EXHIBIT A

ANALYSIS OF 5 YEAR TAX ABATEMENT LAW

FIVE-YEAR EXEMPTION AND ABATEMENT LAW

In order to qualify for tax exemptions or abatements permitted under the Five Year Exemption and Abatement Law, N.J.S.A. 40A:21-1 et seq (the "Law"), an area must be determined to be an "**area in need of rehabilitation**", as defined in N.J.S.A. 40A:21-3(b).

An "area in need of rehabilitation" is a portion or all of a municipality which has been determined to be an area in need of rehabilitation or redevelopment pursuant to the "Local Redevelopment and Housing Law" (N.J.S.A. 40A:12A-1).

Area in Need of Rehabilitation

An "area in need of rehabilitation" is defined as an area with conditions such that:

> (1) a significant portion of structures... are in a deteriorated or substandard condition, (2) there is a continuing pattern of vacancy, abandonment or underutilization of property in the area, with a persistent arrearage of property tax payments thereon, and (3) a program of rehabilitation ... may be expected to prevent further deterioration and promote the overall development of the community.

Procedure for Determination of Area in Need of Rehabilitation

In order to determine that an area is an "area in need of rehabilitation" the governing body of the municipality must determine by resolution that the area meets the definition of an area in need of rehabilitation.

Prior to adopting the resolution, the governing body must submit it to the municipal planning board for its review. The municipal planning board has forty-five (45) days to submit its recommendations regarding the proposed resolution, including any modifications which it may recommend, for the governing body for its consideration. Upon receipt of such modifications or after the expiration of forty-five (45) days, the governing body may adopt the resolution, with or without modification. N.J.S.A. 40A:12A-14.

Area in Need of Redevelopment

The Local Redevelopment and Housing Law provides that an area may be in need of redevelopment if any of the following conditions are found:

a. The generality of buildings are substandard, unsafe, unsanitary, dilapidated or obsolescent, or possess any of such characteristics, or are so lacking in light, air, or space, as to be conducive to unwholesome living or working conditions.

b. The discontinuance of the use of buildings previously used for commercial, manufacturing, or industrial purposes; the abandonment of such buildings; or the same being allowed to fall into so great a state of disrepair as to be untenantable.

c. Areas with buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light and sanitary facilities, excessive land coverage, deleterious land use or obsolete layout, or any combination of these or other factors, are detrimental to the safety, health, morals or welfare of the community.

d. A growing lack of proper utilization of areas caused by the condition of the title, diverse ownership of the real property therein or other conditions, resulting in a stagnant or not fully productive condition of land potentially useful and valuable for contributing to and serving the public health, safety and welfare.

N.J.S.A. 40A:12-5.

The definition also includes:

> Lands, buildings, home improvements which of themselves are not detrimental to the public health, safety or welfare, but the inclusion of which is found necessary, with or without change in their condition, for the effective redevelopment of the area of which they are a part. N.J.S.A. 40A:12A-3.

Procedure for Determination of Area in Need of Redevelopment

The procedure for determining whether an area is an area in need of redevelopment is as follows:

1. The governing body of a municipality, by resolution, authorizes the planning board to determine whether the proposed area meets the definitional requirements of an area in need of redevelopment.

2. The planning board prepares a map showing the boundaries of the proposed redevelopment area and the location of various parcels of property.

3. The planning board sets a date for and gives notice of a hearing for individuals who are interested in or may be affected by a determination that the area is in need of redevelopment.

4. A copy of the notice must be published in a newspaper of general circulation in the municipality once each week for two consecutive weeks, and the last publication should not be less than ten (10) days prior to the date set for the hearing. A copy of the notice also must be mailed at least ten (10) days prior to the date set for the meeting to the last owner of each parcel of property located within the delineated area.

5. At the hearing, all persons who are interested in or may be affected by a determination that the delineated area is in need of redevelopment are entitled to speak.

6. After completing its hearing, the planning board makes a recommendation as to whether the area or any part thereof should be determined by the municipal governing body to be a redevelopment area. After receiving the recommendation of the Planning Board, the municipal governing body may adopt a resolution determining that the delineated area, or any part thereof, is a redevelopment area. The determination, if supported by substantial evidence, shall be binding and conclusive upon all persons affected by the determination.

7. If written objections were filed in connection with the hearing, the municipality cannot take any action to acquire property by condemnation, for 45 days next following its determination to which the objections were filed.

8. A person who objected to the determination may, within 45 days after the adoption by the municipality, apply to the Superior Court to have such determination reviewed. N.J.S.A. 40A:12A-6.

Tax Exemptions and Abatements for Improvements to Dwellings or Construction of New Dwellings

Upon the determination that an area is an "area in need of rehabilitation", the governing body of a municipality may adopt an ordinance setting forth the eligibility or noneligiblity of commercial and industrial structures for exemptions or abatements.

With respect to a type of structure, the ordinance must specify the eligibility of improvements, conversions, or construction, or all of these, for each type of structure.

The ordinance shall be valid for 10 years, unless readopted by the governing body.

An ordinance providing an exemption from taxation of improvements to dwellings, in determining the value of real property, shall regard the first $5,000, or $15,000, or $25,000, as the ordinance shall specify, in assessor's full and true value of improvements for any dwelling more than 20 years old, as not increasing the value of the property for a period of five years, notwithstanding that the value of the property to which the improvements are made is increased thereby. Unless an abatement is granted, the assessment of the property during the exemption shall not be less than the assessment existing immediately prior to the improvements.

An ordinance providing for exemptions for improvements to dwellings may also provide for the abatement of some portion of the assessed value of property receiving the exemption as it existed immediately prior to the improvement.[1] "Improvement" is defined as a modernization, rehabilitation, renovation, alteration or repair which produces a physical change in an existing building or structure that improves the safety, sanitation, decency or attractiveness or the building as a place for work, and which does not change its permitted use. It does not include ordinary painting, repairs and replacement of maintenance items, or an enlargement of the volume of an existing structure by more than 30%.

An ordinance providing for exemptions or abatements, or both, for improvements to dwellings may also provide for the exemption of some portion of the assessed valuation of the construction of a new dwelling or conversion of other buildings to dwelling use. The ordinance shall require, in determining the value of the real property, that the municipality use a percentage not to exceed 30% of the assessor's full and true value of the dwelling constructed , or conversion alterations made, as not increasing the value of the property for a total of up to five years, notwithstanding that the value of the property upon which the construction or conversion occurs is increased thereby.

An ordinance providing for the exemption of some portion of the assessed valuation of construction of new dwellings, or of conversions of other buildings and structures to dwelling use, or both, may also provide for the abatement of some portion of the assessed value of the property receiving the exemption as it existed immediately prior to the construction or conversion alteration.[2] "Construction" is defined as the provision of a commercial or industrial structure, or the enlargement of a commercial or industrial structure by more than 30% but does not mean the conversion of an existing building or structure to another use. In the event an improvement increases the volume of an existing structure by more than 30%, the improvement will be deemed to be "construction".

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[1]An abatement for a dwelling may be granted for up to five years, but the annual amount of the abatement granted to any single property shall not exceed 30% of the annual amount of the exemption granted under the ordinance.

[2]The abatement for a dwelling may be for up to five years, but the annual amount shall not exceed 30% of the total cost of the construction or conversion alteration, and the total amounts of abatements granted to any one property shall not exceed the total cost of the construction or conversion alteration.

Exemptions and Abatements for Improvements or Conversions to Multiple Dwelling Use

The ordinance may provide for exemption from assessed value of the value of the improvements or conversion alterations of multiple dwelling projects for five years. Unless an abatement is also granted, the assessment shall not be less than the assessment existing immediately prior to the improvements or alterations.

The exemption ordinance may also provide for the abatement of some portion of the assessed value of property as it existed immediately prior to the improvement or conversion, for up to five years, but in an amount which does not exceed 30% of the cost of the improvements or alteration.

Exemption of Taxation For Improvements to Commercial or Industrial Structures

Upon adoption of the resolution, the governing body may adopt an ordinance setting forth the eligibility of commercial and industrial structures for tax exemptions for improvements.

A. Under the law, improvements to commercial and industrial buildings are only entitled to tax exemptions. This means that up to the full value of the improvement may be considered as not increasing the value of the property for a 5 year period. (A tax abatement would allow for the abatement of some portion of the assessed value of the property receiving the exemption as it existed immediately prior to the improvement.)

B. The ordinance may:

i. grant exemptions for all commercial and industrial improvements;

ii. define categories of improvements to be approved by the assessor upon application, and other categories of improvements which may be exempted only upon review, evaluation and approval by the governing body; or

iii. authorize exemption for improvements on an individual basis after review, evaluation and approval of each application by the governing body.

Tax Agreements for Abatement From Taxation For Particular Projects

Upon adoption of an ordinance authorizing a tax agreement for a particular project, the governing body may enter into a written agreement for the exemption and abatement of taxes. The agreement shall provide for the applicant to pay to the municipality in lieu of full property tax payments an amount annually to be computed by one of the following formulas:

1. Cost basis: applicant pays 2% of the cost of the project (cost or fair market value of direct labor and all materials used in the rehabilitation). The "cost of the project" must be certified and verified by an independent architect.

2. Gross revenue basis: applicant pays 15% of the annual gross revenues from the project (total annual gross rental and other income payable to the owner of the project from the project). The agreement must establish the method of computing revenues.

3. Tax phase-in basis: applicant pays a percentage of taxes otherwise due, according to the following schedule:

First year -	no payment;
Second year	not less than 20% of taxes otherwise due;
Third year	not less than 40% of taxes otherwise due;
Fourth year	not less than 60% of taxes otherwise due;
Fifth year	not less than 80% of taxes otherwise due.

Miscellaneous

1. Any ordinance adopted may also provide that an additional improvement completed on a property granted a previous exemption may qualify for an exemption, just as if such property had not received a previous exemption. In such case, the additional improvement will be considered as separate for the purposes of calculating exemptions.

2. Once an ordinance providing for exemptions has been adopted, an appropriate notice must be included in the annual property tax bill to each owner of a building located in an area in which exemptions are allowed.

3. The assessor shall determine, on October 1 of the year following the date of the completion of an improvement, the true taxable value. The amount of the tax to be paid shall be based on the assessed valuation of the property for the previous year, plus any portion of the assessed valuation of the improvement not qualifying for an exemption.

4. An application for exemption, on a form prescribed by the Director of the Division of Taxation in the Department of the Treasury, must be filed with the assessor within 30 days (including Saturdays and Sundays), following the completion of the improvement.

5. No exemption shall be granted, or tax agreement entered into, with respect to any property for which property taxes are delinquent or remain unpaid, or for which penalties for nonpayment of taxes are due.

6. The exemption of real property taxes applies to property taxes levied for municipal purposes, school purposes, county government purposes and for the purposes of funding any other property tax exemptions.

EXHIBIT B

ANALYSIS OF LONG TERM TAX EXEMPTION LAW

LONG TERM TAX EXEMPTION LAW

Under the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. (the "Tax Exemption Law"), the governing body of a municipality may enter into a Financial Agreement with an "Urban Renewal Entity" for the undertaking of the following:

(1) a project (a "Redevelopment Project") set forth in a redevelopment plan adopted by the governing body pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq.;

(2) a project necessary, useful or convenient for the relocation of residents displaced or to be displaced by the redevelopment of all or any part of one or more redevelopment areas (a "Relocation Project"); or

(3) a low and moderate income housing project (a "Housing Project").[1]

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[1]"Housing project" is defined as any work or undertaking to provide decent, safe and sanitary dwellings for families in need of housing, including any buildings, land (including demolition, clearance or removal of buildings from the land), equipment, facilities or other real or personal properties or interests therein which are necessary, convenient or desirable appurtenances of the undertaking, such as, but not limited to, streets, sewers, water, utilities, parks; site preparation; landscaping; and/or administrative, community, health, recreational, educational, welfare, commercial or other facilities. "Low and moderate income housing project" is defined as a housing project which is occupied exclusively by households whose incomes do not exceed the income limitations established pursuant to any State or federal housing program.

Adoption of a Redevelopment Plan

A Redevelopment Project cannot be undertaken except in accordance with a "Redevelopment Plan"[2] adopted by ordinance, upon a finding that the project area is located in an area in need of redevelopment or rehabilitation. The procedure for determination of an area as "in need of rehabilitation" or "in need of redevelopment" is set forth in our memorandum, "Five-Year Exemption and Abatement Law". The Redevelopment Plan must be sufficient to indicate:

(1) its relationship to definite local objectives as to appropriate land uses, density of population, and improved traffic and public transportation, public utilities, recreational and community facilities and other public improvements.

(2) Proposed land uses and building requirements in the project area.

(3) Adequate provision for the temporary and permanent relocation, as necessary, of residents in the project area, including an estimate of the extent to which decent, safe and sanitary dwelling units affordable to displaced residents will be available to them in the existing local housing market.

(4) An identification of any property within the redevelopment area which is proposed to be acquired in accordance with the Redevelopment Plan.

(5) Any significant relationship of the Redevelopment Plan to (a) the master plans of contiguous municipalities, (b) the master plan of the county in which the municipality is located, and (c) the State Development and Redevelopment Plan.

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[2]"Redevelopment plan" is defined as a plan for the "redevelopment" or "rehabilitation" of an area. The concept of "redevelopment" is more intensive than "rehabilitation":

> "Redevelopment" means clearance, replanning, development and redevelopment; the conservation and rehabilitation of any structure or improvement, the construction and provision for construction of residential, commercial, industrial, public or other structures and the grant or dedication of spaces as may be appropriate or necessary in the interest of the general welfare for streets, parks, playgrounds, or other public purposes, including recreational and other facilities incidental or appurtenant thereto, in accordance with a redevelopment plan.

"Rehabilitation" is defined as:

> ... an undertaking, by means of extensive repair, reconstruction or renovation of existing structures, with or without the introduction of new construction or the enlargement of existing structure,s in any area that has been determined to be in need of rehabilitation or redevelopment, to eliminate substandard structural or housing conditions and arrest the deterioration of that area.

The Redevelopment Plan may include the provision of affordable housing in accordance with the Fair Housing Act and the housing element of the municipal master plan. It must describe its relationship to pertinent municipal regulations and will supersede applicable provisions of the development regulations of the municipality or constitute an overlay zoning district within the redevelopment area. When the Redevelopment Plan supersedes any provision of the development regulations, the ordinance adopting the plan must contain an explicit amendment to the zoning district map included in the zoning ordinance, which must indicate the redevelopment area to which the Redevelopment Plan applies. All provisions of the Redevelopment Plan must be either substantially consistent with the municipal master plan or designed to effectuate the master plan. However, the governing body may adopt a Redevelopment Plan which is inconsistent with or not designed to effectuate the master plan by affirmative vote of a majority of its full authorized membership, with the reasons for so acting set forth in the Redevelopment Plan.

The Redevelopment Plan can either be prepared by the Planning Board or reviewed by the Planning Board:

(a) In the former situation, the governing body of the municipality directs the Planning Board to prepare the plan. After completing the Redevelopment Plan, the Planning Board transmits it to the governing body for its adoption. The governing body may amend or revise any portion of the plan by an affirmative vote of the majority of its full authorized membership and must record in its minutes the reasons for each amendment.

(b) Alternatively, prior to the adoption of a Redevelopment Plan (or amendment thereto), the governing body must refer the plan to the Planning Board. The Planning Board must transmit, within 45 days after the referral, a report containing its recommendations, including an identification of any provisions in the plan which are inconsistent with the master plan and recommendations concerning these inconsistencies and any other matters as the Board deems appropriate. In considering the adoption of the Redevelopment Plan, the governing body must review the report of the Planning Board and may approve or disapprove or change any recommendation by a vote of a majority of its full authorized membership. It must record in its minutes the reasons for not following the recommendations. Failure of the Planning Board to transmit its report within the required 45 days relieves the governing body from these requirements.

Requirements of an Urban Renewal Entity

As indicated above, a Financial Agreement providing for a long term tax exemption must be entered into with an "Urban Renewal Entity". An "Urban Renewal Entity" is defined as a "limited-dividend entity" or "non-profit entity" which enters into a Financial Agreement. "Non-profit entity" means a New Jersey non-profit corporation, for which no part of its net profits inures to the benefit of its members.

A "limited-dividend entity" is defined as a corporation, partnership or other entity the profits of which are limited under the Tax Exemption Law. The allowable net profits are determined by applying the allowable profit rate to each total project cost[3] for the period commencing on the date on which the construction of the project is completed and terminating at the close of the fiscal year preceding the date of the calculation. "Allowable profit rate" means the percentage per annum arrived at by adding 1-1/4% to the annual interest percentage rate payable on the entity's initial permanent mortgage financing.[4]

"Net profit" is defined as the gross revenues of the entity less all operating and non-operating expenses, all determined in accordance with generally accepted accounting principles ("GAAP"). The following items are included in expenses:

(a) all annual service charges payable to the municipality;

(b) all payments to the municipality of excess profits;

(c) an annual amount sufficient to amortize the total project cost over the life of the improvements, which shall not be less than the term of the Financial Agreement; and

(d) all reasonable annual operating expenses of the entity.

Excluded from expenses are depreciation and obsolescence, interest on debt, income taxes, salaries, bonuses and other compensation paid to directors, officers and stockholders or other owners of the entity.

In order to qualify as an Urban Renewal Entity, the Certificate of Incorporation or other organizational document must contain the following provisions:

(a) the name of the entity must include the words "Urban Renewal".

(b) The purpose for which it is formed must be to operate under the Tax Exemption Law and to conduct a Redevelopment Project, a Relocation Project or a Housing Project, and, when authorized by Financial Agreement with a municipality, to develop and operate housing, business, industrial, commercial, administrative, community, health, recreational, educational or welfare projects.

(c) A provision that so long as the entity is obligated under the Financial Agreement, it shall engage in no business other than the ownership, operation and management of the project.

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[3]Projects may proceed in phases or "units", in which case the requirements of the Tax Exemption Law are applied to each phase or unit separately.

[4]If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium, if payable on a per annum basis, is considered as additional interest for this purpose. If there is no permanent mortgage financing, the allowable profit rate is arrived at by adding 1-1/4% per annum to the interest rate per annum which the municipality determines to be the prevailing rate on mortgage financing on comparable improvements in the county.

(d) A declaration that the entity has been organized to serve a public purpose, that its operations shall be directed toward such authorized purposes and that it shall be subject to regulation by the municipality and to a limitation on profits or dividends.

(e) A provision that the entity shall not voluntarily transfer more than 10% of the ownership of the project until it has first removed both itself and the project from all restrictions of the Tax Exemption Law and, if the project includes housing units, has obtained the consent of the Commissioner of Community Affairs to such transfer (except for a transfer to another Urban Renewal Entity which is approved by the municipality). The entity must file annual disclosure statements setting forth the identities of its owners.

(f) A provision stating that the entity is subject to the provisions of N.J.S.A. 40A:20-18, concerning the powers of the municipality to alleviate financial difficulties of the Urban Renewal Entity or to perform actions on behalf of the entity upon a determination of financial emergency.

(g) A provision stating that any housing units constructed or acquired by the entity shall be managed subject to the supervision of the Commissioner of Community Affairs.

Application Process

The qualified Urban Renewal Entity must apply to the municipality for approval of the project. The application must include (but is not limited to) the following:

(a) A general statement of the nature of the proposed project, that it conforms to all applicable municipal ordinances, and (1) that the project accords with the Redevelopment Plan and master plan, or (2) provides for the relocation of residents displaced from a redevelopment area, or (3) provides housing units which are restricted to occupancy by low and moderate income households.

(b) A description of the proposed project, outlining the area included and setting forth architectural and site plans.

(c) A statement of an architect or engineer as to the estimated cost of the project.

(d) The source, method and amount of money to be subscribed through the investment of private capital.

(e) A fiscal plan for the project, including a schedule of annual gross revenues, estimated expenditures for operation and maintenance, payments for interest, amortization of debt and reserves and payments to the municipality.

(f) A proposed Financial Agreement.

The application is addressed to the Mayor, who must, within 60 days, submit it with his recommendations to the municipal governing body. The governing body must by resolution

approve or disapprove the application, but in the event it disapproves, it may suggest changes to secure approval. An application may be revised and resubmitted.

The Financial Agreement

The Financial Agreement must be in the form of a contract requiring full performance within 30 years from the date of completion of the project. It must include the following:

(a) That the profits of or dividends payable by the Urban Renewal Entity are limited.

(b) That all improvements in the project to be constructed or acquired shall be exempt from taxation.

(c) That the Urban Renewal Entity will make payments for municipal services.

(d) That the Urban Renewal Entity shall submit annual auditors' reports to the Mayor and governing body and to the Director of the Division of Local Government Services in the Department of Community Affairs.

(e) That the Urban Renewal Entity will, upon request, permit inspection of its facilities and examination and audit of its books and records by authorized representatives of the municipality or State.

(f) In the event of any dispute between the parties, matters in controversy shall be resolved by arbitration;

(g) Operation under the Financial Agreement is terminable by the Urban Renewal Entity at any time after the expiration of one year from the completion date.

(h) That the Urban Renewal Entity will at all times prior to expiration or termination of the agreement remain bound by the provisions of the Tax Exemption Law.

The Financial Agreement must contain detailed representations and covenants as to the manner in which the Urban Renewal Entity proposes to use, manage and operate the project. It further must set forth the method for computing gross revenues, the method of determining insurance, operating and maintenance expenses paid by a tenant which are ordinarily paid by a landlord, the plans for financing the project, the amortization rate on the total project cost, the source of funds, the interest rates to be paid on the construction financing, the source and amount of paid-in capital, the terms of mortgage amortization, a good faith projection of initial sales prices of any condominium units and expenses to be incurred in promoting and consummating such sales[5], and the rental schedules and lease terms to be used.

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[5]Other special provisions apply if the Financial Agreement permits the conveyance of condominium units.

The Financial Agreement may provide that the municipality will consent to a sale of the project to another Urban Renewal Entity (or purchasers of condominium units), continuing the tax exemption of the improvement.

The Financial Agreement must set forth a municipality's determinations as to:

(a) the relative benefits of the project to the redevelopment of the area, when compared to the costs associated with the tax exemption;

(b) an assessment of the importance of the tax exemption to be granted in obtaining the development of the project and in influencing the locational decisions of probable occupants of the project.

Tax Exemption

Improvements made as part of the redevelopment project are exempt from taxation for not more than 30 years from the completion of the entire project (or not more than 35 years from the execution of the Financial Agreement). However, the Urban Renewal Entity must make payments in lieu of taxes to the municipality in the form of an annual service charge, calculated in one of two ways:

(a) Percentage of annual gross revenue - not more than 15% in the case of a Housing Project, not less than 10% in the case of offices, and not less than 15% in the case of all other projects.

(b) At the option of the municipality, or where, because of the nature of the project, the total annual gross revenue cannot be reasonably ascertained, percentage of the total project cost -not more than 2% in the case of a Housing Project and 2% in the case of all other projects.

The minimum annual service charge is the amount of the total taxes levied against the property in the last full tax year in which it was subject to taxation. In any year in which the service charge, calculated as a percentage of revenue or project cost, would be less than the taxes in that last year, the latter amount must be paid.

The annual service charge is paid in stages designed to phase in ad valorem taxation:

(a) For the first 6 through 15 years, as specified in the Financial Agreement - the annual service charge;

(b) For the second stage, from 1 to 6 years, as specified in the Financial Agreement - the annual service charge or 20% of the amount of taxes otherwise due on the value of the land and improvements, whichever is greater;

(c) The third stage, from 1 to 6 years, as specified in the Financial Agreement - the annual service charge or 40% of the amount of taxes otherwise due;

(d) The fourth stage, from 1 to 6 years, as specified in the Financial Agreement - the annual service charge or 60% of the amount of taxes otherwise due; and

(e) For the final stage, at least 1 year as specified in the Financial Agreement - the annual service charge or 80% of the amount of taxes otherwise due.

The annual service charge is paid quarterly, the same as other municipal taxes. Against the annual service charge, the Urban Renewal Entity is entitled to a credit of the amount of the real estate taxes paid on the land for the last year.

Additional Service Charges

If the net profits of a limited-dividend entity exceed the allowable net profits, it must pay the excess net profits to the municipality as an additional service charge. The entity may maintain a reserve against vacancies, unpaid rentals and contingencies in an amount established in the Financial Agreement, not to exceed 10% of the gross revenues for the prior fiscal year. Upon termination of the Financial Agreement, the amount of such reserve, if any, is to be paid to the municipality. No entity may distribute profits or pay a dividend unless, after giving effect thereto, the allowable net profit would equal or exceed the aggregate amount of all dividends or distributions paid or declared.

If the Urban Renewal Entity is a non-profit entity, it must pay over its net profits to the municipality. It also can maintain a reserve against vacancies, which would be paid over upon termination of the agreement.

Miscellaneous

(a) As indicated above, an Urban Renewal Entity after the expiration of one year from the completion date may notify the governing body that, as of a designated time, it relinquishes its status under the Tax Exemption Law, and, if the project includes housing units, that it has obtained the consent of the Commissioner of Community Affairs.

(b) A municipality or any redevelopment entity is authorized, by resolution, to make any land owned by it available for use for a project by an Urban Renewal Entity, by private sale and at agreed upon prices and terms.

(c) If the Local Finance Board believes that an Urban Renewal Entity which owns a housing project is faced with financial difficulty, the Chairman must summon an appropriate official of the entity to a hearing. If he determines that a financial emergency exists which requires the municipality to protect the health, safety or welfare of the residents, the Board must order the implementation of a financial plan. It may require that the appropriate officer of the Department of Community Affairs shall perform actions on behalf of the entity. The plan may require modifications of the Financial Agreement, which need only be approved by the municipal governing body.

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