

EXHIBIT A

CHRISTOPHER P. STATILE, P.A.

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DESIGN CONSULTANTS
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OAKLAND, NJ 07436
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NEW YORK

ATTORNEY-CLIENT PRIVILEGED MATERIALS

Memorandum

To: Michael Bolan, P.P., AICP
Affordable Housing Special Master

From: Caroline Reiter, P.P., AICP
Borough of Closter Affordable Housing Planner

Date: March 22, 2018

Regarding: Borough of Closter, Bergen County

The Borough has analyzed the existing Affordable Housing Overlay requirements in Zone #4 (Commercial Area) and Zone #5 (Industrial Area). The existing Affordable Housing Overlay was created as a mechanism to meet unmet need under the Borough's Prior Round Substantive Certification.

Presently, the Affordable Housing Overlay permits townhouses at eight units/acre with a 20% affordable set-aside, and apartments at 10 units/acre with a 20% affordable housing set-aside. The minimum lot size is one acre for townhouses and five acres for apartments.

The Borough believes that Zone Districts #4 and #5 contain additional opportunities to meet Round 3 unmet need. Specifically, revisions can be made to the overlay zones to capture additional affordable housing opportunities. The existing overlay zones are shown on the map entitled, Closter Overlay Zones, dated January 3, 2018. Industrial Zones #5 are shown in yellow and Commercial Zones #4 are shown in dark gray.

Zone District #4: Commercial Area

All properties in the three Zone Districts #4 total approximately 18 acres. Under the present overlay zoning, the total gross acreage could yield approximately 29 affordable units if townhouses were constructed, and 36 affordable units if apartments were constructed, as follows:

- Townhouses: 18 x 8 units/acre = 144 total units, of which 29 would be affordable.
- Apartments: 18 x 10 units/acre = 180 total units, of which 36 would be affordable.

The proposals include revising the permitted overlay density so that apartment density is increased to 12 units/acre. The proposed increased density could result in 43 affordable apartment units, based on the gross acreage, as follows:

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- Apartments: 18 x 12 units/acre = 216 total, of which 43 would be affordable.

Within the Zone District #4, Commercial Zones, the proposed density revisions could result in increases of seven affordable units if apartments are built; all credits are considered for unmet need. All calculations assume consolidation of smaller properties as well as the potential for new construction.

Zone District #5: Industrial Area

The Closter Affordable Housing Committee determined that, upon review of the existing Industrial Zones, the overlay requirements for the Reuten Drive Industrial Area Zone should not be revised. The Reuten Drive Industrial Zone is identified on the Overlay Zone Map; no revisions are proposed due to the existing development of Reuten Drive.

All of the properties in the remaining Industrial Zones (Reuten Drive Industrial Zone was not considered) approximate 28 acres. Under the current overlay zoning, and based on existing gross acreages, these properties could produce approximately 45 affordable units if townhouses were constructed, and 56 affordable units if apartments were constructed, as follows:

- Townhouses: 28 x 8 units/acre = 224 total, of which 45 would be affordable.
- Apartments: 28 x 10 units/acre = 280 total, of which 56 would be affordable.

The proposals include revising the permitted overlay density so that the apartment density is increased to 12 units/acre. The proposed increased density could produce approximately 67 affordable apartment units, as follows:

- Apartments: 28 x 12 unit/acre = 336 total, of which 67 are affordable.

Within the Industrial Zones, the proposed density revisions could result in increases of 11 affordable units if apartments are built; all credits are considered for unmet need. All calculations assume consolidation of smaller properties as well as the potential for new construction.

We believe the proposed density modifications could result in new opportunities to capture affordable housing. All inclusionary zoning in Districts #4 and #5 would be conditional uses, and would be used to meet the Borough's unmet need.

Business District – Updated Acreage and Existing Dwelling Units

The Business Zone #3 contains an affordable accessory apartment overlay zone. The accessory apartment zoning was adopted in 2003 as a condition of COAH Prior Round unmet need. The Business District #3 is shown in orange on the Closter Overlay Zone map.

The Borough has analyzed the business area and believes that it could provide additional opportunities for the provision of affordable housing, as well as promote current planning practices. Successful planning practices favor a mixed-use environment in the downtown district to provide a residential component of the commercial area. The addition of a multi-family residential use in the downtown could assist local businesses by providing additional customers to the area. Mixed use neighborhoods also provide employees the opportunity to live near to their places of employment.

Closter has a quaint downtown area that is walkable and lends itself to the mixed-use environment. The commercial area contains sidewalks and benches for pedestrians, as well as bicycle racks for alternate transportation options. The area is also within walking distance to bus service.

The opportunity to add a multi-family use to the downtown Business area also is an opportunity for affordable housing. The Borough has studied the Business Zone #3 and recommends, from the western edge of the zone district to Perry Street (the area shown in darker orange on the Overlay Zone Map):

- Establishment of a separate Business Zone District.
- Removal of the existing affordable housing accessory apartment overlay.
- Permitting, as an overlay, mixed use in this area. Potential recommendations include permitting a commercial or business use on the first level, with apartments above it.
- Potential zone regulations could include permitting a residential density of 10 units/acre with a 20% affordable set-aside for “sale” units, and a 15% affordable set-aside for rental units.

Potential revisions to this section of the Business Zone District would be used to meet the unmet need. The following analysis is offered on potential zone changes to a section of the Business Zone District.

The subject area of the Business Zone District approximates 22 acres. There are existing dwelling units in this area. Based on Closter Building Department records, it appears that

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approximately 38 dwelling units (apartments) are in the subject area, none of which are known affordable units.

Assuming an approximate area of 22 acres, 38 existing dwelling units, and a density of 10 units/acre, there is the potential for 36 affordable "for sale" units (assuming 20% set-aside), or 27 affordable rental units (assuming a 15% affordable set-aside) as follows:

- $22 \text{ acres} \times 10 \text{ units/acre} = 220 \text{ units total}$
- $220 - 38 \text{ existing dwelling units} = 182 \text{ potential new residential units}$
- $20\% \text{ of } 182 = 36 \text{ affordable units.}$
- $15\% \text{ of } 182 = 27 \text{ affordable units}$

Revisions to Business Zone #3 could be used to meet Round 3 unmet need.

We look forward to discussing this memo with you as Closter continues to provide a realistic opportunity for the provision of affordable housing.

CR/mr
5599

EXHIBIT B

CONTRACT FOR SALE OF REAL ESTATE

THIS CONTRACT is made the 13th day of September, 2017, between **KITTY FAN KOO IRREVOCABLE INTER-VIVOS TRUST UNDER A TRUST AGREEMENT DATED DECEMBER 20, 1989, LEI CHEN FAN, LEO FAN and LEI MIN FAN, TRUSTEES**, having an address at 555 10th Street, Palisades Park, New Jersey 07650 ("*Seller*") and **THE BOROUGH OF CLOSTER**, located at 295 Closter Dock Road, Closter, New Jersey 07624 ("*Purchaser*").

Seller and Purchaser hereby covenant and agree as follows:

1. AGREEMENT TO PURCHASE; DESCRIPTION OF PROPERTY.

Seller agrees to sell to Purchaser and Purchaser agrees to purchase at the price and upon the terms and conditions set forth in this Agreement the parcel of land and building, as remediated and partially demolished pursuant to Paragraph 22, located on the real property commonly known as 511 Durie Avenue, Borough of Closter, County of Bergen described as Lot 9 in Block 1316 on the Tax Map of the Borough of Closter. This property is more fully described in the attached Exhibit A.

Title to the Premises shall be conveyed to Purchaser and shall be good and marketable fee simple title to the Premises being insurable at regular rates by any reputable title insurance company licensed to write title insurance in the State of New Jersey ("Title Company"), free and clear of all liens, encumbrances and restrictions except for such matters as the Purchaser's Title Company shall be willing, without special premium, to omit as exceptions to coverage or to except with insurance against collection out of or enforcement against the Premises.

2. PURCHASE PRICE AND METHOD OF PAYMENT.

The Purchase Price ("Purchase Price") for the contemplated transaction is Three Million Five Hundred Fifty Thousand Dollars (\$3,550,000). This price is based in part upon a \$800,000.00 estimate for demolition and asbestos removal. The price to be adjusted for any cost overruns on

asbestos removal. Buyer shall pay the first \$80,000 of any cost overruns. Seller to pay an amount not to exceed \$40,430 thereafter for the cost of any cost overruns. The Purchaser to pay any difference in overruns. The Purchaser shall indemnify Seller for any cost overruns in excess of Seller's contribution of \$40,430.00. The Purchase Price shall be payable as follows:

- A. Upon execution of this Agreement, and receipt of a Note and recordable Mortgage from Seller for the same amount, by Purchasers, by wire or check payable to the Escrowee (as hereinafter defined), the receipt of which is hereby acknowledged, to be held in escrow pursuant to Paragraph 5 hereof (the initial down payment);
- | | |
|-----------------|--------------|
| Initial Deposit | \$800,000.00 |
|-----------------|--------------|
- B. Balance by banker's check, attorney trust account check and/or wire.
- | | |
|--|----------------|
| | \$2,750,000.00 |
|--|----------------|
- TOTAL:**
- | | |
|--|-----------------------|
| | \$3,550,000.00 |
|--|-----------------------|

The Purchaser and Seller certify that this Contract accurately reflects the Purchase Price as indicated above, and understand and agree that this information shall be disclosed to the Internal Revenue Service as required by law.

The Purchaser's participation in this Contract is contingent upon receiving approval from the Court overseeing a certain declaratory action captioned In the Matter of the Application of the Borough of Closter, a Municipal Corporation of the State of New Jersey, bearing Docket No. BER-L-6372-15 to utilize funds from its Affordable Housing Trust Fund. If such Court approval is not forthcoming within 30 days of all parties signing this Contract, this Contract shall become null and void and all deposits shall be returned in full. Any extensions of such time period shall be within Seller's exclusive discretion. If such Court approval is limited in any way below the

projections illustrated above, Purchaser shall supplement such trust funds with monies obtained through Municipal Bonding.

Failure to pay when due or non-payment of any checks issued by Purchaser shall be deemed a default hereunder and shall, among other remedies, give Seller the option of cancelling the Agreement.

Purchaser shall not assume responsibilities for any liabilities of any nature or type related to, or due by Seller. The Seller shall deliver the subject property free and clear of any and all liens.

The closing shall occur within 30 days of completion of demolition and proof of compliance of any and all mandatory State requirements for removal of asbestos.

3. DEPOSIT.

The initial down payment of \$800,000.00, paid at the time of the making of this Contract, is refundable pursuant to ¶10 of this Contract, and will be held in Seller's Attorney Trust account, and shall be secured by a first Mortgage and Note signed by Seller on the property for the full amount of the deposit. All deposit monies will be credited at the time of Closing against the Purchase Price. Utilization of deposit monies shall be governed by Paragraph 5 herein.

4. CONTINGENCIES.

BONDING CONTINGENCY.

This Contract is contingent upon the completion of the Municipal Bonding process in accordance with N.J.S.A. 40A:2-1 et seq. and the adoption of a statutorily required Ordinance pursuant to N.J.S.A. 40A:12-5(a).

DUE DILIGENCE PERIOD.

The Purchaser, absent proof from Seller of an oil tank sweep by a certified oil tank removal company that no such tanks are located on the premises, shall have thirty (30) days from the date of full execution of this Contract in which to undertake a due diligence investigation in order to investigate environmental factors as to the existence of an underground oil/storage tank. Seller shall also provide documentation evidencing satisfactory air quality testings under the laws of the State of New Jersey following asbestos removal. If oil tank removal/soil testing documentation and/or air quality testing following asbestos removal is not in compliance with State regulations and laws, Purchaser shall have the right to cancel this Contract upon notice to Seller. Upon receipt of such notice, this Contract shall be deemed null and void of no further force and effect and the deposit hereunder shall be returned to Purchaser. Thereupon, neither party shall have any further rights, duties or obligations to the other. If Purchaser has not waived the contingency during the due diligence period or any extension thereof, Seller may void this Agreement, at its option, upon five (5) days notice to the Purchaser.

This Agreement is not contingent upon the obtaining of any required zoning permit or other approval as may be required by the Municipality, County or State.

This Agreement and Purchaser's obligation to purchase the premises shall be contingent upon the satisfactory compliance with New Jersey State Regulations and Laws regarding the removal of asbestos.

5. DOWN PAYMENT.

The Purchaser acknowledges that it will pay by check drawn to the order and delivered to Seller's Attorney ("Escrowee") subject to Court approval as referenced above as a good faith deposit to be used primarily toward asbestos removal and demolition for the entire initial down

payment of \$800,000.00. The Escrowee is holding the proceeds thereof in escrow in a non-interest bearing trust account until required by payment in phases, under a certain Contract for asbestos removal, gutting and partial demolition of the structure, including air quality testing is due and payable on the date of closing, whichever occurs first.

The parties acknowledge that Escrowee, David M. Watkins, Esq. is acting solely as the stakeholder at the request and for their convenience. Escrowee shall not be deemed to be the agent of either of the parties and that the Escrowee shall not be liable to either of the parties for any act or omission on its part unless taken or suffered in bad faith, in willful disregard of this Agreement or involving negligence. Seller and Purchaser shall jointly and severally indemnify and hold Escrowee harmless from and against all costs, claims and expenses, including reasonable attorney's fees incurred in connection with the performance of Escrowee's duties hereunder, except with respect to actions or omissions taken or suffered by Escrowee in bad faith, in willful disregard of this Agreement or involving negligence on the part of Escrowee.

Escrowee acknowledges its agreement to these provisions by signing in the place indicated on the signature page of this Agreement.

6. TITLE.

The Seller agrees to deliver a Bargain and Sale Deed with Covenant against Grantors Acts and Affidavit of Title at Closing, free and clear of any and all liens, other than Purchaser's First Mortgage as referenced in Paragraph 2 above. Title shall be good and marketable such as will be insured at regular rates by a reputable title company licensed to do business in the State of New Jersey selected by Seller's Attorney, subject to easements and restrictions of record, such facts as an accurate survey might disclose, and zoning ordinances and other applicable laws, regulations and ordinances. However, the Purchaser shall not be obligated to proceed with the

closing if the easements and restrictions of record: (1) are presently violated and not curable by Seller; or (2) provide that the property would be forfeited if they were violated. Purchaser is responsible for costs of recording the Deed, Mortgage, Surveys, Title Search, and owner's and mortgagee's title policies, and all other costs of Closing and transferring Title including, without limitation, costs associated with Purchaser's mortgage. The Purchaser covenants and agrees that the acceptance of the Deed shall constitute a full acceptance of the property and structure as remediated and partially demolished, and a waiver of any and all claims whatsoever against the Seller for any cause relating to title. None of the terms of this Contract, except as expressly provided in this Contract, shall survive the delivery of the Deed and acceptance of it by the Purchaser.

7. RISK OF LOSS.

A. The risk of loss or damage to the property by fire or otherwise is on Seller until time of closing.

B. Purchaser assumes the risk for any personal injury or property damage sustained by Purchaser or members of their family or guests while on the Property and before Closing, unless said visit is scheduled by Seller and Purchaser is escorted by Seller's representative.

C. Seller assumes the risk and responsibility for environmental permitting, cleanup, and partial demolition of structure as required.

8. TAX AND OTHER ADJUSTMENTS.

Collection of Real estate taxes will be frozen from the date the fully executed Contract is received by the Borough of Closter up and until the day of closing. In the event closing does not occur due to no fault of Buyer, taxes will be collected as of the date of cancellation of Contract.

9. POSSESSION.

At Closing, Purchaser will be given possession of the Properties. Prior to that, Purchaser has no right to enter upon the Properties unless agreed to by Seller. Purchaser shall, upon notice as to specific individuals and/or fields of expertise to Seller, be given periodic access during construction for any necessary inspections.

10. DEFAULT OF SELLER.

In the event that Seller's title proves unmarketable or if Seller for any reason cannot or does not complete the remediation, cleanup, air testing and partial demolition of the premises or convey title within six months, as provided for above, the Purchaser's sole remedy shall be a return of the Deposit, without interest, and there shall be no further liability of any kind on the part of the Seller to the Purchaser and this Contract shall become null and void.

11. NO CLOUD ON TITLE.

This Contract shall not be recorded or lodged for recording or filed in any court or public office and nothing in this Contract shall bind or cloud the title to the Property in case Purchaser or Seller fail to fulfill the terms of this Contract. If this Contract is canceled for any reason, Purchaser agrees to immediately return all copies to Seller. Any attempt to record this Contract shall be deemed a default on the part of the Purchaser. In the event the Property is affected by any lien other than Purchaser's First Mortgage, at the time of Closing, such lien shall be paid from the proceeds of sale.

12. REPRESENTATIONS AND WARRANTIES.

Purchaser represents and warrants to Seller that as of the Effective Date, it holds approximately \$1 million in Affordable Housing monies in a specifically designated trust account for construction of Affordable Housing.

- (i) Purchaser has all necessary and requisite authority to enter into this Agreement subject to the Court approval as outlined in Paragraph 2 above.

Purchaser shall proceed in a good faith expedited manner to obtain the requisite Court approval and adopt necessary bond ordinance to fund the purchase, within sixty (60) days of the completion of this Contract;

- (ii) Seller is vested in title to the Premises.
- (iii) Seller is the sole owner of the fee simple interest in the Premises, and no person, firm or corporation or other entity (other than Purchaser) has any right or option to acquire the Premises.
- (iv) The execution of this Agreement by Seller does not, and the performance by Seller of the transaction contemplated by this Agreement will not, violate or constitute a breach of any Agreement, permit, license, order or decree to which Seller is a party or by which Seller or its assets are bound.
- (v) Seller is neither a "foreign person" nor a "foreign corporation" as those terms are defined in Section 7701 of the Internal Revenue Code of 1986, as amended. (e) Seller is not a "foreign person" within the meaning of the Internal Revenue Code of 1986, as amended, Sections 1445 & 7701 (i.e.), seller is not a Non-Resident Alien, Foreign Corporation, Foreign Partnership, Foreign Trust or foreign Estate, as those terms are defined in said Code and regulations prorogated thereunder.
- (vi) Seller further represents and warrants as follows: i) The Property is connected to municipal water; and ii) the property is connected to municipal sewer.

(vii) Seller has not received notice, either written or oral, from any insurance carrier of the existence of defects or inadequacies in the Premises which if not corrected would result in termination of insurance coverage or increase its cost.

(viii) Seller has not generated, stored or disposed of any hazardous waste, hazardous substance and/or hazardous material (collectively "Hazardous Waste") on or from the Premises and Seller has no knowledge of any previous or present generation, storage, disposal or existence of any Hazardous Waste on or from the Premises. Seller has not received any notice from any governmental department, agency or authority concerning, nor does Seller have any knowledge of, the existence of any petroleum product or other Hazardous Waste discharge or seepage. There are no on-site facilities at the Premises for the disposal of solid waste. As used herein "Hazardous Waste" shall have the meaning set forth in the Resource Conservation and Recovery Act, the Comprehensive Environmental Response Liability and Compensation Act, the Hazardous Materials Transportation Act and corresponding state and local statutes, ordinances and regulations, or as defined in any federal, state or local regulation adopted pursuant to the aforesaid Acts. Seller shall deliver the Premises free of any environmental hazard, contamination or condition.

(ix) To the best of Seller's knowledge, there is no underground oil tank or storage facilities located at the Premises. Purchaser reserves the right during the Due Diligence period set forth hereinabove to test the existing underground tank and surrounding soil to determine that the tank is free from leaks and the surrounding ground is free from contamination. If leaks or contamination are located within the tank or surrounding ground, Purchaser may request that (a) the tank be removed; (b) the Seller offer a credit in an amount sufficient to

remediate the tank leak; and/or (c) in either party's discretion, either party may terminate this contract and Purchaser's deposit shall be returned.

- (x) The Premises is not located in a Flood Zone.
- (xi) Seller shall promptly advise Purchaser of any change in circumstances which may affect the aforesaid warranties and representations up until closing.

13. **SELLER'S CLOSING OBLIGATIONS.**

At the Closing, Seller shall execute and/or deliver to Purchaser the following:

- A. A Bargain and Sale Deed with covenants against Grantor's Acts, executed by Seller in form for recording so as to convey to Purchaser the title required by this Agreement.
- B. Possession of the Premises.
- C. A certification of non-foreign status, in form required by the Internal Revenue Code §1445, as amended and the regulations promulgated thereunder.
- D. An affidavit of title in form reasonably required by Purchaser's Title Company.
- E. Any other documents required by this Agreement to be delivered by Seller and/or reasonably required by counsel to Purchaser.

14. **PURCHASER'S CLOSING OBLIGATIONS.**

At the Closing, Purchaser shall execute and/or deliver to Seller:

Bank Checks or wire transfer in payment of the portion of the Purchase Price payable at the Closing in compliance with Paragraph 2 hereof.

Any other documents required by this Agreement or by the title insurance company insuring the Purchaser to be executed and delivered by Purchaser.

15. TITLE REPORT. OBJECTIONS TO TITLE

15.01. Promptly following the execution of this Agreement by the parties hereto, Seller shall forward all available surveys and back title to Purchaser's attorney. Upon receipt Purchaser shall order an examination of title in respect of the Premises from a title company selected by Seller's Attorney licensed or authorized to issue title insurance by the New Jersey State Insurance Department or any agent for such title company and shall cause a copy of the title report to be forwarded to Seller's attorneys upon receipt.

15.02. If at the Closing Date Seller is unable to cause title to the Premises to be conveyed to Purchaser in accordance with this Agreement, or Purchaser has other valid grounds for refusing to close, whether by reason of liens, encumbrances or other objections to title or otherwise, herein collectively called "Defects", other than those subject to which Purchaser is obligated to accept title hereunder, and if Purchaser shall be unwilling to waive the same and to close title without abatement of the Purchase Price, then Seller shall have the right, at Seller's sole election, either to take such action as Seller may deem advisable to remove, remedy, discharge or comply with such Defects or to cancel this Agreement; (ii) if Seller elects to take action to remove, remedy or comply with such Defects, Seller shall be entitled from time to time, upon notice to Purchaser, to adjourn the date for Closing for a period or periods not exceeding sixty (60) days in the aggregate. If, for any reason whatsoever, Seller shall not have succeeded in removing, remedying or complying with such Defects at the expiration of such adjournment, and if Purchaser shall still be unwilling to waive the same and to close title without abatement of the Purchase Price, then either party may cancel

this Agreement by notice to the other given within ten days after such adjourned date. Notwithstanding the foregoing, however, Seller shall cure and/or discharge any liens or encumbrances which may affect the Premises at the Closing Date, if either (a) created by Seller after the date of this Agreement, or (b) susceptible to being reduced to a liquidated sum or sums, whether or not created by Seller, and which can be discharged or otherwise cured by the payment of a sum or sums. For purposes of this Agreement, Permitted Exceptions shall not be deemed Defects.

15.03. If this Agreement is canceled pursuant to this Article, other than as a result of Purchaser's default, this Agreement shall terminate and come to an end and the sole liability of Seller shall be to cause the Down payment to be refunded to Purchaser and to reimburse Purchaser for the cost of title examination, and Purchaser's actual expenses not to exceed a total of \$2500.00. Upon such refund and reimbursement being made, this Agreement shall be null and void and the parties hereto shall be relieved of all further obligations and liability. Seller shall not be required to bring any action or proceeding or, except as otherwise expressly set forth in this Agreement, to incur any expense to cure any title defect or to enable Seller otherwise to comply with the provisions of this Agreement.

15.04. Any liens or encumbrances which Seller is obligated to pay and discharge, together with the costs of recording or filing any instruments necessary to discharge such liens or encumbrances of record, may be paid out of the proceeds of the monies payable by Purchaser at the closing. Seller shall deliver to Purchaser on the Closing Date instruments in recordable form sufficient to discharge any such liens and encumbrances of record. ???Upon request made a reasonable time before the

Closing, Purchaser shall provide at the Closing separate checks for the foregoing payable to the order of the holder of any such lien, charge or encumbrance and otherwise complying with §2 hereof. If Purchaser's title insurance company is willing to insure Purchaser that such charges, liens or encumbrances will not be collected out of or enforced against the Premises, or interfere with Purchaser's use thereof, then Seller shall have the right, in lieu of payment and discharge, to deposit with the title insurance company such funds or grant such assurances or pay such special or additional premiums as the title insurance company may require in order to so insure. In such case the charges, liens or encumbrances with respect to which the title insurance company has agreed so to insure Purchaser shall not be considered objections to title.

15.05 In Purchaser's sole discretion, Purchaser may at any time accept such title as Seller can convey, and may negotiate a reduction of the Purchase Price or any credit or allowance on account thereof or any claim against Seller, and if the same cannot be agreed upon, either party may cancel this agreement at its option.

16. Casualty. The risk of loss for the Premises shall be with Seller until Closing.

17. ASSIGNMENT; BINDING EFFECT.

A. Purchaser shall not assign, sell or in any manner transfer this Contract or any right, title or interest without first obtaining the written consent of Seller, which consent may be unreasonably withheld.

B. This Contract shall extend to and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties to this Contract.

18. USE OF PRONOUNS.

It is understood that pronouns, singular or plural, as used throughout this Contract, shall include the appropriate parties, whether singular, plural, masculine, or feminine, and whether individuals, partnerships, associations, corporations or L.L.C.'s.

19. ENTIRE AGREEMENT.

This is the entire agreement between Seller and Purchaser and supersedes all prior agreements between the parties hereto. There are no other agreements, understandings, or representations other than those contained in this Contract or any other written instrument, which is made a part of this Contract and is signed by Purchaser and Seller.

20. LIQUIDATED DAMAGES.

Default by Purchaser. There shall be no liquidated damages. If Purchaser fails to perform in accordance with this Agreement, Seller may rescind this Agreement by delivering written notice thereof to Purchaser and shall be entitled to any actual damages or such other relief as may be available at law or in equity.

Default by Seller. There shall be no liquidated damages. If the Seller fails to perform in accordance with this Contract, or if any representation or warranty of Seller in this Agreement is untrue in any material respect, Purchaser may (i) rescind this Agreement, or (ii) seek such other relief as may be available at law or in equity including specific performance hereunder. In the event Purchaser shall rescind this Agreement pursuant to sub-paragraph (I) above, the Escrow Agent shall, upon written

demand by Purchaser and without further authorization from Seller, immediately refund the deposit to Purchaser.

21. REMEDIATION/DEMOLITION.

This Contract is contingent upon the successful completion of certain remediation and partial demolition of the structure in accordance with a certain Contract entered into between Seller and Lombardo Excavating, Inc. attached hereto as "Exhibit A"

22. OTHER CONTRACTORS.

No Purchaser or independent contractor or tradesman hired by the Purchaser shall be permitted to enter upon the Property prior to Closing without the written consent of the Seller, which consent may not be unreasonably withheld.

23. NOTICES.

Any and all notices made by and between the parties hereto may be effectuated by and through their respective attorneys by way of regular mail, Certified Mail, Return Receipt Requested, overnight delivery and/or by facsimile transmission. If a notice is sent to the party it must be sent to the address contained at the top of this Contract or such other address that a party designates by like notice. Any notice sent to a party must be sent Certified Mail, Return Receipt Requested.

24. WALK THROUGH.

Seller will schedule a walk through with Purchaser immediately prior to the Closing. Purchaser shall confirm that the Premises being delivered consists of the demolition of the entire addition to the original building, including foundation and footings and

original building's interior has been demolished down to the shell of the existing original school. The Site will be left broom swept and ready for new construction.

25. REQUIREMENT FOR APPROVALS AND PERMITS.

It is expressly understood and agreed by and between the parties to this Contract that this Contract is made subject to the Seller and/or Seller's Contractor(s) obtaining all necessary permits required by any and all federal, state and local governmental authorities, bodies, agencies, and officials having jurisdiction for the proposed remediation of asbestos, gutting and partial demolition of the structure.

26. CLOSING OF TITLE (SETTLEMENT).

The consummation of the transaction contemplated by this Contract (the "Closing") shall take place at the office of David Watkins, Esq., 285 Closter Dock Road, Closter, New Jersey, at the time and date specified by Seller by notice to Purchaser, or at such other place as may be chosen by Seller. A tentative Closing date cannot be established at this time. However, it will be agreed to between the parties upon completion of work required and referenced in Paragraph 22 above. The Closing date may be scheduled upon completion of this work within ten (10) days of written notice by one party to the other.. Completion shall be evidenced by a Certificate of Occupancy issued by an appropriate official of the Borough of Closter and/or State of New Jersey.

27. The Contract is subject to the laws and regulations of the State of New Jersey.

28. BROKER.

The parties represent to each other that no Broker was utilized in this transaction.

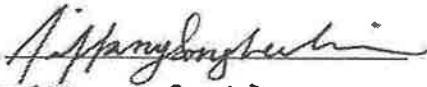
29. PARAGRAPH HEADINGS.

The paragraph headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Contract and shall not be considered in the interpretation of this Contract.

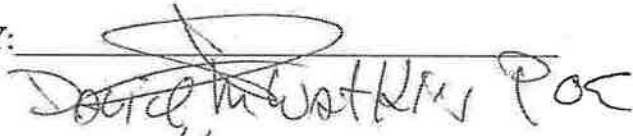
WITNESS:

SELLER

Kitty Fan Koo Irrevocable Inter-Vios Trust, Under a Trust Agreement Dated December 20, 1989, Lei Chen Fan, Leo Fan and Lei Min Fan, Trustees


Tiffany S. Lim

BY:


David M. Watkins
SCL/ON

PURCHASER

WITNESS:

Borough of Closter

BY:

John Glidden

Mayor

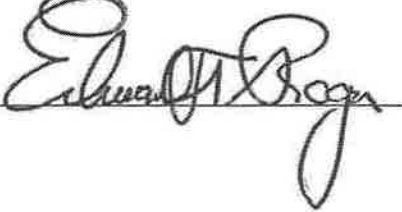
WITNESS:

SELLER

Kitty Fan Koo Irrevocable Inter-Vivos Trust, Under a Trust Agreement Dated December 20, 1989, Lei Chen Fan, Leo Fan and Lei Min Fan, Trustees

BY: _____

WITNESS:



PURCHASER

Borough of Closter


BY: 
John Glidden Mayor

EXHIBIT B2

HOUSING DEVELOPMENT CORPORATION OF BERGEN COUNTY
ONE BERGEN COUNTY PLAZA, FL 2
HACKENSACK, NEW JERSEY

RESOLUTION 2017-11

RESOLUTION BY THE TRUSTEES OF THE HOUSING DEVELOPMENT CORPORATION OF BERGEN COUNTY AUTHORIZING THAT CERTAIN ACTION BE TAKEN AND THAT CERTAIN EXPENDITURES BE MADE WITH RESPECT TO THE DEVELOPMENT OF AFFORDABLE HOUSING AT 500 DURIE AVENUE, CLOSTER, NEW JERSEY.

WHEREAS, the Housing Development Corporation of Bergen County (the HDC) will execute a Memorandum of Understanding with the Borough of Closter to develop approximately 35 units of affordable housing at 500 Durie Avenue in the Borough of Closter, New Jersey; and

WHEREAS, it is anticipated that the project would be partially financed with Borough contribution, tax credit financing and other affordable resources;

WHEREAS, it is necessary to incur certain professional service costs in an estimated amount of \$150,000.00 which would cover fees for pre-development services, including but not limited to financial consultant services, tax credit consultant services, legal services, an environmental consultant and an appraiser; and

WHEREAS, the professional service costs would be reimbursable from the project financing if the tax credit application is successful.

NOW THEREFORE BE IT RESOLVED that the Trustees of the Housing Development Corporation of Bergen County do hereby authorize and approve the expenditure of up to \$150,000.00 for pre-development costs for professional and consulting to prepare for funding applications; and

BE IT FURTHER RESOLVED that the Executive Director of the Housing Development Corporation of Bergen County be and hereby are authorized to execute any and all documents including agreements, contracts and applications necessary to accomplish the foregoing.

Resolution adopted as read on motion by Trustee Scriveni
seconded by Trustee Apicella.

Upon roll call the Ayes and Nays were as follows:

Trustees	Ayes	Nays	Abstain	Absent
Michael Apicella	✓			
Joanne English Rollicson	✓			
Steven E. Kopf				✓
Al Restaino	✓			
Joseph Rutch	✓			
Diane Scriveri	✓			

April 27, 2017
DATE


ALFERED RESTAINO, PRESIDENT


LYNN BARTLETT, EXECUTIVE DIRECTOR/SECRETARY

EXHIBIT C

FILED

OCT 31 2017

MENELAOS W. TOSKOS
J.S.C.

EDWARD T. ROGAN, ESQ.
EDWARD ROGAN & ASSOCIATES, LLC
Attorney No.: 065721925
One University Plaza - Suite 607
Hackensack, NJ 07601
201-342-6484

Attorney for Plaintiff/Petitioner, Borough of Closter

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION: BERGEN COUNTY

DOCKET NO. BER-L-6372-15

CIVIL ACTION
(Mount Laurel)

IN THE MATTER OF THE
APPLICATION OF THE
BOROUGH OF CLOSTER, a municipal
Corporation of the State of New Jersey,

Plaintiff/Petitioner.

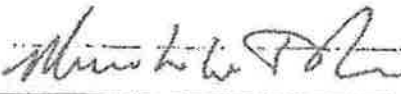
CONSENT ORDER

This matter having been opened to the Court by Edward T. Rogan, attorney for the Plaintiff, Borough of Closter, and the Court having considered the consent of all parties affixed below, and for good cause shown,

IT IS on this 31 day of October, 2017,

ORDERED that the Borough of Closter be permitted to utilize \$900,000 of its affordable housing trust fund monies toward the purchase of property located at 511 Durie Avenue, Closter, New Jersey pursuant to the terms and conditions of the Agreement of Purchase entered into between the Borough of Closter and Kitty Fan Koo Irrevocable Inter-Vivos Trust Under a Trust Agreement Dated December 20, 1989, Lei Chen Fan, Leo Fan and Lei Min Fan, Trustees to be utilized toward the construction of 100% affordable housing units.

IT IS FURTHER ORDERED that a copy of this Order be served upon all parties to this action within 10 days of the date hereof.


HON. MENELAOS W. TOSKOS

I hereby consent to the form and entry
of the within Order


Joshua Bauers
Fair Housing

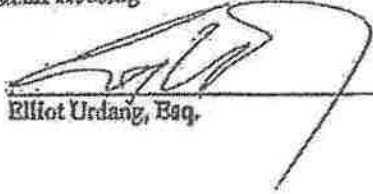

Elliot Ordang, Esq.

EXHIBIT D

JK
Bergen County Recording Data Page
Honorable John S. Hogan
Bergen County Clerk



Official Use Only - Barcode



18-001626 Mortgage
V Bk: 02829 Pg: 1611-1617 Rec. Fee \$83.00
John S. Hogan, Bergen County Clerk
Recorded 01/08/2018 02:14:46 PM

Official Use Only - Realty Transfer Fee

Date of Document:

12/20/2017

Type of Document:

Mortgage

First Party Name:

Kitty Fan Koo Irrevocable Inter-Vivos Trust
Under a Trust Agreement dated 12/20/89, Lei
Chen Fan, Leo Fan and Lei Min Fan, Trustees

Second Party Name:

Borough of Closter

Additional Parties:

THE FOLLOWING SECTION IS REQUIRED FOR DEEDS ONLY

Block:

Lot:

Municipality:

Consideration:

Mailing Address of Grantee:

THE FOLLOWING SECTION IS FOR ORIGINAL MORTGAGE BOOKING & PAGE INFORMATION FOR ASSIGNMENTS,
RELEASES, SATISFACTIONS, DISCHARGES & OTHER ORIGINAL MORTGAGE AGREEMENTS ONLY

Original Book:

Original Page:

BERGEN COUNTY RECORDING DATA PAGE

Please do not detach this page from the original document as it
contains important recording information and is part of the permanent record.

MORTGAGE

This Mortgage is made on December 20, 2017

BETWEEN the Borrower(s)

KITTY FAN KOO IRREVOCABLE INTER-VIVOS TRUST
UNDER A TRUST AGREEMENT DATED DECEMBER 20, 1989,
LEI CHEN FAN, LEO FAN, AND LEI MIN FAN, TRUSTEES

having an address at 555 10th Street, Palisades Park, New Jersey 07650 and 285 Closter Dock Road,
Closter, New Jersey 07624

referred to as AI@,

AND the Lender

BOROUGH OF CLOSTER

whose address is 295 Closter Dock Road, Closter, NJ 07624

referred to as ALender,@

If more than one Borrower signs this Mortgage, the word AI@ shall mean each Borrower named above. The word ALender@ means the original Lender and anyone else who takes this Mortgage by transfer.

1. **Mortgage Note.** In return for a loan that I received, I promise to pay \$800,000.00 (called APrincipal@). All terms of the Note are made part of this Mortgage. This is a pre-closing loan for purposes of asbestos clean up and partial demolition of structure and is to be credited to Lender at the time of the closing of title or upon Borrowers breach of the Contract of Sale, whichever occurs first.

2. **Property Mortgaged.** The property mortgaged (called the AProperty@) to the Lender is located in the Borough of Closter, County of Bergen and State of New Jersey commonly known as 511 Durie Avenue, Closter, New Jersey. The Property includes: (a) the land; (b) all buildings that are now, or will be, located on the land; as per Contract of Sale between the parties; (c) all condemnation awards and insurance proceeds relating to the land and building(s); and (d) all other rights that I have or will have as owner of the Property. The legal description is:

G See attached Legal Description annexed hereto and made a part hereof.

3. **Rights Given to Lender.** I mortgage the Property to the Lender. This means that I give the Lender those rights in this Mortgage and also those rights the law gives to lenders who hold mortgages on real property. When I satisfy all amounts due to the Lender under the Note and this Mortgage, the Lender's rights under this Mortgage will end. The Lender will then cancel this Mortgage at my expense.

4. **Promises.** I make the following promises to the Lender:

a. **Note and Mortgage.** I will comply with all of the terms of the Note and this

Mortgage.

- b. **Payments.** I will pay or provide a credit all payments required by the Note and this Mortgage on the day of closing of title, or upon any breach of contract by me.
 - c. **Ownership.** I warrant title to the premises (N.J.S.A. 46:9-2). This means I own the Property subject to the conditions and exceptions set forth in the title report #SL-4788 of Safe Land Title Agency and will defend my ownership against all claims adverse to such title;
 - d. **Liens and Taxes.** I will pay all liens, taxes, assessments and other government charges made against the Property when due. I will not claim any deduction from the taxable value of the Property because of this Mortgage. I will not claim any credit against the Principal and Interest payable under this Note and this Mortgage for any taxes paid on the Property;
 - e. **Insurance.** I must maintain extended coverage for fire, property, personal injury insurance on the Property. I must provide at the time of the making of this Mortgage, a copy of the general liability policy in place on the property. The insurance companies, policies, amounts, and types of coverage must be acceptable to the Lender. I will notify the Lender in the event of any substantial loss or damage. The Lender may then settle the claim on my behalf if I fail to do so. All payments from the insurance company must be payable to the Lender under a standard mortgage clause in the insurance policy. The Lender may use any proceeds to repair and restore the Property or reduce the amount due under the Note and this Mortgage. This will not delay the due date for any amount under the Note and this Mortgage;
 - f. **Repairs/Remediation.** I will, pursuant to Contract of Sale between the parties, promptly undertake the clean up of asbestos and partial demolition of the structure. I will allow the Lender to inspect the property upon reasonable notice to me;
 - g. **Statement of Amount Due.** Upon request of the Lender, I will certify to the Lender in writing: (a) the amount due on the Note and this Mortgage; and (b) whether or not I have any defense to my obligations under the Note and this mortgage;
 - h. **Rent-Leases.** No Leases shall be entered into for this property
 - i. **Lawful Remediation and Demolition** I will ensure any asbestos removal or demolition of the structure will be done in compliance with all laws, ordinances and other requirements of any governmental authority and that appropriate certificates of insurance will be obtained by Borrowers from any of its contractors or sub-contractors utilized in the asbestos removal and part and partial demolition.
5. **Eminent Domain.** All or part of the Property may be taken by a government entity for public use. If this occurs, I agree that any compensation, up to the full amount of the Loan, be given to the Lender. This will not delay the due date for any further payment under the Note and this Mortgage. Any remaining balance will be paid to me.
6. **Taxes.** I will make regular quarterly payments toward real estate taxes and assessments on the property.
7. **Payments Made for Borrower(s).** If I do not make all the remediation repairs and perform the

required demolition as agreed in the Contract of Sale, the Lender may do so for me. The cost of these repairs and payments will be added to the Principal, will bear interest at the same rate provided in the Note and will be repaid to the Lender upon demand.

8. **Default.** The Lender may declare that I am in default on the Note and this Mortgage if:

- a. I fail to make any payment or provide the credit required by the Contract of Sale, the Note and Mortgage on the day of closing or within 30 days after its due date, whichever occurs first;
- b. I fail to keep any other promise I make in this Mortgage;
- c. The ownership of the Property is changed for any reason;
- d. The holder of any lien on the Property starts foreclosure proceedings; or
- e. Bankruptcy, insolvency or receivership proceedings are started by or against any of the Borrowers.
- f. I breach the terms and conditions of the Contract of Sale between the parties.

All of the above subject to the grace and cure periods provided in the Note which this Mortgage secures.

9. **Payments Due Upon Default.** If the Lender declares that I am in default, I must immediately pay the full amount of all unpaid Principal, Interest and other amounts due on the Note and this Mortgage and the Lender's cost of collection and reasonable attorneys fees.

10. **Lenders Rights Upon Default.** If the Lender declares that the Note and this Mortgage are in default, the Lender will have all rights given by law or set forth in this Mortgage. This includes the right to do any one or more of the following:

- a. Take possession of and manage the Property, including the collection of rents and profits;
- b. Start a Court action, known as foreclosure, which will result in a sale of the Property to reduce my obligations under the Note and this Mortgage; and
- c. Sue me for any money that I owe the Lender;

11. **Notices.** All notices must be in writing and personally delivered or sent by certified mail, return receipt requested, to the address given in this Mortgage. Address changes may be made upon notice to the other party.

12. **No Waiver by Lender.** Lender may exercise any right under this Mortgage or under any law, even if Lender has delayed in exercising that right or has agreed in an earlier instance not to exercise that right. Lender does not waive its right to declare that I am in default by making payments or incurring expenses on my behalf.

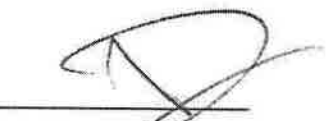
13. **Each Person Liable.** This Mortgage is legally binding upon each Borrower and all who succeed to their responsibilities (such as heirs and executors). The Lender may endorse any of the provisions of the Note and this Mortgage against any one or more of the Borrowers who sign this Mortgage.

14. **No Oral Changes.** This Mortgage can only be changed by an agreement in writing signed by both the Borrower(s) and the Lender.

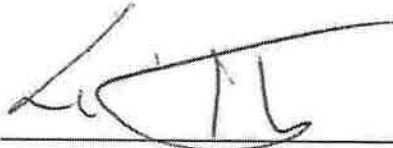
15. **Signatures.** I agree to the terms of this Mortgage and have set my hand and seal hereunto. If the Borrower is a corporation, its proper corporate officers sign and seal this Mortgage.

Witnessed or Attested by:

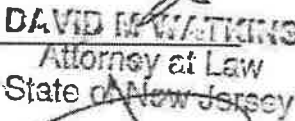
KITTY FAN KOO IRREVOCABLE INTER-VIVOS TRUST
UNDER A TRUST AGREEMENT DATED DECEMBER 20,
1989, LEI CHEN FAN, LEO FAN, AND LEI MIN FAN,
TRUSTEES



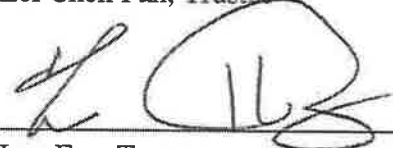
DAVID M WATKINS
Attorney at Law
State of New Jersey



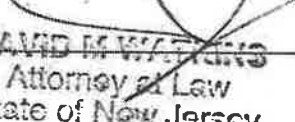
(Seal)
Lei Chen Fan, Trustee



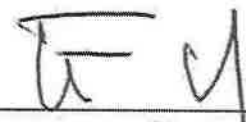
DAVID M WATKINS
Attorney at Law
State of New Jersey



Leo Fan, Trustee



DAVID M WATKINS
Attorney at Law
State of New Jersey

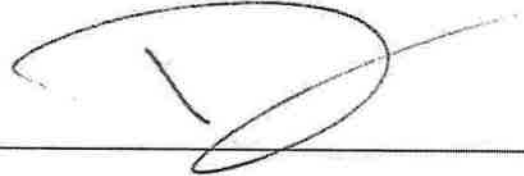


Lei Min Fan, Trustee

STATE OF NEW JERSEY, COUNTY OF BERGEN SS:

I CERTIFY that on Lei Chen Fan, Leo Fan and Lei Min Fan on Dec. 19, 2017
December 20, 2017
personally came before me and stated to my satisfaction that this person (or if more than one, each
person)

- (a) was the maker of the attached instrument; and
- (b) executed this instrument as his or her act.

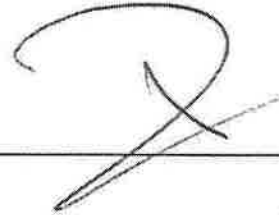


STATE OF NEW JERSEY, COUNTY OF BERGEN SS:

DAVID M WATKINS
Attorney at Law
State of New Jersey

I CERTIFY that on _____, 2017 _____
personally came before me and stated to my satisfaction that this person (or if more than one, each
person):

- (a) was the maker of the attached instrument;
- (b) was authorized to and did execute this instrument as _____
of _____, the entity named in this
instrument; and
- (c) executed this instrument as the act of the entity named in this instrument.



DAVID M WATKINS
Attorney at Law
State of New Jersey

RECORD AND RETURN TO:
Edward Rogan & Associates, LLC
One University Plaza
Suite 607
Hackensack, N.J. 07601

Suite 607
Hackensack, NJ 07601

To the County Recording Officer of Bergen County:

This Mortgage is fully paid. I authorize you to cancel it of record. X

Dated: _____

MORTGAGE NOTE

Dated: December 11, 2017

Amount: \$800,000.00

FOR VALUE RECEIVED, the undersigned, **KITTY FAN KOO IRREVOCABLE INTER-VIVOS TRUST UNDER A TRUST AGREEMENT DATED DECEMBER 20, 1989, LEI CHEN FAN, LEO FAN, AND LEI MIN FAN, TRUSTEES**, having an address of 555 10th Street, Palisades Park, New Jersey 07650 and 285 Closter Dock Road, Closter, New Jersey 07624 (the "Borrowers") promises to pay to **BOROUGH OF CLOSTER**, a New Jersey Municipality, (the "Lender"), at its office located at 295 Closter Dock Road, Closter, New Jersey 07624, or at such other place as the Lender may direct, **EIGHT HUNDRED THOUSAND AND 00/100 (\$800,000.00 DOLLARS)**, together with interest, as follows:

1. **LOAN.** This Note evidences a loan in the amount of Eight Hundred Thousand Dollars (\$800,000.00) (the "Loan"), the proceeds of which shall be funded and allocated in accordance with the terms of a loan agreement dated the date hereof by and between the Borrowers and the Lender (the "Loan Agreement").

2. **INTEREST RATE.** Interest will be charged on unpaid principal commencing upon any breach of the Contract of Sale, until the full amount of principal has been paid or received as a credit. The Undersigned will pay interest at a yearly rate for the term of this Loan of Prime plus 5% , but no less than 7 ½ %.

3. **TERM.** The Loan shall mature on the date of the closing of title between the parties which shall be no later than March 1, 2018 (subject to weather conditions for demolition and asbestos removal) in this matter or upon Borrowers breach of the Contract of Sale, whichever shall occur first (the "Maturity Date")

4. **PAYMENTS.** Payment of principle and interest in full shall be made to the Holder upon the maturity date or the expiration of the cure period for any default hereunder, whichever is sooner.

Should any balance remain unpaid after the Maturity Date or after any acceleration of the amounts due hereunder pursuant to the terms of this Note, the mortgage on the premises known as 511 Durie Avenue, Closter New Jersey 07624 (the "Mortgage"), or under the terms of the Contract of Sale dated September 13, 2017 together (the Note, Mortgage, Real Estate Contract of Sale, and any other document executed in connection with the Loan will collectively be referred to as the "Loan Documents") or in such other circumstances as provided for herein, then the interest rate on this Note shall be increased to a rate equal to zero percentage (0%) points over and above the interest rate set forth above (which increased rate of interest shall hereinafter be referred to as the "Default Interest Rate"). In no event, however, shall the interest charged on the Loan exceed that permitted by

law.

5. INTEREST RESERVE. INTENTIONALLY OMITTED

6. PREPAYMENTS. Prepayment will be permitted in whole or in part at any time upon ten (10) prior days written notice without fee or penalty. In addition to any prepaid amount, the Borrower shall also pay to the Lender any accrued and unpaid interest and all other sums due under the terms of this Note at the time of such prepayment.

7. LATE FEE. If the Lender does not receive the entire amount of any payment required under this Note, there will be no late fee. However, interest will be charged in accordance with Paragraph 2 above.

8. COLLATERAL AND GUARANTEES. Repayment of this Note is secured by a mortgage (the "Mortgage") on real estate located at **511 DURIE AVENUE, (Block 1316, Lot 9) CLOSTER, NEW JERSEY** (the "Property"), Contract of Sale of the property between the Mortgagor and Mortgagee dated September 27, 2017 (the "Contract of Sale").

9. DEFAULT. The Borrower shall be in default under this Note upon the occurrence of any of the following events:

(a) Failure to make any payment required under this Note on the Maturity Date or on the due date of any other payment;

(b) Any non-monetary default shall occur under the terms and provisions of the Contract of Sale, the Mortgage, (collectively, the "Loan Documents") or an Event of Default as defined in any of the Loan Documents shall occur provided, however, that the Borrower shall have the opportunity to cure said non-monetary defaults for a period of ten (10) days upon receipt of notice from the Lender, and additional reasonable time if Borrower is diligently pursuing to cure said non-monetary default but same cannot be cured in said 10 day period; or

The Lender does not give up its rights upon a default as a result of any delay in declaring or failure to declare a default.

10. Remedies. Upon the occurrence of an event of default hereunder, at the option of the Holder, the whole principal sum with accrued interest shall become immediately due and payable without further notice, demand or presentment for payment. Thereafter, interest on the principal sum shall be computed at the Default Interest Rate. In addition, upon the occurrence of an event of default hereunder, the Holder shall be entitled to recover all costs and expenses incurred by the Holder, including a reasonable allowance for attorneys' fees, to obtain or enforce payment of any sums owing hereunder or to enforce other obligations of the Undersigned to the Holder. In addition, upon the occurrence of an event of default hereunder, the Holder shall be entitled to take all actions set

forth in the Loan Documents, including all rights to proceed against the Undersigned, either before, after or simultaneously with any action against any and all collateral. It is specifically agreed that the Holder shall in addition to the remedies provided for herein, generally have all of the remedies of a secured party provided for under the New Jersey Uniform Commercial Code.

11. Notices. All notices provided for herein shall be in writing. Notice shall be given by certified or registered mail and shall be deemed to have been given and received three business days after a certified or registered letter containing such notice, return receipt requested, properly addressed with proper postage prepaid, is deposited in the United States mail. Notice to Borrowers will be to the addresses set forth above.

Notice to the Holder shall be given at the address set forth above leaving notice with the Borough Administrator at the Municipal Building located at 295 Closter Dock Road, Closter, New Jersey 07624, with a copy mailed to Edward T. Rogan, Esq., attorneys for Borrower, One University Plaza, Suite 607, Hackensack, New Jersey 07601 by certified mail, return receipt requested.

Any party hereto may, by giving five (5) days' written notice to the other, designate an additional and/or other party or address as a substitution of the foregoing party or address to which such notice shall be given.

12. SET-OFF. If any amount owing under this Note is not paid when it becomes due, the Lender may set off all property held by it, and funds from any account maintained with it, belonging to any Borrower or any other maker, endorser or Guarantor.

13. WAIVERS. The Lender is not required to do any of the following before enforcing its rights under this Note:

- (a) Demand payment of amount due;
- (b) Give notice that amounts due have not been paid; or
- (c) Obtain an official certificate of non-payment.

14. CHANGES. This Note can only be changed by an agreement in writing signed by the Borrower and the Lender.

15. NOTE BINDING ON EACH BORROWER AND SUCCESSORS.
All obligations under this Note are the joint and several unconditional obligations of each Borrower and all who succeed to their rights and interests. Release of any Borrower, the Property, Collateral or Guarantor shall not release any other Borrower, Property, Collateral or Guarantor.

16. GOVERNING LAW. This Note shall be construed according to the laws of the State of New Jersey and the Borrower consents to the jurisdiction of the courts of the State of New Jersey to determine any questions of fact or law

arising under this Note.

17. ACTIONS INVOLVING THIS NOTE. In any action involving the enforcement of this Note and the loan documents, the prevailing party agrees to pay all costs of collection, including court costs and reasonable attorney's fees. The Borrower hereby irrevocably waives its right to a trial by jury in any action arising out of the Loan evidenced by this Note and the transactions contemplated hereunder and under the Loan Agreement.

18. NO USURY. The Lender and Borrower intend to comply at all times with applicable usury laws. If at any time such laws would ever render usurious any amounts called for under this Note or the Loan Documents, then it is Borrower's and the Lender's express intention that such excess amount shall be immediately credited on the principal balance of this Note (or, if this Note has been fully paid, refunded by the Lender to Borrower), and the provisions hereof shall be immediately reformed and the amounts thereafter collectible under this Note reduced, without the necessity of the execution of any further documents, so as to comply with the then applicable law, but so as to permit the recovery of the fullest amount otherwise called for under this Note. Any such crediting or refund shall not cure or waive any Event of Default by Borrower under this Note or the other Loan Documents. If at any time following any reduction in the interest rate payable by Borrower, there remains unpaid any principal amount under this Note and the maximum interest rate not prohibited by applicable law is increased or eliminated, then the interest rate payable under this Note shall be readjusted, to the extent not prohibited by law, so that the dollar amount of interest payable hereunder shall be equal to the dollar amount of interest which would have been paid by Borrower without giving effect to the reduction in interest resulting from compliance with applicable usury laws. Borrower agrees that in determining whether or not any interest payable under this Note or the Loan Documents exceeds the highest rate not prohibited by law, any non-principal payment (except payments specifically stated in this Note or in the Loan Documents to be "interest"), including, without limitation, prepayment fees and late charges, shall, to the maximum extent not prohibited by law, be an expense, fee, premium or penalty rather than interest.

19. RIGHTS CUMULATIVE. The rights and remedies of the Lender under this Note and the Loan Documents shall be cumulative and concurrent and at the sole discretion of the Lender may be pursued singly, successively, or together and exercised as often as the Lender shall desire. Time is of the essence under this Note.

The failure of the Lender to exercise any such right or remedy shall in no event be construed as a waiver or release thereof. Nothing herein contained shall be construed as limiting the Bank to the remedies mentioned above.

20. Successors and Assigns. This Note shall be binding upon the Undersigned and the Undersigned's heirs, personal representatives, successors and assigns, and shall be for the benefit of the Holder hereof and the Holder's heirs, personal representatives, successors and assigns.

21. Obligations of Persons Under this Note. If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.


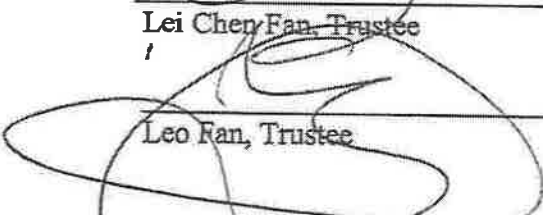
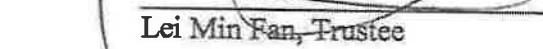
22. Waiver of Jury Trial. Any and all rights to trial by jury in any action or proceeding based hereon are specifically waived by the Undersigned. The Undersigned acknowledges that he was represented by counsel and that this waiver was specifically negotiated by the parties hereto.

IN WITNESS WHEREOF, the Borrower has executed this Mortgage Note as of the day and year first set forth above.

Witnessed or Attested by:

KITTY FAN KOO IRREVOCABLE INTER-VIVOS TRUST UNDER A TRUST AGREEMENT DATED DECEMBER 20, 1989, LEI CHEN FAN, LEO FAN, AND LEI MIN FAN, TRUSTEES



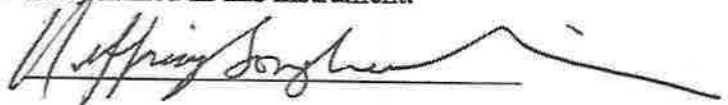
 (Seal)
Lei Chen Fan, Trustee

Leo Fan, Trustee

Lei Min Fan, Trustee

STATE OF NEW JERSEY, COUNTY OF BERGEN SS:

I CERTIFY that on December 11th, 20 17 personally came before me and stated to my satisfaction that this person (or if more than one, each person)
(a) was the maker of the attached instrument; and
(b) executed this instrument as his or her act.

STATE OF NEW JERSEY, COUNTY OF BERGEN SS:

I CERTIFY that on Dec. 14th, 2017 David M. Watkins P.O.A. personally came before me and stated to my satisfaction that this person (or if more than one, each person):
(a) was the maker of the attached instrument;
(b) was authorized to and did execute this instrument as Power of Attorney of Lei Chen Fan, Leo Fan and Lei Min Fan, the entity named in this instrument; and
(c) executed this instrument as the act of the entity named in this instrument.



TIFFANY SONGHEE LIM
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 12/6/2018

EXHIBIT E

**BOROUGH OF CLOSTER
ORDINANCE NO. 2017:1230**

**AN ORDINANCE AUTHORIZING THE ACQUISITION OF REAL PROPERTY
COMMONLY KNOWN AS "511 DURIE AVENUE" IN THE BOROUGH OF CLOSTER**

WHEREAS, the Borough of Closter has a constitutional obligation to provide for affordable Housing; and

WHEREAS, the Governing Body may, pursuant to N.J.S.A. 40:12-4, acquire real property for a public purpose; and

WHEREAS, the Borough of Closter desires to acquire certain property for its Affordable Housing needs and for a public use and said property is commonly known as "Village School" located at 511 Durie Avenue in the Borough of Closter; and

WHEREAS, said property is also known as Block 1316, Lot 9 on the Tax Map of the Borough of Closter; and

WHEREAS, the Governing Body has determined that this acquisition at a purchase price in the amount of \$3,550,000 is in the best interest of the Borough; and

WHEREAS, a portion of said purchase price will be paid with funds provided by the Affordable Housing Trust monies in the amount of \$900,000; and


NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Borough of Closter, County of Bergen and State of New Jersey as follows that the property known as 511 Durie Avenue "Village School" in the Borough of Closter be acquired for public use by the Borough for the purchase price in the amount of \$3,550,000.00; the Borough Attorney is hereby authorized to prepare all necessary documentation for the purchase, make application to the Affordable Housing Judge assigned to the matter captioned "In the Matter of the Application of the Borough of Closter" Docket No. BER-L-6372-15 for release of \$900,000 of the Closter Affordable Housing Trust monies. The Mayor and Clerk are hereby authorized to execute the contracts and other documents necessary pursuant to the purchase.

This Ordinance shall take effect immediately upon final passage and publication as required by law.

Councilperson	Motion	Second	Aye	Nay	Absent
Councilman Barad	X		X		
Councilwoman Latner		X	X		
Councilman Di Dio			X		
Councilman Yammarino			X		
Councilwoman Chung			X		
Councilwoman Amitai			X		

Introduced: October 11, 2017
Adopted: November 8, 2017

ATTEST:


Loretta Castano, RMC, Borough Clerk


John C. Glidden, Jr., Mayor

Certified to be a true copy of an Ordinance adopted by the Mayor and Council of the Borough of Closter at the Regular Meeting held November 8, 2017.

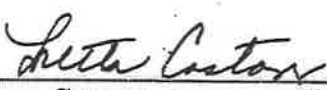

Loretta Castano, Borough Clerk

EXHIBIT F

**BOROUGH OF CLOSTER
BOND ORDINANCE NO. 2017:1233**

AN ORDINANCE OF THE BOROUGH OF CLOSTER, IN THE COUNTY OF BERGEN, NEW JERSEY, PROVIDING FOR THE ACQUISITION OF 511 DURIE AVENUE IN THE BOROUGH OF CLOSTER AND APPROPRIATING \$3,700,000 THEREFOR, AND PROVIDING FOR THE ISSUANCE OF \$2,800,000 IN BONDS OR NOTES OF THE BOROUGH OF CLOSTER TO FINANCE THE SAME

BE IT ORDAINED BY THE BOROUGH COUNCIL OF THE BOROUGH OF CLOSTER, IN THE COUNTY OF BERGEN, NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring), AS FOLLOWS:

Section 1. The improvement or purpose described in Section 3 of this bond ordinance is hereby authorized to be undertaken by the Borough of Closter, in the County of Bergen, New Jersey (the "Borough") as a general improvement. For the improvement or purpose described in Section 3 hereof, there is hereby appropriated the sum of \$3,700,000, including the sum of \$900,000 from the Borough's Affordable Housing Trust Fund as the down payment for the improvement or purpose pursuant to the Local Bond Law. The \$900,000 hereby appropriated from the Borough's Affordable Housing Trust Fund is currently held by the Borough and has previously been contributed for the improvement or purpose described in Section 3 hereof other than by the Borough.

Section 2. In order to finance the cost of the improvement or purpose not covered by application of the down payment or otherwise provided for hereunder, negotiable bonds or notes are hereby authorized to be issued in the principal amount of \$2,800,000 pursuant to the Local Bond Law. In anticipation of the issuance of the bonds or notes, negotiable bond anticipation notes are hereby authorized to be issued pursuant to and within the limitations prescribed by the Local Bond Law.

Section 3. (a) The improvement hereby authorized and the purpose for which the bonds or notes are to be issued is for the acquisition of the real property located at 511 Durie Avenue in the Borough of Closter (Lot 1316, Lot 9, on the tax maps of the Borough), including all work and materials necessary therefor and incidental thereto. The Borough intends to acquire the property in connection with the satisfaction of the Borough's affordable housing requirement.

(b) The estimated maximum amount of bonds or notes to be issued for the improvement or purpose is as stated in Section 2 hereof.

(c) The estimated cost of the improvement or purpose is equal to the amount of the appropriation herein made therefor.

Section 4. All bond anticipation notes issued hereunder shall mature at such times as may be determined by the chief financial officer; provided that no note shall mature later than one year from its date. The notes shall bear interest at such rate or rates and be in such form as may be determined by the chief financial officer. The chief financial officer shall determine all matters in connection with notes issued pursuant to this bond ordinance, and the chief financial officer's signature upon the notes shall be conclusive evidence as to all such determinations. All notes issued hereunder may be renewed from time to time subject to the provisions of the Local Bond Law. The chief financial officer is hereby authorized to sell part or all of the notes from time to time at public or private sale and to deliver them to the purchasers thereof upon receipt of payment of the purchase price plus accrued interest from their dates to the date of delivery thereof. The chief financial officer is directed to report in writing to the governing body at the meeting next succeeding the date when any sale or delivery of the notes pursuant to this bond ordinance is made. Such report must include the amount, the description, the interest rate and the maturity schedule of the notes sold, the price obtained and the name of the purchaser.

Section 5. The capital budget or temporary capital budget (as applicable) of the Borough is hereby amended to conform with the provisions of this bond ordinance to the extent of any inconsistency herewith. In the event of any such inconsistency and amendment, the resolution in the form promulgated by the Local Finance Board showing full detail of the amended capital budget or amended temporary capital budget (as applicable) and capital program as approved by the Director of the Division of Local Government Services is on file with the Clerk and is available there for public inspection.

Section 6. The following additional matters are hereby determined, declared, recited and stated:

(a) The improvement or purpose described in Section 3 of this bond ordinance is not a current expense. No part of the costs thereof has been or shall be specially assessed on property specially benefited thereby.

(b) The period of usefulness of the improvement or purpose, within the limitations of the Local Bond Law, according to the reasonable life thereof computed from the date of the bonds authorized by this bond ordinance, is 40 years.

(c) The Supplemental Debt Statement required by the Local Bond Law has been duly prepared and filed in the office of the Clerk, and a complete executed duplicate thereof has been filed in the office of the Director of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey. Such statement shows that the gross debt of the Borough as defined in the Local Bond Law is increased by the authorization of the bonds and notes provided in this bond ordinance by \$2,800,000, and the obligations authorized herein will be within all debt limitations prescribed by that Law.

(d) An amount not exceeding \$150,000 for items of expense listed in and permitted under N.J.S.A. 40A:2-20 is included in the estimated cost indicated herein for the improvement or purpose.

Section 7. Any grant moneys received for the purposes described in Section 3 hereof shall be applied either to direct payment of the cost of the improvement or to payment of the obligations issued pursuant to this bond ordinance.

Section 8. The full faith and credit of the Borough is hereby pledged to the punctual payment of the principal of and the interest on the obligations authorized by this bond ordinance. The obligations shall be direct, unlimited obligations of the Borough, and the Borough shall be obligated to levy ad valorem taxes upon all the taxable real property within the Borough for the payment of the obligations and the interest thereon without limitation of rate or amount.

Section 9. The chief financial officer of the Borough is hereby authorized to prepare and to update from time to time as necessary a financial disclosure document to be distributed in connection with the sale of obligations of the Borough and to execute such disclosure document on behalf of the Borough. The chief financial officer is further authorized to enter into the appropriate undertaking to provide secondary market disclosure on behalf of the Borough pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") for the benefit of holders and beneficial owners of obligations of the Borough and to amend such undertaking from time to time in connection with any change in law, or interpretation thereof, provided such undertaking is and continues to be, in the opinion of a nationally recognized bond counsel, consistent with the requirements of the Rule. In the event that the Borough fails to comply with its undertaking, the Borough shall not be liable for any monetary damages, and the remedy shall be limited to specific performance of the undertaking.

Section 10. To the extent that any previous ordinance or resolution is inconsistent herewith or contradictory hereto, said ordinance or resolution is hereby repealed or amended to the extent necessary to make it consistent herewith.

Section 11. This bond ordinance shall take effect 20 days after the first publication thereof after final adoption, as provided by the Local Bond Law.

The foregoing bond ordinance is hereby approved.

Date: November 20, 2017


JOHN C. GLIDDEN, JR., Mayor

Certified to be a true copy of Bond Ordinance No. 2017:1233 which was adopted by the Mayor and Council of the Borough of Closter at the Regular Meeting held November 20, 2017.

Loretta Castano, Borough Clerk