwithstanding the foregoing, upon the occurrence of an Event of Default, Mortgagee may apply all sums in said escrow account to the reduction of the Obligations.

5.3 Financial Covenants. Throughout the term of the Loan and so long as any of Mortgagor's obligations hereunder remain outstanding, Mortgagor shall:

(d) maintain a loan to value ratio not greater than seventy (70%) percent. The value shall be defined as the fair market value of all property and assets pledged as security for the repayment of the Loan and shall be determined by Lender through reference to acceptable guides, indexes and/or appraisals; and

(e) maintain a Property Debt Service Coverage Ratio ("PDSCR") of not less than 1.10:1 tested on an annual basis as of the last day of each calendar year, beginning December 31, 2017. As used herein, "PDSCR" shall mean Mortgagor's: (i) net earnings from the Real Property before income taxes, excluding any gain or loss arising from extraordinary or non-recurring items *plus* (ii) interest expense on this Bond; *plus* (iii) depreciation, amortization and other non-cash charges *divided by* the annual required payments of principal and interest on this Bond; and

(f) maintain a Debt Service Coverage Ratio ("DSCR") of not less than 1.10:1, tested on an annual basis. As used herein, "DSCR" shall be defined as Mortgagor's (i) net earnings before income taxes, excluding any gain or loss arising from extraordinary or non-recurring items; *plus* (ii) interest expense *plus*; (iii) depreciation, amortization and other non-cash charges; *divided by* (iv) the annual required payments or principal and interest on all indebtedness.]

Mortgagee will provide Mortgagor with written notice in the event Mortgagor fails to maintain any of the aforementioned ratios, and, unless waived by Lender for the specific year in question, Mortgagor will be granted a 45-day period to cure said deficiency or if such deficiency is not reasonably capable of being cured in 45 days and Mortgagor has diligently commenced curing such deficiency within such 45-day period, Mortgagor shall be granted such reasonable time to cure said deficiency not to exceed ninety (90) days from the date of notice.

5.4 Financial Reporting. Throughout the term of the Loan and so long as any of Mortgagor's obligations hereunder remain outstanding, Mortgagor shall immediately notify Mortgagee of any Material Adverse Change in the financial condition of Mortgagor and deliver (or cause to be delivered) to the Mortgagee the following:

(e) annually, during the term of the Loan, within 270 days after Mortgagor's

fiscal year end, annual audited financial statements of Mortgagor;

(f) annually, during the term of the Loan, within 90 days after the end of each calendar year, an annual income and expense statement and certified rent roll with respect to the Mortgaged Property;

(g) submit evidence of annual payment of PILOT Payments for the Mortgaged Property during any period where no escrow payments are required by the Lender; and

(h) such other commercially reasonable information about Mortgagor as Lender reasonably requests.

Said statements and balance sheets shall be reasonably satisfactory to Mortgagee in form, and shall be certified as true and correct by the Mortgagor.

5.5 Use of Property. Make or permit no use of the Mortgaged Property other than as affordable housing residential rental property, such provision being subject to the provisions of the HUD (as defined below) RAD Use Agreements by and between HUD and the Mortgagee dated the date hereof (the "HUD RAD Use Agreements").

5.6 Condition of Property. Prevent any waste with respect to the Mortgaged Property, keep the Mortgaged Property in good and clean condition and make all repairs that are either required in the ordinary course of business to operate the Mortgaged Property or that are requested by Mortgagee in its reasonable discretion.

5.7 Alterations. Except in accordance with the U.S. Department of Housing and Urban Development ("HUD") approved capital repair and capital improvement schedules contained in the RAD Conversion Commitment, make no material change to or renovation of, nor remove, any material Improvements or Fixtures and Equipment without the express prior written consent of Mortgagee in its reasonable discretion. All changes, renovations, removals and repairs shall be made in a good and workmanlike manner to the reasonable satisfaction of Mortgagee and in accordance with all applicable building and zoning laws.

5.8 Notice of Loss or Condemnation. Notify Mortgagee immediately in writing upon learning that (a) there may be any casualty on, or loss to or of, any Mortgaged Property, (b) condemnation proceedings have commenced with respect to the Mortgaged Property or (c) any force majeure type event has occurred on the Mortgaged Property that results in a casualty, loss or damage and destruction of the Mortgaged Property.

5.9 Inspections. At any time during regular business hours and as often as reasonably requested, with reasonable notice, permit Mortgagee and its agents and employees to examine, audit and make copies and abstracts from any and all books and records of Mortgagor, and to visit and inspect the Mortgaged Property.

5.10 Compliance with Laws. Comply with all laws, ordinances, regulations and restrictions affecting the Mortgaged Property.

5.11 Transfers or Liens. Without the express prior written consent of HUD and Mortgagee in their absolute discretion, make or permit any Transfer in the ownership or control of the Mortgaged Property.

5.12 Preservation. Preserve and maintain all authorizations, consents, licenses, permits, registrations and qualifications that are necessary for the transaction of business and the operation of the Mortgaged Property.

5.13 Indemnification. To the extent permitted by law, indemnify, defend (with counsel reasonably acceptable to Mortgagee) and hold harmless Mortgagee (including Mortgagee's agents, employees, officers and directors) against all losses, claims, suits, fines, damages and expenses, including reasonable attorney's fees and disbursements, incurred by reason of, or in connection with, this Mortgage or the Mortgaged Property or in maintaining Mortgagee's interest in the Mortgaged Property, including, without limitation, all losses, claims, suits, fines, damages and expenses incurred by reason of, or in connection with, Mortgagor's breach of any provision of Section 7 of this Mortgage or any violation of any Environmental Law of the Use of Hazardous Substances on the Mortgaged Property.

5.14 Leasing Covenants. Subject to the provisions of the HUD RAD Use Agreements and HUD regulations as to all leases and rentals, comply with each of the following:

(a) accept no payments more than 30 days in advance of the due date under any leases relating to the Mortgaged Property; and

(b) permit no use of the Mortgaged Property that would violate any provision of this Mortgage, including all provisions relating to environmental matters; and

(c) abide by and perform all duties of the landlord under any leases affecting the Mortgaged Property; and

(d) any existing or future lease, or other agreement for the use or occupancy, of any Mortgaged Property shall provide that:

(i) it is subordinate and subject in all respects to the lien and provisions of this Mortgage including all covenants and restrictions as to the use and condition of the Mortgaged Property; and

(ii) all representations and covenants as to environmental matters, including those set forth in Section 7, are to become express covenants and representations of the tenant or occupant; and

(iii) copies of notices or letters asserting or discussing any defaults on the part of the landlord shall be simultaneously sent to Mortgagee (attention: Commercial Loan Department) by certified mail; and

(iv) within five (5) days of request by Mortgagee, the lessee or occupant will deliver to Mortgagee a notarized statement as to the default status of any lease or occupancy agreement and execute any document requested by Mortgagee to confirm that any

lease or occupancy agreement is subordinate and subject to the lien and provisions of this Mortgage.

SECTION 6 – INSURANCE; PROCEEDS

6.1 Insurance Coverage. Mortgagor shall keep the Mortgaged Property insured as follows:

(a) Casualty Insurance. Maintain extended coverage casualty insurance written in the name of Mortgagor in the broadest “all risks” form available on a full replacement cost basis covering all Mortgaged Property, including, without limitation, all Improvements and Fixtures and Equipment, loss of rents insurance (one year’s gross rental income) and business interruption coverage. All such policies shall be written for the full insurable value of each Mortgaged Property (without deduction for depreciation) and other assets securing the Loan and shall name the Lender as first mortgagee under a Standard Mortgagee Clause with respect to the improvements and loss payee under a Lenders’ Loss Payable Clause with respect to personal property and other assets securing the Loan, but in no event shall that coverage be less than the amount of the Bond and shall be in amounts reasonably satisfactory of Mortgagee. If a blanket policy is issued, a certified copy of said policy shall be furnished together with an endorsement indicating that the Lender is the insured under said policy in the properly designated amount.

(b) Liability Insurance. Maintain comprehensive general liability insurance in the name of Mortgagor, including a contractual liability endorsement and a completed operations and personal injury coverage, with a combined single limit for any one occurrence of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate for any policy year.

(c) Flood Insurance. If the Mortgaged Property is required to be insured pursuant to the Flood Disaster Protection Act of 1973 or the National Flood Insurance Act of 1994 (as the same may be amended) and the regulations promulgated thereunder because it is located in an area that has been identified by the Federal Emergency Management Agency as a Flood Hazard Area, then Mortgagor shall obtain a flood insurance policy covering the Mortgaged Property in an amount not less than the outstanding principal balance of the Bond or the maximum limit of coverage available under the National Flood Insurance Program or as mandated by Federal law or regulation, whichever is less. Such policy shall name Mortgagee as first mortgagee under a standard mortgagee clause and loss payee clause.

(d) Boiler and machinery insurance in amounts reasonably acceptable to Mortgagee.

(e) Policy Terms. All policies shall meet the following requirements:

(i) overall blanket or excess coverage policies may be supplied provided, however, that all insurance shall be in amounts sufficient to prevent any insured from being a co-insurer and that the amount of the casualty insurance coverage attributable to the Mortgaged Property is clearly set forth; and

(ii) all policies shall (i) name Mortgagee “and its successors and assigns as their interests may appear” as “mortgagee insured” and “loss payee” on all casualty

insurance and as “additional insured” as to all other insurance, (ii) contain an endorsement stating that, as to the interest of Mortgagee, such policy “shall not be impaired, invalidated or affected by any statement, act or neglect of any insured, loss payee or other Person, or by any failure to make any report to the insurer, or by the institution of any proceeding to execute upon any lien”, and (iii) contain a provision stating that such policy shall not be cancelled or modified except after thirty (30) days prior written notice delivered to Mortgagee (Attn: Township Business Administrator) or ten (10) days prior written notice of non-payment of premium at Mortgagee’s address first listed above or as subsequently directed in writing by Mortgagee; and

(iii) all policies shall be in a form reasonably acceptable to Mortgagee and shall be issued by insurers acceptable to Mortgagee and duly licensed and authorized to conduct that type of insurance business in New Jersey and shall be maintained throughout the Term of the Bond, without cost to Mortgagee; and

(iv) all policies of insurance and endorsements thereof, together with a paid receipt, shall be deposited with Mortgagee prior to the closing of this Mortgage. At least thirty (30) days prior to the expiration of any such policies, Mortgagee shall furnish paid receipts and other evidence satisfactory to Mortgagee that all such policies have been renewed or replaced. Mortgagor shall immediately notify Mortgagee of Mortgagor’s receipt of any notice of any cancellation, alteration or reduction of any insurance policy required by the Loan Documents; and

(v) all policies shall provide that the insurance proceeds and awards may be adjusted only after obtaining the prior written consent of Mortgagee and shall be paid directly to Mortgagee to the extent required in Section 6.2.

6.2 Insurance and/or Condemnation Proceeds. Mortgagee shall have the exclusive authority to do each of the following in Mortgagee’s absolute discretion:

(a) Receive directly all insurance and/or condemnation proceeds payable as the result of casualty or condemnation of the Mortgaged Property, provided, however, that following any condemnation or insured casualty, provided that: (i) there is no uncured Event of Default hereunder or under the Loan Documents; and (ii) Mortgagor can demonstrate, to Mortgagee’s reasonable satisfaction, that Mortgagor has sufficient available economic resources to restore the Mortgaged Property (the foregoing conditions being referred to herein as the “Disbursement Conditions”) then Mortgagee will permit insurance and condemnation proceeds to be used for the restoration of the Mortgaged Property. Mortgagee will approve disbursement of such proceeds to Mortgagor in accordance with Mortgagee’s instructions. If the insurance or condemnation proceeds are not sufficient to restore the Mortgaged Property, Mortgagor shall deposit all funds necessary to complete the restoration, as estimated by the Lender, and such funds shall be disbursed and used for the restoration prior to the disbursement of any insurance or condemnation proceeds. If the Disbursement Conditions are not satisfied, Mortgagee shall apply the condemnation or casualty proceeds against the outstanding principal balance of the Bond; and

(b) Settle or compromise all claims relating to all Awards and Proceeds.

SECTION 7 - ENVIRONMENTAL MATTERS

7.1 Environmental Representations. The Mortgagor hereby represents and warrants to the knowledge of the Mortgagor after due inquiry to Mortgagee that:

(a) Neither Mortgagor nor, to the best knowledge of Mortgagor, any other existing or former occupant of the Mortgaged Property, has (i) Used any Hazardous Substances in violation of any Environmental Law, (ii) received any notice, or is on notice, of any claim, investigation, cleanup or testing program, government expenditures, litigation or administrative proceeding, actual or threatened, or any order, writ or judgment that relates to any Use of pollutants of any kind, including any Hazardous Substances, on, or by any occupant of, the Mortgaged Property.

(b) No Hazardous Substances have been, or will be, Used on, or by any occupant of the Mortgaged Property, other than common cleaning and maintenance agents in small quantities for standard maintenance uses as described fully and completely in an affidavit from Mortgagor submitted to Mortgagee prior to the closing of this Mortgage. All Standard Industrial Classification code numbers relating to any activities occurring after December 31, 1983 or any intended future activities, on the Mortgaged Property is as follows: 6513.

(c) In connection with any acquisition, sale, closing, transfer, change in control or merger of Mortgagor, any other occupant, owner or tenant of the Mortgaged Property, or the Mortgaged Property itself, since December 31, 1983, ISRA has not been applicable.

(d) The Mortgaged Property has not been, and will not be, used as a “major facility”, as that term is defined in N.J.S.A. 58:10-23.11(b)(1).

7.2 Restrictions on Hazardous Uses. Mortgagor shall not make or permit use of the Mortgaged Property that would:

(a) involve an industrial establishment having a Standard Industrial Classification code number that would subject the Mortgaged Property to ISRA, provided that all Environmental Laws are complied with; or

(b) involve the Use of any Hazardous Substances, unless the Hazardous Substances are handled in accordance with all Environmental Laws.

7.3 Notice to Mortgagee. Mortgagor shall notify Mortgagee immediately in writing upon learning of:

(a) any spill, discharge or release of any Hazardous Substances on or near the Mortgaged Property that may involve a cleanup cost of \$5,000.00 or more;

(b) any circumstances that may result in a violation of Section 7.2;

(c) any circumstances or transactions that would require compliance with ISRA in connection with the Mortgaged Property; or

(d) any governmental inquiry or inspection is undertaken or an enforcement notice issued with respect to Hazardous Substances on or Used with respect to the Mortgaged Property.

7.4 Environmental Audits. If Mortgagee has reason to believe that there are any Hazardous Substances on the Mortgaged Property and/or that Mortgagor has breached any of the terms and conditions of this Section 7, Mortgagee may require that Mortgagor retain a qualified and licensed environmental audit of the Mortgaged Property, which engineer and audit, including testing and sampling procedures, shall be reasonably acceptable to Mortgagee and which audit report shall be delivered to Mortgagee within thirty (30) days of Mortgagee's initial request and shall be prepared at Mortgagor's sole expense.

7.5 Security for Cleanup. If any investigation, environmental report or governmental investigation or order indicates that there may exist any damage or risk to the Mortgaged Property, or any liability of any Mortgagor relating to any Hazardous Substances or other environmental conditions with respect to the Mortgaged Property, Mortgagee may require Mortgagor to furnish immediately an indemnity bond in an amount determined by Mortgagee, in its absolute reasonable discretion, to be sufficient to pay all actual and estimated cleanup costs and to protect against any liens that may arise with respect to such potential cleanup costs. Mortgagee's demand that Mortgagor post any bond or other security shall not be a waiver of any Event of Default or of any other right or remedy available to Mortgagee.

SECTION 8 - EVENTS OF DEFAULT

Any of the following events or conditions shall, at the option of Mortgagee, constitute an "Event of Default" under this Mortgage and the other Loan Documents and Obligations if not cured within the applicable cure period, if any, set forth below:

8.1 Payments. Any failure to make on its due date any payment required to be made by Mortgagor under this Mortgage, the Bond or any other Loan Document or Obligations within five (5) days of the date when due (and any applicable cure period as to such payment set forth in that Loan Document shall have expired); or

8.2 Other Terms. Any failure to perform or observe any term or condition (not otherwise recited under this Section 8) under this Mortgage, the Bond or any other Loan Document or Obligations; provided, however, that Mortgagor may effect a complete cure under this Section 8.2 within thirty (30) days of the occurrence of the Event of Default so long as (a) this right to cure is not exercised more than one (1) time in any consecutive four (4) month period and (b) in the reasonable judgment of Mortgagee the default is curable in its entirety during that cure period; provided, however, that if Mortgagor has promptly and diligently attempted to cure that default and has demonstrated to Mortgagee's reasonable satisfaction that it is not susceptible to cure during that initial cure period, Mortgagor shall be entitled to that additional period, not to exceed thirty (30) days, as Mortgagor shall reasonably need to complete that cure; or

8.3 Representations. Any representation, statement or warranty made by or on behalf of any Obligor in this Mortgage, the Affidavit of Title or any other Loan Document, certificate or other writing made or given to Mortgagee at any time shall be incorrect, incomplete or misleading when made in any material respect; or

8.4 Failure to Obtain Permission. Mortgagor shall do, or permit to be done, any act

for which Mortgagee's consent is required under this Mortgage or any other Loan Document without first obtaining such consent in writing; or

8.5 Financial Information and Inspections. Any failure to furnish financial information or to permit inspection of the Mortgaged Property or any records as required under this Mortgage or any other Loan Document; or

8.6 Failure to Maintain Insurance. Any failure to maintain, or provide satisfactory evidence of, any insurance coverage required under this Mortgage or any other Loan Document; or

8.7 Lien Defaults or Foreclosures. Any default or modification (without Mortgagee's prior written consent) shall have occurred in any mortgage, assignment, encumbrance or agreement constituting a Permitted Encumbrance, and any applicable cure period as to such default shall have expired, or proceedings shall have been instituted or actions taken for the foreclosure or enforcement of any mortgage, judgment, assignment or other lien or encumbrance affecting the Mortgaged Property unless such liens are being contested in good faith and adequate reserves with respect thereto have been deposited with Mortgagee by Mortgagor; or

8.8 Warrants and Tax Liens. Any warrant of attachment or for distraint, or notice of tax or other lien shall be issued relating to, or encumbering, any portion of the Mortgaged Property that is not discharged, or stayed and bonded, to the reasonable satisfaction of Mortgagee within thirty (30) days of entry or for which escrows, reasonably satisfactory in amount to the Mortgagee, have not been established by Mortgagor; or

8.9 Judgments. Any judgment shall be entered against Mortgagor in excess of One Hundred Thousand Dollars (\$100,000.00) that is not (a) within forty-five (45) days of entry, discharged, or stayed and bonded, to the satisfaction of Mortgagee or for which escrows, reasonably satisfactory in amount to the Mortgagee, have not been established by Mortgagor; or (b) fully covered by insurance and the insurance company has unconditionally accepted liability for that judgment; or

8.10 Loss of Collateral. There occurs any casualty on, or loss or destruction of any Mortgaged Property, including force majeure type events resulting in casualty, loss, damage or destruction of the Mortgaged Property not covered by insurance, that, in Mortgagee's reasonable judgment, involves damage to or loss of property having a value of One Hundred Thousand Dollars (\$100,000.00) or more, unless such loss or destruction is fully covered by insurance (subject to a standard insurance policy deductible provision of \$5,000 or less) to the reasonable satisfaction of Mortgagee; or

8.11 Hazardous Substances. There occurs, or it is found that there has previously occurred, any Use of any Hazardous Substances on the Mortgaged Property or by Mortgagor that will require One Hundred Thousand Dollars (\$100,000.00) or more to remedy; or

8.12 Insolvency. Any filing of a petition by or against any Obligor under any Bankruptcy or insolvency law or an assignment by any Obligor of any property or assets for the benefit of creditors, or the failure of any Obligor to pay debts in the ordinary course as those

debts become due, or the calling of a meeting of creditors of any Obligor to obtain any general financial accommodation provided, however, that any Obligor shall have fifteen (15) days to obtain a court order dismissing any Bankruptcy or insolvency proceeding that is filed without consent of the debtor; or

8.13 Seizure of Property. Any seizure by governmental authorities of, or the imposition of legal restraints against, the Mortgaged Property, which is not, within thirty (30) days of such seizure or imposition, released, discharged or fully bonded to the reasonable satisfaction of Mortgagee; or

8.14 Non-Permitted Encumbrance. Any mortgage, assignment, lien, judgment or interest shall encumber any Mortgaged Property with the exception of any Permitted Encumbrances; or

8.15 Default in Leases. Any material default on the part of Mortgagor shall occur under or there shall be a termination of any leases that presently or may in the future affect the Mortgaged Property and account for more than thirty percent (30%) of the annual rentals from the Mortgaged Property; or

8.16 Dissolution. The dissolution of, or cessation of business by the Borrower; or

8.17 Material Adverse Change. Any Material Adverse Change in the creditworthiness or financial condition of any Obligor that, in the reasonable opinion of Mortgagee, materially increases Mortgagee's risk; or

8.18 Material Default With Third Party. A default under any material indebtedness or other material obligations of any Obligor to any third party that entitles such third party to declare such indebtedness or obligation due prior to its date of maturity; or

8.19 Non-Permitted Transfer. The transfer of title to any portion of, or interest in, the Mortgaged Property, any other collateral securing repayment of the Loan, whether or not that transfer of the Mortgaged Property and/or change in ownership or control is voluntary, involuntary or by operation of law, direct or indirect, in violation of the terms and conditions herein or under the Loan Documents; or

8.20 Loss of License or Permit. The loss for forty-five (45) consecutive days or more of any material governmental license or material permit required for the ownership or operation of the Mortgaged Property; or

8.21 Cross-Default. The default of the Mortgagor under any other payment or non-payment material obligation to Mortgagee other than the Mortgage/Bond, in each case beyond the expiration of applicable grace, notice and cure periods, whether now existing or hereafter arising.

SECTION 9 - REMEDIES

Subject to the terms and conditions of the HUD RAD Use Agreements and the Section 8 Project-Based Voucher Program PBV Housing Assistance Payments Contract (Rehabilitation)

by and between the Housing Authority of the Township of Woodbridge and the Woodbridge Affordable Housing Corporation (the “HAP Contracts”) dated the date hereof and the Lender’s Riders attached thereto and incorporated by reference therein, which subordination shall continue in effect with respect to any future amendment, extension, renewal, or any other modification of the RAD Use Agreement, or this Mortgage, upon the occurrence of an Event of Default, Mortgagee may, at its option, do any of the following in any order at any time and in any combination:

9.1 Acceleration of Obligations. Declare all principal, interest and expenses outstanding under the Bond, this Mortgage and any other Obligations to be immediately due and payable in full; or

9.2 Foreclosure. Institute proceedings to foreclose on all or any portion of the Mortgaged Property, and following receipt of a judgment of foreclosure, cause the sale of the Mortgaged Property in accordance with applicable law, in one or several parcels, at Mortgagee’s option; or

9.3 Receiver. Obtain the appointment of a receiver of the rents, profits, leases, income and refunds arising from the Mortgaged Property without the necessity of providing either the inadequacy of the security or insolvency of any Obligor, and each Obligor does hereby waive such proof and consent to the appointment of a receiver; or

9.4 Absolute Assignment of Rents. With or without instituting proceedings to foreclose on, or appoint a receiver for, the Mortgaged Property, revoke Mortgagor’s license to collect rents and exercise all of Mortgagee’s remedies under the Assignment of Rents and Leases and the Collateral Assignment of Payments under PBV Housing Assistance Payments Contract from Mortgagor to Mortgagee of even date, including, without limitation, the right to notify tenants of the Mortgaged Property to pay rents directly to Mortgagee, take possession of and rent the Mortgaged Property, either in Mortgagee’s name or in the name of the owner of such Mortgaged Property, receive and apply the rents and profits, after the payment of any collection, operating and management expenses, including management commissions and attorney’s fees and disbursements, against the Bond and other Obligations, being accountable only for the rents and profits that are actually received by it while in possession; or

9.5 UCC Remedies. Exercise all rights and remedies available to a secured party under the New Jersey Uniform Commercial Code as in effect from time to time; or

9.6 Collection Action. Institute a collection action directly against any Obligor, either without acceleration for the balance of any Obligations then past due or, following acceleration, for all Obligations; or

9.7 Freeze; Setoff. Hold, apply, freeze or set-off (without notice) on account of any Obligations, funds of any Obligor on deposit with Mortgagee in any account, fund or certificate, any indebtedness that Mortgagee may owe to any Obligor or any other tangible or intangible property owned by any Obligor that may be in the possession or under the control of Mortgagee; or

9.8 Increase in Interest Rate. To the extent permitted by law, whenever there is any

Event of Default under the Loan, the rate of interest on the unpaid principal balance shall, at the option of Mortgagee, be five percent (5%) per annum greater than that which would otherwise be applicable (the "Default Rate"). This increase shall be retroactive to the date of the first occurrence of an Event of Default, shall be computed on the basis of actual days elapsed over a 360-day year. The Mortgagor acknowledges that: (i) the Default Rate is a material inducement to the Mortgagee to make the Loan; (ii) the Mortgagee would not have made the Loan in the absence of the agreement of the Mortgagor to pay the Default Rate; (iii) the Default Rate represents compensation for increased risk to the Mortgagee that the Loan will not be repaid; and (iv) the Default Rate is not a penalty and represents a reasonable estimate of: (a) the cost to Mortgagee in allocating its resources (both personnel and financial) to the ongoing review, monitoring, administration and collection of the Loan; and (b) compensation to Mortgagee for losses that are difficult to ascertain. If Mortgagor fails to make any other payment as and when required hereunder or pursuant to the Loan Documents and Mortgagee advances such payment, the amount advanced shall bear interest at the Default Rate.

9.9 Other Remedies. Exercise any other rights and remedies available under this Mortgage, any other Loan Document, Obligations or other document or agreements of any kind, or that are available at law or in equity; or

9.10 Proceeds. Apply proceeds of any Mortgaged Property first to costs and expenses of liquidation, sale or collection, including any attorneys' fees and disbursements and then to payment of any Obligation in whatever order Mortgagee may, in its discretion, elect; or

9.11 Expenses. Collect all of the collection expenses permitted under Section 10 of this Mortgage or otherwise permitted under law and have the amount of such expenses, together with all prepayment penalties due pursuant to the Bond, which penalties shall be computed pursuant to the terms thereof and treating prepayment as occurring on the date of default, included in any judgment or decree obtained by Mortgagee, to the extent permitted by law.

SECTION 10 - COLLECTION EXPENSES

If Mortgagee employs counsel for advice or representation after an Event of Default (whether or not formally declared) relating to the collection or enforcement of this Mortgage, the Bond, or any other Loan Document or Obligations (whether or not suit is actually instituted), Mortgagee may collect from any Obligor all of Mortgagee's reasonable expenses and fees including (a) all reasonable fees and disbursements of Mortgagee's counsel and (b) all expenses of, or in anticipation of, litigation including fees and expenses of witnesses, experts, stenographers, title and lien searches and appraisals. All those collection fees and expenses shall be due and payable upon demand, shall bear interest at the default rate in effect from time to time under the Bond and shall become Obligations secured by this Mortgage and any other collateral that secures any Obligations. This provision addressing Mortgagee Counsel fees and the rights derived therefrom by the Mortgagee shall (a) operate, subsist and survive any entry of a partial or final judgment on the parties' agreement herein and (b) provide the basis for both liability and damages against any Obligor being a party to this Mortgage or agreements related hereto or incorporated hereby in this Mortgage, for any and all of Mortgagee's costs, expenses and reasonable attorneys' fees incurred to obtain full recovery of the principal, interest, late charges and other obligations due and owing to the Mortgagee under this Mortgage including, but not limited to, any and all sums expended for preservation of the property securing any Obligor

payment obligations to Mortgagee under this Mortgage. The parties agree the doctrine of merger is not applicable to this contractual provision, that is, all the aforescribed payment obligations owing to Mortgagee in this provision extend beyond and survive the date of entry of any judgment directly or indirectly related to this Mortgage.

SECTION 11 - MORTGAGEE'S PERFORMANCE

If Mortgagor fails to perform any duty or obligation imposed upon Mortgagor under this Mortgage or any other Loan Document when due, Mortgagee may, subject to the provisions of the HUD RAD Use Agreements, HUD regulations and the HAP Contracts and any Lender's Riders attached thereto, at its option (with or without declaring an Event of Default), perform any such duty or obligation including payment of any tax, governmental charge or insurance premium, making repairs to the Mortgaged Property, rendering it free of any Hazardous Substances or liens or performing any lease obligation. The expenses incurred by Mortgagee in performing any of the Mortgagor's duties or obligations shall be added to the monies owing under the Bond, with interest at the rate in effect from time to time under the Bond, and shall be secured by this Mortgage and by all collateral given to secure any Obligations. Any action taken by Mortgagee pursuant to this Section shall not constitute a waiver of any Event of Default or an undertaking to perform or complete any of the Mortgagor's duties, nor shall it impose any responsibility on Mortgagee to perform any of Mortgagor's duties in the future.

SECTION 12 - SECURITY AGREEMENT

Mortgagor hereby grants Mortgagee a security interest, under the Uniform Commercial Code as enacted in the State of New Jersey, in all of the Mortgagor's right, title and interest in and to all existing and future-acquired Fixtures and Equipment, Awards and Proceeds, Leases and Rents, Other Rights, and all tax, if any and insurance escrows held by Mortgagee pursuant to this Mortgage. In order to perfect the security interests granted hereunder, Mortgagor, as debtor, has executed UCC-1 financing statements in favor of Mortgagee, as secured party, which statements shall be filed with all appropriate county and state filing offices.

SECTION 13 - ABSOLUTE ASSIGNMENT OF LEASES AND RENTS

Subject to the terms and conditions of the HUD RAD Use Agreements and the HAP Contracts and the Lender's Riders attached thereto, this Mortgage also serves as an absolute assignment of all existing and future rentals, leases, profits, income, revenues and proceeds arising from the Mortgaged Property as provided and set forth in the Assignment of Rents and Leases and the Collateral Assignment of Payments under PBV Housing Assistance Payments Contract from Mortgagor to Mortgagee of even date, provided, however, that so long as there is no Event of Default, Mortgagor shall be granted a revocable license from Mortgagee to remain in possession of, and to collect all rentals arising from, the Mortgaged Property. This assignment shall not, however, render Mortgagee responsible for the performance of any duties under any lease, nor for any negligence in the management, operation or maintenance of the Mortgaged Property or for any resulting damage, loss or injury. The receipt by Mortgagee of any rentals or profits pursuant to this assignment shall not cure any Event of Default or affect any foreclosure or other liquidation proceeding that may be pending at any time. Mortgagor hereby irrevocably appoints Mortgagee as Mortgagor's attorney in-fact to exercise all rights and remedies of Mortgagor as landlord and manager of the Mortgaged Property.

SECTION 14 - MODIFICATIONS

This Mortgage is subject to Modification. To the extent permitted by law, this Mortgage secures all Modifications from the date upon which this Mortgage was originally recorded, including future loans and extensions of credit and changes in the interest rate, due date, amount or other terms and conditions of any Obligations.

SECTION 15 - MISCELLANEOUS

15.1 Further Assurances; Corrections. Mortgagor shall, within five (5) days of Mortgagee's request, execute any documents, provide any lien or other searches, and do anything that Mortgagee determines to be reasonably necessary to establish, perfect, assure or maintain the existence and priorities of, Mortgagee's liens against the Mortgaged Property, the reasonable costs of so doing be paid by Mortgagor. In case of the occurrence of any errors in the execution of the Loan Documents, Mortgagor authorizes Mortgagee to make all necessary corrections in order to cause the Loan Documents to conform to the terms and conditions agreed to by Mortgagor and Mortgagee.

15.2 Notices. All notices, demands, requests, consents and other communications shall be in writing and served by hand delivery, by certified mail, return receipt requested, or by a recognized overnight delivery service, to the addresses set forth in the caption of this Mortgage, unless proper written notice has been given to all other parties of any change in address. Notices and other written communication shall be deemed to have been properly served upon delivery to the designated address provided, however, that any notice or other communication sent by certified mail, return receipt requested, shall be deemed to have been properly served on the third business day after mailing, regardless of when it is actually received.

15.3 No Jury Trial. MORTGAGOR HEREBY WAIVES ANY RIGHT TO REQUEST A TRIAL BY JURY IN ANY LITIGATION WITH RESPECT TO ANY ASPECT OF THIS MORTGAGE OR ANY OTHER LOAN DOCUMENT AND REPRESENTS THAT MORTGAGOR HAS CONSULTED WITH COUNSEL SPECIFICALLY AS TO THIS WAIVER. BY ACCEPTING THIS MORTGAGE, MORTGAGEE ALSO WAIVES ITS RIGHT TO REQUEST A TRIAL BY JURY.

15.4 No Waivers. Mortgagee shall not be deemed to have waived any of its rights or remedies under this Mortgage or any other Loan Document by:

(a) forbearing or failing to exercise, or delaying in exercising, any rights and remedies; or

(b) forbearing or failing to insist upon, or delaying in insisting upon, the strict performance of any term or condition of this Mortgage or any other Loan Document; or

(c) granting any extension, modification or waiver of any term or condition of this Mortgage or any other Loan Document, except to the extent expressly provided in any written extension, modification, or waiver; or

(d) any other act, omission, forbearance or delay by Mortgagee, its officers, agents, servants or employees; or

(e) any waiver of any rights or remedies on any one occasion.

15.5 Collection Duties. Mortgagee shall be under no duty or obligation to:

(a) preserve, protect or marshal any Mortgaged Property or other collateral for any Obligations; or

(b) preserve or protect any rights in any Mortgaged Property or other Collateral against any person claiming an interest adverse to that of Mortgagor or other Obligor; or

(c) realize upon any Mortgaged Property or other collateral in any particular order or manner or seek repayment of any Obligations from any particular source.

15.6 Waiver of Defense. Mortgagor hereby waives any defense based on the failure to name any tenant or occupant of the Mortgaged Property as a defendant in any foreclosure action or other litigation with respect to this Mortgage.

15.7 Written Changes Only. No change, extension, modification, amendment or waiver of any term or condition of this Mortgage or any other Loan Document shall be valid or binding upon Mortgagee, unless it is in writing and has been executed by duly authorized officer of Mortgagee.

15.8 Amendments. Notwithstanding anything to the contrary herein, the following amendments to this Mortgage require prior written consent of HUD: any amendment to the HUD required provisions contained herein, any increase in the interest rate of the Loan, an increase in the total indebtedness, any acceleration of the amortization or payment schedule, and any changes that would preclude or impair a reasonable opportunity to cure any defaults by the Borrower under the Mortgage.

15.9 Correction of Documents. If any Loan Documents contain an error or incorrect terms or were improperly prepared or executed, or if a document intended to constitute part of the Loan Documents was inadvertently omitted, then in each such case Mortgagor agrees to execute property documents promptly.

15.10 Successors and Assigns. This Mortgage shall be binding upon Mortgagor and its successors and assigns, and inure to the benefit of Mortgagee, and its successors and assigns.

15.11 New Jersey Law and Jurisdiction. All terms of this Mortgage and the other Loan Documents shall be governed by and construed according to the laws of the State of New Jersey. Mortgagor hereby consents to personal jurisdiction in the State of New Jersey with respect to any and all matters arising under or relating to this Mortgage and all other Loan Documents.

15.12 Partial Invalidity. If any term or provision of this Mortgage is at any time held to be invalid by any court of competent jurisdiction, that invalidity shall not affect the remaining

terms and provisions of this Mortgage, which shall continue to be in full force and effect.

15.13 Receipt of Copies. Mortgagor hereby acknowledges receipt of a true copy of this Mortgage, the Bond and the other Loan Documents without charge.

15.14 Conflict. In the event of a Conflict between this Mortgage and the RAD Use Agreement, the provisions of the RAD Use Agreements shall control.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; EXECUTION PAGE
FOLLOWS]

“EXHIBIT A”

See Attached Legal Description Rider
Marked “SCHEDULE A”

APPENDIX A

Glossary of Defined Terms in the Mortgage

“Affidavit of Title” means the affidavit of title given by Mortgagor to Mortgagee in connection with this Mortgage.

“Affiliates” of a party means (a) any Person directly or indirectly controlling, under common control with, or controlled by, that party, (b) any Person in which that party directly or indirectly owns or controls any interest, (c) any employee, officer, shareholder, director, subsidiary or joint venture of that party, as applicable, and (d) any relative of the foregoing.

“Appendix” means an Appendix to this Mortgage.

“Awards and Proceeds” means all awards, damages, claims, payments, insurance proceeds (other than from liability insurance coverage) and other compensation with respect to the Land, Improvements, Fixtures and Equipment and other interests described in Section 3 (collectively referred to as “Awards and Proceeds”) including those arising from: (a) any governmental taking or exercise of eminent domain, (b) any damage, injury, casualty or other destruction or loss or (c) any change of grade or vacation of any street.

“Bond” means the \$6,500,000.00 Housing Authority of the Township of Woodbridge Housing Revenue Bond (Rental Assistance Demonstration Project), Series 2017 of this same date from Mortgagor to the order of Mortgagee in the original principal amount of SIX MILLION FIVE HUNDRED THOUSAND and NO/100 Dollars (\$6,500,000.00) as amended, modified, renewed, extended or replaced from time to time.

“Capitalized Terms” not defined herein shall have the meanings ascribed to such terms in the Mortgage.

“CFO” means Mortgagor’s chief financial officer.

“Commitment Letter” means the letter dated August 22, 2017, as may be further amended, from Mortgagee to Mortgagor setting forth certain terms of the Loan Documents.

“Environmental Laws” means ISRA, the Spill Compensation and Control Act (N.J.S.A. 58:10-23.11 et seq.), the Freshwater Wetlands Protection Act (N.J.S.A. 13:9B-1 et seq.), the New Jersey Underground Storage of Hazardous Substances Act (N.J.S.A. 58:10A-21 et seq.), the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9601 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. 6901, et seq.), and all other federal, state and local laws, rules and regulations regarding environmental matters.

“Expenses” means any and all fees, costs and expenses, including legal fees and disbursements, copying costs, delivery and postage charges and all filing and recording costs.

“Event of Default” has the meaning set forth in Section 8.

“Fixtures and Equipment” means all fixtures, machinery, equipment, appliances, goods, chattels, furniture, furnishings and personal property of every nature presently or in the future attached to, or used or intended to be used in connection with, the Land or Improvements, or to be erected on the Land or Improvements, or to be erected on the Land or Improvements, including gas and electric fixtures, radiators, heaters, engines, machinery, boilers, ovens, elevators, bathtubs, sinks, water closets, faucets, air conditioning equipment, plumbing and heating fixtures, refrigerators, freezers, shades, blinds, draperies, carpets and all replacement and substitutions for, proceeds of, and warranties with respect to, such property.

“Governmental Authority” means any federal, state or local political subdivision, or an agency or instrumentality thereof, governmental authority, agency, commission or board.

“Hazardous Substances” means any pollutants and dangerous substances including radon, and any “hazardous wastes” or “hazardous substances” as defined in any Environmental Law.

“Improvements” means all buildings, structures and other improvements of every nature presently or in the future on, attached to or used in connection with the Land, including all betterments, substitutions, replacements and proceeds, and all appurtenances and paved roads and walkways adjacent, or relating to, the foregoing or to the Land.

“ISRA” means the Industrial Site Recovery Act (N.J.S.A. 13:1K-6 et seq.) and all regulations promulgated thereunder.

“Land” means, collectively, the land and property commonly known as:

- 1) Adams Towers, 555 Rahway Avenue, (Block 552J, Lot 45A1), Woodbridge, New Jersey;
- 2) Finn Towers, 19 Martin Terrace, (Block 552J, Lot 45A2), Woodbridge, New Jersey;
- 3) Olsen Towers, 555 New Brunswick Avenue, (Block 59H, Lots 6B, 6C, 6D, 7A, 7B, 8 and 10A), Woodbridge, New Jersey;
- 4) Cooper Towers, 1422 Oak Tree Road, (Block 442P, Lot 4), Iselin, New Jersey; and
- 5) Greiner Towers, 460 Inman Avenue, (Block 509, Lot 1B), Colonia, New Jersey

Lots and Blocks refer to the Official Tax Map of the Township of Woodbridge, County of Middlesex, State of New Jersey, and having a legal description as set forth on Exhibit A to this Mortgage;

“Leases and Rents” means all rents, issues, profits, revenues, royalties and benefits now or hereafter due to Mortgagor in connection with the Land or Improvements including all rights and interests of Mortgagor as landlord under any existing and future leases with respect to the Land, Improvements and Fixtures and Equipment;

“Loan Documents” means this Mortgage, the Bond, the Commitment Letter and all other agreements, documents, notes, affidavits and certificates executed in connection with this Mortgage.

“Material Adverse Change” means any set of circumstances or events which (a) has or could reasonably be expected to have any material adverse effect whatsoever upon the validity or enforceability of this Mortgage, (b) is or could reasonably be expected to be material and adverse to the business, properties, assets, financial condition, results of operations or prospects of

Mortgagor taken as a whole, (c) impairs materially or could reasonably be expected to impair materially the ability of Mortgagor taken as a whole to duly and punctually pay or perform its obligations or the underlying Loan, or (d) impairs materially or could be reasonably expected to impair materially the ability of Mortgagee, to the extent permitted, to enforce its legal remedies pursuant to this Mortgage.

“Modification” shall have the meaning set forth in N.J.S.A. 46:9-8.1 et seq., which statute relates, inter alia, to changes in the interest rate, due date or other terms or conditions of a “mortgage loan”, or future advances pursuant to a “line of credit”, as defined in that statute.

“Mortgage” means this mortgage and all modifications, renewals and extensions of, and all amendments to, this mortgage; this Mortgage is the Mortgage referred to in the Bond.

“Mortgagee” means the mortgagee named in the above caption of this Mortgage and its successors and assigns.

“Mortgagor” means the mortgagor named in the above caption of this Mortgage and its successors and assigns.

“Mortgaged Property” shall have the meaning set forth in Section 3 of this Mortgage.

“Obligations” means all debts, liabilities, duties and obligations owing from any Obligor to Mortgagee, whether direct or indirect, now existing or in the future created or acquired, contingent or non-contingent, due or to become due, liquidated or unliquidated, including the Bond, all other Loan Documents, all Modifications and all expenses of Mortgagee to protect the Mortgaged Property or Mortgagee’s interest in the Mortgaged Property.

“Obligor(s)” means each Mortgagor and every other Person who may now or in the future has any duties, debts or liabilities to Mortgagee pursuant to any Loan Document.

“Other Rights” means all other rights whatsoever that Mortgagor or any other owner has or may acquire in the Land, Improvements, Fixtures and Equipment, Awards and Proceeds and all other above-described property and interests, including all rights, privileges, liberties, rights of way, tenements, hereditaments, easements, public spaces, streets, alleys, appurtenances and sewer, air, mineral, water and subsurface rights of all kinds hereto belonging or in any way appertaining.

“Permitted Encumbrances” means (a) any lien for municipal real estate taxes, assessments or utilities that are not yet due and payable, and (b) any easements that do not, in Mortgagee’s reasonable judgment, interfere with the intended use or operation, or impair the value, of the Mortgaged Property, and (c) any other interests expressly referenced on Schedule B-I of the Loan Policy of Title Insurance insuring the within Mortgage issued by Vested Land Services LLC, as Agent for Old Republic National Title Insurance Company under File Number _____, and (d) the lien of the RAD Use Agreement.

“Person(s)” means an individual, corporation, limited liability company, non-profit corporation, partnership, limited partnership, joint venture, trust, joint stock company,

unincorporated organization, association, Governmental Authority or other business entity.

“Prime Rate” means the rate of interest that Mortgagee adopts from time to time as its official prime rate. The prime rate is not tied to any external rate of interest or index and does not necessarily reflect the lowest rate of interest actually charged at any given time by Mortgagee to any particular class or category of customers of Mortgagee. Any change in the prime rate shall be effective immediately when adopted by the Mortgagee, without notice to any Obligor.

“Section” means a section or subsection of this Mortgage.

“Transfer” means any change in ownership or control, whether or not that change is voluntary, involuntary or by operation of law, direct or indirect, or by merger (regardless of who is the survivor of that merger) or by any pledge, mortgage, assignment, sale, lease, lien, encumbrance, option, transfer or disposal of any kind.

To “Use” a substance means to generate, store, refine, treat, discharge, handle, refine, spill, release, emit, leach or dispose of that substance in any manner.