Form E/A-1 (Rev. 11/96)

STATE OF NEW JERSEY

**APPLICATION FOR EXEMPTION AND/OR ABATEMENT FOR THE IMPROVEMENT, CONVERSION OR CONSTRUCTION OF PROPERTY PURSUANT TO P.L. 1991, C.441 (N.J.S.A. 40A:21-1 et seq.) AND AUTHORIZED BY MUNICIPAL ORDINANCE.**

(Italicized words are defined in law excerpts on reverse side)

Municipality Jersey City County Hudson

**This application must be filed with the assessor within 30 days following completion of the improvement, conversion or conversion alteration, or construction.**

I. I/we, Grant Avenue 319, LLC (Name of Applicant), residing/having offices at 6317 Avenue N, Brooklyn, New York 11234 (Address) 718.444.1970 (Phone #)

in the Municipality of _____ in the County of _____

hereby make claim for a tax *exemption* and/or *abatement* of taxes, pursuant to P.L.1991, Chapter 441, and the authorizing municipal ordinance, for premises located at 319 Grant Avenue, Jersey City, New Jersey which is further described as Block 1297.5, Lot 66, 67, 68, 69.A on the Tax Map of the municipality.

Lot to be designated 75

**II. COMPLETE THE APPLICABLE SECTION "A" OR "B"**

The following statements are made in support of this claim:

A. The subject property is a one or two family *dwelling upon which claimant has completed:*
- New *construction;*
- *Conversion or conversion alteration* of a building or structure into a *dwelling;*
- *Improvement* of an existing *dwelling.*

B. The subject property is a *multiple dwelling, commercial or industrial structure:*
- *Improvement* to a *multiple dwelling;*
- *Conversion or conversion alteration* of building or structure to a *multiple dwelling;*
- *Improvement* to a *commercial or industrial* building or structure;
- *Construction of multiple dwelling* under tax agreement;
- *Construction of commercial or industrial structure* under tax agreement.

**III. ALL APPLICANTS MUST COMPLETE THIS SECTION**

A. Date of *completion* of new *construction, conversion,* or *improvement* April 25 20 11

B. Total *cost* of project $ 9,290,276 (See Attached)

C. Brief description of the nature and type of construction, conversion, or improvement:
27 Unit multi-family rental building containing 22 parking spaces and w/on concrete construction

**IV.** Prior exemptions and/or abatement granted under P.L.1991, c.441 amount to $ None ;

(State "none" if no prior exemptions have been granted on subject premises.)

Attached hereto is proof of all matters required (Assessor may require copy of ordinance, evidence of governing body's approval of categories of improvements or specific project improvements, and such additional proof as may be required to establish eligibility.)

Attached hereto is a copy of the tax agreement, if applicable, executed between the municipality and claimant.

There are no delinquent or unpaid property taxes or penalties for non-payment of taxes due on the property.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Date 5/10/11 Signature Serafino Tomasetti

Title (if any) Member

Date 2/11/11 ☐ Approved

☐ Disapproved (Assessor)

RECEIVED BY THE ASSESSOR

This form is prescribed by the Director, Division of Taxation, in the Department of the Treasury, as required by law and may be reproduced for distribution, but no alteration may be made therein without prior approval.

# APPLICATION FOR TAX EXEMPTION/ABATEMENT
# OF

## Grant Avenue 319, LLC

In compliance with Executive Order 02-003 of the Mayor of City of Jersey City, the Applicant herewith submits the following information in support of its application for a Five Year Tax Exemption under and pursuant to N.J.S.A. 40A:21-1 et seq.

| | |
|---|---|
| Applicant: | Grant Avenue 319, LLC<br>6317 Avenue N<br>Brooklyn, NY 11234 |
| Project: | Grant Avenue West<br>(Six Story Multifamily Building)<br>319 Grant Avenue<br>Jersey City, New Jersey<br>Block 1297.5, Lot 66, 67, 68, 69.A (to be changed and designated Lot 75) |

The Grant Avenue West multifamily building is referred to herein as the "Project".

# LIST OF EXHIBITS

| | | |
|---|---|---|
| A. | - | Description of Property; |
| B. | - | Cost of Completed Project; |
| C. | - | Estimated Tax Computation; |
| D. | - | Municipal Land Use Approvals; |
| E. and E-1 | - | Disclosure Statement and Certificate of Formation; |
| F. | - | Certification of Compliance with State and Local Laws; |
| G. | - | Certification of Diligent Inquiry; |
| H. | - | Proposed Tax Agreement; |

1. **Identification of the Property:**

The Property is located at 319 F Grant Avenue, Jersey City, New Jersey and is more particularly known as Block 1297.5, Lot 66, 67, 68, 69.A, on the official tax map of the City of Jersey City, State of New Jersey. The Property is more particularly described on Exhibit A attached hereto and made a part hereof.

2. **General Statement of the Nature of the Project:**

The Project was constructed on a lot area of 10,750 square feet and is located in the West Side Avenue Redevelopment Plan. The Gross square footage on the building is 45,433 SF over six (6) stories. The land was purchased January 31, 2008 and the City Council approved the Final Site plans in a resolution dated June 24, 2008. Permits were issued on November 18, 2008 to begin construction. The construction was completed on April 15, 2011 and the Project was issued its final certificate of occupancy. The site is located on a dead end street and is directly across from a hub of transportation for the light rail system in Jersey City.

3. **Term of Abatement:**

The Applicant requests that the term of the exemption be for five (5) years beginning the date of completion of the project on April 15, 2011 (the "Exemption Commencement Date") and ending on the date that is one day prior to the fifth anniversary of the Exemption Commencement Date.

4. **Improvement that was Constructed:**

The Project was originally approved as a condominium building, including twenty-seven (27) apartments and twenty-two (22) indoor parking spaces. The apartments include seven (7) one-bedroom units on the first floor and twenty (20) two-bedroom units above the first floor. Concrete construction was used to build the six (6) stories.

Due to the depressed economic real estate market conditions, the Project's ownership changed the project late in 2010, after substantial construction, to one of rental as replacement to the original condominium building plans. Rentals are offered at the prevailing market price that has enabled the building to be fully occupied. However, the Project has to obtain the five year real estate tax abatement in order to allow for the revenue in five years to be sufficient to meet the building's permanent mortgage debt service, real property tax, and operating expense requirements.

5. **Total Cost of the Project:**

The construction cost of the project, as indicated on Exhibit B, includes $6,349,857 paid to contractors and subcontractors. This amount excludes the cost of the land, soft costs, construction loan interest and cost of the construction loan.

6. **Financing Structure:**

The Project is financed by capital provided by the members of Grant Avenue 319, LLC and, the construction loan funds from the Magyar Bank, New Brunswick, N.J. On May 13, 2011, Grant Avenue 319, LLC received approval from Northfield Bank of the Commerical Mortgage for the project.

7. **Exemption Requested:**

The Applicant seeks a five (5) year tax exemption under and pursuant to N.J.S.A 40A:21-1 et seq. (The "Five Year Exemption and Abatement Law") for the Multi-family rental Project. The Applicant requests that the tax agreement be based on the following formula:

Project Taxes during the Term of Exemption

| | | |
|---|---|---|
| Year One | | Land Tax Only |
| Year Two | $10,195 | 20% real estate taxes on new improvements |
| Year Three | $20,384 | 40 % real estate taxes on new improvements |
| Year Four | $30,580 | 60% real estate taxes on new improvements |
| Year Five | $40,769 | 80% on real estate taxes on new improvements |

Following the expiration of the term of the exemption, the Applicant will pay full real estate taxes.

A fiscal plan for the management of the Project and a calculation and breakdown of the aforementioned real estate taxes is set forth in Exhibit C attached hereto.

Based on the above formula it is estimated that the Project will generate real estate taxes payable to the City of Jersey City in the amount of approximately **$166,508** during the term of the exemption.

8. **Municipal Land Use Approvals:**

On June 24, 2008, in a Resolution, the City Council approved the Final Site Plans.

9. **Real Estate Tax Assessments:**

The total 2010 estimated real estate tax assessment for the Property at which The project is located was valued as follows; Land was assessed at **$187,100** and the improvements were assessed at **$738,300** for a Total assessment of **$925,400.** Taxes are estimated using the current (2010) tax rate of $69.03 per thousand of assessment. See Exhibit C for details.

## 10. Real Estate Tax Levied:

The total payment for municipal real estate taxes for 2009 totaled **$11,113.85**. Refer to Exhibit C for details of the tax on the property.

## 11. Status of Municipal Taxes and Other Charges:

The Applicant is the owner of the Property known as Block 1297.5, Lot 66, 67, 68, and 69.A on the official tax map of the City of Jersey City, County of Hudson, State of New Jersey. To the best of the Applicant's knowledge and belief, all real estate taxes and other assessments against the property have been paid in full. The Applicant will pay or cause to be paid all real estate taxes or other assessments due on the property to be paid prior to the execution of the Exemption/Abatement Agreement.

## 12. Disclosure Statement and Certificate of Formation:

A Disclosure Statement is attached hereto as Exhibit E. The Applicant is a Limited Liability Company organized under the laws of the State of New Jersey. A copy of the Certificate of Formation is attached hereto as part of Exhibit E-1.

## 13. Estimated Jobs Created:

The Applicant does not expect to have any employees at the project now or in the future. The rental of the apartments will be performed by unrelated real estate companies. Other services provided to the building will be by outside vendors and/or other non-related building services companies.

## 14. Compliance with State and Local Law:

A Certification by the Applicant that the Project meets the requirements of the laws of The State of New Jersey and the City of Jersey City is attached hereto as Exhibit F.

## 15. Certification of Truthfulness and Diligent Inquiry:

A Certification of the Applicant that all information contained in the application is true and correct to the best of its knowledge after having made diligent inquiry id attached hereto as Exhibit G.

## 16. Tax Agreement:

The Proposed Tax Agreement for the Applicant is attached hereto as Exhibit H.

**17. <u>Fee:</u>**

The fee for this application is $5,400 and submitted herewith.

# EXHIBIT A

## LEGAL DESCRIPTION

Address: 319 Grant Avenue
Jersey City, New Jersey
Block 1297.5, Lot 66, 67, 68, & 69.A (to be known as lot 75)

(SEE METES AND BOUNDS DESCRIPTION ATTACHED)

# SCHEDULE A-4

## LEGAL DESCRIPTION

ALL that tract or parcel of land and premises, situate, lying and being in the City of Jersey City, County of Hudson and State of New Jersey, more particularly described as follows:

Beginning at a point in the southwesterly line of Grant Avenue, said point being distant northwesterly 204.74 feet from the corner formed by the intersection of the said line of Grant Avenue with the northwesterly line of West Side Avenue; thence running

1. South 41 degrees 37 minutes 21 seconds West, 100.00 feet to a point; thence running
2. Northwesterly and parallel with Grant Avenue North 49 degrees 00 minutes 00seconds West, 107.50 feet to a point; thence running
3. North 41 degrees 37 minutes 21 seconds East, 100.00 feet to a point on the aforesaid southwesterly sideline of Grant Avenue, thence running
4. Southeasterly along said sideline South 49 degrees 00 minutes 00 seconds East, 107.50 feet to the point and place of Beginning.

The above premises is also known as Lots 66, 67, 68 and 69 in Block 3 and the westerly 7.50' of Lot 70 in Block 3 on "Map of Building Lots on the Line of the Newark and New York Railroad, 20 minutes from New York at West Bergen, "dated 1867 and filed in the Hudson County Register's Office on May 16, 1867 as Map # 576.

*Above Description is in accordance with a Survey prepared by Pronesti Surveying, Inc., P.L.S., dated July 10, 2006.*

**Note for Information:** Being known and designated as Tax Lot 66,67,68 & 69.A in Block 1297.05 on the Tax Map of the City of Jersey City, County of Hudson, State of New Jersey.

**Note for Information:** Being commonly known as 312-325 Grant Avenue, Jersey City, New Jersey.

BA+ A

Bodnar Architect & Associates
52 Long Hill Road
Long Valley, NJ 07853
(908) 879-8900
(908) 391-2255 cell
(908) 879-5985 fax

Certification to:
Grant Avenue LLC
6317 Avenue N
Brooklyn, NY 11234

March 5 2011

RE: 319 Grant Avenue Jersey City NJ
Block1297.5 Lots 66,67,68,69A

The building is complete and has final zoning and building reviews and approvals.

The gross square footage on the building is 45,433 SF over 6 stories. The lot area is 10,750 square feet and is located in the west side avenue redevelopment plan.
The site is located on a dead end street and is directly across from a main hub of transportation for the light rail system in Jersey City.
The building consists of 27 apartments (20 two bedrooms units and 7 one bedroom units).
The building has an indoor parking facility has the ability to house 22 cars.
The building is constructed of a poured concrete structure and has brick and stone veneer façade.
The apartments are self contained units that have their own heating and cooling system as well as hot water generation.
The building is also contains several life safety elements that include sprinkler systems, fire/smoke/ carbon monoxide alarm systems.
The building also has an elevator to accommodate a per son in a gurney as well as an emergency backup generator for the elevator.

The height of the building is 67'-0" measured from grade to top of parapet.
The building is 97'-6" wide by 75'-0" wide at the residential level which covers 68% of the lot area.
The first floor dimensions are 97'-6" wide by 94'-0" and the lot coverage at this floor is 86.5%.

Sincerely,

Russell L. Bodnar

Bodnar Architect & Associates
52 Long Hill Road
Long Valley, NJ 07853
(908) 879-8900
(908) 391-2255 cell
(908) 879-5985 fax

Grant Avenue LLC
6317 Avenue N
Brooklyn, NY 11234

March 5 2011

RE: 319 Grant Avenue Jersey City NJ
Block1297.5 Lots 66, 67, 68,69A

Project data

The project know as 319 Grant Avenue is a 27 unit Residential apartment building located in jersey City, New jersey.

The gross square footage on the building is 45,433 SF over 6 stories. The lot area is 10,750 square feet and lot is 107.5 feet wide by 100 feet deep. The project was designed in accordance with the west side avenue redevelopment plan.
The site is located on a dead end street and is directly across from a main hub of transportation for the light rail system in Jersey City.
The building consists of 27 apartments (20 two bedrooms units and 7 one bedroom units).
The building has an indoor parking facility has the ability to house 22 cars.
The building is constructed of a poured concrete structure and has brick and stone veneer façade.
The apartments are self contained units that have their own heating and cooling system as well as hot water generation.
The roof structure if a flat style modified roofing membrane system.
The building is also contains several life safety elements that include sprinkler systems, fire/smoke/ carbon monoxide alarm systems.
The building also has an elevator to accommodate a per son in a gurney as well as an emergency backup generator for the elevator.

The height of the building is 67'-0" measured from grade to top of parapet.
The building is 97'-6" wide by 75'-0" wide at the residential level which covers 68% of the lot area.
The first floor dimensions are 97'-6" wide by 94'-0" and the lot coverage at this floor is 86.5%.

The apartment square footages are as follows.

| | | |
|---|---|---|
| Unit 201 | 950 sf | 1 bedroom |
| Unit 202 | 860 sf | 1 bedroom |
| Unit 203 | 849 sf | 1 bedroom |
| Unit 204 | 904 sf | 1 bedroom |
| Unit 205 | 650 sf | 1 bedroom |
| Unit 206 | 1010 sf | 1 bedroom |
| Unit 207 | 1100 sf | 1 bedroom |

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BA+ A

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Unit type at 319 Grant Avenue

| | | |
|---|---|---|
| Unit 301-401-501-601 | 1278 sf | 2 bedroom |
| Unit 302-402-502-602 | 1340 sf | 2 bedroom |
| Unit 303-403-503-603 | 1240 sf | 2 bedroom |
| Unit 304-404-504-604 | 1300 sf | 2 bedroom |
| Unit 305-405-505-605 | 1372 sf | 2 bedroom |

Sincerely,

Russell L. Bodnar

# EXHIBIT B

## Estimated Cost of Project Construction

The Estimated Cost is calculated pursuant to N.J.S.A. 40A-21-3(j) as follows:

**Cost** (see note 1 below):

| | |
|---|---|
| a. Direct Labor and Materials (inclusive of Contractor's fees): | $6,349,857.00 |
| b. Architectural: | 82,850.00 |
| c. Engineering: | 99,167.00 |
| **Estimated Cost:** | **$6,531.874.00** |

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Note 1- N.J.S.A. 40A:21-3(j) states estimated "costs" does not include land costs, soft costs (other than architectural and engineering costs), and financing costs. For the foregoing reason the cost differs from the total project costs calculated under the Long Term Tax Exemption Law and set out in the Financial Agreement.

# EXHIBIT C

## ESTIMATED TAX COMPUTATION FOR YEAR 2011

See Attached Letter
From

Office of the City Assessor
280 Grove Street
Jersey City, New Jersey 07302

**OFFICE OF THE CITY ASSESSOR**
**280 Grove Street**
**Jersey City, NJ 07302**
**Tel. 201-547-5131 Fax 201-547-4949**

**Eduardo Toloza**
**Assessor**

March 8, 2011

Grant Avenue 319, LLC
2026 E. 74th St.
Brooklyn, NY 11234
Att: Mr. Sorrentino

**Re: Block 1297.5 Lots 66,67,68 & 69A (To Be Known as Lot 75)**
**A/k/a 319 Grant Avenue**
**Jersey City, New Jersey**

Dear Mr. Sorrentino:

Please be advised that the following estimated assessments will be applied on the above captioned property upon completion of the improvement as evidenced by a Certificate of Occupancy. These assessments include Chapter 441 Tax Abatement that will be effective for 5 years, subject to the approval of the Council;

| | 1st Yr 0% | 2nd Yr 20% | 3rd Yr 40% | 4th Yr 60% | 5th Yr 80% |
|---|---|---|---|---|---|
| Land | 187,100 | 187,100 | 187,100 | 187,100 | 187,100 |
| Building | 738,300 | 738,300 | 738,300 | 738,300 | 738,300 |
| Less: Abatement: | 738,300 | 590,600 | 443,000 | 295,300 | 147,700 |
| Net Total | 187,100 | 334,800 | 482,400 | 630,100 | 777,000 |
| **Taxes** | **12,916** | **23,111** | **33,300** | **43,496** | **53,685** |

Taxes were estimated using the current (2010) tax rate of $69.03 per thousand of assessment and at the expiration of the abatement, the projected total taxes would be at $63,880 or $5,323 per month.

Should you have any question on this matter, please don't hesitate to give us a call.

Eduardo Toloza
City Tax Assessor

# EXHIBIT D

## ZONING APPROVALS

(SEE ATTACHED)

**RESOLUTION OF THE PLANNING BOARD OF THE CITY OF JERSEY CITY GRANTING FINAL MAJOR SITE PLAN APPROVAL**

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| | |
|---|---|
| **APPLICANT:** | **GRANT AVENUE 319, LLC** |
| **FOR:** | **FINAL MAJOR SITE PLAN APPROVAL** |
| **PROPERTY:** | **319-323 GRANT AVENUE**<br>**Block 1297.5, Lots 66, 67, 68 & 69A** |
| **CASE NO.** | **P06-094.2** |

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**WHEREAS,** an application having been made by Grant Avenue 319, LLC, for the approval of its final major site plan originally approved by the Board on January 9th, 2007, as amended on June 24th, 2008 and further amended on December 15th, 2009 for the premises located at 319-323 Grant Avenue, designated as Lots 66, 67, 68 & 69A, in Block 1297.5, on the official tax maps for the City of Jersey City, County of Hudson, State of New Jersey (the "Premises"); and

**WHEREAS,** the Premises is located within the boundaries of the West Side Avenue Redevelopment Plan (Residential) District; and

**WHEREAS,** on January 9th, 2007 the Jersey City Planning Board (the "Board") granted preliminary major site plan approval for the construction multi-family building containing twenty-seven (27) residential dwelling units with twenty-two (22) on site parking spaces; and

**WHEREAS,** on June 28th, 2009 the Board granted an amendment to the preliminary major site plan approval for the construction multi-family building containing twenty-seven (27) residential dwelling units with twenty-three (23) on site parking spaces; and

**WHEREAS,** on December 15th, 2009 the Board granted an amendment to the preliminary major site plan allowing for the reduction in the number of on-site parking spaces from twenty-three (23) to twenty-two (22); and

**WHEREAS,** the Planning Board having considered the evidence and testimony presented by the Applicant, including the oral recommendations of planning staff and no objectors appearing in opposition to the application; and

**WHEREAS,** after careful consideration, the Planning Board made the following findings of fact and reached the following conclusions:

## FINDING OF FACTS

1. The Applicant is the owner of the Premises and requests a final approval of its preliminary major site plan originally approved by the Board on January 9th, 2007 and amended on June 28th, 2008 and further amended on December 15th, 2009 for the construction of the multi-family building containing twenty-seven (27) residential dwelling units and twenty-two (22) on-site parking spaces (the "Project").

2. The applicant has constructed the Project in accordance with the preliminary major site plan approval, as amended, except for *de minimus* deviations to the midline cornice and front porch entry of the building.

3. The Board finds that the deviations were aesthetically beneficial to the Project and supported by planning staff in its recommendation of approval.

4. The Applicant has met the procedural requirements of the Ordinance, including the payment of fees, and in all other respects the application conforms to the requirements of the Ordinance and the Plan for approval of the final major site plan in the City of Jersey City.

5. Excepting the deviations stated above, the Applicant constructed the Project in accordance with the preliminary site plan approved by the Board on January 9th, 2007, as amended on June 24th, 2008 and further amended on December 15th, 2009.

6. The Board finds that approving the final major site plan application would not have a substantial impact on the character of the neighborhood, the existing zoning, or the existing building and land use patterns and will generally conform with the neighborhood zoning scheme, the Ordinance, the Plan and the intent of the City's Master Plan, and the benefit of granting such an approval greatly outweighs any substantial determent to the neighborhood, the existing zoning,

the existing building and land use patterns, the Ordinance, the Plan or the intent of the City's Master Plan.

**THEREFORE, BE IT RESOLVED,** that the Planning Board of the City of Jersey City, for the foregoing reasons as well as those stated on the record by the board members which are incorporated herein by reference, approves the within application, Case Number P06-094.2 for Final Major Site Plan as submitted.

**RESOLUTION OF THE PLANNING BOARD OF THE CITY OF JERSEY CITY GRANTING FINAL MAJOR SITE PLAN APPROVAL**

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**APPLICANT:** **GRANT AVENUE 319, LLC**

**FOR:** **FINAL MAJOR SITE PLAN APPROVAL**

**PROPERTY:** **319-323 GRANT AVENUE**
**Block 1297.5, Lots 66, 67, 68 & 69A**

**CASE NO.** **P06-094.2**

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DATE OF HEARING: February 8th, 2011

VOTE: 5-0-0

VOTING IN FAVOR:

1. Vice-Chairman Leon Yost
2. Commissioner Roseanna Petruzzelli
2. Commissioner Franklyn Perez
3. Commissioner Michael Sims
5. Chairman Michael Ryan

VOTING AGAINST: NONE
ABSTAINING: NONE

MICHAEL RYAN, Chairman
JERSEY CITY PLANNING BOARD

ROBERT D. COTTER, Secretary
JERSEY CITY PLANNING BOARD

APPROVED AS TO LEGAL FORM:

JOHN F. HAMILL, ESQ.
JERSEY CITY PLANNING BOARD

DATE OF MEMORIALIZATION: March 8th, 2011

# EXHIBIT E

## DISCLOSURE STATEMENT

**NAME OF ENTITY:** GRANT AVENUE 319, LLC

**ADDRESS:** 6317 Avenue N
Brooklyn, NY 11234

| OWNER'S NAME | ADDRESS | PERCENT OWNED |
|---|---|---|
| Seraffino Tomassetti | 6317 Avenue N<br>Brooklyn, NY 11234 | 40 |
| Neil Sorrentino | 6317 Avenue N<br>Brooklyn, NY 11234 | 40 |
| Joseph R. Sorrentino | 6317 Avenue N<br>Brooklyn, NY 11234 | 20 |
| **Total:** | | **100** |

I certify that the above represents the names and addresses of all members in the above Limited Liability Company [LLC]. If one or more of the above named is itself an entity, the applicant will provide the names and addresses of any entity owning a 10% or greater interest therein.

I further certify that no officer or employee of the City of Jersey City has any interest, direct or indirect, in Grant Avenue 319, LLC.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment

DATE: May 11, 2011

Grant Avenue 319, LLC

By: Serafino Tomassetti
Serafino Tomassetti, Member

# EXHIBIT E-1

## CERTIFICATION OF FORMATION

(SEE ATTACHED)

*NEW JERSEY DEPARTMENT OF TREASURY*
*DIVISION OF REVENUE, BUSINESS GATEWAY SERVICES*

## *CERTIFICATE OF FORMATION*

***GRANT AVENUE 319 LLC***
***0400214270***

The above-named DOMESTIC LIMITED LIABILITY COMPANY was duly filed in accordance with New Jersey State Law on 01/28/2008 and was assigned identification number 0400214270. Following are the articles that constitute its original certificate.

**1. Name:**
GRANT AVENUE 319 LLC

**2. The Registered Agent:**
JOSEPH SORRENTINO

**3. The Registered Office:**
16-10 ROUTE 88 WEST
BRICK, NJ 08724

**4. Business Purpose:**
Real Estate

**5. Effective Date of this filing is:**
01/28/2008

**6. Members/Managers:**
JOSEPH SORRENTINO
16-10 ROUTE 88 WEST

BRICK, NJ 08724

**Signatures:**
JOSEPH SORRENTINO
AUTHORIZED REPRESENTATIVE

Continued on next page ...

*NEW JERSEY DEPARTMENT OF TREASURY*
*DIVISION OF REVENUE, BUSINESS GATEWAY SERVICES*

***CERTIFICATE OF FORMATION***

***GRANT AVENUE 319 LLC***
***0400214270***

*IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 01/29/2008*

*R. David Rousseau*
*Treasurer of the State of New Jersey*

**EXHIBIT F**

## COMPLIANCE WITH STATE AND LOCAL LAWS

## CERTIFICATION

The undersigned being a member of Grant Avenue 319, LLC, the Applicant under this Application, hereby certifies that:

1. The Project meets the requirements of the laws of the State of New Jersey and the City of Jersey City for consideration for granting the tax exemption requested in this application.

2. The foregoing statements made by me this 11 day of May, 2010 are true to the best of my knowledge and I understand that if it is willfully false, I am subject to punishment .

Grant Avenue 319, LLC

By: Serafino Tomassetti
Serafino Tomassetti, Member

# EXHIBIT G

# CERTIFICATION

# DILIGENT INQUIRY

The undersigned being a member of Grant Avenue 319, LLC, the Applicant under this Application and the developer of the project located at 319 Grant Avenue, Jersey City, New Jersey hereby certifies that:

1. All information contained in the application for the five (5) year tax exemption is true and correct to the developer's knowledge, after he has made diligent inquiry to conform the accuracy of all information.

2. The foregoing statements made by me this 11 day of May, 2011 are true to the best of my knowledge and I understand that if it is willfully false, I am subject to punishment.

Grant Avenue 319, LLC

By: Serafino Tomassetti
Serafino Tomassetti, Member

# EXHIBIT H

# PROPOSED TAX AGREEMENT

# FOR

# GRANT AVENUE 319, LLC

# TAX AGREEMENT
# FIVE YEAR / NEW CONSTRUCTION

**THIS AGREEMENT** made on this 11 day of May, 2011, by and between the **CITY OF JERSEY CITY** [City], a municipal corporation organized under the Laws of the State of New Jersey and having its principal place of business at 280 Grove Street, Jersey City, New Jersey, and **GRANT AVENUE 319, LLC** [Applicant], whose principal place of business is 456 Fifth Avenue, Brooklyn, New York 11215.

## WITNESSETH:

**WHEREAS,** the Municipal Council has indicated by its intention to utilize the five year tax exemption provisions authorized by Article VIII, Section I, paragraph VI of the NJ State Constitution and the Five Year Exemption Law, N.J.S.A. 40A:21-1 et seq. for improvements and projects by the adoption of Ordinance 05-060, as amended by Ordinance 07-146; and

**WHEREAS,** the applicant is owner of certain property located at 319 Grant Avenue, in the City of Jersey City, County of Hudson and State of New Jersey, designated as Block 1297.5, Lots 66, 67, 68 & 69.A, on the Tax Assessor's Map, more commonly known as Grant Avenue West located at the street address of 319 Grant Avenue, and more particularly described in the metes and bounds description attached hereto as Exhibit A [Property];

**WHEREAS,** on or about May 10th, 2011, the Applicant applied for a five year abatement of taxes for the newly completed, on April 15, 2011, 27 unit multiple dwelling Residential Apartment Building with 22 indoor parking spaces and containing gross square footage on the building of 45,433 SF over 6 stories [Improvements] pursuant to N.J.S.A. 40A:21-I et seq and Section 304-12 of the Municipal Code [Law]; and

**WHEREAS,** the City has reviewed the application, approved the construction of the Improvements and authorized the execution of a Tax Exemption Agreement by the adoption of Ordinance 11-day of May __, 2011.

**NOW, THEREFORE, IN CONSIDERATION** of the mutual promises and covenants hereinafter contained, the parties agree as follows:

## ARTICLE I: APPROVAL OF TAX EXEMPTION

The city hereby agrees to a tax exemption for the newly constructed Grant Avenue West Project located at 319 Grant Avenue, Jersey City, New Jersey containing forty-five thousand, four hundred thirty-three gross square footage (45,433 SF) and 22 indoor parking spaces, over six stories (Improvements) on the property, as further described in the Application, attached hereto as Exhibit B, pursuant to Law and Ordinance 10-021 which authorized the execution of this Tax Agreement (Law), subject to the terms and conditions, hereof.

## ARTICLE II: IN LIEU OF TAX PAYMENTS

The Applicant agrees to make payments on the Improvements (separate and apart from taxes on the land which shall continue to be subject to conventional assessment and taxation for which the Applicant shall receive no credit against the in lieu of tax payment) in lieu of full property tax payments according to the following schedule:

1. For the first full calendar year of 2011, after completion, no payment in lieu of taxes on the new improvements.

2. For the 2nd full calendar year of 2012, approximately 20% to be the sum of $10,195 on the new improvements.

3. For the 3rd full calendar year of 2013, approximately 40% percent of the actual taxes otherwise due, currently estimated to be $20,384 on the new improvements.

4. For the 4th calendar year of 2014, approximately 60% of the actual taxes otherwise due, currently estimated to be the sum of $30,580 on the new improvements.

5. For the 5th calendar year of 2015, approximately 80 % of the actual taxes otherwise due, currently estimated to be the sum of $40,769 on the new improvements.

## ARTICLE III: APPLICATION FEE

The Applicant has paid the sum of **$5,400** to the City on or before the date this Agreement is executed. Failure to make such payment shall cause the tax exemption to terminate.

## ARTICLES IV: FEDERAL, STATE AND LOCAL LAW

The construction of the Improvements is subject to all applicable federal, State and local laws and regulations on pollution control, worker safety, discrimination in employment, housing provision, zoning, planning and building code requirements.

## ARTICLE V: TERM OF EXEMPTION

The tax Exemption granted shall be valid and effective for a period of five (5) full calendar years from the date of Substantial Completion of the Project, which shall ordinarily mean the date on which the City issues, or the project is eligible to receive, a Certificate of Occupancy, whether temporary or final, for part or the whole of the Project. During the term of the tax exemption, the Applicant shall make an in lieu of tax payment to the City in accordance with the schedule set forth above. Prior to the commencement of the tax exemption, and upon expiration thereof, the Applicant shall pay full conventional taxes on the Improvements.

## ARTICLE VI: COUNTY EQUALIZATION AND SCHOOL AID

Pursuant to N.J.S.A. 40A:21-11(c), the percentage, which the payment in lieu of taxes for the tax exempt property bears to the property tax which would have been paid had an exemption not been granted for the property under this Agreement, shall be applied to the valuation of the property to determine the reduced valuation of the property to be included in the valuation of the City for determining equalization for county tax apportionment and school aid, during the term of the tax exemption agreement covering this property. At the expiration or termination of this Agreement, the reduced valuation procedure required under the the Law shall no longer apply.

## ARTICLE VII: OPERATION OR DISPOSITION OF PROPERTY

If during any year prior to the termination of this Agreement, the Applicant ceases to operate or disposes of the Property, or fails to meet the conditions for qualifying for tax exemption under this agreement or pursuant to Law, then the tax which would have otherwise been payable for each and every year, shall become due and payable from the Applicant as if no exemption had been granted. The Tax Collector shall, within 15 days thereof, notify the owner of the property of the amount of taxes due.

However, with respect to the disposal of the property, if it is determined that the new owner will continue to use the property pursuant to the conditions which qualify the property for exemption, the tax exemption shall continue and this a Agreement shall remain in full force and effect.

## ARTICLE VIII: TERMINATON/ELIGIBILITY FOR ADDITIONAL TAX EXEMPTIONS

Upon the termination of this Agreement for tax exemption, the Project shall be subject to all applicable real property taxes as provided by State Laws and Regulations and City Ordinances. However, nothing herein shall be deemed to prohibit the Project, at the termination of this Agreement, from qualifying for and receiving the full benefits of any other tax preferences allowed by law. Furthermore, nothing herein shall prohibit the Applicant from exercising any rights under any other tax provisions of State law or City Ordinances.

## ARTICLE IX: PROJECT EMPLOYMENT AGREEMENT

Project Construction was completed on April 15, 2011.

## ARTICLE X: NOTICES

All notices to be given with respect to this Agreement shall be in writing. Each notice shall be sent registered or certified mail, postage prepaid, return receipt requested, to the party to be notified at the addresses set forth below or at such other address as either party may from time to time designate in writing:

| | |
|---|---|
| **Notice to City** | Business Administrator<br>City Hall, 280 Grove Street<br>Jersey City, New Jersey 07302 |
| **Notice to Applicant** | Grant Avenue 319, LLC<br>6317 Avenue N<br>Brooklyn, New York 11234 |
| **And** | Joseph R.Sorrentino, Esq.<br>6317 Avenue N<br>Brooklyn, NY 11234 |

## ARTICLE XI: GENERAL PROVISIONS

This Agreement contains the entire Agreement between the parties and cannot be amended, changed or modified except by written instrument executed by the parties hereto.

In the event that any provisions or term of this Agreement shall be held invalid or unenforceable by a Court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof; provided, however that the City continues to receive the full benefit of any economic term hereunder.

This Agreement shall be governed by and construed in accordance with the Laws of the State of New Jersey.

This Agreement may be executed in several counterparts, each of which shall constitute but one and the same agreement.

**IN WITNESS WHEREOF,** the City and the applicant have caused this Agreement to be executed on the date and year above written.

**WITNESS:**

**GRANT AVENUE 319, LLC**

BY: _____
**Serafino Tomassetti**
**Member**

**ATTEST:**

**CITY OF JERSEY CITY**

_____
**Robert Byrne**
**City Clerk**

_____
**Brian O'Reilly**
**Business Administrator**

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This Agreement may be executed in several couterparts, each of which shall constitute but one and the same agreement.

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**WITNESS:**

**GRANT AVENUE 319, LLC**

BY: _____
**Serafino Tomassetti**
**Member**

**ATTEST:**

**CITY OF JERSEY CITY**

_____
**Robert Byrne**
**City Clerk**

_____
**Brian O'Reilly**
**Business Administrator**

# Glennview Townhouses II - West

## Tax Abatement Application to the City of Jersey City

Submitted to:
Jersey City Tax Abatement Committee
30 Montgomery Street
Jersey City, NJ 07302
Attn: Mr. Al Cameron, Dpty. Director of HEDC

By:
Glennview Townhouses II Urban Renewal Associates, LP
c/o Jersey City Housing Authority
400 US Highway 1
Jersey City, NJ 07306
Attn: Ms. Joan Pollock , Development Director

May 2011

# CERTIFIED APPLICATION TO THE CITY OF JERSEY CITY FOR LONG TERM TAX EXEMPTION OF GLENNVIEW TOWNHOUSES II - WEST

In compliance with Executive Order #S-02-003 of the Mayor of the City of Jersey City, the Applicant herewith submits the following information in support of its application for a Long Term Tax Exemption pursuant to the Urban Renewal Corporation and Association Law, N.J.S.A 40A:20-1 et seq.

| | |
|---|---|
| Applicant: | Glennview Townhouses II Urban Renewal Associates, LP<br>C/o Jersey City Housing Authority<br>400 US Highway No. 1 (Marion Gardens)<br>Jersey City, New Jersey 07306 |
| Property: | Block 2088.1, Lots 5 and 6<br>296 and 306 Woodward Street<br>Jersey City, New Jersey 07304 |
| Development: | Glennview Townhouses II West, an affordable family rental housing development<br>Located at 296 and 306 Woodward Street<br>Jersey City, New Jersey 07304 |
| Applicant's Architect: | Nando Micale<br>Nando Micale Architecture<br>1700 Market Street, 28th Floor<br>Philadelphia, PA 19103 |
| Applicant's Attorney: | Nancy A. Skidmore, Esq.<br>Connell Foley, LLP<br>Harborside Financial Center<br>2510 Plaza Five<br>Jersey City, NJ 07311-4029<br>(201) 521-1000 |

## LIST OF EXHIBITS:

Exhibit

| | |
|---|---|
| A. | Description of Property |
| B. | Preliminary Site Plans & Architectural Renderings |
| C. | Description of Leases |
| D-1. | Total Annual Gross Revenue Computation – Year 1 |
| D-2. | Total Annual Gross Revenue Computation – Year 16 |
| E. | Estimated Total Development Cost |
| F-1. | Projected Statement of Property Operations – Year 1 |
| F-2. | Projected Statement of Property Operations – Year 16 |
| G. | Proposed Financial Agreement |
| H. | Certificate of Formation and Disclosure Statement |
| I. | Cooperation Agreements in Place |
| J. | Financial Agreements in Force |

## APPLICATION

1. **Identification of the Property:**

The development is located at 296 Woodward Street, known as Block 2088.1, Lots 5 and on the Tax Map of the City of Jersey City. The Property consists of approximately 37,292 square feet (or ± 0.86 acres) of vacant land. The metes and bounds description of the land where the Development is located is attached hereto as *Exhibit A*. Further, for context, the preliminary site plans and architectural renderings have been provided as *Exhibit B*.

2. **Type of Development:**

The Property was formerly a portion of the Lafayette Gardens public housing development once operated by the Jersey City Housing Authority ("JCHA"). Upon the award of a HUD HOPE VI Implementation Grant in 2001, JCHA began incrementally revitalizing the Lafayette Gardens neighborhood. With the completion of the 24 units at the Development and at its sister project, Glennview Townhouses II–East - which together make up the seventh and final rental phase of the Lafayette Gardens Revitalization Plan - JCHA and the Michaels Development Company ("Michaels") will have transformed four hundred ninety-five (495) formerly severely distressed public housing units into a vibrant new mixed-income residential community. The Lafayette Gardens revitalization consists of: one hundred forty-eight (148) senior rental units, three hundred thirty-three (333) family townhome rentals, and six (6) for-sale townhomes, developed both on-site and in nearby neighborhoods. At the Development, as well as each of the other family developments at Lafayette Gardens, the Development will be truly mixed income with a combination of public housing units, affordable units, and market rate units.

The Property will be owned by JCHA and site control will be provided to the Applicant via a Long Term Ground Lease with JCHA. The Property will be improved upon with twenty-four (24) newly constructed stacked townhome units (the "Development"). As is shown in the provided site plan found in *Exhibit B*, the Development will consist of four buildings, all of which are three story stacked townhomes and one stacked flat building.

In total, the Development contains just over 27,000 square feet of leasable residential space. The unit breakdown is as follows:

| ***Unit Type*** | ***Unit Count*** | ***Avg SF*** | ***Total SF per Type*** |
|---|---|---|---|
| 1 BR | 6 | 860 | 5,160 |
| 2 BR | 12 | 1,150 | 13,800 |
| 3 BR | 6 | 1,397 | 8,382 |
| 4 BR | 0 | 1,889 | - |
| | ***24*** | | ***27,342*** |

As is the case at the balance of the Lafayette Gardens family developments, the Development will have a series of leasing tiers and include a mix of: public housing units (herein referred to as "ACC"), in which the households will pay 30% of their income for rent; project based voucher units reserved for non-elderly disabled households (the Applicant has secured three vouchers for these units) that will come from JCHA's waiting list; low income tax credit units (leased to households earning at or below 60% of Area Median Income); non-LIHTC ACC units (households earning between 60 and 80% AMI); and non-restricted 'market' units.

The anticipated number, size, and rent for the affordable apartments will be as follows:

| ***Leasing Tier*** | ***Unit Type*** | ***No. of Units*** | ***Square Footage**** | ***Net Monthly Rent***** | ***Tenant Portion of Rent*** |
|---|---|---|---|---|---|
| ACC | 1 BR | 6 | 860 | $ 466 | $ 285 |
| | 2 BR | 6 | 1,150 | $ 466 | $ 340 |
| | 3 BR | 0 | 1,397 | $ 466 | $ 405 |
| | 4 BR | 0 | 1,889 | $ 466 | $ 440 |
| ACC Only | 1 BR | 0 | 860 | $ 466 | $ 466 |
| | 2 BR | 1 | 1,150 | $ 466 | $ 466 |
| | 3 BR | 1 | 1,397 | $ 466 | $ 466 |
| PBV- NEDS | 2 BR | 3 | 1,150 | $ 1,206 | $ 340 |
| | 3 BR | 1 | 1,397 | $ 1,460 | $ 405 |
| Tax Credit | 2 BR | 0 | 1,889 | $ 688 | $ 688 |
| | 3 BR | 2 | 1,150 | $ 787 | $ 787 |
| Market | 2 BR | 2 | 1,397 | $ 1,500 | $ 1,500 |
| | 3 BR | 2 | 1,889 | $ 1,850 | $ 1,850 |
| | | **24** | | | |

* The exact square footage and rent could vary. The numbers above represent the average square footage and rent for each type of apartment.

** The balance of the rents will be paid by HUD pursuant to either a Public Housing Operating Subsidy ("ACC" Subsidy) or a Housing Assistance Payments Contract (project based vouchers).

As noted above, the affordable housing units will be available only to those who qualify under the relevant federal and state guidelines which are as follows: households which earn at or below 60% of the Area Median Income) for all of the LIHTC funded units and under 80% AMI for the non-LIHTC ACC units of which there are two. Each ACC and PBV household will be expected to pay 30% of their adjusted annual income towards rent. HUD's current published unit rent limits per bedroom type and household type for 60% of AMI is as follows:

| | NUMBER OF BEDROOMS | | | | | |
|---|---|---|---|---|---|---|
| | 0 | 1 | 2 | 3 | 4 | 5 |
| NO. PERSONS | 1 | 1.5 | 3 | 4.5 | 6 | 7.5 |
| | $ 752 | $ 804 | $ 966 | $ 1,116 | $ 1,244 | $ 1,373 |

Lastly, the market rate units, of which there are four (4) in the Development, will carry no income limitations.

Interstate Realty Management Company, (herein referred to as "IRM"), who is an affiliate of the Developer and corporate guarantor, the Michaels Development Company I, LP, will serve as the property manager and will qualify potential residents of the affordable units in accordance with federal and state guidelines. IRM currently operates the over 35,000 units Michaels has developed since its creation in 1973, including all of the phases at the Lafayette Gardens HOPE VI development, which include two senior projects that are similar in scope to what is proposed to the Development.

In addition to the many unit amenities, including modern, energy star appliances and ample living spaces and storage areas, the residents will have access to the amenities of the nearly Barbara Place Community Center. Located just across the street, Barbara Place Terrace's newly constructed 5,000 square foot multi-purpose building will provide the residents of the Development immediate access to property management and the many free social services as well as use of the buildings wellness center and multi-purpose room.

3. **Type of Abatement Requested:**

In light of the above, and as JCHA and Michaels have done at Lafayette Gardens, the Applicant seeks a Long Term Tax Exemption based on a formula pursuant to the Urban Renewal Corporation and Association Law, N.J.S.A 40A:20-1 et seq.(the "Urban Renewal Law"). The P.I.L.O.T requested is 8% of the Adjusted Annual Gross Revenue (gross project revenue less utilities or "net shelter rents") for the income restricted units which translates to **$10,424** annually or **$521** per income-restricted unit per year. The formula for this conclusion is provided below.

| *Leasing Tier* | *Unit Type* | *Unit Count* | *Net Rent PUPM* | *Total Rent Per Month* | *Total Annual Rent* |
|---|---|---|---|---|---|
| *Affordable Units* | | | | | |
| ACC | 1 BR | 6 | $ 466 | $ 2,796 | $ 33,552 |
| | 2 BR | 6 | $ 466 | $ 2,796 | $ 33,552 |
| | 3 BR | 0 | $ 466 | $ - | $ - |
| | 4 BR | 0 | $ 466 | $ - | $ - |
| ACC Only | 1 BR | 0 | $ 466 | $ - | $ - |
| | 2 BR | 1 | $ 466 | $ 466 | $ 5,592 |
| | 3 BR | 1 | $ 466 | $ 466 | $ 5,592 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| PBV- NEDS | 2 BR | 3 | $ | 1,206 | $ 3,618 | $ | 43,416 |
| | 3 BR | 1 | $ | 1,460 | $ 1,460 | $ | 17,520 |
| Tax Credit | 2 BR | 0 | $ | 688 | $ - | $ | - |
| | 3 BR | 2 | $ | 787 | $ 1,574 | $ | 18,888 |
| | | **20** | | | **$ 13,176** | **$** | **158,112** |
| | | | | | *Less vacancy (5%)* | *$* | *(7,906)* |
| | | | | | *Less utilities* | *$* | *(19,913)* |
| | | | | | ***Subtotal*** | ***$*** | ***130,294*** |
| | | | | | ***Times 8%*** | ***$*** | ***10,424*** |

For the non-restricted, or 'market' units, the Applicant requests that it be able to pay an annual fee based on 15% of the income for these two (2) units. This translates to a total annual payment of **$11,216** or **$2,804** per non-restricted "market" unit. The calculation for this assumption is provided below.

| ***Non-Restricted Units*** | | | | | | | |
|---|---|---|---|---|---|---|---|
| Market | 2 BR | 2 | 1500 | $ 3,000 | | $ | 36,000 |
| | 3 BR | 2 | 1850 | $ 3,700 | | $ | 44,400 |
| | | 4 | | **$ 6,700** | | **$** | **80,400** |
| | | | | *Less vacancy (7%)* | | *$* | *(5,628)* |
| | | | | ***Subtotal*** | | ***$*** | ***74,772*** |
| | | | | ***Times 15%*** | | ***$*** | ***11,216*** |

In summation, for the first year of operations the Applicant would pay the City an annual fee of **$21,639.**

In accordance with the Long Term Exemption Statute and the New Jersey Housing and Mortgage Finance Agency's ("NJHMFA") Low Income Housing Tax Credit (herein referred to as "LIHTC") Qualified Allocation Plan, this P.I.L.O.T. percentage would be fixed for the first 15 years of the exemption period. This is comparable to the terms of the financial agreements between the City of Jersey City and the ownership entities for the Housing Authority's HOPE VI project phases at Lafayette Gardens. As discussed on page 10 of the provided Draft Financial Agreement, appended hereto as *Exhibit G*, after the first fixed 15 years (Stage One), the Applicant will pay the City an Annual Service Charge which will be adjusted in stages over the term of the tax exemption in accordance with N.J.S.A. 40A:20-12(b) as follows:

I. Stage Two: Beginning on the 1st day of the 16th year following Substantial Completion until the last day of the 21st year, an amount equal to the greater of the Annual Service Charge or 20% of the amount of the taxes otherwise due on the value of the land and Improvements;

III. Stage Three: Beginning on the 1st day of the 22nd year following the Substantial Completion until the last day of the 27th year, an amount equal to the greater of the Annual Service Charge or 40%

of the amount of the taxes otherwise due on the value of the land and Improvements;

IV. Stage Four: Beginning on the 1st day of the 28th year following Substantial Completion until the last day of the 29th year, an amount equal to the greater of the Annual Service Charge or 60% of the amount of the taxes otherwise due on the value of the land and Improvements.

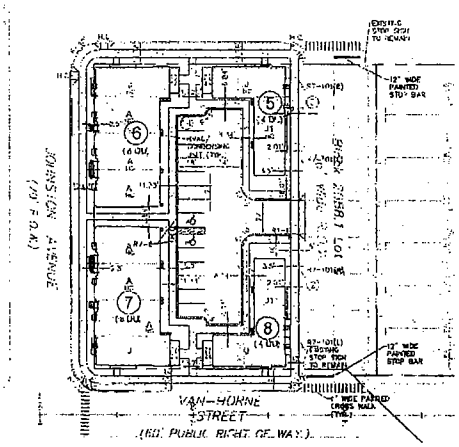
The complete calculations for the estimated P.I.L.O.T. have provided in the Total Annual Gross Revenue Computation set forth in *Exhibit D* and the Proposed Statement of Stabilized Property Operations set forth in *Exhibit F.*

4. **Term of Abatement:**

The term of the tax exemption being requested by the Applicant is 30 years from the date of substantial completion of the Development or for period not to exceed the period of time by which the Development is encumbered by funding provided to the Applicant by the New Jersey Housing and Mortgage Agency pursuant to the NJMHFA Law commencing from the date of substantial completion of the Development (i.e. LIHTC compliance period, amortization period for permanent debt – if applicable).

5. **Description of the Development:**

The Property consists of approximately 37,292 square feet (or ± 0.86 acres) of land located at 296 and 306 Woodward Street, Jersey City. Although the Property is currently vacant, the site was once part of the former Lafayette Gardens public housing development. The Property, as set forth in the provided site plan in *Exhibit B* and as shown to the right, is formerly known as Block 2088.1, Lots 5 and 6. It is bounded by Woodward Street to the North, Johnson Avenue to the West, Van Horne Street to the South, and a previous Lafayette Gardens family phase to the East, Glennview Townhouses I, which is currently under construction.




The site is currently zoned R-3. JCHA completed the demolition of the three story residential buildings on this site prior to the Applicant's involvement.

Upon completion, Glennview Townhouses II – West, will consist of a total of twenty-four (24) mixed income rental units, arranged in four buildings. The buildings will contain several different types of units built three and four story stacked row-home fashion, similar to those constructed at the previous Lafayette Gardens communities. The units are stacked in various configurations with one unit either above or below the other. Each of the buildings will appear as

conventional "row-homes" with each apartment having a front door (and no shared entrances).

The construction type will be wood frame, using a combination of brick, ground-face masonry units and horizontal siding and shingles as exterior finish. The overall architectural design is one of traditional urban "row houses" with architectural elements found within the larger Lafayette neighborhood incorporated in the building facades. A mixture of gable and hip roof forms and a variety of roof pitches will be used. The roofs will be asphalt shingles, consistent with the existing materials found in the neighborhood. Window and door openings will be accented with cast stone details where appropriate. End units are designed to "turn the corner" with entries on both faces, side bays and in the line with the roof. All units will have *covered* entries from the street and outdoor storage is being provided for the two and three bedroom units. Generous use of landscaping elements including street and ornamental trees, shrubbery and ground covers will reinforce the existing streets, define the private spaces and enhance the project design. Along with street extensions, new architecturally compatible street lighting will be provided. *Exhibit B* contains preliminary site plan and architectural renderings and floor plans of the structures.

6. **Estimated Total Cost of Development:**

The total development cost, as set forth in *Exhibit E* is estimated to be **$ 6,830,830.** The construction costs have been estimated based upon information compiled by the Applicant and its consultants. The Total Development Cost is subject to approval by the NJHMFA.

7. **Financing Structure:**

Major financing for the Development will be provided by the following sources:

1. NJHMFA – in the form of: 1) a permanent 30-yr mortgage; 2) a Special Needs Trust Fund direct subsidy; 3) and an a 9% Low Income Housing Tax Credit ("LIHTC") allocation from the Federal Low Income Housing Tax Credit Program
2. Construction and/or Permanent Financing from JCHA
3. A direct subsidy from the Federal Home Loan Bank's Affordable Housing Program
4. A City CDBG allocation

8. **Annual Gross Revenue and Expenses**:

A Schedule of Annual Gross Revenue for the Development is attached hereto as *Exhibit D*. A Projected Statement of Operations is attached hereto as *Exhibit E*. As is the case with the Development Costs, the Annual Gross Revenue and Projected Statement of Operations are subject to approval by the NJHMFA.

9. **Construction Schedule**:

If the Applicant is successful in securing LIHTC's in the August 2011 Competitive Funding Round, the construction of the Development is scheduled to commence in May 2012 and will be completed within approximately fourteen (14) months. This construction schedule is subject to modification based upon the time required to obtain the necessary funding and governmental approvals and permits from those local, state and federal governmental agencies involved in the Development.

10. **Fair Market Value:**

The Current (2011) Land Assessment for the Property, Block 2088.1, Lots 5 and 6 is $144,000. The Real Estate Tax Assessment attributable to Lots 5 and 6 is subject to review and determination by the Tax Assessor.

11. **Current Real Estate Tax Status**:

For 2010, no taxes were levied on the property as it is exempt being owned by the JCHA pursuant to a Cooperation Agreement between the City and the JCHA. Enclosed as *Exhibit I* is a listing of the public housing developments that are included in the JCHA's Cooperation Agreements with the City. The subject site is included within this list.

Provided as *Exhibit J,* is a listing of other financial agreements in place within Jersey City between the City and the JCHA, the Lafayette Gardens HOPE VI ownership entities and/or Michaels Development Company and its subsidiaries.

12. **Developer Certification as to Commencement of the Development.**

With the submission and signing of this application, the Applicant certifies that it will not commence construction of the Development prior to the receipt of final approval of the tax abatement and the execution of a Financial Agreement between the City and the Applicant.

13. **Estimated Jobs to be created:**

Based on the Developer's past experience in the City and the projected scope of work at the Development, it is anticipated that the Development will generate approximately forty-two (42) full time equivalent construction jobs during

the term of construction. In addition, it is projected that the Development will generate two direct full time and one part time permanent employment opportunities upon the commencement of operations of the Development. This Development will not cause any loss or displacement of current employments opportunities. All of the aforementioned employment opportunities will be immediately created. The Applicant agrees to execute a Development Employment Agreement simultaneously with the execution of a financial agreement. The Applicant will also adhere to the Housing Authority's Section 3 Employment and Contracting Opportunity Requirements.

The Development is exempt from the requirements of City Ordinance #07-123, which may otherwise require the execution of a Development Labor Agreement. This Application is for tax exemption pursuant to the NJHMFA Law and, therefore, not a "Tax Abated Development" as defined under Ordinance #07-123.

14. **Compliance with State and Local Redevelopment Laws.**

With the submission and signing of this application, the Applicant certifies that the Development is located in the R-3 Zoning District and the Urban Enterprise Zone Area.

The Development will be constructed in accordance with the terms and conditions of any preliminary site plan approval granted by the Jersey City Planning Board and in compliance with any state permits or approvals required for the renovation or new construction. The application for preliminary site plan approval was heard by the Jersey City Planning Board and approved on May 10, 2011.

15. **Compliance with State and Local Law:**

With the submission and signing of this application, the Applicant certifies that the Development meets the requirements of the laws of the State of New Jersey and the City of Jersey City to qualify for a tax exemption.

16. **Form of Financial Agreement:**

Attached hereto as *Exhibit G* is a proposed form of Financial Agreement between the City of Jersey City and the Applicant which is modeled after the Glennview Townhomes I agreement that was also sponsored by JCHA and applied for by an affiliate of the Developer that was executed on August 26, 2008 and approved by Jersey City Ordinance 08-106.

17. **Certificate of Formation:**

The Applicant is an Urban Renewal Entity and Limited Partnership formed pursuant to the laws of the State of New Jersey and is qualified to do business in New Jersey.

Attached hereto as part of *Exhibit H* is a copy of the Certificate of Formation as an Urban Renewal Entity dated February 24, 2011. A Disclosure Statement listing the names and address of the members of the Applicant is attached hereto as part the above noted attachment.

18. **Affordable Housing Contribution**:

No affordable housing contribution is required pursuant to Section 304-28 of the Code of the City of Jersey City. This Application is for tax exemption pursuant to the Urban Renewal Law, and this Development contains affordable housing units that are in excess of 15% of the overall number of units. Therefore, the Development is entitled to exemption on two separate bases under Section 304-28.

19. **Fee:**

Since this Application concerns a Development which provides housing for seniors of low or moderate income, no application fee is required.

Respectively submitted:

**Glennview Townhouses II Urban Renewal Associates, LP**
By its General Partner, Glennview II-Michaels, LLC

Joel Silver, Vice President

# EXHIBIT A

## DESCRIPTION OF PROPERTY

Address: Property is commonly known as 296 and 306 Woodward Street, Jersey City, New Jersey

Block 2088.1, Lots 5 and 6

A metes and bounds description is attached hereto.

PS&S
integrating design & engineering

**Paulus, Sokolowski and Sartor, LLC**
67B Mountain Boulevard Extension
P.O. Box 4039
Warren, NJ 07059
Tel: 732-560-9700

# Transmittal

**To:** Gin Dawson
**Firm:** Michaels Development Company
**Address:** 3 East Stow Road
Marlton, NJ 08053
856-797-8957
**From:** Dieter J. Tomesko, P.L.S, P.P.
Senior Associate

**Date:** May 25, 2011
**Project No:** 2488-007
**Reference:** Metes and bounds description
**Copy to:** Kristina Vagen, Patrick Gorman (encls.)
B. Wecht, P. Ruskan

- ☒ Overnight Mail
- ☐ Courier
- ☐ First Class Mail
- ☐ Copy of Letter
- ☐ Specifications
- ☐ Alta/Acsm Survey
- ☐ Shop Drawings
- ☐ Test Results
- ☐ For Review
- ☐ For Comments
- ☐ For PB submittal
- ☒ As Requested

| No. of Copies | Date | Drawing No. | Description |
|---|---|---|---|
| 6 | | | Metes and bounds description for former Lot 3, Block 2088.1 |
| | | | now known as Lot 5, Block 2088.1 |
| 6 | | | Metes and bounds description for former Lot 4, Block 2088.1 |
| | | | now known as Lot 6, Block 2088.1 |
| 6 | | | Metes and bounds description for Lot 9, Block 2088.1 |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

**Remarks:**
Enclosed are 6 copies of the metes and bounds descriptions for Lots 5, 6 & 9 in Block 2088.1 as requested for your use. The prior Lot 5 description was not the correct one, due to lot number changes by the city.
Should you have any questions or require additional information, please do not hesitate to contact my office.

Rev. Date: 5/6/08

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KEYSPAN
Business Solutions

**PAULUS,SOKOLOWSKI AND SARTOR, LLC**
67A Mountain Boulevard Extension
P.O. Box 4039
Warren, NJ 07059
Tel: 732-560-9700
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fwecht@keyspanservices.com
www.psands.com

**Francis C. Wecht. Jr. P.L.S., P.P**
Vice President

# LOT 3 BLOCK 2088.1

## CITY OF JERSEY CITY, HUDSON COUNTY, NEW JERSEY

**BEGINNING** at a point, said point being the intersection of the easterly sideline of Johnston Avenue (70' Wide) with the southerly sideline of Woodward Street (60' Wide), and running thence;

1. Along a common line between the southerly sideline of Woodward Street (60' Wide) and the proposed northerly sideline of Lot 3, North 59 degrees 00 minutes 03 seconds East a distance of 129.34 feet to a point, thence;

2. Along a common line between the proposed westerly sideline of Lot 4 and proposed Block 2088.1 Lot 3, South 30 degrees 59 minutes 58 seconds East a distance of 200.00 feet to a point, thence;

3. Along a common line between the proposed southerly sideline of Lot 3 and the northerly sideline of Van-Horne Street (60' Wide), South 59 degrees 00 minutes 03 seconds West a distance of 129.34 feet to a point, thence;

4. Along a common line between the westerly sideline of Lot 3 and the easterly sideline of Johnston Avenue (70' Wide), North 30 degrees 59 minutes 58 seconds West a distance of 200.00 feet to the point and place of **BEGINNING.**

Containing a calculated area of 25,868 square feet or 0.594 acres.

BEING the same Proposed Lot 3 as shown on a map entitled in part "Major Subdivision Jersey City Housing Authority Woodward Terrace Block 2088.1 Lot 1.2" as prepared by Paulus, Sokolowski and Sartor, dated March 5, 2004 and filed in the office of the County Clerk for Hudson County as instrument number 4064.

Francis C. Wecht, Jr.
Professional Land Surveyor
New Jersey License No. 27190

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**Francis C. Wecht. Jr. P.L.S., P.P**
Vice President

# LOT 4 BLOCK 2088.1

## CITY OF JERSEY CITY, HUDSON COUNTY, NEW JERSEY

**BEGINNING** at a point, said point being distant from the intersection of the easterly sideline of Johnston Avenue (70' Wide) with the southerly sideline of Woodward Street (60' Wide), North 59 degrees 00 minutes 03 seconds East a distance of 129.34 feet to a point and running thence;

1. Along a common line between the southerly sideline of Woodward Street (60' Wide) and the proposed northerly sideline of Lot 4, North 59 degrees 00 minutes 03 seconds East a distance of 56.00 feet to a point, thence;

2. Along a common line between the proposed easterly sideline of Lot 4 and proposed Block 2088.1 Lot 5, South 30 degrees 59 minutes 58 seconds East a distance of 204.00 feet to a point, thence;

3. Along a common line between the proposed southerly sideline of Lot 4 and the proposed northerly sideline of Lot 6, South 59 degrees 00 minutes 03 seconds West a distance of 15.66 feet to a point, thence;

4. Along a common line between the proposed southerly sideline of Lot 6 and the northerly sideline of Carbon Street (30' Wide), North 76 degrees 54 minutes 23 seconds West a distance of 5.75 feet to a point, thence;

5. Along a common line between the proposed southerly sideline of Lot 4 and the northerly sideline of Van-Horne Street (60' Wide), South 59 degrees 00 minutes 03 seconds West a distance of 36.20 feet to a point, thence;

6. Along a common line between the proposed westerly sideline of Lot 4 and proposed Block 2088.1 Lot 3, North 30 degrees 59 minutes 58 seconds West a distance of 200.00 feet to the point and place of **BEGINNING.**

Containing a calculated area of 11,271 square feet or 0.259 acres.

BEING the same Proposed Lot 4 (56 foot wide right of way) as shown on a map entitled in part "Major Subdivision Jersey City Housing Authority Woodward Terrace Block 2088 Lot 1.2" as prepared by Paulus, Sokolowski and Sartor, dated March 5, 2004 and filed in the office of the County Clerk for Hudson County as instrument number 4064.

Francis C. Wecht, Jr.
Professional Land Surveyor
New Jersey License No. 27190

# EXHIBIT B:

## PRELIMINARY SITE PLANS & ARCHITECTURAL RENDERINGS

Glennview
Townhouses II - West

Existing Right of Way Line (Typ.)

WOODWARD STREET
(60' R.O.W.)

GRAND STREET
(80' R.O.W.)

HOBOKEN AVENUE
(80' R.O.W.)

VAN-HORNE STREET
(60' PUBLIC RIGHT OF WAY.)

VAN-HORNE STREET

Block 2088.1 Lot 8
(44' Wide R.O.W.)

CARBON STREET
(30' R.O.W.)

Existing Right of Way Line (Typ.)

HALLADAY STREET

BARBARA PLACE
(30' R.O.W.)

NOTE:
1. PROVIDE ARROW SIGN (W16-7P) WITH ALL CROSSWALK SIGNS (W11-2) WHERE SIGN IS DIRECTLY ADJACENT TO CROSSWALK.

REVISIONS/ISSUES

Jersey City Housing Authority

ORIENTATION/KEY PLAN — NORTH

GRAPHIC SCALE

PATRICIA A. RUSKAN, P.E.
PROFESSIONAL ENGINEER
N.J. LICENSE NO. 42016

PS&S
Integrating design & engineering

PROJECT TITLE
LAFAYETTE PHASE VII
MULTI-FAMILY
RESIDENTIAL

SHEET TITLE
SITE PLAN

DATE 12/29/2010
SCALE 1"=30'
DRAWN CV
CHKD RAR
JOB NO 02488-008
SHEET NO C-5

# EXHIBIT C

## DESCRIPTION OF RESIDENTIAL LEASES
## GOOD FAITH ESTIMATE OF INITIAL RENTS

1. Name of Tenant: Various – 24 in total

2. Term of Lease: Initial term of lease not less than 1 year.

3. Number of Apartments: 24

Affordable Apartments: 20
Market-rate Apartments: 4

| *Leasing Tier* | *Unit Type* | *No. of Units* | *Square Footage** | *Net Monthly Rent*** | *Tenant Portion of Rent* |
|---|---|---|---|---|---|
| ACC | 1 BR | 6 | 860 | $ 466 | $ 285 |
| | 2 BR | 6 | 1,150 | $ 466 | $ 340 |
| | 3 BR | 0 | 1,397 | $ 466 | $ 405 |
| | 4 BR | 0 | 1,889 | $ 466 | $ 440 |
| ACC Only | 1 BR | 0 | 860 | $ 466 | $ 466 |
| | 2 BR | 1 | 1,150 | $ 466 | $ 466 |
| | 3 BR | 1 | 1,397 | $ 466 | $ 466 |
| PBV- NEDS | 2 BR | 3 | 1,150 | $ 1,206 | $ 340 |
| | 3 BR | 1 | 1,397 | $ 1,460 | $ 405 |
| Tax Credit | 2 BR | 0 | 1,889 | $ 688 | $ 688 |
| | 3 BR | 2 | 1,150 | $ 787 | $ 787 |
| Market | 2 BR | 2 | 1,397 | $ 1,500 | $ 1,500 |
| | 3 BR | 2 | 1,889 | $ 1,850 | $ 1,850 |
| | | **24** | | | |

* The balance of the rents will be paid by HUD pursuant to either a Public Housing Operating Subsidy ("ACC" Subsidy) or a Housing Assistance Payments Contract (project based vouchers).

**The actual percentage of tenant rent to net rent could vary as HUD regulations restrict housing costs at 30% of annual household income. These numbers are currently underwritten at 21% AMI. The numbers above represent the projected

average rent for each type of apartment.

4. Premium paid directly by Tenant Annually:

| | | |
|---|---|---|
| a. | Fire & other insurance | NONE |
| b. | Real Estate Taxes of Assessments | NONE |
| c. | Operating and maintenance expenses* | UNIT UTILITIES - ELECTRIC, AC, GAS |

5. Special Features in the Development

Community facilities: Access to social services, community spaces, wellness center, and tot lots at the new nearby Barbara and Glennview communities

Immediate Proximity to public transportation, on-site parking, and storage

*Energy Efficient Design (Energy Star) which greatly reduce utility expenses for units

# EXHIBIT D-1

## TOTAL ANNUAL GROSS REVENUE COMPUTATION

### Year 1

| Leasing Tier | Unit Type | Unit Count | Net Rent PUPM | Total Rent Per Month | Total Annual Rent |
|---|---|---|---|---|---|
| **Affordable Units** | | | | | |
| ACC | 1 BR | 6 | $ 466 | $ 2,796 | $ 33,552 |
| | 2 BR | 6 | $ 466 | $ 2,796 | $ 33,552 |
| | 3 BR | 0 | $ 466 | $ - | $ - |
| | 4 BR | 0 | $ 466 | $ - | $ - |
| ACC Only | 1 BR | 0 | $ 466 | $ - | $ - |
| | 2 BR | 1 | $ 466 | $ 466 | $ 5,592 |
| | 3 BR | 1 | $ 466 | $ 466 | $ 5,592 |
| PBV- NEDS | 2 BR | 3 | $ 1,206 | $ 3,618 | $ 43,416 |
| | 3 BR | 1 | $ 1,460 | $ 1,460 | $ 17,520 |
| Tax Credit | 2 BR | 0 | $ 688 | $ - | $ - |
| | 3 BR | 2 | $ 787 | $ 1,574 | $ 18,888 |
| | | **20** | | **$ 13,176** | **$ 158,112** |
| | | | | *Less vacancy (5%)* | *$ (7,906)* |
| | | | | *Less utilities* | *$ (19,913)* |
| | | | | ***Subtotal*** | ***$ 130,294*** |
| | | | | ***Times 8%*** | ***$ 10,424*** |
| **Non-Restricted Units** | | | | | |
| Market | 2 BR | 2 | 1500 | $ 3,000 | $ 36,000 |
| | 3 BR | 2 | 1850 | $ 3,700 | $ 44,400 |
| | | 4 | | **$ 6,700** | **$ 80,400** |
| | | | | *Less vacancy (7%)* | *$ (5,628)* |
| | | | | ***Subtotal*** | ***$ 74,772*** |
| | | | | ***Times 15%*** | ***$ 11,216*** |
| | | | | ***TOTAL YR 1 PILOT*** | ***$ 21,639*** |

# EXHIBIT D-2

## TOTAL ANNUAL GROSS REVENUE COMPUTATION

### Year 16

| Leasing Tier | Unit Type | Unit Count | Net Rent PUPM | Total Rent Per Month | Total Annual Rent |
|---|---|---|---|---|---|
| *Affordable Units* | | | | | |
| ACC | 1 BR | 6 | $ 627 | $ 3,763 | $ 45,154 |
| | 2 BR | 6 | $ 627 | $ 3,763 | $ 45,154 |
| | 3 BR | 0 | | $ - | $ - |
| | 4 BR | 0 | | $ - | $ - |
| ACC Only | 1 BR | 0 | $ - | $ - | $ - |
| | 2 BR | 1 | $ 627 | $ 627 | $ 7,521 |
| | 3 BR | 1 | $ 627 | $ 627 | $ 7,521 |
| PBV-NEDS | 2 BR | 3 | $ 1,708 | $ 5,125 | $ 61,503 |
| | 3 BR | 1 | $ 1,708 | $ 1,708 | $ 20,501 |
| Tax Credit | 2 BR | 0 | $ - | $ - | $ - |
| | 3 BR | 2 | $ 1,059 | $ 2,118 | $ 25,412 |
| | | ***20*** | | ***$ 17,730*** | ***$ 212,765*** |
| | | | | *Less vacancy (5%)* | *$ (10,637)* |
| | | | | *Less utilities* | *$ (31,023)* |
| | | | | ***Subtotal*** | ***$ 171,105*** |
| | | | | ***Times 8%*** | ***$ 13,688*** |
| *Non-Restricted Units* | | | | | |
| Market | 2 BR | 2 | $ 2,019 | $ 4,037 | $ 48,448 |
| | 3 BR | 2 | $ 2,490 | $ 4,979 | $ 59,753 |
| | | ***4*** | | ***$ 9,017*** | ***$ 108,201*** |
| | | | | *Less vacancy (7%)* | *$ (7,574)* |
| | | | | ***Subtotal*** | ***$ 100,627*** |
| | | | | ***Times 15%*** | ***$ 15,094*** |
| | | | | ***TOTAL YR 16 PILOT*** | ***$ 28,782*** |

*The actual rent in Year 16 will be based upon the HUD published rate for that year and will likely vary from this projection. The assumed 3% inflation factor above is a projection determined by NJHMFA underwriting assumptions (as shown in the 15 year Operating Income Projection Schedule found on the following page).

Glennview Townhouses II - West  West  24 units
Development Feasibility

16 Year Operating Income

| | PER UNIT or % | ANNUAL TRENDING | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 | YEAR 6 | YEAR 7 | YEAR 8 | YEAR 9 | YEAR 10 | YEAR 11 | YEAR 12 | YEAR 13 | YEAR 14 | YEAR 15 | YEAR 16 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME | | | | | | | | | | | | | | | | | | |
| ACC/TAX CREDIT UNITS | | | | | | | | | | | | | | | | | | |
| GROSS RENT (Tenant Share) | | 2.00% | $45,000 | $45,900 | $46,818 | $47,754 | $48,709 | $49,683 | $50,676 | $51,689 | $52,722 | $53,776 | $54,851 | $55,948 | $57,066 | $58,207 | $59,371 | $60,558 |
| LAUNDRY | | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| PARKING | | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| OTHER | 0.0% | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| SUBTOTAL | | | $45,000 | $45,900 | $46,818 | $47,754 | $48,709 | $49,683 | $50,676 | $51,689 | $52,722 | $53,776 | $54,851 | $55,948 | $57,066 | $58,207 | $59,371 | $60,558 |
| VACANCY | | | | | | | | | | | | | | | | | | |
| PHYSICAL | 4% | | -$1,800 | -$1,836 | -$1,873 | -$1,910 | -$1,948 | -$1,987 | -$2,027 | -$2,068 | -$2,109 | -$2,151 | -$2,194 | -$2,238 | -$2,283 | -$2,328 | -$2,375 | -$2,422 |
| COLLECTION | 1% | | -$450 | -$459 | -$468 | -$478 | -$487 | -$497 | -$507 | -$517 | -$527 | -$538 | -$549 | -$559 | -$571 | -$582 | -$594 | -$606 |
| NET | | | $42,750 | $43,605 | $44,477 | $45,366 | $46,274 | $47,199 | $48,142 | $49,104 | $50,086 | $51,087 | $52,108 | $53,151 | $54,212 | $55,297 | $56,402 | $57,530 |
| ACC ONLY | | | | | | | | | | | | | | | | | | |
| GROSS RENT (Tenant Share) | | 2.00% | $11,184 | $11,407 | $11,635 | $11,867 | $12,104 | $12,346 | $12,592 | $12,843 | $13,099 | $13,360 | $13,627 | $13,899 | $14,176 | $14,459 | $14,748 | $15,042 |
| LAUNDRY | | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| PARKING | | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| OTHER | 0.0% | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| SUBTOTAL | | | $11,184 | $11,407 | $11,635 | $11,867 | $12,104 | $12,346 | $12,592 | $12,843 | $13,099 | $13,360 | $13,627 | $13,899 | $14,176 | $14,459 | $14,748 | $15,042 |
| VACANCY | | | | | | | | | | | | | | | | | | |
| PHYSICAL | 4% | | -$447 | -$456 | -$465 | -$475 | -$484 | -$494 | -$504 | -$514 | -$524 | -$534 | -$545 | -$556 | -$567 | -$578 | -$590 | -$602 |
| COLLECTION | 1% | | -$112 | -$114 | -$116 | -$119 | -$121 | -$123 | -$126 | -$128 | -$131 | -$134 | -$136 | -$139 | -$142 | -$145 | -$147 | -$150 |
| NET | | | $10,625 | $10,837 | $11,054 | $11,273 | $11,499 | $11,729 | $11,962 | $12,201 | $12,444 | $12,692 | $12,946 | $13,204 | $13,467 | $13,736 | $14,011 | $14,290 |
| PBV- NEDS TAX CREDIT UNITS | | | | | | | | | | | | | | | | | | |
| GROSS RENT (Tenant Share) | | 2.00% | $17,100 | $17,442 | $17,790 | $18,145 | $18,507 | $18,877 | $19,254 | $19,639 | $20,031 | $20,431 | $20,839 | $21,255 | $21,680 | $22,113 | $22,555 | $23,006 |
| LAUNDRY | | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| PARKING | | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| OTHER | 0.0% | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| SUBTOTAL | | | $17,100 | $17,442 | $17,790 | $18,145 | $18,507 | $18,877 | $19,254 | $19,639 | $20,031 | $20,431 | $20,839 | $21,255 | $21,680 | $22,113 | $22,555 | $23,006 |
| VACANCY | | | | | | | | | | | | | | | | | | |
| PHYSICAL | 4% | | -$684 | -$698 | -$712 | -$726 | -$740 | -$755 | -$770 | -$786 | -$801 | -$817 | -$834 | -$850 | -$867 | -$885 | -$902 | -$920 |
| COLLECTION | 1% | | -$171 | -$174 | -$178 | -$181 | -$185 | -$189 | -$193 | -$196 | -$200 | -$204 | -$208 | -$213 | -$217 | -$221 | -$226 | -$230 |
| NET | | | $16,245 | $16,570 | $16,900 | $17,238 | $17,582 | $17,933 | $18,291 | $18,657 | $19,030 | $19,410 | $19,797 | $20,192 | $20,596 | $21,007 | $21,427 | $21,856 |
| TAX CREDIT (ONLY) UNITS | | | | | | | | | | | | | | | | | | |
| GROSS RENT (Tenant Share) | | 2.00% | $18,888 | $19,265 | $19,650 | $20,043 | $20,443 | $20,851 | $21,268 | $21,693 | $22,126 | $22,568 | $23,019 | $23,479 | $23,948 | $24,426 | $24,914 | $25,412 |
| LAUNDRY | | 2.00% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| PARKING | | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| OTHER | 0.0% | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| SUBTOTAL | | | $18,888 | $19,265 | $19,650 | $20,043 | $20,443 | $20,851 | $21,268 | $21,693 | $22,126 | $22,568 | $23,019 | $23,479 | $23,948 | $24,426 | $24,914 | $25,412 |
| VACANCY | | | | | | | | | | | | | | | | | | |
| PHYSICAL | 4% | | -$756 | -$771 | -$786 | -$802 | -$818 | -$834 | -$851 | -$868 | -$885 | -$903 | -$921 | -$939 | -$958 | -$977 | -$997 | -$1,016 |
| COLLECTION | 1% | | -$189 | -$193 | -$197 | -$200 | -$204 | -$209 | -$213 | -$217 | -$221 | -$226 | -$230 | -$235 | -$239 | -$244 | -$249 | -$254 |
| NET | | | $17,943 | $18,301 | $18,667 | $19,041 | $19,421 | $19,808 | $20,204 | $20,608 | $21,020 | $21,439 | $21,868 | $22,305 | $22,751 | $23,205 | $23,668 | $24,142 |
| SUBSIDIES | | | | | | | | | | | | | | | | | | |
| SECTION 8 | | 2.00% | $43,836 | $44,713 | $45,607 | $46,519 | $47,449 | $48,398 | $49,366 | $50,354 | $51,361 | $52,388 | $53,436 | $54,505 | $55,595 | $56,707 | $57,841 | $58,997 |
| SECTION 9 | | 2.00% | $22,104 | $22,546 | $22,997 | $23,457 | $23,926 | $24,405 | $24,893 | $25,391 | $25,898 | $26,416 | $26,945 | $27,484 | $28,033 | $28,594 | $29,166 | $29,749 |
| OTHER | | | | | | | | | | | | | | | | | | |
| SUBTOTAL | | | $65,940 | $67,259 | $68,604 | $69,976 | $71,376 | $72,803 | $74,259 | $75,744 | $77,259 | $78,804 | $80,380 | $81,988 | $83,628 | $85,300 | $87,006 | $88,747 |
| VACANCY | 5% | | -$3,297 | -$3,363 | -$3,430 | -$3,499 | -$3,569 | -$3,640 | -$3,713 | -$3,787 | -$3,863 | -$3,940 | -$4,019 | -$4,099 | -$4,181 | -$4,265 | -$4,350 | -$4,437 |
| NET | | | $62,643 | $63,896 | $65,174 | $66,477 | $67,807 | $69,163 | $70,546 | $71,957 | $73,396 | $74,864 | $76,361 | $77,889 | $79,447 | $81,035 | $82,656 | $84,310 |
| MARKET UNITS (NON-TAX CREDIT) | | | | | | | | | | | | | | | | | | |
| GROSS RENT | | 2.00% | $80,400 | $82,008 | $83,648 | $85,320 | $87,026 | $88,766 | $90,541 | $92,351 | $94,198 | $96,081 | $98,002 | $99,962 | $101,961 | $104,000 | $106,080 | $108,201 |
| LAUNDRY | | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| PARKING | | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| OTHER | | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| SUBTOTAL | | | $80,400 | $82,008 | $83,648 | $85,320 | $87,026 | $88,766 | $90,541 | $92,351 | $94,198 | $96,081 | $98,002 | $99,962 | $101,961 | $104,000 | $106,080 | $108,201 |
| VACANCY | | | | | | | | | | | | | | | | | | |
| PHYSICAL | 6% | | -$4,824 | -$4,920 | -$5,019 | -$5,119 | -$5,222 | -$5,326 | -$5,432 | -$5,541 | -$5,652 | -$5,765 | -$5,880 | -$5,998 | -$6,118 | -$6,240 | -$6,365 | -$6,492 |
| COLLECTION | 1% | | -$804 | -$820 | -$836 | -$853 | -$870 | -$888 | -$905 | -$924 | -$942 | -$961 | -$980 | -$1,000 | -$1,020 | -$1,040 | -$1,061 | -$1,082 |
| NET | | | $74,773 | $76,268 | $77,793 | $79,348 | $80,934 | $82,552 | $84,204 | $85,886 | $87,604 | $89,355 | $91,142 | $92,964 | $94,823 | $96,720 | $98,654 | $100,627 |
| EFFECTIVE INCOME | | | $224,979 | $229,477 | $234,065 | $238,743 | $243,517 | $248,384 | $253,349 | $258,413 | $263,580 | $268,847 | $274,222 | $279,705 | $285,296 | $291,000 | $296,818 | $302,755 |

## EXHIBIT E

## ESTIMATED TOTAL DEVELOPMENT COST

| | | | |
|---|---|---|---|
| 1 | Cost of land acquisition and any buildings thereon | $ | - |
| 2 | Cost of site preparation, demolition and development (incl. utility fees) | $ | 75,000 |
| 3 | Architects, engineers, surveyors, consultants, experts and attorney's fees (paid or payable) in connection with the planning, execution and financing of the Development | $ | 331,349 |
| 4 | Cost of necessary studies, surveys, plans, and permits (incl. geo-tech, market study, appraisal) | $ | 17,438 |
| 5 | Insurance, interest, financing, tax, assessment, and other operating and carrying costs during construction (incl. accounting/cost audit, title, soft contingency) | $ | 322,654 |
| 6 | Cost of construction, reconstruction, fixtures, and equipment related to the real property (incl. interior demo and remediation, contingency) | $ | 5,088,868 |
| 7 | Cost of land improvements | $ | - |
| 8 | Necessary expenses in connection with initial occupancy of Development (FF&E, marketing) | $ | 33,345 |
| 9 | A reasonable profit or fee to the developer | $ | 852,035 |
| 10 | An allowance established by the NJHMFA for working capital and contingency reserves, and reserves for any operating deficits | $ | 110,143 |
| 11 | Costs of guarantees, insurance or other additional financial security for the Development | $ | - |
| 12 | Cost of such other items, including tenant relocation, as the NJHMFA shall determine to be reasonable and necessary for the development of the Development , less any and all net rents and other revenues received from the operation of the real and personal property on the Development site during construction, improvement or rehabilitation | $ | - |
| | **TOTAL** | **$** | **6,830,830** |

## EXHIBIT F-1

## PROJECTED STATEMENT OF STABILIZED PROPERTY OPERATION

### Year 1

| | | | | |
|---|---|---|---|---|
| **ANNUAL INCOME*** | | | | |
| Apartments (Tenant Rent & Operating Subsidy) | | | | |
| Affordable Units | | | $ | 158,113 |
| less vacancy | 5% | | $ | (7,906) |
| Non-Restricted Units | | | $ | 80,400 |
| less vacancy | 7% | | $ | (5,628) |
| Other Income | | | $ | - |
| **Total Development Income** | | | **$** | **224,979** |
| | | | | |
| **OPERATING EXPENSES:** | | | | |
| I. | ADMINISTRATION | | $ | 11,700 |
| II. | SALARIES | | $ | 24,375 |
| III. | MAINTENANCE & REPAIRS | | $ | 12,810 |
| IV. | MAINTENANCE CONTRACTS | | $ | 2,250 |
| V. | INSURANCE | | $ | 13,200 |
| | | | ***$*** | ***64,335*** |
| VI. | OPERATING | | $ | 22,608 |
| VII. | MANAGEMENT FEE | | $ | 17,176 |
| VIII. | REAL ESTATE TAXES | | $ | 21,639 |
| IX. | RESERVES | | $ | 9,600 |
| VI. | SOCIAL SERVICES | | $ | 4,688 |
| VII. | OTHER: Employee Benefits | | $ | 8,461 |
| | | ***Sub Total*** | ***$*** | ***84,172*** |
| **Total Operating Expenses:** | | | **$** | **148,507** |
| | | | | |
| **NET OPERATING INCOME BEFORE DEBT SERVICE:** | | | **$** | **76,472** |

**DEBT SERVICE:**

| | | |
|---|---|---|
| 1. Principal and Interest | $ | 66,497 |
| 2. Debt Service on Other Mortgage Loans | $ | - |
| **Total Debt Service** | **$** | **66,497** |

| | | |
|---|---|---|
| **NET OPERATING INCOME AFTER DEBT SERVICE:** | **$** | **9,975** |

**for detail see Ex. D*

# EXHIBIT F-2

## PROJECTED STATEMENT OF STABILIZED PROPERTY OPERATION

### Year 16

| | | | | |
|---|---|---|---|---|
| **ANNUAL INCOME*** | | | | |
| Apartments (Tenant Rent & Operating Subsidy) | | | | |
| Affordable Units | | | $ | 212,765 |
| less vacancy | 5% | | $ | (10,637) |
| Non-Restricted Units | | | $ | 108,201 |
| less vacancy | 7% | | $ | (7,574) |
| Other Income | | | $ | - |
| **Total Development Income** | | | **$** | **302,755** |
| **OPERATING EXPENSES:** | | | | |
| I. | ADMINISTRATION | | $ | 18,220 |
| II. | SALARIES | | $ | 37,968 |
| III. | MAINTENANCE & REPAIRS | | $ | 19,948 |
| IV. | MAINTENANCE CONTRACTS | | $ | 3,495 |
| V. | INSURANCE | | $ | 20,556 |
| | | ***Sub Total*** | ***$*** | ***100,187*** |
| VI. | OPERATING | | $ | 35,214 |
| VII. | MANAGEMENT FEE | | $ | 26,752 |
| VIII. | REAL ESTATE TAXES | | $ | 28,782 |
| IX. | RESERVES | | $ | 14,947 |
| VI. | SOCIAL SERVICES | | $ | 7,293 |
| VII. | OTHER: Employee Benefits | | $ | 13,175 |
| | | ***Sub Total*** | ***$*** | ***126,163*** |
| **Total Operating Expenses:** | | | **$** | **226,350** |
| **NET OPERATING INCOME BEFORE DEBT SERVICE:** | | | **$** | **76,404** |

**DEBT SERVICE:**

| | | |
|---|---|---|
| 1. Principal and Interest | $ | 66,497 |
| 2. Debt Service on Other Mortgage Loans | $ | - |
| **Total Debt Service** | **$** | **66,497** |
| **NET OPERATING INCOME AFTER DEBT SERVICE:** | **$** | **9,908** |

*The actual NOI in Year 16 will be based upon the adjusted project income (based on the HUD published rate for that year – which will likely vary from this projection). Further, the assumed 3% expenses inflation factor above is a projection determined by NJHMFA underwriting assumptions (as shown in the 15 year Net Operating Income Projection Schedule found on the following page).

Glennview Townhouses II - West
Development Feasibility

16 Year - Net Operating Income

CALENDAR YEAR -- 2012
West 24 units

| | PER UNIT or % | ANNUAL TRENDING | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 | YEAR 6 | YEAR 7 | YEAR 8 | YEAR 9 | YEAR 10 | YEAR 11 | YEAR 12 | YEAR 13 | YEAR 14 | YEAR 15 | YEAR 16 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EFFECTIVE INCOME | | | $224,979 | $229,477 | $234,065 | $238,743 | $243,517 | $248,384 | $253,349 | $258,413 | $263,580 | $268,847 | $274,222 | $279,705 | $285,296 | $291,000 | $296,818 | $302,755 |
| EXPENSES Base | $814 | | | | | | | | | | | | | | | | | |
| ADMINISTRATION | | 3.00% | $11,700 | $12,051 | $12,412 | $12,784 | $13,167 | $13,562 | $13,968 | $14,387 | $14,818 | $15,262 | $15,719 | $16,190 | $16,675 | $17,175 | $17,690 | $18,220 |
| SALARIES | | 3.00% | $24,375 | $25,106 | $25,859 | $26,634 | $27,433 | $28,255 | $29,102 | $29,975 | $30,874 | $31,800 | $32,754 | $33,736 | $34,748 | $35,790 | $36,863 | $37,968 |
| MAINTENANCE & REPAIRS | | 3.00% | $12,810 | $13,194 | $13,589 | $13,996 | $14,415 | $14,847 | $15,292 | $15,750 | $16,222 | $16,708 | $17,209 | $17,725 | $18,256 | $18,803 | $19,367 | $19,948 |
| MAINTENANCE CONTRACTS | | 3.00% | $2,250 | $2,317 | $2,386 | $2,457 | $2,530 | $2,605 | $2,683 | $2,763 | $2,845 | $2,930 | $3,017 | $3,107 | $3,200 | $3,296 | $3,394 | $3,495 |
| INSURANCE | | 3.00% | $13,200 | $13,596 | $14,003 | $14,423 | $14,855 | $15,300 | $15,759 | $16,231 | $16,717 | $17,218 | $17,734 | $18,266 | $18,813 | $19,377 | $19,958 | $20,556 |
| SUBTOTAL | | | $64,335 | $66,264 | $68,249 | $70,294 | $72,400 | $74,569 | $76,804 | $79,106 | $81,476 | $83,918 | $86,433 | $89,024 | $91,692 | $94,441 | $97,272 | $100,187 |
| OPERATING | | 3.00% | $22,608 | $23,286 | $23,984 | $24,703 | $25,444 | $26,207 | $26,993 | $27,802 | $28,636 | $29,495 | $30,379 | $31,290 | $32,228 | $33,194 | $34,189 | $35,214 |
| MANAGEMENT FEE | | 3.00% | $17,176 | $17,691 | $18,221 | $18,767 | $19,330 | $19,909 | $20,506 | $21,121 | $21,754 | $22,406 | $23,078 | $23,770 | $24,483 | $25,217 | $25,973 | $26,752 |
| REAL ESTATE TAXES | based on income | | $ 21,639 | $ 22,056 | $ 22,481 | $ 22,913 | $ 23,354 | $ 23,803 | $ 24,260 | $ 24,726 | $ 25,201 | $ 25,684 | $ 26,177 | $ 26,679 | $ 27,190 | $ 27,711 | $ 28,242 | $ 28,782 |
| RESERVES | | 3.00% | $9,600 | $9,888 | $10,184 | $10,489 | $10,803 | $11,127 | $11,460 | $11,803 | $12,157 | $12,521 | $12,896 | $13,282 | $13,680 | $14,090 | $14,512 | $14,947 |
| SOCIAL SERVICES | | 3.00% | $4,688 | $4,828 | $4,972 | $5,121 | $5,274 | $5,432 | $5,594 | $5,761 | $5,933 | $6,110 | $6,293 | $6,481 | $6,675 | $6,875 | $7,081 | $7,293 |
| OTHER: BENEFITS/PAYROLL TAXES | | 3.00% | $8,461 | $8,714 | $8,975 | $9,244 | $9,521 | $9,806 | $10,100 | $10,403 | $10,715 | $11,036 | $11,367 | $11,708 | $12,059 | $12,420 | $12,792 | $13,175 |
| | | | $84,172 | $86,463 | $88,817 | $91,237 | $93,726 | $96,284 | $98,913 | $101,616 | $104,396 | $107,252 | $110,190 | $113,210 | $116,315 | $119,507 | $122,789 | $126,163 |
| TOTAL OPERATING EXPENSES | | | $148,507 | $152,727 | $157,066 | $161,531 | $166,126 | $170,853 | $175,717 | $180,722 | $185,872 | $191,170 | $196,623 | $202,234 | $208,007 | $213,948 | $220,061 | $226,350 |
| NET OPERATING INCOME | | | $76,472 | $76,750 | $76,999 | $77,212 | $77,391 | $77,531 | $77,632 | $77,691 | $77,708 | $77,677 | $77,600 | $77,471 | $77,289 | $77,052 | $76,758 | $76,404 |
| DEBT SERVICE | | | | | | | | | | | | | | | | | | |
| FIRST HARD DEBT SERVICE | | | $66,497 | $66,497 | $66,497 | $66,497 | $66,497 | $66,497 | $66,497 | $66,497 | $66,497 | $66,497 | $66,497 | $66,497 | $66,497 | $66,497 | $66,497 | $66,497 |
| FIRST HARD DEBT SERVICING FEE | bp | | | | | | | | | | | | | | | | | |
| SECOND HARD DEBT SERVICE | | | | | | | | | | | | | | | | | | |
| CASH FLOW AFTER HARD DEBT | | | $9,975 | $10,253 | $10,503 | $10,715 | $10,894 | $11,035 | $11,135 | $11,195 | $11,212 | $11,181 | $11,103 | $10,975 | $10,792 | $10,556 | $10,261 | $9,908 |
| RATIO ANALYSIS | | | | | | | | | | | | | | | | | | |
| FIRST HARD DEBT COVERAGE RATIO | | | 1.15 | 1.15 | 1.16 | 1.16 | 1.16 | 1.17 | 1.17 | 1.17 | 1.17 | 1.17 | 1.17 | 1.17 | 1.16 | 1.16 | 1.15 | 1.15 |
| EXPENSE : EFFECTIVE INCOME | | | 0.66 | 0.67 | 0.67 | 0.68 | 0.68 | 0.69 | 0.69 | 0.7 | 0.71 | 0.71 | 0.72 | 0.72 | 0.73 | 0.74 | 0.74 | 0.75 |
| PILOT Calc | | | | | | | | | | | | | | | | | | |
| *Affordable Rents (less vacancy)* | | | $ 150,206 | $ 153,209 | $ 156,272 | $ 159,395 | $ 162,583 | $ 165,832 | $ 169,145 | $ 172,527 | $ 175,976 | $ 179,492 | $ 183,080 | $ 186,741 | $ 190,473 | $ 194,280 | $ 198,164 | $ 202,128 |
| less utilities | | | $ (19,913) | $ (20,510) | $ (21,125) | $ (21,759) | $ (22,412) | $ (23,084) | $ (23,777) | $ (24,490) | $ (25,225) | $ (25,981) | $ (26,761) | $ (27,564) | $ (28,390) | $ (29,242) | $ (30,119) | $ (31,023) |
| Net shelter rents | | | $ 130,294 | $ 132,699 | $ 135,147 | $ 137,636 | $ 140,171 | $ 142,748 | $ 145,369 | $ 148,037 | $ 150,752 | $ 153,511 | $ 156,320 | $ 159,178 | $ 162,082 | $ 165,038 | $ 168,045 | $ 171,105 |
| Annual PILOT | | 8.00% | $ 10,424 | $ 10,616 | $ 10,812 | $ 11,011 | $ 11,214 | $ 11,420 | $ 11,629 | $ 11,843 | $ 12,060 | $ 12,281 | $ 12,506 | $ 12,734 | $ 12,967 | $ 13,203 | $ 13,444 | $ 13,688 |
| Market Rents | | | $ 74,773 | $ 76,268 | $ 77,793 | $ 79,348 | $ 80,934 | $ 82,552 | $ 84,204 | $ 85,886 | $ 87,604 | $ 89,355 | $ 91,142 | $ 92,964 | $ 94,823 | $ 96,720 | $ 98,654 | $ 100,627 |
| Annual PILOT (non restricted) | | 15.00% | $ 11,216 | $ 11,440 | $ 11,669 | $ 11,902 | $ 12,140 | $ 12,383 | $ 12,631 | $ 12,883 | $ 13,141 | $ 13,403 | $ 13,671 | $ 13,945 | $ 14,223 | $ 14,508 | $ 14,798 | $ 15,094 |
| total | | | $ 21,639 | $ 22,056 | $ 22,481 | $ 22,913 | $ 23,354 | $ 23,803 | $ 24,260 | $ 24,726 | $ 25,201 | $ 25,684 | $ 26,177 | $ 26,679 | $ 27,190 | $ 27,711 | $ 28,242 | $ 28,782 |

# EXHIBIT G

## PROPOSED FINANCIAL AGREEMENT

(PLEASE SEE ATTACHED)

FINANCIAL AGREEMENT

This Financial Agreement (this "Agreement") is made and entered into as of this _____ day of _____, 2011, by and between **GLENNVIEW TOWNHOUSES II URBAN RENEWAL ASSOCIATES, LP** (herein referred to as the "Redeveloper"), an urban renewal entity formed and qualified to do business in New Jersey under the provisions of the Long Term Tax Exemption Law of 1992, as amended and supplemented, N.J.S.A. 40A:20-1 et seq., having its principal office c/o Jersey City Housing Authority, 400 US Highway #1, Jersey City, New Jersey 07306, hereinafter referred to as the "Redeveloper", and the **CITY OF JERSEY CITY**, a Municipal Corporation of the County of Hudson and State of New Jersey, having its principal office at 280 Grove Street, Jersey City, NJ 07302 (hereinafter referred to as the "City").

**RECITALS**

**WITNESSETH:**

**WHEREAS,** the Entity has proposed the redevelopment of the area generally identified as the lands situated at 296 and 306 Woodward Street; otherwise known on the City Tax Map as Block 2088.1, Lots 5 and 6, more particularly described in *Exhibit A*, (herein referred to as the "Property") into 24 units of affordable rental housing (the "Development" or the "Improvements"); and

**WHEREAS,** this affordable housing project is located within a city with numerous redevelopment plans as well as a need for affordable housing and thus is eligible for tax exemption under Cervase v. Kawaida Towers, Inc., 124 NJ Super 547 (Law Div. 1973), Affirmed. 129 NJ Super 124 (App. Div. 1974); and

**WHEREAS,** The Property is currently vacant and owned by the Jersey City Housing Authority ("JCHA"); and

**WHEREAS,** the Entity plans to construct on the Property twenty-four (24) units, of which will be eighteen (18) will be reserved for households earning at or below 60% of Area Median Income ("AMI"); four (4) will be reserved for public housing households earning between 60 and 80% AMI; and four (4) will be 'market rate' units, therefore carrying no income restrictions.

**WHEREAS,** of the 24 units, six (6) will be one bedroom apartments, twelve (12) will be two bedroom apartments, and six (6) will be three bedroom units ("Development").

**WHEREAS**, on _____, 2011, in accordance with the Act, the Entity filed a written application to the City for approval of a tax exemption for the Development; and

**WHEREAS**, the City made the following findings:

A. Relative Benefits of the Development when compared to the costs:

1. the current real estate tax would generate _____, if the property were subject to conventional taxes, whereas, the Annual Service charge as estimated, and will generate revenue to the City of approximately $21,600;

2. prior to the redevelopment, this property was a public housing development which under the cooperation agreement generated no real estate tax revenue;

3. it is expected that the Development will create approximately forty-two (42) jobs during construction and two new full-time and one part-time permanent jobs;

4. the Development should stabilize and contribute to the economic growth of existing local business and to the creation of new business, which cater to the new residents;

5. the Development provides affordable housing which advances an inherently beneficial public purpose notwithstanding that the City's impact analysis, on file with the Office of the City Clerk, indicates that the service charge will not support the cost of providing municipal services to the Project; and

B. Assessment of the Importance of the Tax Exemption in obtaining development of the Development and influencing the locational decisions of probable occupants:

1. the relative stability and predictability of the annual service charges will make the Development more attractive to investors and lenders needed to finance the Project; and

2. the relative stability and predictability of the service charges will allow the owner to stabilize its operating budget, allowing a high level of maintenance to the building over the life of the Project, which will insure the likelihood of the success of the Development and insure that it will have a positive impact on the surrounding area; and

**WHEREAS,** by the adoption of Ordinance_____ adopted on _____, 2011, the Municipal Council approved the above findings and the tax exemption application and authorized the execution of this agreement.

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

## ARTICLE I - GENERAL PROVISIONS

### Section 1.1 Governing Law

This Agreement shall be governed by the provisions of the Long Term Tax Exemption Law, as amended and supplemented, NJ.S.A. 40A:20-1 et seq., Executive Order of the Mayor, 02-003, Ordinance 02-075, and Ordinance_____, which authorized the execution of this Agreement. It being expressly understood and agreed that the City expressly relies upon the facts, data, and representations contained in the Application, attached hereto as Exhibit 3, in granting this tax exemption.

### Section 1.2 General Definitions

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

I. **Affordable Low or Moderate Income** - A Person or Household whose total Gross Annual Income is equal to no more than 30% and 80% respectively of the median gross income figure established by geographic region and household size using the income guideline approved for use by the New Jersey Council on Affordable Housing or as it may be amended pursuant to NJ.A.C. 5:92-12.

II. **Allowable Net Profit-** The amount arrived at by applying the Allowable Profit Rate to Total Development Cost pursuant to N.J.S.A. 40A:20-3(c).

III. **Allowable Profit Rate** - The greater of 12% or the percentage per annum arrived at by adding 1.25% to the annual interest percentage rate payable on the Entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing, or if the financing is internal or undertaken by a related party, the Allowable Profit Rate shall be the greater of

12% or the percentage per annum arrived at by adding 1.25% per annum to the interest rate per annum which the municipality determines to be the prevailing rate on mortgage financing on comparable improvements in Hudson County. The provisions of N.J.S.A. 40A:20-3(b) are incorporated herein by reference.

IV. **Gross Revenue** - Any and all revenue derived from or generated by the Development of whatever kind or amount, whether received as rent from any tenants or income or fees from third parties, including but not limited to fees or income paid or received for parking, laundry, health club user fees or other services (such as lease premiums for views, fireplaces, etc.). No deductions will be allowed for operating or maintenance costs, including, but not limited to gas, electric, water and sewer, other utilities, garbage removal and insurance charges, whether paid for by the landlord, tenant or a third party, except for customary operating expenses of commercial tenants such as utilities, insurance and taxes (including payments in lieu of taxes) which shall be deducted from Gross Revenue based on the actual amount of such costs incurred.

V. **Annual Service Charge** - The amount the Entity has agreed to pay the City for municipal services supplied to the Project, which sum is in Lieu of any taxes on the Improvements, pursuant to N.J.SA 40A:20-12.

VI. **Auditor's Report** - A complete financial statement outlining the financial status of the Development (for a period of time as indicated by context), which shall also include a certification of Total Development Cost and clear computation of Net Profit. The contents of the Auditor's Report shall have been prepared in conformity with generally accepted accounting principles and shall contain at a minimum the following: a balance sheet, a statement of income, a statement of retained earnings or changes in stockholders' equity, a statement of cash flows, descriptions of accounting policies, notes to financial statements and appropriate schedules and explanatory material results of operations, cash flows and any other items required by Law. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

VII. **Certificate of Occupancy** - A document, whether temporary or permanent, issued by the City authorizing occupancy of a building, in whole or in part, pursuant to N.J.S.A. 52:27D-133.

VIII. **Debt Service** - The amount required to make annual payments of principal and

interest or the equivalent thereof on any construction mortgage, permanent mortgage or other financing including returns on institutional equity financing and market rate related party debt for the Development for a period equal to the term of this agreement.

IX. **Default** - Shall be a breach of or the failure of the Entity to perform any obligation imposed upon the by the terms of this Agreement, or under the Law, beyond any applicable grace or cure periods.

X. **Entity** - The term Entity within this Agreement shall mean Montgomery Senior Living Urban Renewal Associates, L.P., which Entity is formed and qualified pursuant to NJ.S.A. 40A:20-5. It shall also include any subsequent purchasers or successors in interest of the Project, provided they are formed and operate under the Law.

XI. **Improvements or Development** - Any building, structure or fixture permanently affixed to the land and to be constructed and tax exempted under this Agreement.

XII. **In Rem Tax Foreclosure or Tax Foreclosure** - A summary proceeding by which the City may enforce a lien for taxes due and owing by tax sale, under N.J.S.A. 54:5-1 to 54:5-129 to 54:5-129 et seq.

XIII. **Land Taxes** - The amount of taxes assessed on the value of land, if any, on which the Development is located and, if applicable, taxes on any pre-existing improvements. Land Taxes may be exempt; however, if Land Taxes are levied, Entity shall receive a credit against the Annual Service Charge.

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

XV. **Law** - Law shall refer to the Long Term Tax Exemption Law, as amended and supplemented, N.J.S.A. 40A:20-1, et seq.; Executive Order of the Mayor 02-003, relating to long term tax exemption, as it may be amended and supplemented; Ordinance 02-075, and Ordinance 08-106, which authorized the execution of this Agreement; and Ordinance _____, as may be amended or supplemented from time to time, which requires the execution of a Development Labor

Agreement, and all other relevant Federal, State or City statutes, ordinances, resolutions, rules and regulations.

XVI. **Minimum Annual Service Charge** - The Minimum Annual Service Charge shall be the greater of:

(a) The amount of the total taxes levied against all real property in the area covered by the Development in the last full tax year in which the area was subject to taxation, or in the case of tax exempt property, the projected tax levy based upon the assessed value for the year in which the application is filed, which amount the parties agree would be $_ _____; or

(b) The sum of **$21,639** per year, which sum will be prorated only in the years in which Substantial Completion occurs and this Agreement terminates.

The Minimum Annual Service Charge shall be paid in each year in which the Annual Service Charge, calculated pursuant to NJ.S.A. 40A:20-12 or this Agreement, would be less than the Minimum Annual Service Charge.

XVII. **Net Profit** - The Gross Revenues of the Entity less all operating and non-operating expenses of the Entity, all determined in accordance with generally accepted accounting principles, but:

(1) There shall be included in expenses: (a) all Al111ual Service charges paid pursuant to N.J.S.A. 40A:20-12; (b) all payments to the City of excess profits pursuant to NJ.S.A. 40A:20-15 or N.J.S.A. 40A:20-16; (c) an annual amount sufficient to amortize (utilizing the straight line method-equal annual amounts) the Total Development Cost and all capital costs determined in accordance with generally accepted accounting principles, of any other entity whose revenue is included in the computation of excess profits over the term of this agreement; (d) all reasonable annual operating expenses of the Entity and any other entity whose revenue is included in the computation of excess profits including the cost of all management fees, brokerage commissions, insurance premiums, all taxes or service charges paid, legal, accounting, or other

professional service fees, utilities, building maintenance costs, building and office supplies and payments into repair or maintenance reserve accounts; (e) all payments of rent including but not limited to ground rent by the Entity; (f) all debt service, if applicable; and

(2) There shall not be included in expenses either depreciation or obsolescence, interest on debt, except interest which is part of debt service, income taxes or salaries, bonuses or other compensation paid, directly or indirectly to directors, officers and stockholders of the entity, or officers, partners or other persons holding a proprietary ownership interest in the entity.

XVIII. **Pronouns** - He or it shall mean the masculine, feminine or neutral gender, the singular, as well as the plural, as context requires.

XIX. **Substantial Completion** - The determination by the City that the Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the date on which the Development receives, or is eligible to receive any Certificate of Occupancy for any portion of the Project.

XX. **Termination** - Any act or omission which by operation of the terms of this Financial Agreement shall cause the Entity to relinquish its tax exemption.

XXI. **Total Development Cost** - The total cost of constructing the Development through the date a Certificate(s) of Occupancy is issued for the entire Project, which categories of cost are set forth in N.J.S.A. 40A:20-3(h). There shall be included in Total Development Cost the actual costs incurred by the Entity and certified by an independent and qualified architect or engineer, which are associated with site remediation and cleanup of environmentally hazardous materials or contaminants in accordance with State or Federal law and any extraordinary costs incurred including the cost of demolishing structures, relocation or removal of public utilities, cost of relocating displaced residents or buildings and the clearing of title. The Entity agrees that final Total Development Cost shall not be less than its estimated Total Development Cost.

## ARTICLE II - APPROVAL

**Section 2.1 Approval of Tax Exemption**

The City hereby grants its approval for a tax exemption for all the Improvements to be constructed and maintained in accordance with the terms and conditions of this Agreement and the provisions of the Law which Improvements shall be constructed on certain property known on the Official Tax Assessor's Map of the City as: Block 2088.1, Lots 5 and 6, more commonly known by the street address of 296 and 306 Woodward Street, and described by metes and bounds in Exhibit 1 attached hereto.

**Section 2.2 Approval of Entity**

Approval is granted to the Entity whose Certificate of Formation is attached hereto as Exhibit 4. Entity represents that its Certificate contains all the requisite provisions of the Law; has been reviewed and approved by the Commissioner of the Department of Community Affairs; and has been filed with, as appropriate, the Office of the State Treasurer or Office of the Hudson County Clerk, all in accordance with N.J.SA. 40A:20-5.

**Section 2.3 Improvements to be Constructed**

Entity represents that it will construct twenty-four (24) new modern stacked townhome units, of which twenty (20) will be affordable to families of low income under 80% AMI and four (4) will be unrestricted 'market' units. The Development will contain six (6) one bedroom apartments, twelve (12) two bedroom apartments, and six (6) will be three bedroom apartments as discussed in greater detail in the provided Application attached hereto as Exhibit 3.

**Section 2.4 Construction Schedule**

The Entity agrees to diligently undertake to commence construction and complete the Development in accordance with the Estimated Construction Schedule, attached hereto as Exhibit 5.

**Section 2.5 Ownership, Management and Control**

The Entity represents that it is the owner of the property upon which the Development is to be constructed. Upon construction, the Entity represents that the Improvements will be managed and controlled as follows:

The Entity represents that it is the owner of the Land upon which the Development is to be constructed and will manage and control the Project. The City acknowledges that the Entity may enter into a management agreement for the Development and will pay a management fee in accordance with BID regulations as provided in the Entity's agreement with HUD, which fee was disclosed in its tax exemption application. The City acknowledges that the Entity may

enter into future management agreements so long as such agreements are not used to reduce the City's economic benefits under this Agreement and the management fees to be paid are comparable to those disclosed in the application.

**Section 2.6 Financial Plan**

The Entity represents that the Improvements shall be financed in accordance with the Financial Plan attached hereto as Exhibit 6. The Plan sets forth estimated Total Development Cost, the amortization rate on the Total Development Cost, the source of funds, the interest rates to be paid on construction financing, the source and amount of paid-in capital, and the terms of any mortgage amortization.

**Section 2.7 Statement of Rental Schedules and Lease Terms**

The Entity represents that its good faith projections of the initial rental schedules and lease terms are set forth in Exhibit 7.

## ARTICLE III - DURATION OF AGREEMENT

**Section 3.1 Term**

So long as there is compliance with the Law and this Agreement, it is understood and agreed by the parties hereto that this Agreement shall remain in effect for the earlier of 33 years from the date of the adoption of Ordinance _____ on _____, 2011 which approved the tax exemption for 30 years from the date of Substantial Completion of the Project. The tax exemption shall only be effective during the period of usefulness of the Development and shall continue in force only while the Development is owned by a corporation or association formed and operating under the Law.

## ARTICLE IV - ANNUAL SERVICE CHARGE

**Section 4.1 Annual Service Charge**

In consideration of the tax exemption, the Entity shall make the following payments to the City:

(i) City Service Charge: an amount equal to the greater of: the Minimum Annual Service Charge or an Annual Service Charge equal to 8.0% of the Annual Gross Revenue for the low and moderate income units. The Annual Service Charge for the

unrestricted units will be equal to 15.0% of the Annual Gross Income. The Annual Service Charge shall be billed initially based upon the Entity's estimates of Annual Gross Revenue which shall not be less than the its estimate of Gross Revenue as set forth in its Financial Plan, attached hereto as Exhibit 6.Thereafter, the Annual Service Charge shall be adjusted in accordance with this Agreement.

A Minimum Annual Service Charge shall be due beginning on the effective date of this Agreement. The Annual Service Charge shall be due on the first day of the month following the Substantial Completion of the Project. In the event the Entity fails to timely pay the Minimum Annual Service Charge or the Annual Service Charge, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on land until paid.

(ii) County Service Charge: an amount equal to 5% of the Annual Service Charge upon receipt of that charge, for remittance to the County by the City.

**Section 4.2 Staged Adjustments**

The Annual Service Charge shall be adjusted, in Stages over the term of the tax exemption in accordance with N.J.S.A. 40A:20-12(b) as follows:

I. Stage One: From the first day of the month following Substantial Completion until the last day of the fifteenth year, the Annual Service Charge shall be 8.0% and 15.0% for the low and moderate income units and market rate units, respectively;

II. Stage Two: Beginning on the 1st day of the 16th year following Substantial Completion until the last day of the 21st year, an amount equal to the greater of the Annual Service Charge or 20% of the amount of the taxes otherwise due on the value of the land and Improvements;

III. Stage Three: Beginning on the 1st day of the 22nd year following the Substantial Completion until the last day of the 27th year, an amount equal to the greater of the Annual Service Charge or 40% of the amount of the taxes otherwise due on the value of the land and Improvements;

IV. Stage Four: Beginning on the 1st day of the 28th year following Substantial Completion until the last day of the 29th year, an amount equal to the greater of the Annual Service Charge or 60% of the amount of the taxes otherwise due on the value of the land and Improvements.

IV. Final Stage: Beginning on the 1st day of the 30th year following Substantial Completion through the date the tax exemption expires, an amount equal to the greater of the Annual Service Charge or 80% of the amount of the taxes otherwise due on the value of the land and Improvements.

**Section 4.3 Credits**

The Entity is required to pay both the Annual Service Charge and the Land Tax Payments. The Entity is obligated to make timely Land Tax Payments, including any tax on the pre-existing improvements, in order to be entitled to a Land Tax credit against the Annual Service Charge for the subsequent year. The Entity shall be entitled to credit for the amount, without interest, of the Land Tax Payments made in the last four preceding quarterly installments against the Annual Service Charge. In any quarter that the Entity fails to make any Land Tax Payments when due and owing, such delinquency shall render the Entity ineligible for any Land Tax Payment credits against the Annual Service Charge for that quarter. No credit will be applied against the Annual Service Charge for partial payments of Land Taxes. In addition, the City shall have, among this remedy and other remedies, the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, NJ.S.A. 54:5-1, et seq. and/or declare a Default and terminate this Agreement.

**Section 4.4 Quarterly Installments**

The Entity expressly agrees that the Annual Service Charge shall be made in quarterly installments on those dates when real estate tax payments are due; subject, nevertheless, to adjustment for over or underpayment within thirty (30) days after the close of each calendar year. In the event that the Entity fails to pay the Annual Service Charge, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid.

**Section 4.5 Administrative Fee**

The Entity shall also pay an annual Administrative Fee to the City in addition to the Annual Service Charge and Land Tax levy. The Administrative Fee shall be calculated as two (2%) percent of each prior year's Annual Service Charge. This fee shall be payable and due on or before December 31st of each year, and collected in the same manner as the Annual Service Charge. In the event that the Entity fails to timely pay the Administrative Fee, the amount unpaid shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid.

**Section 4.6 Material Conditions**

It is expressly agreed and understood that the timely payments of Land Taxes, Minimum Annual Service Charges, Annual Service Charges, including adjustments thereto, Administrative Fees, Affordable Housing Contributions, and any interest thereon, are Material Conditions of this Agreement.

## ARTICLE V - DEVELOPMENT EMPLOYMENT AND CONTRACTING AGREEMENT

**Section 5.1 Development Employment and Contracting Agreement**

In order to provide City residents and businesses with certain employment and other economic related opportunities, the Entity is subject to the terms and conditions of the Development Employment and Contracting Agreement, attached hereto as Exhibit 8.

## ARTICLE VI - CERTIFICATE OF OCCUPANCY

**Section 6.1 Certificate of Occupancy**

It is understood and agreed that it shall be the obligation of the Entity to obtain all Certificates of Occupancy in a timely manner so as to complete construction in accordance with the proposed construction schedule attached hereto as Exhibit 5, The failure to secure the Certificates of Occupancy shall subject the property to full taxation for the period between the date of Substantial Completion and the date the Certificate of Occupancy is obtained.

**Section 6.2 Filing of Certificate of Occupancy**

It shall be the primary responsibility of the Entity to forthwith file with both the Tax Assessor and the Tax Collector a copy of each Certificate of Occupancy. Failure of the Entity to file such issued Certificate of Occupancy as required by the preceding paragraph, shall not militate against any action or non-action, taken by the City, including, if appropriate retroactive billing with interest for any charges determined to be due, in the absence of such filing by the Entity.

## ARTICLE VII - ANNUAL REPORTS

**Section 7.1 Accounting System**

The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles.

**Section 7.2 Periodic Reports**

A. An Auditor's Report: Within ninety (90) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis that the Agreement shall continue in effect, the Entity shall submit to the Mayor and Municipal Council and the NJ Division of Local Government Services in the Department of Community Affairs, its Auditor's Report for the preceding fiscal or calendar year. The Auditor's Report shall include, but not be limited to: condominium unit purchase price, and the terms and interest rate on any mortgagees) associated with the purchase or construction of the Development and such details as may relate to the financial affairs of the Entity and to its operation and performance hereunder, pursuant to the Law and this Agreement. The Report shall clearly identify and calculate the Net Profit for the Entity during the previous year.

B. Disclosure Statement: On the anniversary date of the execution of this Agreement, and each and every year thereafter while this agreement is in effect, the Entity shall submit to the Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, a Disclosure Statement listing the persons having an ownership interest in the Project, and the extent of the ownership interest of each and such additional information as the City may request from time to time.

**Section 7.3 Inspection/Audit**

The Entity shall permit the inspection of its property, equipment, buildings and other facilities of the Development and, if deemed appropriate or necessary, any other related Entity by representatives duly authorized by the City and the NJ Division of Local Government Services in the Department of Community Affairs. It shall also permit, npon request, examination and audit of its books, contracts, records, documents and papers. Such examination or audit shall be made during the reasonable hours of the business day, in the presence of an officer or agent designated by the Entity. All costs incurred by the City to conduct the audit, including reasonable attorneys' fees if appropriate, shall be billed to the Entity and paid to the City as part of the Entity's Annual Service Charge. Delinquent payments shall accrue interest at the same rate as for a delinquent service charge.

## ARTICLE VIII- LIMITATION OF PROFITS AND RESERVES

**Section 8.1 Limitation of Profits and Reserves**

During the period of tax exemption as provided herein, the Entity shall be subject to a limitation of its profits pursuant to the provisions of N J .S.A. 40A:20-15. The Entity shall have the right to establish a reserve against vacancies, unpaid rentals, and reasonable contingencies in an amount equal to five (5%) percent of the Gross Revenue of the Entity for the last full fiscal year preceding the year and may retain such part of the excess Net Profits as is necessary to eliminate a deficiency in that reserve, as provided in N.J.S .A. 40A:20-15. The reserve is to be non-cumulative, it being intended that no further credits thereto shall be permitted after the reserve shall have attained the allowable level of five (5%) percent of the preceding year's Gross Revenue. Pursuant to N.J.S.A. 40A:20-14(b) there is expressly excluded from the calculation of Gross Revenue and Net Profit in the determination of Excess Profit, any gain realized by the Entity on the sale of any condominium unit, whether or not taxable under federal or state law.

**Section 8.2 Annual Payment of Excess Net Profit**

In the event the Net Profits of the Entity, in any fiscal year, shall exceed the Allowable Net Profits for such period, then the Entity, within one hundred and twenty (120) days after the end of such fiscal year, shall pay such excess Net Profits to the City as an additional service charge; provided, however, that the Entity may maintain a reserve as determined pursuant to aforementioned paragraph 8.1. The calculation of the entity's excess net profits shall include those development costs directly attributable to site remediation and cleanup expenses and any other costs excluded in the definition of Total Development Cost in Section 1.2 (xx) of this agreement even though those costs may have been deducted from the Development costs for purposes of calculating the annual service charge.

**Section 8.3 Payment of Reserve/Excess Net Profit Upon Termination, Expiration or Sale**

The date of termination, expiration or sale shall be considered to be the close of the fiscal year of the Entity. Within ninety (90) days after such date, the Entity shall pay to the City the amount of the reserve, if any, maintained by it pursuant to this section and the excess Net Profit, if any.

## ARTICLE IX - ASSIGNMENT AND/OR ASSUMPTION

**Section 9.1 Approval**

Any sale or transfer of the Project, shall be void unless approved in advance by Ordinance of the Municipal Council. It is understood and agreed that the City, on written application by the Entity, will not unreasonably withhold its consent to a sale of the Development and the transfer of this Agreement provided: 1) the new Entity does not own any

other Development subject to long term tax exemption at the time of transfer; 2) the new Entity is formed and eligible to operate under the Law; 3) the Entity is not then in default of this Agreement or the Law; 4) the Entity's obligations under this Agreement is fully assumed by the new Entity, 5) the Entity shall pay the City a transfer fee equal to 2% of the then current Annual Service Charge as required by NJ .S.A. 40A:20-10d.

**Section 9.2 Fee**

Where the consent or approval of the City is sought for approval of a change in ownership or sale or transfer of the Project, the Entity shall be required to pay to the City a new tax exemption application fee for the legal and administrative services of the City, as it relates to the review, preparation and/or submission of documents to the Municipal Council for appropriate action on the requested assignment. The fee shall be non-refundable.

## ARTICLE X - COMPLIANCE

**Section 10.1 Operation**

During the term of this Agreement, the Development shall be maintained and operated in accordance with the provisions of the Law. Operation of the Development under this Agreement shall not only be terminable as provided by NJ.S.A. 40A:20-1, et seq., as currently amended and supplemented, but also by a Default under this Agreement. The Entity's failure to comply with the Law shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

**Section 10.2 Disclosure of Lobbyist Representative**

During the term of this Agreement, the Entity must comply with Executive Order 2002-005, and Ordinance 02-075, requiring Written Disclosure of Lobbyist Representative Status. The Entity's failure to comply with the Executive Order or the Ordinance shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

## ARTICLE XI - DEFAULT

**Section 11.1 Default**

Default shall be failure of the Entity to conform with the terms of this Agreement or failure of the Entity to perform any obligation imposed by the Law, beyond any applicable notice, cure or grace period.

**Section 11.2 Cure Upon Default**

Should the Entity be in Default, the City shall send written notice to the Entity of the Default (herein referred to as "Default Notice"). The Default Notice shall set forth with particularity the basis of the alleged Default. The Entity shall have sixty (60) days, from receipt of the Default Notice, to cure any Default which shall be the sole and exclusive remedy available to the Entity. However, if, in the reasonable opinion of the City, the Default cannot be cured within sixty (60) days using reasonable diligence, the City will extend the time to cure.

Subsequent to such sixty (60) days, or any approved extension, the City shall have the right to terminate this Agreement in accordance with Section 12.1.

Should the Entity be in default due to a failure to pay any charges defined as Material Conditions in Section 4.8, the Entity shall not be subject to the default procedural remedies as provided herein but shall allow the City to proceed immediately to terminate the Agreement as provided in Article XII herein.

**Section 11.3 Remedies Upon Default**

The City shall, among its other remedies, have the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, NJ.S.A. 54:5-1, et seq. and/or may declare a Default and terminate this Agreement. Any default arising out of the Entity's failure to pay Land Taxes, the Minimum Annual Service Charge, Administrative Fees, Affordable Housing Contribution, or the Annual Service Charges shall not be subject to the default procedural remedies as provided in Article XI herein, but shall allow the City to proceed immediately to terminate the Agreement as provided in Article XII. All of the remedies provided in this Agreement to the City, and all rights and remedies granted to it by law and equity shall be cumulative and concurrent. No termination of any provision of this Agreement shall deprive the City of any of its remedies or actions against the Entity because of its failure to pay Land Taxes, the Minimum Annual Service Charge, Annual Service Charge, Affordable Housing Contribution or Administrative Fees. This right shall apply to arrearages that are due and owing at the time or which, under the terms hereof, would in the future become due as if there had been no termination. Further, the bringing of any action for Land Taxes, the Minimum Annual Service Charge, the Annual Service Charge, Affordable Housing Contribution, Administrative Fees, or for breach of covenant or the resort to any other remedy herein provided for the recovery of Land Taxes shall not be construed as a waiver of the rights to terminate the tax exemption or proceed with a tax sale or Tax Foreclosure action or any other specified remedy.

In the event of a Default on the part of the Entity to pay any charges set forth in Article IV, the City among its other remedies, reserves the right to proceed against the Entity's land and property, in the manner provided by the In Rem Foreclosure Act, and any act supplementary or amendatory thereof. Whenever the word taxes appear, or is applied, directly or impliedly to mean taxes or municipal liens on land, such statutory provisions shall be read, as far as is pertinent to this Agreement, as if the charges were taxes or municipal liens on land.

## ARTICLE XII- TERMINATION

**Section 12.1 Termination Upon Default of the Entity**

In the event the Entity fails to cure or remedy the Default within the time period provided in Section 11.2, the City may terminate this Agreement upon thirty (30) days written notice to the Entity (herein referred to as the "Notice of Termination").

**Section 12.2 Voluntary Termination by the Entity**

The Entity may after the expiration of one year from the Substantial Completion of the Development notify the City that as of a certain date designated in the notice, it relinquishes its status as a tax exempt Project. As of the date so set, the tax exemption, the Annual Service Charges and the profit and dividend restrictions shall terminate.

**Section 12.3 Final Accounting**

Within ninety (90) days after the date of termination, whether by affirmative action of the Entity or by virtue of the provisions of the Law or pursuant to the terms of this Agreement, the Entity shall provide a final accounting and pay to the City the reserve, if any, pursuant to the provisions of N.J.S.A. 40A:20-13 and 15 as well as any excess Net Profits. For purposes of rendering a final accounting the termination of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

**Section 12.4 Conventional Taxes**

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

**Section 12.5 Termination Payment**

In addition to any other remedies available to the City upon termination whether voluntary or upon default, the Entity shall pay to the City an amount equal to the difference between the service charge actually paid and the service charge that would have been due had each adjustment period provided in Section 4.2 hereof, been of the shortest duration permitted by law, thereby generating the most accelerated increases, permitted by law.

## ARTICLE XIII - DISPUTE RESOLUTION

**Section 13.1 Arbitration**

In the event of a breach of the within Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court of New Jersey by an appropriate proceeding, to settle and resolve the dispute in such fashion as will tend to accomplish the purposes of the Law. In the event the Superior Court shall not entertain jurisdiction, then the parties shall submit the dispute to the American Arbitration Association in New Jersey to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of the Long Term Tax Exemption Law. The cost for the arbitration shall be borne equally by the parties. The parties agree that the Entity may not file an action in Superior Court or with the Arbitration Association unless the Entity has first paid in full all charges defined in Article IV, Section 4.7 as Material Conditions.

## ARTICLE XIV - WAIVER

**Section 14.1 Waiver**

Nothing contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by the City of any rights and remedies, including, without limitation, the right to terminate the Agreement and tax exemption for violation of any of the conditions provided herein. Nothing herein shall be deemed to limit any right of recovery of any amount which the City has under law, in equity, or under any provision of this Agreement.

## ARTICLE XV - INDEMNIFICATION

**Section 15.1 Defined**

It is understood and agreed that in the event the City shall be named as party defendant in any action alleging any breach, default or a violation of any of the provisions of this Agreement and/or the provisions of N.J.S.A. 40A:20-1 et~, the Entity shall indemnify and hold

the City harmless against any and all liability, loss, cost, expense (including reasonable attorneys' fees and costs, through trial and all stages of any appeal, including the cost of enforcing this indemnity) arising out of Agreement. In addition, the Entity expressly waives all statutory or common law defenses or legal principles which would defeat the purposes of this indemnification. The Entity also agrees to defend the suit at its own expense, counsel to be selected by the City, subject to the reasonable consent of the Entity. However, the City maintains the right to intervene as a party thereto, to which intervention the Entity consents; the expense thereof to be borne by the City.

## ARTICLE XVI- NOTICE

**Section 16.1 Certified Mail**

Any notice required hereunder to be sent by either party to the other shall be sent by certified or registered mail, return receipt requested.

**Section 16.2 Sent by City**

When sent by the City to the Entity the notice shall be addressed to:

Glennview Townhouses II Urban Renewal Associates, LP
Three East Stow Road, PO Box 994
Marlton, New Jersey 08053
Attn: Joel Silver, Vice President

and

Jersey City Housing Authority
400 U.S. Highway #1
Jersey City, New Jersey 07306
Attn: Maria T. Maio, Executive Director

unless prior to giving of notice the Entity shall have notified the City in writing otherwise.

In addition, provided the City is sent a formal written notice in accordance with this Agreement, of the name and address of Entity's Mortgagee, the City agrees to provide suchMortgagee with a copy of any notice required to be sent to the Entity.

**Section 16.3 Sent by Entity**

When sent by the Entity to the City, it shall be addressed to:

City of Jersey City, Office of the City Clerk
City Hall
280 Grove Street
Jersey City, New Jersey 07302

with copies sent to the Corporation Counsel, the Business Administrator, and the Tax Collector unless prior to the giving of notice, the City shall have notified the Entity otherwise. The notice to the City shall identify the Development to which it relates, (i.e., the Urban Renewal Entity and the Property's Block and Lot number).

## ARTICLE XVII-SEVERABILITY

**Section 17.1 Severability**

If any term, covenant or condition of this Agreement or the Application, except a Material Condition, shall be judicially declared to be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

If a Material Condition shall be judicially declared to be invalid or unenforceable and provided the Entity is not in Default of this Agreement, the parties shall cooperate with each other to take the actions reasonably required to restore the Agreement in a manner contemplated by the parties and the Law. This shall include, but not be limited to the authorization and re-execution of this Agreement in a form reasonably drafted to effectuate the original intent of the parties and the Law. However, the City shall not be required to restore the Agreement if it would modify a Material Condition, the amount of the periodic adjustments or any other term of this Agreement which would result in any economic reduction or loss to the City.

## ARTICLE XVIII - MISCELLANEOUS

**Section 18.1 Construction**

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to or aid of any presumption or other rule requiring

construction against the party drawing or causing this Agreement to be drawn since counsel for both the Entity and the City have combined in their review and approval of same.

**Section 18.2 Conflicts**

The parties agree that in the event of a conflict between the Application and the language contained in the Agreement, the Agreement shall govern and prevail. In the event of conflict between the Agreement and the Law, the Law shall govern and prevail.

**Section 18.3 Oral Representations**

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

**Section 18.4 Entire Document**

This Agreement and all conditions in the Ordinance of the Municipal Council approving this Agreement are incorporated in this Agreement and made a part hereof.

**Section 18.5 Good Faith**

In their dealings with each other, utmost good faith is required from the Entity and the City.

**Section 18.6 Pending Litigation**

The Entity fully and freely holds the City harmless and assumes any risk that may affect the present or future validity of the within financial agreement, arising from any other litigation.

## ARTICLE XIX - EXHIBITS

**Section 19 Exhibits**

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

1. Metes and Bounds description of the Project;
2. Ordinance of the City authorizing the execution of this Agreement;

3. The Application with Exhibits;
4. Certificate of the Entity;
5. Estimated Construction Schedule;
6. The Financial Plan for the undertaking of the Project;
7. Good Faith Estimate of Initial Rental Schedule and Lease Terms;
8. Development Employment and Contracting Agreement;
9. Architect's Certification of Actual Construction Costs.

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

**ATTEST:**

**GLENNVIEW TOWNHOUSES II URBAN RENEWAL ASSOCIATES, LP**

By its General Partner, Glennview II-Michaels, LLC,

_____

_____
Joel Silver, Vice President

ATTEST:

CITY OF JERSEY CITY

_____

_____
Brian O'Reilly,
Business Administrator

**EXHIBIT 1:**

**Metes and Bounds description of the Project**

**EXHIBIT 2:**

**Ordinance of the City authorizing the execution of this Agreement**

**EXHIBIT 3:**

**The Application with Exhibits**

**EXHIBIT 4:**

**Certificate of the Entity**

DRAFT

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

CHRIS CHRISTIE
*Governor*

KIM GUADAGNO
*Lt. Governor*

LORI GRIFA
*Commissioner*

FILED
MAR 02 2011
STATE TREASURER

DEPARTMENT OF COMMUNITY AFFAIRS

TO: State Treasurer
RE: GLENNVIEW TOWNHOUSES II URBAN RENEWAL ASSOCIATES, LP
(formerly Lafayette Family Phase V Urban Renewal Associates, LP, an Urban Renewal Entity)
File # 900
An Urban Renewal Entity

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

Done this 24th day of February 2011 at Trenton, New Jersey.

DEPARTMENT OF COMMUNITY AFFAIRS

BY

Edward M. Smith, Director
Division of Codes and Standards

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***AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP***
***GLENNVIEW TOWNHOUSES II URBAN RENEWAL ASSOCIATES, LP***

THIS AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP ("Agreement"), is dated as of January 1, 2011, by and among GLENNVIEW II-MICHAELS, LLC, as general partner (the "General Partner") and each of MICHAEL J. LEVITT and ANDREW J. BOCCHINO, as limited partners (each a "Limited Partner" or collectively the "Limited Partners"). The General Partner and the Limited Partners are sometimes individually referred to as a "Partner" and collectively as the "Partners".

*WITNESSETH:*

WHEREAS, the General Partner, Michael J. Levitt and Andrew J. Bocchino formed the partnership as Lafayette Family Phase V Urban Renewal Associates, LP, An Urban Renewal Entity, as a New Jersey limited partnership pursuant to a Certificate of Limited Partnership dated as of May 15, 2008 and filed with the State Treasurer on August 21, 2008 and that certain Agreement of Limited Partnership dated as of May 15, 2008 (the "Original Agreement"); and

WHEREAS, the partners desire to change the name of the partnership; and

WHEREAS, the parties hereto desire to enter into an agreement among the Partners to provide for, among other things, (i) the allocation of profits, losses and distributions of cash flow and other proceeds of the Partnership among the Partners, (ii) the respective right, obligations and interests of the parties hereto to each other and to the Partnership and (iii) certain other matters.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## *ARTICLE I*
## *FORMATION*

1.01 Continuation. The undersigned hereby continue the partnership (the "Partnership") as a limited partnership under the New Jersey Limited Partnership Act, N.J.S.A. 42:2A-1 et seq. and as an urban renewal entity under the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., as same may be amended from time to time during the term of the Partnership (hereinafter collectively the "Act").

1.02 Name. The name of the Partnership shall be "Glennview Townhouses II Urban Renewal Associates, LP".

1.03 Term. The term of the Partnership shall continue until December 31, 2100 unless the Partnership is sooner terminated in accordance with the provisions of

this Agreement.

## *ARTICLE II*
## *DEFINED TERMS*

In addition to the abbreviations and definitions set forth hereinabove and in the recitals to this Agreement, the following defined terms used in this Agreement shall have the meanings specified below:

"Capital Account" means the capital account of a Partner as described in Section 10.03 of this Agreement.

"Consent" means the prior written consent or approval of the General or Limited Partners or any other Person, as the context may require, to do the act or thing for which the consent is solicited.

"Interest" or "Partnership Interest" means the ownership interest of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which such Partner may be entitled as provided in the Agreement and in the act, together with the obligations of such Partner to comply with all of the terms and provisions of this Agreement and of the Act.

"Net Cash Flow" means the gross cash proceeds from Partnership operations (including sales and dispositions of property in the ordinary course of business) less the portion thereof used to pay or establish reserves for all Partnership expenses, debt payments, capital improvements, replacements, and contingencies, all as determined by the General Partner in its sole discretion. Net Cash Flow shall not be reduced by depreciation, cost recovery deductions such as amortization or similar allowances.

"Project" means a multifamily apartment project for tenants located in Jersey City, New Jersey.

"State" means the State of New Jersey.

## *ARTICLE III*
## *PURPOSE AND BUSINESS OF THE PARTNERSHIP*

3.01 Purpose. The purpose of the Partnership is to develop, finance, lease, own and operate the Project and to engage in all activities in connection therewith.

3.02 Authority of the Partnership. In order to carry out its purpose, the Partnership is empowered and authorized to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of its purpose, and for the protection and benefit of the Partnership.

## *ARTICLE IV*

## *DUTIES AND OBLIGATIONS OF GENERAL PARTNERS*

The General Partner shall use its best efforts in connection with its performance of the following duties and obligations with respect to the Partnership:

(a) take all action that may be necessary or appropriate to carry out the purposes of the Partnership as described in this Agreement; and

(b) do all other things (subject to the restrictions contained herein) that may be necessary or desirable in order to properly and efficiently administer and carry on the affairs, assets and business of the Partnership.

## *ARTICLE V*
## *PARTNERSHIP INTERESTS*
## *AND OBLIGATIONS OF THE PARTNERSHIP*

5.01 Partners' Percentage Interests. The Partners' Percentage Interests in the Partnership and required capital contributions are set forth on Exhibit A attached hereto. The Partners acknowledge that each Partner has made their required capital contribution.

5.02 Return of Capital Contribution. Except as otherwise provided in this Agreement, no Partner shall be entitled to demand or receive the return of his or its capital contribution. No Partner shall have priority over any other Partner, either as to return of such Partner's capital contribution or as to profits, losses or distributions unless otherwise specifically provided herein. Moreover, no General Partner shall be personally liable for the return of the capital contribution of any Limited Partner, or any portion thereof, it being expressly understood that any such return shall be made solely from assets of the Partnership, nor shall the General Partner be required to pay the Partnership, or any Partner, any deficit in its or any other Partner's Capital Account upon dissolution or otherwise, it being understood and agreed that any deficit in any Capital Account shall not be treated as an asset of the Partnership. No Partner shall have the right to demand or receive property other than cash for his or its Interest. Each of the Partners hereby agree to, and does hereby waive, any right such Partner may otherwise have to cause any asset of the Partnership to be petitioned or to file a complaint or institute any proceeding at law or in equity seeking to have any such asset partitioned.

5.03 Loans by the Partners. If the General Partner believes that additional funds are necessary for the carrying on of the Partnership affairs, it shall have the right to borrow in the Partnership's name the amount which it deems necessary, or it may advance such sums or sums as may be required. Any money so advanced to the Partnership by a partner shall bear interest at the rate of two percent (2%) over PNC Bank prime. Any said advances shall be repaid prior to any distribution in respect of an Interest in the Partnership.

## *ARTICLE VI*
## *RIGHTS, OBLIGATIONS AND*
## *POWERS OF THE GENERAL PARTNER*

6.01 Management of the Partnership. Except as otherwise set forth in this Agreement, the General Partner, within the authority granted to it under this Agreement, shall have full, complete and exclusive discretion to manage and control the business of the Partnership for the purposes stated in Article III of this Agreement, shall make all decisions affecting the business of the Partnership and shall manage and control the affairs of the Partnership to the best of its ability and use its best efforts to carry out the purpose of the Partnership. The General Partner shall have the authority to execute documents on behalf of the Partnership and to bind the Partnership thereby, and third parties shall have the right to rely on the General Partner's signatures as being binding on the Partnership.

6.02 Development and Syndication of the Project.

(a) Development. The Partners agree to acquire, develop, finance, rehabilitate and syndicate a multifamily housing project as follows: The Managing General Partner, will select all professionals related to the development, financing, construction and syndication of the Project including, but not limited to, the Project's architect, general contractor, lenders, tax credit syndicators and legal and accounting professionals.

(b) Syndication. Each Partner hereto agrees to take such action as may be required for such acquisition, development, financing and syndication of the Project, including executing any amendments to this Agreement and to the Partnership's Certificate of Limited Partnership evidencing the admission and withdrawal of partners. At the election of the General Partner, upon a syndication of the Partnership or the Project, the Limited Partners agree to withdraw as partners to provide for the syndication of partnership interests.

## *ARTICLE VII*
## *TRANSFERS OF AND RESTRICTIONS ON*
## *TRANSFERS OF, INTERESTS OF LIMITED PARTNERS*

7.01 Restrictions on Transfers of Limited Partners' Interests. Under no circumstances will any offer, sale, transfer, assignment, hypothecation or pledge of the Limited Partner's Interest be permitted unless the General Partner shall consent thereto, which consent may not be unreasonably withheld.

7.02 Admission of Substitute Limited Partners. Subject to the other provisions of this Agreement, including this Article VII, an assignee of the Interest of the Limited Partner (which shall be understood to include any purchaser, transferee, donee or other recipient of any disposition of such Interest) shall be admitted as a substitute Limited Partner of the Partnership only upon the satisfactory completion of the following:

(i) consent of the General Partner (which may be arbitrarily and unreasonably withheld in its sole discretion) shall have been given; and (ii) the assignee shall accept and agree to be bound by the terms and provisions of this Agreement by executing a counterpart hereof or an appropriate amendment hereto, and such other documents or instruments as the General Partner may require in order to effect the admission of such person as a Limited Partner. A person who acquires all or any portion of a Limited Partner's Interest, but does not become a substitute Limited Partner in accordance with this Section 7.02 shall not have any rights or privileges of a Limited Partner under this Agreement and/or the Act, but shall have the right to receive its share of the profits, losses and distributions of the Partnership to which his, her or its assignor would have been entitled.

7.03 Rights of Assignee of Partnership Interest. Any person who is the assignee of all or any portion of a Limited Partner's Interest, but does not become a substitute Limited Partner and desires to make a further assignment of such Interest, shall be subject to all the provisions of this Article VII to the same extent and in the same manner as any Limited Partner desiring to make an assignment of his, her or its Interest.

## *ARTICLE VIII*
## *RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS*

8.01 Management of the Partnership. No Limited Partner shall take part in the management or control of the business of the Partnership nor transact any business in the name of the Partnership. No Limited Partner shall have the power or authority to bind the Partnership or to sign any agreement or document in the name of the Partnership.

8.02 Limitation on Liability of Limited Partners. The liability of each Limited Partner shall be limited to his capital contributions. No Limited Partner shall have any other liability to contribute money to, or in respect of the liabilities or obligations of the Partnership, nor shall any Limited Partner be personally liable for any obligations of the Partnership. No Limited Partner shall be obligated to make loans to the Partnership.

## *ARTICLE IX*
## *PROFITS, LOSSES AND DISTRIBUTIONS*

9.01 Allocation of Profits, Losses and Cash Distributions from Operations. Profits and losses for any fiscal year shall be allocated to the Partners in accordance with their Percentage Interests. Net Cash Flow for the fiscal year shall be distributed in such amounts and at such times as the General Partner determines, in their sole discretion. All distributions shall be made to the Partners in accordance with their Percentage Interests.

9.02 Allocation of Gains, Losses and Distributions from Sale and Liquidation of Partnership Property. (a) Gains and losses recognized by the Partnership upon the

sale, exchange or other disposition of all or substantially all of the property owned by the Partnership shall be allocated to the Partners in accordance with their Percentage Interests.

(b) The proceeds resulting from the liquidation of the Partnership assets pursuant to Section 10.02 hereof, and the net proceeds resulting from any sale of the property of the Partnership or refinancing of any obligation of the Partnership, as the case may be, shall be distributed and applied in the following order of priority:

(i) to the payment of all matured debts and liabilities of the Partnership, excluding debts and liabilities of the Partnership to Partners or any affiliates;

(ii) to the setting up of any reserves which the General Partners deem reasonably necessary for contingent, unmatured or unforeseen liabilities or obligations of the Partnership; provided, however, that the balance of any such reserve remaining at such time as the General Partner reasonably determine such reserve is no longer needed, shall be distributed in accordance with Sections 9.02(c)(iii) and 9.02(c)(iv) hereof;

(iii) to the repayment of any unrepaid debts and liabilities (including unpaid fees) owed to the Partners or any affiliates by the Partnership for Partnership obligations; and

(iv) the balance, to the Partners in accordance with their Percentage Interests.

9.03 Capital Accounts. Throughout the full term of this Agreement, a separate Capital Account shall be maintained and adjusted for each Partner in accordance with the accounting rules of Section 1.704-1(b)(2)(iv) of the Regulations.

9.04 Designation of Tax Matters Partner. The General Partner is hereby designated as Tax Matters Partner of the Partnership.

## *ARTICLE X*
## *SALE, DISSOLUTION AND LIQUIDATION*

10.01 Dissolution of the Partnership. The Partnership shall be dissolved upon the occurrence of any of the following events:

(a) the expiration of the term as provided in Paragraph 1.03 hereinabove;

(b) the death, retirement, disability, or adjudication of bankruptcy of all the General Partners.

The Partnership may continue despite the death, retirement, disability, or bankruptcy of a sole General Partner with the successor in interest as a substitute General Partner, with the consent of all the limited partners. In the event that at any time where there is more than one General Partner, then, in the event of the death, retirement, disability or bankruptcy of a General Partner, the remaining General Partner or partners may continue the business of the Partnership by unanimous consent of all partners and the existence of the Partnership shall not be affected. In such case, the estate of a General Partner may be admitted as a Limited Partner and the estate's general partnership interest converted to a limited partnership interest.

10.02 Winding Up and Distribution. (a) Upon the dissolution of the Partnership pursuant to Section 10.01 of this Agreement, the Partnership business shall be wound up and it assets liquidated as provided in this Section 10.02 and the net proceeds of such liquidation shall be distributed in accordance with Section 9.02 of this Agreement.

(b) It is the intent of the Partners that, upon liquidation of the Partnership, any liquidation proceeds available for distribution to the Partners be distributed in accordance with the Partners' respective positive Capital Account balances and the Partners believe that distributions under Section 9.02(b) of this Agreement will effectuate such intent. In the event that, upon liquidation, there is any conflict between a distribution pursuant to the Partners' respective positive Capital Account balances and the intent of the Partners with respect to distribution of proceeds as provided in subsection 9.02(b) of this Agreement, the General Partner shall, notwithstanding the provision of Sections 9.01(a) and (b) 9.02(a) and (b) of this Agreement, allocate the Partnership's gains and losses among the Partners in a manner that will effectuate the distribution of liquidation proceeds to the Partners as provided in Section 9.02 to be in accordance with the Partners' respective positive Capital Account balances.

## *ARTICLE XI*
## *ACCOUNTING, ETC.*

11.01 Fiscal Year and Accounting Method. The fiscal year of the Partnership shall be the calendar year.

11.02 Bank Accounts. All funds of the Partnership not otherwise invested shall be deposited in one or more accounts maintained in such banking institutions as the General Partners shall determine, and withdrawals shall be made only in the regular course of Partnership business on such signature or signatures as the General Partner may, from time to time, determine.

## *ARTICLE XII*
## *CONSENTS, VOTING, ETC.*

Any Consent required by this Agreement may be given a written Consent of the consenting Partner and received by the General Partner. Except as otherwise expressly provided in this Agreement, whenever the Consent of the Limited Partners is required, the votes of the majority of the Percentage Interests of the Limited Partners shall control.

## *ARTICLE XIII*
## *GENERAL PROVISIONS*

13.01 Burden and Benefit. The covenants and agreements contained herein shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.

13.02 Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State.

13.03 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all of the parties hereto, notwithstanding that all of the parties shall not have signed the same counterpart.

13.04 Separability of Provisions. Each provision of this Agreement shall be considered separable and, if for any reason any provision which is not essential to the effectuation of the basic purposes of this Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or effect those provisions of this Agreement which are valid.

13.05 Entire Agreement. This Agreement sets forth all (and is intended by all parties to be an integration of all) of the representations, promises, agreements and understandings among the parties hereto with respect to the Partnership, the Partnership business and the property of the Partnership, and there are no representations, promises, agreements or understandings, oral or written, express or implied, among them other than as set forth or incorporated herein.

13.06 DCA Requirements. Notwithstanding anything herein to the contrary, the terms of the Certificate of Limited Partnership and the New Jersey Long-Term Tax Exemption Law (N.J.S.A. 40A:20-1 et seq.) are incorporated herein by reference and shall govern the Partnership in the event of any conflict.

13.07 NJHMFA Provision. The Partnership acknowledges that any review of the provisions of this Agreement by the New Jersey Housing and Mortgage Finance Agency ("NJHMFA") is performed in accordance with its responsibility as Lender and is intended only to assure that the Partnership is validly formed according to law, with the legal authority to borrow the funds which will constitute the NJHMFA Mortgage Loan and operate the Property securing the NJHMFA Mortgage Loan. Notwithstanding any other provisions herein, the Partnership acknowledges and agrees that as a condition of obtaining the NJHMFA Mortgage Loan, that the NJHMFA statutes, rules and regulations and all the financing documents in connection with the NJHMFA Mortgage Loan, are applicable to the Partnership and the Property securing the NJHMFA Mortgage Loan. The Partnership further acknowledges that, except as contained in this Section, the NJHMFA makes no representations express or implied, as to this Agreement; and the Partnership and the Partners shall not rely upon the NJHMFA review of this Agreement.

13.08 Amendment. This Agreement may only be modified or amended by an agreement in writing signed by all of the Partners.

[SIGNATURES TO APPEAR ON THE FOLLOWING PAGE]

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IN WITNESS WHEREOF, the parties have affixed their signatures and seals to this Agreement as of the date first written above.

ATTEST:

Susan Langley

GENERAL PARTNER:
GLENNVIEW II-MICHAELS, LLC

By: _____
Print Name: Michael J. Levitt
Title: Sole Member

ATTEST:

Susan Langley

Susan Langley

LIMITED PARTNERS:

_____
MICHAEL J. LEVITT

_____
ANDREW J. BOCCHINO

## *EXHIBIT A*

| | Required Capital Contributions | Percentage Interests |
|---|---|---|
| Glennview II-Michaels, LLC | 10.00 | 0.00% |
| Michael J. Levitt | 980.00 | 98.00% |
| Andrew J. Bocchino | 10.00 | 1.00% |
| | 1,000.00 | 100.00% |

# AMENDED and RESTATED OPERATING AGREEMENT

*for*

# GLENNVIEW II-MICHAELS, LLC

**THIS AMENDED and RESTATED OPERATING AGREEMENT** is made and entered into as of June 1, 2010 by and between **GLENNVIEW II-MICHAELS, LLC**, a New Jersey limited liability company (the "Company"), and **MICHAEL J. LEVITT**, as the sole member of the Company ("Member").

## WITNESSETH:

**WHEREAS**, Lafayette Family V-Michaels, LLC (the "Company") was formed under the laws of the State of New Jersey (the "State") by filing a Certificate of Formation (the "Certificate") with the State Treasurer of New Jersey on April 23, 2008 and pursuant to that certain Operating Agreement dated as of May 15, 2008 (collectively the "Original Agreement") .

**WHEREAS**, the parties changed the name of the Company to Glennview II-Michaels, LLC.

**WHEREAS**, the parties hereto desire to enter into this Agreement to provide for, among other things, (i) the payment of capital contributions by the Members, (ii) the allocation of profits, losses and distributions of cash flow and other proceeds of the limited liability company to the Members, (iii) the respective rights and obligations of the parties hereto to each other and to the limited liability company, (iv) the respective interests of the parties hereto and (v) certain other matters.

**WHEREAS**, the sole Member intends to operate the Business and provide for operation of the Company.

**NOW, THEREFORE**, in consideration of the mutual promises below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

## A. ORGANIZATION.

1. **Continuation.** The undersigned hereby agree to continue the Company under the New Jersey Limited Liability Act (the "Act").

2. *Name.* The name of the Company shall be "Glennview II-Michaels, LLC."

3. ***Duration.*** The Company shall have perpetual existence.

4. **Restatement.** The Original Agreement is hereby replaced in its entirety by this Agreement.

5. ***Registered Office and Resident Agent.*** The Registered Office and Resident Agent of the Company shall be as designated in the initial Articles. The Registered Office and/or Resident Agent may be changed from time to time. Any such change shall be made in accordance with the Act.

6. ***Purpose.*** The Company was formed for the purpose of serving as the general partner of Glennview Townhouses II Urban Renewal Associates, LP (the "Project Partnership"). The Project Partnership was formed for the purpose of developing, financing, rehabilitating, maintaining, operating, selling, and otherwise disposing of, an affordable housing complex (the "Project").

7. ***Tax Status for Company.*** The Company shall be taxed as a sole proprietorship for tax purposes unless and until at least one additional Member is added in which event the Company shall thereafter be treated as a partnership for tax purposes.

## B. CAPITAL CONTRIBUTIONS.

The initial Member hereby made a Capital Contribution of One Hundred Dollars ($100.00) for the capital interests of the Company. Future Capital Contributions may be made in the sole discretion of the Member.

## C. ALLOCATIONS and DISTRIBUTIONS.

Except as may be required by the Code as amended, net profits, net losses, and other items of income, gain, loss, deduction and credit of the Company shall be reported by the Member on the Member's income tax return. The Member may make distributions from time to time after the Member determines that the Company has sufficient funds available.

## D. GENERAL POWERS of SOLE MEMBER.

The Member has authority to:

1. conduct the business and affairs of the Company;

2. do all things necessary or convenient to carry out the business and affairs of the Company;

3. purchase, lease or otherwise acquire any real, personal, tangible or intangible property;

4. sell, convey, mortgage, grant a security interest in, pledge, lease, license, exchange or otherwise dispose of or encumber any real, personal, tangible or intangible property;

5. open one or more depository accounts and make deposits into and checks and withdrawals against such accounts and to designate and authorize any additional signatory on such accounts;

6. borrow money, incur liabilities and other obligations, establish lines of credits, mortgages, and other credit and financing facilities relating to the business of the Company;

7. obtain insurance covering the business and affairs of the Company and its property;

8. commence prosecute or defend any proceeding in the Company's name or relating to the business of the Company;

9. enter into any arrangements or agreements, and execute any contracts, documents and instruments relating to the business of the Company;

10. engage consultants and agents, define their respective duties and establish their compensation or remuneration. This right shall include the right to designate a person to operate the Company and conduct the business of the Company in the event of the illness, disability or demise of the sole Member. If such person is appointed, such person shall be referred to as the "Manager" and shall have any rights, powers and obligations granted or created herein to the sole Member excepts as the sole Member shall otherwise restrict or limit in a document appointing said Manager; and

11. take all actions required of the Project Partnership with respect to the Project.

## E. EXCULPATION of LIABILITY: INDEMNIFICATION.

Unless otherwise provided by law or expressly assumed, the sole Member shall not be liable for the acts, debts or liabilities of the Company.

## F. OTHER ACTIVITIES.

The Member may engage in other business ventures of every nature, including, without limitation by specification, the ownership of another business similar to that operated by the Company. The Company shall not have any right or interest in any such independent ventures or to the income and profits derived therefrom.

## G. DEATH, DISABILITY, DISSOLUTION.

1. ***Death of the Member.*** Upon the death of the Member, if the Member has not theretofore appointed a Manager who is then willing to act, then the personal representative of the estate of the Member may act as Manager hereunder or appoint a person to so serve until the Member's Interests and Capital Account of the deceased Member have been transferred or distributed.

2. ***Disability of the Member.*** Upon the disability of the Member, if the Member has not theretofore appointed a Manager who is then willing to act, then the guardian, committee, or conservator of the disabled Member may act as Manager hereunder or appoint a person to so serve until the Member's Interests and Capital Account of the disabled Member have been transferred or distributed.

3. ***Dissolution.*** The Company shall dissolve and its affairs shall be wound up by the written consent of the Member. However, no third party dealing with the LLC shall be adversely affected by such action unless it receives notice, or should have reasonably been aware of such action.

## H. BOOKS, RECORDS and ACCOUNTING.

1. ***Books and Records.*** The Company shall maintain complete and accurate books and records of the Company's business and affairs as required by the Act.

2. ***Fiscal Year; Accounting.*** The Company's fiscal year shall be the calendar year.

3. ***Member's Capital Accounts.*** A Capital Account for the Member shall be maintained by the Company. The Member's Capital Account shall reflect the Member's capital contributions and increases for any net income or gain of the Company. The Member's Capital Account shall also reflect decreases for distributions made to the Member and the Member's share of any losses and deductions of the Company.

## I. MISCELLANEOUS PROVISIONS.

1. *Terms.* Nouns and pronouns will be deemed to refer to the masculine, feminine, neuter, singular and plural, as the identity of the person or persons, firm or corporation may in the context require. The term "Code" shall refer to the Internal Revenue Code of 1986, as amended.

2. *Article Headings.* The Article headings and numbers contained in this Operating Agreement have been inserted only as a matter of convenience and for reference, and in no way shall be construed to define, limit or describe the scope or intent of any provision of this Operating Agreement.

3. *Entire Agreement.* This Operating Agreement constitutes the entire agreement among the sole Member and the Company and contains all of the agreements among said parties with respect to the subject matter hereof. This Operating Agreement supersedes any and all other agreements, either oral or written, between said parties with respect to the subject matter hereof.

4. *Severability.* The invalidity or unenforceability of any particular provision of this Operating Agreement shall not affect the other provisions hereof, and this Operating Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

5. *Amendment.* This Operating Agreement may be amended or revoked at any time by a written document executed by the sole Member.

6. *Binding Effect.* Subject to the provisions of this Operating Agreement relating to transferability, this Operating Agreement will be binding upon and shall inure to the benefit of the parties, and their respective distributees, heirs, successors and assigns.

7. *Governing Law.* This Operating Agreement is being executed and delivered in the State of New Jersey and shall be governed by, construed, and enforced in accordance with the laws of the State of New Jersey.

8. *NJHMFA Provision.* The Company acknowledges that any review of the provisions of this Operating Agreement by the New Jersey Housing and Mortgage Finance Agency ("NJHMFA") is performed in accordance with its responsibility as Lender and is intended only to assure that the Company is validly formed according to law, with the legal authority to borrow the funds which will constitute the NJHMFA Mortgage Loan and to operate the Property securing the NJHMFA Mortgage Loan. Notwithstanding any other provisions herein, the Company acknowledges and agrees that as a condition of obtaining the NJHMFA Mortgage Loan, that the NJHMFA statutes, rules and regulations and all the financing documents in connection with the NJHMFA Mortgage Loan, are applicable to the Company and the Property securing the NJHMFA Mortgage Loan. The Company further acknowledges that, except as contained in this Section, the

NJHMFA makes no representations express or implied, as to this Operating Agreement; and the Company and the Members shall not rely upon the NJHMFA review of this Operating Agreement.

**[SIGNATURE PAGE TO FOLLOW]**

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**IN WITNESS WHEREOF**, the parties hereto make and execute this Operating Agreement to be effective on the date first above written.

***MEMBER:***

**MICHAEL J. LEVITT**

***COMPANY:***

**GLENNVIEW II-MICHAELS, LLC**

*By:* **Michael J. Levitt**, *Sole Member*

## EXHIBIT I:

## COOPERATION AGREEMENTS IN PLACE

(PLEASE SEE ATTACHED)

# COOPERATION AGREEMENT

The following public housing developments are included in the Cooperation Agreement:

| PROJECT NAME/NUMBER | | TOTAL UNITS |
|---|---|---|
| MARION GARDENS | N.J. 9-2 | 234 |
| BOOKER T. WASHINGTON | N.J. 9-3 | 314 |
| HUDSON GARDENS | N.J. 9-4 | 222 |
| HOLLAND GARDENS | N.J. 9-5 | 192 |
| MONTGOMERY GARDENS | N.J. 9-6 | 462 |
| CURRIES WOODS | N.J. 9-8 | 91 |
| BERRY GARDENS | N.J. 9-9 | 368 |
| DWIGHT STREET HOMES | N.J. 9-10 | 34 |
| LAFAYETTE SENIOR LIVING CENTER | N.J. 9-13 | 83 |
| THOMAS J. STEWART APTS. | N.J. 9-14 | 48 |
| OCEAN POINTE EAST | N.J. 9-20 | 29 |
| | TOTAL | 2,077 |

# EXHIBIT J:

## FINANCIAL AGREEMENTS IN FORCE

(PLEASE SEE ATTACHED)

## EXISTING FINANCIAL AGREEMENTS

All parties of the applicant who have an interest in any other financial agreements in force and effect in the City of Jersey City include:

1) The Jersey City Housing Authority has a current tax enhancement agreement in place with the City of Jersey City for the 36 residential units at the premises located at 254 Bergen Avenue.

2) The Jersey City Housing Authority has a current tax enhancement agreement in place with the City of Jersey City for the 90 residential units at Arlington Gardens located at 315 Randolph Avenue.

3) The Jersey City Housing Authority and Lafayette Community Limited Partnership have a current tax enhancement agreement in place (under the NJHMFA Statute) with the City of Jersey City for the 124 residential units at the mixed-income HOPE VI Lafayette Village located at 579 Grand Street.

4) The Jersey City Housing Authority and Lafayette Family Urban Renewal Associates, L.P. have a current tax enhancement agreement in place with the City of Jersey City for the 70 residential units at the mixed-income HOPE VI Woodward Terrace located at 511 Grand Street.

5) The Jersey City Housing Authority and Lafayette Family II Urban Renewal Associates, L.P. have a current tax enhancement agreement in place with the City of Jersey City for the 72 residential units at the mixed-income HOPE VI Pacific Court Townhouses located at 320 Bramhall Avenue.

6) The Jersey City Housing Authority and Lafayette Family Phase III Urban Renewal Associates, L.P. have a current tax enhancement agreement in place with the City of Jersey City for the 67 residential units plus community center at the mixed-income HOPE VI Barbara Place Terrace located at Ash Street, Carbon Street and Pacific Avenue.

7) The Jersey City Housing Authority and A. Harry Moore Phase I Associates, L.P. have a current tax enhancement agreement in place with the City of Jersey City for the 66 residential units at the mixed-income HOPE VI Gloria Robinson Court Homes I located at 332-336 Duncan Avenue.

8) The Jersey City Housing Authority and A. Harry Moore Phase II Associates, L.P. have a current tax enhancement agreement in place with the City of Jersey City for the 78 residential units and community center at the mixed-income HOPE VI Gloria Robinson Court Homes II located at 340-344 Duncan Avenue.

9) The Jersey City Housing Authority and Lafayette Family Phase IV Urban Renewal Associates, L.P. have a current tax enhancement agreement in place with the City of Jersey City for the 63 residential units under

construction at the mixed-income HOPE VI Glennview Townhouses I located at Grande Street, Barbara Place, and Halladay Street.

10) The Jersey City Housing Authority and AHM Housing Urban Renewal Associates, LLC have a current tax enhance agreement in place with the City of Jersey City for the 60 residential units under construction at the mixed-income HOPE VI A. Harry Moore Phase III Development located at 324 Duncan Avenue.

# Glennview Townhouses II - East

## Tax Abatement Application to the City of Jersey City

Submitted to:
Jersey City Tax Abatement Committee
30 Montgomery Street
Jersey City, NJ 07302
Attn: Mr. Al Cameron, Dpty. Director of HEDC

By:
Glennview Townhouses II Urban Renewal Associates, LP
c/o Jersey City Housing Authority
400 US Highway 1
Jersey City, NJ 07306
Attn: Ms. Joan Pollock , Development Director

# CERTIFIED APPLICATION TO THE CITY OF JERSEY CITY FOR LONG TERM TAX EXEMPTION OF GLENNVIEW TOWNHOUSES II - EAST

In compliance with Executive Order #S-02-003 of the Mayor of the City of Jersey City, the Applicant herewith submits the following information in support of its application for a Long Term Tax Exemption pursuant to the Urban Renewal Corporation and Association Law, N.J.S.A 40A:20-1 et seq.

| | |
|---|---|
| Applicant: | Glennview Townhouses II Urban Renewal Associates, LP<br>C/o Jersey City Housing Authority<br>400 US Highway No. 1 (Marion Gardens)<br>Jersey City, New Jersey 07306 |
| Property: | Block 2088.1, Lots and 11.03<br>344 Woodward Street and 511 Grand Street<br>Jersey City, New Jersey 07304 |
| Development: | Glennview Townhouses II - East, an affordable family rental housing development<br>Located at 344 Woodward Street and 511 Grand Street<br>Jersey City, New Jersey 07304 |
| Applicant's Architect: | Nando Micale<br>Nando Micale Architecture<br>1700 Market Street, 28th Floor<br>Philadelphia, PA 19103 |
| Applicant's Attorney: | Nancy A. Skidmore, Esq.<br>Connell Foley, LLP<br>Harborside Financial Center<br>2510 Plaza Five<br>Jersey City, NJ 07311-4029<br>(201) 521-1000 |

**LIST OF EXHIBITS:**

Exhibit

| | |
|---|---|
| A. | Description of Property |
| B. | Preliminary Site Plans & Architectural Renderings |
| C. | Description of Leases |
| D-1. | Total Annual Gross Revenue Computation – Year 1 |
| D-2. | Total Annual Gross Revenue Computation – Year 16 |
| E. | Estimated Total Development Cost |
| F-1. | Projected Statement of Property Operations – Year 1 |
| F-2. | Projected Statement of Property Operations – Year 16 |
| G. | Proposed Financial Agreement |
| H. | Certificate of Formation and Disclosure Statement |
| I. | Cooperation Agreements in Place |
| J. | Financial Agreements in Force |

## APPLICATION

1. **Identification of the Property:**

The development is located at 344 Woodward Street and 511 Grand Street, known as Block 2088.1, Lots 9 and 11.03 on the Tax Map of the City of Jersey City. The Property consists of 84,141 square feet (or ± 1.45 acres) of vacant land. The metes and bounds description of the land where the Development is located is attached hereto as *Exhibit A*. Further, for context, the preliminary site plans and architectural renderings have been provided as *Exhibit B*.

2. **Type of Development:**

The Property was formerly a portion of the Lafayette Gardens public housing development once operated by the Jersey City Housing Authority ("JCHA"). Upon the award of a HUD HOPE VI Implementation Grant in 2001, JCHA began incrementally revitalizing the Lafayette Gardens neighborhood. With the completion of the forty (40) units at the Development and at its sister project, Glennview Townhouses II–West - which together make up the seventh and final rental phase of the Lafayette Gardens Revitalization Plan - JCHA and the Michaels Development Company ("Michaels") will have transformed four hundred ninety-five (495) formerly severely distressed public housing units into a vibrant new mixed-income residential community. The Lafayette Gardens revitalization consists of: one hundred forty-eight (148) senior rental units, three hundred thirty-three (333) family townhome rentals, and six (6) for-sale townhomes, developed both on-site and in nearby neighborhoods. At the Development, as well as each of the other family developments at Lafayette Gardens, the Development will be truly mixed income with a combination of public housing units, affordable units, and market rate units.

The Property will be owned by JCHA and site control will be provided to the Applicant via a Long Term Ground Lease with JCHA. The Property will be improved upon with forty (40) newly constructed, energy efficient apartments (the "Development"). As is shown in the provided site plan found in *Exhibit B*, the Development will consist of four buildings, all of which are three story stacked townhomes.

In total, the Development contains just over 47,800 square feet of leasable residential space. The unit breakdown is as follows:

| ***Unit Type*** | ***Unit Count*** | ***Avg SF*** | ***Total SF per Type*** |
|---|---|---|---|
| 1 BR | 9 | 860 | 7,740 |
| 2 BR | 17 | 1,150 | 19,550 |
| 3 BR | 12 | 1,397 | 16,764 |
| 4 BR | 2 | 1,889 | 3,778 |
| | ***40*** | | ***47,832*** |

As is the case at the balance of the Lafayette Gardens family developments, the Development will have a series of leasing tiers and include a mix of: public housing units (herein referred to as "ACC"), in which the households will pay 30% of their income for rent; project based voucher units reserved for non-elderly disabled households (the Applicant has secured six vouchers for these units) that will come from JCHA's waiting list; low income tax credit units (leased to households earning at or below 60% of Area Median Income); non-LIHTC ACC units (households earning between 60 and 80% AMI); and non-restricted 'market' units.

The anticipated number, size, and rent for the affordable apartments will be as follows:

| ***Leasing Tier*** | ***Unit Type*** | ***No. of Units*** | ***Square Footage**** | ***Net Monthly Rent***** | ***Tenant Portion of Rent*** |
|---|---|---|---|---|---|
| ACC | 1 BR | 6 | 860 | $ 466 | $ 285 |
| | 2 BR | 8 | 1,150 | $ 466 | $ 340 |
| | 3 BR | 3 | 1,397 | $ 466 | $ 405 |
| | 4 BR | 2 | 1,889 | $ 466 | $ 440 |
| ACC Only | 1 BR | 1 | 860 | $ 466 | $ 466 |
| | 2 BR | 1 | 1,150 | $ 466 | $ 466 |
| | 3 BR | 1 | 1,397 | $ 466 | $ 466 |
| PBV- NEDS | 2 BR | 2 | 1,150 | $ 1,206 | $ 340 |
| | 3 BR | 3 | 1,397 | $ 1,460 | $ 405 |
| Tax Credit | 2 BR | 2 | 1,889 | $ 688 | $ 688 |
| | 3 BR | 7 | 1,150 | $ 787 | $ 787 |
| Market | 2 BR | 2 | 1,397 | $ 1,500 | $ 1,500 |
| | 3 BR | 2 | 1,889 | $ 1,850 | $ 1,850 |
| | | **40** | | | |

* The exact square footage and rent could vary. The numbers above represent the average square footage and rent for each type of apartment.

** The balance of the rents will be paid by HUD pursuant to either a Public Housing Operating Subsidy ("ACC" Subsidy) or a Housing Assistance Payments Contract (project based vouchers).

As noted above, the affordable housing units will be available only to those who qualify under the relevant federal and state guidelines which are as follows: households which earn at or below 60% of the Area Median Income for all of the LIHTC funded units and under 80% AMI for the non-LIHTC ACC units of which there are three (3). Each

ACC and PBV household will be expected to pay 30% of their adjusted annual income towards rent. HUD's current published unit rent limits per bedroom type and household type for 60% of AMI is as follows:

| | NUMBER OF BEDROOMS | | | | | |
|---|---|---|---|---|---|---|
| | 0 | 1 | 2 | 3 | 4 | 5 |
| NO. PERSONS | 1 | 1.5 | 3 | 4.5 | 6 | 7.5 |
| | $ 752 | $ 804 | $ 966 | $ 1,116 | $ 1,244 | $ 1,373 |

Lastly, the market rate units, of which there are four (4) in the Development, will carry no income limitations.

Interstate Realty Management Company, (herein referred to as "IRM"), who is an affiliate of the Developer and corporate guarantor, the Michaels Development Company I, LP, will serve as the property manager and will qualify potential residents of the affordable units in accordance with federal and state guidelines. IRM currently operates over 35,000 units that Michaels has developed since its creation in 1973, including all of the phases at the Lafayette Gardens HOPE VI development, which include two senior projects that are similar in scope to what is proposed to the Development.

In addition to the many unit amenities, including modern, energy star appliances and ample living spaces and storage areas, the residents will have access to the amenities of the nearly Barbara Place Community Center. Located just across the street, Barbara Place Terrace's newly constructed 5,000 square foot multi-purpose building will provide the residents of the Development immediate access to property management and the many free social services as well as use of the buildings wellness center and multi-purpose room.

3. **Type of Abatement Requested:**

In light of the above, and as JCHA and Michaels have done at Lafayette Gardens, the Applicant seeks a Long Term Tax Exemption based on a formula pursuant to the Urban Renewal Corporation and Association Law, N.J.S.A 40A:20-1 et seq.(the "Urban Renewal Law"). The P.I.L.O.T requested is 8% of the Adjusted Annual Gross Revenue (gross project revenue less utilities or "net shelter rents") for the income restricted units which translates to **$19,168** annually or **$532** per affordable unit per year. The formula for this conclusion is provided below.

| Leasing Tier | Unit Type | Unit Count | Net Rent PUPM | Total Rent Per Month | Total Annual Rent |
|---|---|---|---|---|---|
| **Affordable Units** | | | | | |
| ACC | 1 BR | 6 | $ 466 | $ 2,796 | $ 33,553 |
| | 2 BR | 8 | $ 466 | $ 3,728 | $ 44,736 |
| | 3 BR | 3 | $ 466 | $ 1,398 | $ 16,776 |
| | 4 BR | 2 | $ 466 | $ 932 | $ 11,184 |
| ACC Only | 1 BR | 1 | $ 466 | $ 466 | $ 5,592 |
| | 2 BR | 1 | $ 466 | $ 466 | $ 5,592 |
| | 3 BR | 1 | $ 466 | $ 466 | $ 5,592 |
| PBV- NEDS | 2 BR | 2 | $ 1,206 | $ 2,412 | $ 28,944 |
| | 3 BR | 3 | $ 1,460 | $ 4,380 | $ 52,560 |
| Tax Credit | 2 BR | 2 | $ 688 | $ 1,376 | $ 16,512 |
| | 3 BR | 7 | $ 787 | $ 5,509 | $ 66,108 |
| | | **36** | | **$ 23,929** | **$ 287,149** |
| | | | | *Less vacancy (5%)* | *$ (14,358)* |
| | | | | *Less utilities* | *$ (33,188)* |
| | | | | ***Subtotal*** | ***$ 239,603*** |
| | | | | ***Times 8%*** | ***$ 19,168*** |

For the non-restricted, or 'market' units, the Applicant requests that it be able to pay an annual fee based on 15% of the income for these four (4) units. This translates to a total annual payment of **$11,216** or **$2,804** per market unit. The calculation for this assumption is provided below.

| Non-Restricted Units | | | | | |
|---|---|---|---|---|---|
| Market | 2 BR | 2 | 1500 | $ 3,000 | $ 36,000 |
| | 3 BR | 2 | 1850 | $ 3,700 | $ 44,398 |
| | | 4 | | **$ 6,700** | **$ 80,398** |
| | | | | *Less vacancy (7%)* | *$ (5,628)* |
| | | | | ***Subtotal*** | ***$ 74,770*** |
| | | | | ***Times 15%*** | ***$ 11,216*** |

In summation, for the first year of operations the Applicant would pay the City an annual fee of **$30,384.**

In accordance with the Long Term Exemption Statute and the New Jersey Housing and Mortgage Finance Agency's ("NJHMFA") Low Income Housing Tax Credit (herein referred to as "LIHTC") Qualified Allocation Plan, this

P.I.L.O.T. percentage would be fixed for the first 15 years of the exemption period. This is comparable to the terms of the financial agreements between the City of Jersey City and the ownership entities for the Housing Authority's HOPE VI project phases at Lafayette Gardens. As discussed on page 10 of the provided Draft Financial Agreement, appended hereto as *Exhibit G,* after the first fixed 15 years (Stage One), the Applicant will pay the City an Annual Service Charge which will be adjusted in stages over the term of the tax exemption in accordance with N.J.S.A. 40A:20-12(b) as follows:

I. Stage Two: Beginning on the 1st day of the 16th year following Substantial Completion until the last day of the 21st year, an amount equal to the greater of the Annual Service Charge or 20% of the amount of the taxes otherwise due on the value of the land and Improvements;

III. Stage Three: Beginning on the 1st day of the 22nd year following the Substantial Completion until the last day of the 27th year, an amount equal to the greater of the Annual Service Charge or 40% of the amount of the taxes otherwise due on the value of the land and Improvements;

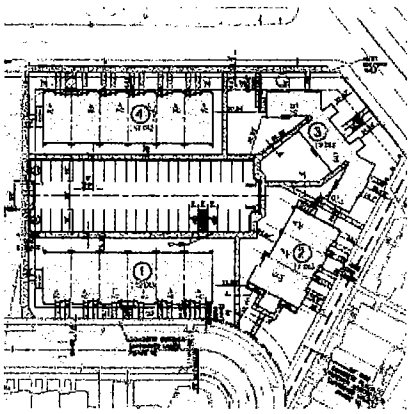
IV. Stage Four: Beginning on the 1st day of the 28th year following Substantial Completion until the last day of the 29th year, an amount equal to the greater of the Annual Service Charge or 60% of the amount of the taxes otherwise due on the value of the land and Improvements.

The complete calculations for the estimated P.I.L.O.T. have provided in the Total Annual Gross Revenue Computation set forth in *Exhibit D* and the Proposed Statement of Stabilized Property Operations set forth in *Exhibit F.*

4. **Term of Abatement:**

The term of the tax exemption being requested by the Applicant is 30 years from the date of substantial completion of the Development or for period not to exceed the period of time by which the Development is encumbered by funding provided to the Applicant by the New Jersey Housing and Mortgage Agency pursuant to the NJMHFA Law commencing from the date of substantial completion of the Development (i.e. LIHTC compliance period, amortization period for permanent debt – if applicable).

5. **Description of the Development:**



The Property consists of approximately 84,141 square feet (or ± 1.45 acres) of land located at 344 Woodward Street and 511 Grand Street. Although the Property is currently vacant, the site was once part of the former Lafayette Gardens public housing development. The Property, as set forth in the provided site plan in *Exhibit B* and as shown to the right, is formerly

known as Block 2088.1, Lots 9 and 11.03. It is bounded by Woodward Street to the North, Grand Street to the East, Van Horne Street to the South, and a previous Lafayette Gardens family phase to the West, Glennview Townhouses I, which is currently under construction.

The site is currently zoned R-3. JCHA completed the demolition of the three story residential buildings on this site prior to the Applicant's involvement.

Upon completion, Glennview Townhouses II – East will consist of a total of forty (40) mixed income rental units, arranged in four buildings. With the exception of one multi-family "crab"-shaped building (#3 shown above), all of the remaining buildings are stacked row-homes. The crab building will contain stacked one bedroom flats and the other three will contain several different types of units built in three and four story stacked row-home fashion, similar to those constructed at the previous Lafayette Gardens communities. The units are programmed in various configurations with one unit either above or below the other. Each of these buildings will appear as conventional "row-homes" with each apartment having a front door (and no shared entrances).

The construction type will be wood frame, using a combination of brick, ground-face masonry units and horizontal siding and shingles as exterior finish. The overall architectural design is one of traditional urban "row houses" with architectural elements found within the larger Lafayette neighborhood incorporated in the building facades. A mixture of gable and hip roof forms and a variety of roof pitches will be used. The roofs will be asphalt shingles, consistent with the existing materials found in the neighborhood. Window and door openings will be accented with cast stone details where appropriate. End units are designed to "turn the corner" with entries on both faces, side bays and in the line with the roof. All units will have *covered* entries from the street and outdoor storage is being provided for the two and three bedroom units. Generous use of landscaping elements including street and ornamental trees, shrubbery and ground covers will reinforce the existing streets, define the private spaces and enhance the project design. Along with street extensions, new architecturally compatible street lighting will be provided. *Exhibit B* contains preliminary site plan and architectural renderings and floor plans of the structures.

6. **Estimated Total Cost of Development:**

The total development cost, as set forth in *Exhibit E* is estimated to be **$ 11,384,716.** The construction costs have been estimated based upon information compiled by the Applicant and its consultants. The Total Development Cost is subject to approval by the NJHMFA.

7. **Financing Structure:**

Major financing for the Development will be provided by the following sources:

1. NJHMFA – in the form of: 1) a permanent 30-yr mortgage; 2) a Special Needs Trust Fund direct subsidy; 3) and an a 9% Low Income Housing Tax Credit ("LIHTC") allocation from the Federal Low Income Housing Tax Credit Program
2. Construction and/or Permanent Financing from JCHA
3. A direct subsidy from the Federal Home Loan Bank's Affordable Housing Program
4. A City CDBG allocation

8. **Annual Gross Revenue and Expenses**:

A Schedule of Annual Gross Revenue for the Development is attached hereto as *Exhibit D.* A Projected Statement of Operations is attached hereto as *Exhibit E.* As is the case with the Development Costs, the Annual Gross Revenue and Projected Statement of Operations are subject to approval by the NJHMFA.

9. **Construction Schedule**:

If the Applicant is successful in securing LIHTC's in the August 2011 Competitive Funding Round, the construction of the Development is scheduled to commence in May 2012 and will be completed within approximately fourteen (14) months. This construction schedule is subject to modification based upon the time required to obtain the necessary funding and governmental approvals and permits from those local, state and federal governmental agencies involved in the Development.

10. **Fair Market Value:**

The Current (2011) Land Assessment for the Property, Block 2088.1, Lots 9 and 11.03 is **$ 1,530,700.** The Real Estate Tax Assessment attributable to Lots 9 and 11.03 is subject to review and determination by the Tax Assessor.

11. **Current Real Estate Tax Status**:

For 2010, no taxes were levied on the property as it is exempt being owned by the JCHA pursuant to a Cooperation Agreement between the City and the JCHA. Enclosed as *Exhibit I* is a listing of the public housing developments that are included in the JCHA's Cooperation Agreements with the City. The subject site is included within this list.

Provided as *Exhibit J,* is a listing of other financial agreements in place within Jersey City between the City and the JCHA, the Lafayette Gardens HOPE VI ownership entities and/or Michaels Development Company and its

subsidiaries.

12. **Developer Certification as to Commencement of the Development.**

With the submission and signing of this application, the Applicant certifies that it will not commence construction of the Development prior to the receipt of final approval of the tax abatement and the execution of a Financial Agreement between the City and the Applicant.

13. **Estimated Jobs to be created:**

Based on the Developer's past experience in the City and the projected scope of work at the Development, it is anticipated that the Development will generate approximately seventy-one (71) full time equivalent construction jobs during the term of construction. In addition, it is projected that the Development will generate two direct full time and one part time permanent employment opportunities upon the commencement of operations of the Development. This Development will not cause any loss or displacement of current employments opportunities. All of the aforementioned employment opportunities will be immediately created. The Applicant agrees to execute a Development Employment Agreement simultaneously with the execution of a financial agreement. The Applicant will also adhere to the Housing Authority's Section 3 Employment and Contracting Opportunity Requirements.

The Development is exempt from the requirements of City Ordinance #07-123, which may otherwise require the execution of a Development Labor Agreement. This Application is for tax exemption pursuant to the NJHMFA Law and, therefore, not a "Tax Abated Development" as defined under Ordinance #07-123.

14. **Compliance with State and Local Redevelopment Laws.**

With the submission and signing of this application, the Applicant certifies that the Development is located in the R-3 Zoning District and the Urban Enterprise Zone Area.

The Development will be constructed in accordance with the terms and conditions of any preliminary site plan approval granted by the Jersey City Planning Board and in compliance with any state permits or approvals required for the renovation or new construction. The application for preliminary site plan approval was heard by the Jersey City Planning Board and approved on May 10, 2011.

15. **Compliance with State and Local Law:**

With the submission and signing of this application, the Applicant certifies that the Development meets the

16. **Form of Financial Agreement:**

Attached hereto as *Exhibit G* is a proposed form of Financial Agreement between the City of Jersey City and the Applicant which is modeled after the Glennview Townhomes I agreement that was also sponsored by JCHA and applied for by an affiliate of the Developer that was executed on August 26, 2008 and approved by Jersey City Ordinance 08-106.

17. **Certificate of Formation:**

The Applicant is an Urban Renewal Entity and Limited Partnership formed pursuant to the laws of the State of New Jersey and is qualified to do business in New Jersey.

Attached hereto as part of *Exhibit H* is a copy of the Certificate of Formation as an Urban Renewal Entity dated February 24, 2011. A Disclosure Statement listing the names and address of the members of the Applicant is attached hereto as part the above noted attachment.

18. **Affordable Housing Contribution**:

No affordable housing contribution is required pursuant to Section 304-28 of the Code of the City of Jersey City. This Application is for tax exemption pursuant to the Urban Renewal Law, and this Development contains affordable housing units that are in excess of 15% of the overall number of units. Therefore, the Development is entitled to exemption on two separate bases under Section 304-28.

19. **Fee:**

Since this Application concerns a Development which provides housing for families of low or moderate income, no application fee is required.

Respectively submitted:

**Glennview Townhouses II Urban Renewal Associates, LP**
By its General Partner, Glennview II-Michaels, LLC

Joel Silver, Vice President

# EXHIBIT A

## DESCRIPTION OF PROPERTY

Address: Property is commonly known 344 Woodward Street and 511 Grand Street, Jersey City, NJ 07304

Block 2088.1, Lots 9 and 11.03

A metes and bounds description is attached hereto.

PS&S
integrating design & engineering

67B Mountain Boulevard Extension
P.O. Box 4039
Warren, NJ 07059
Tel 732.560.9700
www.psands.com

**REVISED EXISTING LOT 9, BLOCK 2088.1**

**CITY OF JERSEY CITY, HUDSON COUNTY**

**NEW JERSEY**

Beginning at the intersection of the southerly line of Woodward Street, 60.00 feet in width, and the division line between Lots 11.03 and 9 in Block 2088.1 all as laid down on a certain map entitled "Amended Preliminary & Final Major Subdivision of Block 2088.1, Lots 2, 9, 11, 13, 14 & 15, City of Jersey City, Hudson County, New Jersey" dated 1/05/2010 and last revised 2/16/2010, prepared by Paulus, Sokolowski and Sartor, LLC, 67B Mountain Boulevard Extension, Warren, New Jersey and running from the beginning point herein described; thence,

1) South 30 degrees 59 minutes 58 seconds East, along the said division line, for a distance of 204.00 feet to a point lying in the northerly right of way line of a forty seven foot wide right of way; thence,

2) South 59 degrees 00 minutes 03 seconds West, along the said northerly right of way line of a forty seven foot wide right of way, for a distance of 109.31 feet to the division line between Lots 8 and 9 in Block 2088.1; thence,

3) North 30 degrees 59 minutes 50 seconds West, along the said division line, for a distance of 204.00 feet to a point lying in the aforementioned southerly right of way line of Woodward Street; thence,

4) North 59 degrees 00 minutes 03 East, along the same, for a distance of 109.30 feet to the point and place of beginning.

Containing a calculated area of 22,298 square feet or 0.512 acres. The above description also being known and designated as Lot 9 in Block 2088.1 on the abovementioned final subdivision map.

Francis C. Wecht, Jr.
Professional Land Surveyor
NJ License No. 27190
January 5, 2010
Revised March 24, 2010

P:\02488\007\V\Descriptions\REVISED DESCRIPTIONS 03-24-10\Lot 9 revised description.doc
5/25/2011

PS&S
integrating design & engineering

67B Mountain Boulevard Extension
P.O. Box 4039
Warren, NJ 07059
Tel 732.560.9700
www.psands.com

# PROPOSED NEW LOT 11.03, BLOCK 2088.1
# CITY OF JERSEY CITY, HUDSON COUNTY
# NEW JERSEY

Beginning at the intersection of the southerly line of Woodward Street, 60.00 feet in width, and the southwesterly right of way line of Grand Avenue, 80.00 feet in width, all as laid down on a certain map entitled "Amended Preliminary & Final Major Subdivision of Block 2088.1, Lots 2, 9, 11, 13, 14 & 15, City of Jersey City, Hudson County, New Jersey" dated 1/05/2010 and last revised 2/16/2010, prepared by Paulus, Sokolowski and Sartor, LLC, 67B Mountain Boulevard Extension, Warren, New Jersey and running from the beginning point herein described; thence,

1) South 69 degrees 36 minutes 18 seconds East, along the said southwesterly line of Grand Street, for a distance of 92.12 feet to the division line between Lots 11.02 and 11.03 in Block 2088.1; thence,

2) South 03 degrees 02 minutes 16 seconds East, along the said division line, for a distance of 224.51 feet to a point lying a curve in the easterly line of a variable width right of way; thence,

3) Northwesterly, along the said easterly right of way line of a variable width right of way, on a curve bearing to the left having a radius of 70.00 feet with a central angle of 86 degrees 57 minutes 39 seconds, with a chord bearing of North 77 degrees 31 minutes 07 seconds West and chord distance of 96.34 feet, for a distance along an arc of 106.24 feet to a point of tangency in the northerly right of way line of a forty seven foot wide right of way; thence

4) South 59 degrees 00 minutes 03 seconds West, along the said northerly right of way line of a forty seven foot wide right of way, for a distance of 153.56 feet to the division line between Lots11.03 and 9 in Block 2088.1; thence,

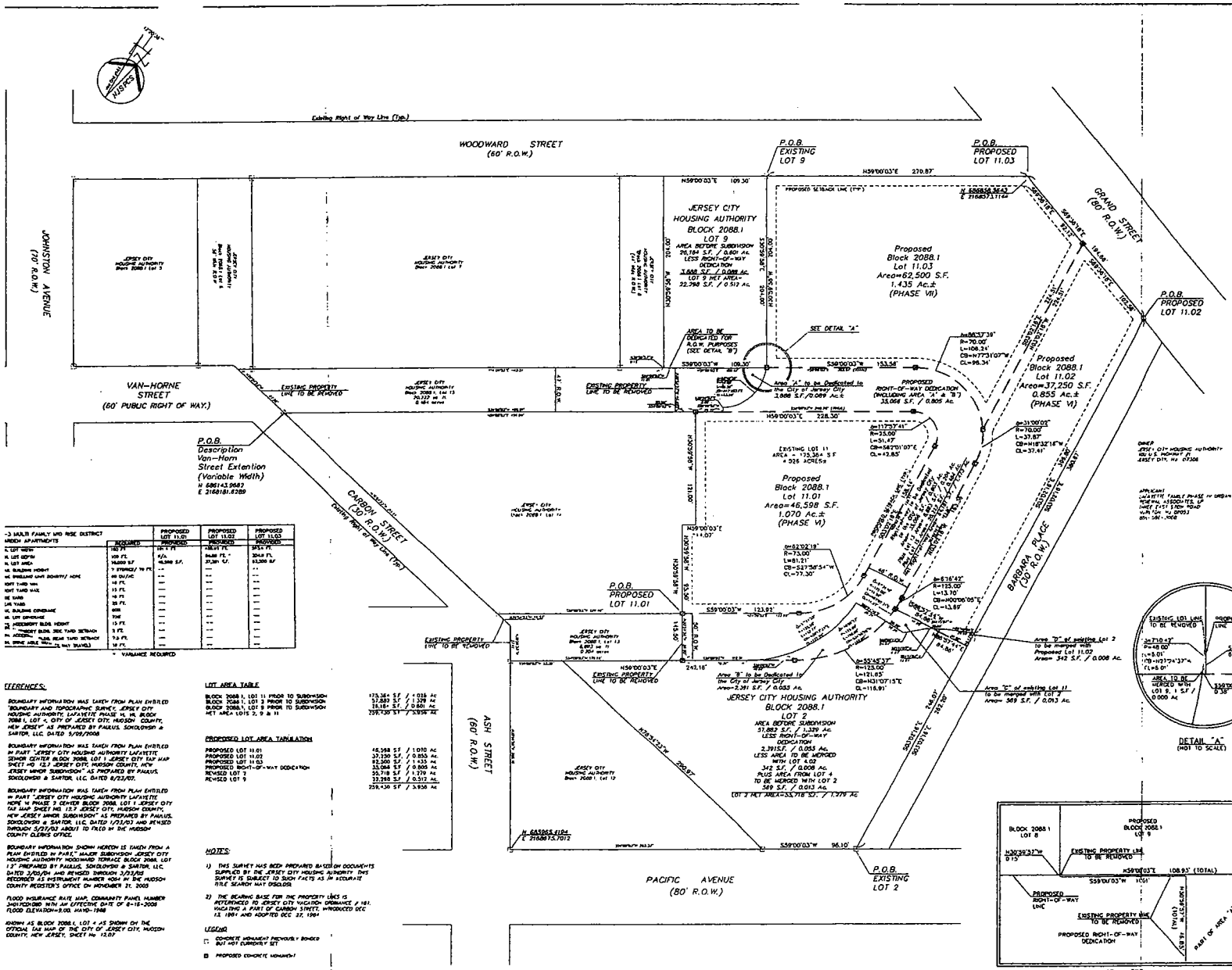
5) North 30 degrees 59 minutes 58 seconds West, along the said division line, for a distance of 204.00 feet to a point lying in the aforementioned southerly right of way line of Woodward Street; thence,

6) North 59 degrees 00 minutes 03 East, along the same, for a distance of 270.87 feet to the point and place of beginning.

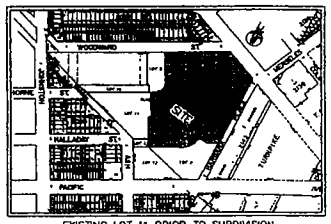
Containing a calculated area of 62,500 square feet or 1.435 acres. The above description also being known and designated as Proposed Lot 11.03 in Block 2088.1 on the abovementioned final subdivision map.

_____

Francis C. Wecht, Jr.
Professional Land Surveyor
NJ License No. 27190
January 5, 2010
Revised March 24, 2010



VICINITY MAP
1" = 800'



EXISTING LOT 11 PRIOR TO SUBDIVISION
(NOT TO SCALE)

| | REQUIRED | PROPOSED LOT 11.01 PROVIDED | PROPOSED LOT 11.02 PROVIDED | PROPOSED LOT 11.03 PROVIDED |
|---|---|---|---|---|
| ...-3 MULTI FAMILY MID RISE DISTRICT | | | | |
| ...NDEPEN APARTMENTS | | | | |
| ML LOT WIDTH | 100 FT. | 100 FT. | 100.00 FT. | 375± FT. |
| ML LOT DEPTH | 100 FT. | N/A | 100.00 FT. | 300± FT. |
| ML LOT AREA | 10,000 S.F. | 46,598 S.F. | 37,250 S.F. | 62,500 S.F. |
| ML BUILDING HEIGHT | 3 STORIES/ 70 FT. | -- | -- | -- |
| ML DWELLING UNIT DENSITY/ HOME | 44 DU/AC | -- | -- | -- |
| FRONT YARD MIN. | 10 FT. | -- | -- | -- |
| FRONT YARD MAX. | 15 FT. | -- | -- | -- |
| SIDE YARD | 10 FT. | -- | -- | -- |
| REAR YARD | 25 FT. | -- | -- | -- |
| ML BUILDING COVERAGE | 60% | -- | -- | -- |
| ML LOT COVERAGE | 70% | -- | -- | -- |
| ACCESSORY BLDG. HEIGHT | 15 FT. | -- | -- | -- |
| ACCESSORY BLDG. SIDE YARD SETBACK | 5 FT. | -- | -- | -- |
| ML ACCESSORY BLDG. REAR YARD SETBACK | 5.0 FT. | -- | -- | -- |
| ML SIGNS (MULTI FAMILY) | 10 FT. | -- | -- | -- |

* VARIANCE REQUIRED

## REFERENCES:

BOUNDARY INFORMATION WAS TAKEN FROM PLAN ENTITLED "BOUNDARY AND TOPOGRAPHIC SURVEY, JERSEY CITY HOUSING AUTHORITY, LAFAYETTE PHASE VI, VII, BLOCK 2088.1, LOT 9, CITY OF JERSEY CITY, HUDSON COUNTY, NEW JERSEY" AS PREPARED BY PAULUS, SOKOLOWSKI & SARTOR, LLC. DATED 3/05/2008

BOUNDARY INFORMATION WAS TAKEN FROM PLAN ENTITLED IN PART "JERSEY CITY HOUSING AUTHORITY LAFAYETTE SENIOR CENTER BLOCK 2088, LOT 1 JERSEY CITY TAX MAP SHEET NO 12.2 JERSEY CITY, HUDSON COUNTY, NEW JERSEY MINOR SUBDIVISION" AS PREPARED BY PAULUS, SOKOLOWSKI & SARTOR, LLC. DATED 8/23/07.

BOUNDARY INFORMATION WAS TAKEN FROM PLAN ENTITLED IN PART "JERSEY CITY HOUSING AUTHORITY LAFAYETTE HOME VI PHASE 2 CENTER BLOCK 2088, LOT 1 JERSEY CITY TAX MAP SHEET NO. 12.2 JERSEY CITY, HUDSON COUNTY, NEW JERSEY MINOR SUBDIVISION" AS PREPARED BY PAULUS, SOKOLOWSKI & SARTOR, LLC. DATED 1/31/03 AND REVISED THROUGH 5/27/03 ABOUT TO FILED IN THE HUDSON COUNTY CLERKS OFFICE.

BOUNDARY INFORMATION SHOWN HEREON IS TAKEN FROM A PLAN ENTITLED IN PART "MAJOR SUBDIVISION JERSEY CITY HOUSING AUTHORITY WOODWARD TERRACE BLOCK 2088, LOT 1.2" PREPARED BY PAULUS, SOKOLOWSKI & SARTOR, LLC. DATED 3/03/04 AND REVISED THROUGH 3/23/05 RECORDED AS INSTRUMENT NUMBER 4084 IN THE HUDSON COUNTY REGISTER'S OFFICE ON NOVEMBER 21, 2005

FLOOD INSURANCE RATE MAP, COMMUNITY PANEL NUMBER 3401C0088G WITH AN EFFECTIVE DATE OF 8-18-2008 FLOOD ELEVATION=9.00 NAVD-1988

KNOWN AS BLOCK 2088.1, LOT 4 AS SHOWN ON THE OFFICIAL TAX MAP OF THE CITY OF JERSEY CITY, HUDSON COUNTY, NEW JERSEY, SHEET No 12.07

## LOT AREA TABLE

| | | |
|---|---|---|
| BLOCK 2088.1, LOT 11 PRIOR TO SUBDIVISION | 173,364 S.F. | / 4.016 Ac |
| BLOCK 2088.1, LOT 2 PRIOR TO SUBDIVISION | 57,883 S.F. | / 1.329 Ac |
| BLOCK 2088.1, LOT 9 PRIOR TO SUBDIVISION | 26,184 S.F. | / 0.601 Ac |
| NET AREA LOTS 2, 9 & 11 | 257,430 S.F. | / 5.946 Ac |

## PROPOSED LOT AREA TABULATION

| | | |
|---|---|---|
| PROPOSED LOT 11.01 | 46,598 S.F. | / 1.070 Ac |
| PROPOSED LOT 11.02 | 37,250 S.F. | / 0.855 Ac |
| PROPOSED LOT 11.03 | 62,500 S.F. | / 1.435 Ac |
| PROPOSED RIGHT-OF-WAY DEDICATION | 33,064 S.F. | / 0.805 Ac |
| REVISED LOT 2 | 55,718 S.F. | / 1.279 Ac |
| REVISED LOT 9 | 22,298 S.F. | / 0.512 Ac |
| | 257,430 S.F. | / 5.946 Ac |

## NOTES:

1) THIS SURVEY HAS BEEN PREPARED BASED ON DOCUMENTS SUPPLIED BY THE JERSEY CITY HOUSING AUTHORITY. THIS SURVEY IS SUBJECT TO SUCH FACTS AS AN ACCURATE TITLE SEARCH MAY DISCLOSE.

2) THE BEARING BASE FOR THE PROPERTY LINES IS REFERENCED TO JERSEY CITY VACATION ORDINANCE # 181, VACATING A PART OF CARBON STREET, WRONGLY DEC 13, 1961 AND ADOPTED DEC 27, 1961

## LEGEND

- CONCRETE MONUMENT PREVIOUSLY SEARCHED BUT NOT CURRENTLY SET
- PROPOSED CONCRETE MONUMENT

## CERTIFICATIONS

I HEREBY CERTIFY THAT THIS MAP COMPLIES WITH THE PROVISIONS OF CHAPTER 141 P.L. 1960 AND FURTHER CERTIFY THAT IT HAS BEEN APPROVED FOR FILING IN THE OFFICE OF THE COUNTY CLERK OF HUDSON COUNTY BY THE PLANNING BOARD OF THE CITY OF JERSEY CITY. THIS CERTIFICATION SHALL EXPIRE IF THIS MAP IS NOT PROPERLY FILED WITH SAID COUNTY CLERK WITHIN 95 DAYS OF THE APPROVAL REFERRED TO.

CHAIRMAN, PLANNING BOARD — DATE 6/15/10

SECRETARY, PLANNING BOARD — DATE 6/16/10

I HEREBY CERTIFY THAT TO THE BEST OF MY KNOWLEDGE AND BELIEF THIS MAP AND LAND SURVEY DATED AUGUST 5, 2008 MEETS THE MINIMUM SURVEY DETAIL REQUIREMENTS AS PROMULGATED BY THE STATE BOARD OF PROFESSIONAL ENGINEERS AND LAND SURVEYORS AND WAS BEEN MADE UNDER MY SUPERVISION AND COMPLIES WITH THE PROVISIONS OF "THE MAP FILING LAW" AND THAT THE OUTBOUND MONUMENTS AS SHOWN HAVE BEEN FOUND. THE INTERIOR MONUMENTS SHOWN ON THIS MAP SHALL BE SET WITHIN AN APPROPRIATE TIME LIMIT AS PROVIDED FOR IN THE "MUNICIPAL LAND USE LAW" P.L. 1975 c 291 (C.40:55D-1 ET SEQ.)

FRANCIS C. WECHT, JR. PROFESSIONAL LAND SURVEYOR N.J. LIC. NO. 27190 — DATE 5/13/10

I HAVE CAREFULLY EXAMINED THIS MAP AND TO THE BEST OF MY KNOWLEDGE AND BELIEF FIND IT CONFORMS WITH THE PROVISIONS OF "THE MAP FILING LAW" RESOLUTION OF APPROVAL AND MUNICIPAL ORDINANCES AND REQUIREMENTS APPLICABLE THERETO

CITY ENGINEER — DATE 5/21/10

I HEREBY CERTIFY THAT ALL STREETS AND AVENUES, ROADS, LANES OR ALLEYS SHOWN HEREON HAVE BEEN APPROVED BY THE PLANNING BOARD OF THE CITY OF JERSEY CITY AND THAT BONDS HAVE BEEN SHOWN TO BE CITY GUARANTEEING THE COMPLETION FOR SAME.
I CERTIFY THAT A BOND HAS BEEN GIVEN TO THE MUNICIPALITY GUARANTEEING THE FUTURE SETTING OF THE MONUMENTS SHOWN ON THIS MAP AND SO SIGNATED.

MUNICIPAL CLERK — DATE 6/21/10

I HEREBY CERTIFY THAT THE SUBDIVISION SHOWN HEREON IS MADE WITH THE FREE CONSENT AND IN ACCORDANCE WITH THE DESIRES OF THE OWNER AND THEY ARE IN CONSENT TO THE PLANS THEREOF

JERSEY CITY HOUSING AUTHORITY — DATE 6.7.2010

APPLICANT: LAFAYETTE FAMILY PHASE IV URBAN RENEWAL ASSOCIATES, LP
SHEET EAST STOW ROAD
SALEM, NJ 08033
ATTN: MR. DAVID GLEANNON
GLEANNON TOWNHOUSES URBAN RENEWAL ASSOCIATES, LP — DATE 6/15/2010

HUDSON COUNTY APPROVAL



DETAIL "B"
(NOT TO SCALE)

| REVISIONS | | | REVISIONS | | |
|---|---|---|---|---|---|
| DESCRIPTION | NO. | DATE | DESCRIPTION | NO. | DATE |
| PER CITY PLANNER'S COMMENTS | | | | | |
| PER CITY PLANNER'S COMMENTS | | | | | |
| PER CITY PLANNER'S COMMENTS | | | | | |
| PER CITY PLANNER'S COMMENTS | | | | | |
| PER CITY PLANNER'S COMMENTS | | | | | |
| PER CITY ENGINEER'S COMMENTS | | | | | |
| PER CITY ENGINEER'S COMMENTS | | | | | |

GRAPHIC SCALE
( IN FEET )
1 inch = 40 ft.

PROJECT
# JERSEY CITY HOUSING AUTHORITY PHASE VI & VII

PS&S LLC
Integrating Design & Engineering
574 MOUNTAIN BOULEVARD EXTENSION
P.O. BOX 499
WAYNESBORO, NEW JERSEY 07005
PHONE: (732) 988-8700
FAX: (732) 988-8700
CERTIFICATE OF AUTHORIZATION NO 24GA28031700

FRANCIS C. WECHT, JR.
N.J. LIC. NO. 27190
SIGNATURE — DATE 5/13/10
PROFESSIONAL LAND SURVEYOR

SHEET TITLE
# AMENDED PRELIMINARY & FINAL MAJOR SUBDIVISION
of
BLOCK 2088.1, LOTS 2,9,11,13,14 & 15
CITY OF JERSEY CITY, HUDSON COUNTY, N.J.

| | |
|---|---|
| DATE | 1/05/2010 |
| SCALE | 1"=10' |
| DRAWN | WMP/DJT |
| CHKD | FCW |
| JOB NO | 03-488-007 |
| SHEET NO | 1 of 1 |

IGHTS RESERVED COPYRIGHT PAULUS, SOKOLOWSKI & SARTOR, LLC.

# EXHIBIT B:

## PRELIMINARY SITE PLANS & ARCHITECTURAL RENDERINGS

Glennview Townhouses II-East

WOODWARD STREET (60' R.O.W.)

JOHNSTON AVENUE (70' R.O.W.)

VAN-HORNE STREET (60' PUBLIC RIGHT OF WAY.)

VAN-HORNE STREET

CARBON STREET (50' R.O.W.)

HALLADAY STREET

GRAND STREET (60' R.O.W.)

BARBARA STREET (50' R.O.W.)

Block 2088.1 Lot 8 (44' Wide R.O.W.)

NOTE:
1. PROVIDE ARROW SIGN (W16-7P) WITH ALL CROSSWALK SIGNS (W11-2) WHERE SIGN IS DIRECTLY ADJACENT TO CROSSWALK.

REVISIONS/ISSUES

Jersey City Housing Authority

GRAPHIC SCALE

PATRICIA A. RUSKAN, P.E.
PROFESSIONAL ENGINEER
N.J. LICENSE NO. 40016

PS&S Integrating design & engineering

PROJECT TITLE: LAFAYETTE PHASE VII MULTI-FAMILY RESIDENTIAL

SHEET TITLE: SITE PLAN

DATE: 12/29/2009
SCALE: 1"=30'
DRAWN: CY
CHKD: PAR
JOB NO. 02468-005
SHEET NO. C-5

# EXHIBIT C

## DESCRIPTION OF RESIDENTIAL LEASES
## GOOD FAITH ESTIMATE OF INITIAL RENTS

1. Name of Tenant: Various – 40 in total

2. Term of Lease: Initial term of lease not less than 1 year.

3. Number of Apartments: 40

Affordable Apartments: 36
Market Rate Apartments:4

| *Leasing Tier* | *Unit Type* | *No. of Units* | *Square Footage** | *Net Monthly Rent*** | *Tenant Portion of Rent* |
|---|---|---|---|---|---|
| ACC | 1 BR | 6 | 860 | $ 466 | $ 285 |
| | 2 BR | 8 | 1,150 | $ 466 | $ 340 |
| | 3 BR | 3 | 1,397 | $ 466 | $ 405 |
| | 4 BR | 2 | 1,889 | $ 466 | $ 440 |
| ACC Only | 1 BR | 1 | 860 | $ 466 | $ 466 |
| | 2 BR | 1 | 1,150 | $ 466 | $ 466 |
| | 3 BR | 1 | 1,397 | $ 466 | $ 466 |
| PBV- NEDS | 2 BR | 2 | 1,150 | $ 1,206 | $ 340 |
| | 3 BR | 3 | 1,397 | $ 1,460 | $ 405 |
| Tax Credit | 2 BR | 2 | 1,889 | $ 688 | $ 688 |
| | 3 BR | 7 | 1,150 | $ 787 | $ 787 |
| Market | 2 BR | 2 | 1,397 | $ 1,500 | $ 1,500 |
| | 3 BR | 2 | 1,889 | $ 1,850 | $ 1,850 |
| | | **40** | | | |

* The balance of the rents will be paid by HUD pursuant to either a Public Housing Operating Subsidy ("ACC" Subsidy) or a Housing Assistance Payments Contract (project based vouchers).

**The actual percentage of tenant rent to net rent could vary as HUD regulations restrict housing costs at 30% of annual

household income. These numbers are currently underwritten at 21% AMI. The numbers above represent the projected average rent for each type of apartment.

4. Premium paid directly by Tenant Annually:

| | | |
|---|---|---|
| a. | Fire & other insurance | NONE |
| b. | Real Estate Taxes of Assessments | NONE |
| c. | Operating and maintenance expenses* | UNIT UTILITIES - ELECTRIC, AC, GAS |

5. Special Features in the Development

Community facilities: Access to social services, community spaces, wellness center, and tot lots at the new nearby Barbara and Glennview communities

Immediate Proximity to public transportation, on-site parking, and storage

*Energy Efficient Design (Energy Star) which greatly reduce utility expenses for units

# EXHIBIT D-1

## TOTAL ANNUAL GROSS REVENUE COMPUTATION

### Year 1

| Leasing Tier | Unit Type | Unit Count | Net Rent PUPM | Total Rent Per Month | Total Annual Rent |
|---|---|---|---|---|---|
| *Affordable Units* | | | | | |
| ACC | 1 BR | 6 | $ 466 | $ 2,796 | $ 33,553 |
| | 2 BR | 8 | $ 466 | $ 3,728 | $ 44,736 |
| | 3 BR | 3 | $ 466 | $ 1,398 | $ 16,776 |
| | 4 BR | 2 | $ 466 | $ 932 | $ 11,184 |
| ACC Only | 1 BR | 1 | $ 466 | $ 466 | $ 5,592 |
| | 2 BR | 1 | $ 466 | $ 466 | $ 5,592 |
| | 3 BR | 1 | $ 466 | $ 466 | $ 5,592 |
| PBV- NEDS | 2 BR | 2 | $ 1,206 | $ 2,412 | $ 28,944 |
| | 3 BR | 3 | $ 1,460 | $ 4,380 | $ 52,560 |
| Tax Credit | 2 BR | 2 | $ 688 | $ 1,376 | $ 16,512 |
| | 3 BR | 7 | $ 787 | $ 5,509 | $ 66,108 |
| | | **36** | | **$ 23,929** | **$ 287,149** |
| | | | | *Less vacancy (5%)* | *$ (14,358)* |
| | | | | *Less utilities* | *$ (33,188)* |
| | | | | ***Subtotal*** | ***$ 239,603*** |
| | | | | ***Times 8%*** | ***$ 19,168*** |
| *Non-Restricted Units* | | | | | |
| Market | 2 BR | 2 | 1500 | $ 3,000 | $ 36,000 |
| | 3 BR | 2 | 1850 | $ 3,700 | $ 44,398 |
| | | 4 | | **$ 6,700** | **$ 80,398** |
| | | | | *Less vacancy (7%)* | *$ (5,628)* |
| | | | | ***Subtotal*** | ***$ 74,770*** |
| | | | | ***Times 15%*** | ***$ 11,216*** |
| | | | | ***TOTAL YR 1 PILOT*** | ***$ 30,384*** |

# EXHIBIT D-2

## TOTAL ANNUAL GROSS REVENUE COMPUTATION

### Year 16

| Leasing Tier | Unit Type | Unit Count | Net Rent PUPM | Total Rent Per Month | Total Annual Rent |
|---|---|---|---|---|---|
| **Affordable Units** | | | | | |
| ACC | 1 BR | 6 | $ 627 | $ 3,763 | $ 45,161 |
| | 2 BR | 8 | $ 627 | $ 5,018 | $ 60,215 |
| | 3 BR | 3 | $ 627 | $ 1,882 | $ 22,581 |
| | 4 BR | 2 | $ 627 | $ 1,254 | $ 15,054 |
| ACC Only | 1 BR | 1 | $ 627 | $ 627 | $ 7,527 |
| | 2 BR | 1 | $ 627 | $ 627 | $ 7,527 |
| | 3 BR | 1 | $ 627 | $ 627 | $ 7,527 |
| PBV- NEDS | 2 BR | 2 | $ 1,708 | $ 3,417 | $ 41,002 |
| | 3 BR | 3 | $ 1,708 | $ 5,125 | $ 61,503 |
| Tax Credit | 2 BR | 2 | $ 926 | $ 1,852 | $ 22,224 |
| | 3 BR | 7 | $ 1,059 | $ 7,413 | $ 88,955 |
| | | ***36*** | | ***$ 31,606*** | ***$ 386,432*** |
| | | | | *Less vacancy (5%)* | *$ (19,323)* |
| | | | | *Less utilities* | *$ (51,705)* |
| | | | | ***Subtotal*** | ***$ 315,404*** |
| | | | | ***Times 8%*** | ***$ 25,232*** |
| **Non-Restricted Units** | | | | | |
| Market | 2 BR | 2 | $ 2,019 | $ 4,037 | $ 48,447 |
| | 3 BR | 2 | $ 2,490 | $ 4,979 | $ 59,752 |
| | | ***4*** | | ***$ 9,017*** | ***$ 108,199*** |
| | | | | *Less vacancy (7%)* | *$ (7,574)* |
| | | | | ***Subtotal*** | ***$ 100,625*** |
| | | | | ***Times 15%*** | ***$ 15,094*** |
| | | | | ***TOTAL YR 16 PILOT*** | ***$ 40,326*** |

*The actual rent in Year 16 will be based upon the HUD published rate for that year and will likely vary from this projection. The assumed 3% inflation factor above is a projection determined by NJHMFA underwriting assumptions (as shown in the 15 year Operating Income Projection Schedule found on the following page).

Glennview Townhouses II - East East 40 units
Development Feasibility

**16 Year Operating Income**

| | PER UNIT or % | ANNUAL TRENDING | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 | YEAR 6 | YEAR 7 | YEAR 8 | YEAR 9 | YEAR 10 | YEAR 11 | YEAR 12 | YEAR 13 | YEAR 14 | YEAR 15 | YEAR 16 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME | | | | | | | | | | | | | | | | | | |
| ACC/TAX CREDIT UNITS | | | | | | | | | | | | | | | | | | |
| GROSS RENT (Tenant Share) | | 2.00% | $78,300 | $79,866 | $81,463 | $83,092 | $84,753 | $86,448 | $88,176 | $89,939 | $91,737 | $93,571 | $95,442 | $97,350 | $99,297 | $101,282 | $103,307 | $105,373 |
| LAUNDRY | | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| PARKING | | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| OTHER | 0.0% | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| SUBTOTAL | | | $78,300 | $79,866 | $81,463 | $83,092 | $84,753 | $86,448 | $88,176 | $89,939 | $91,737 | $93,571 | $95,442 | $97,350 | $99,297 | $101,282 | $103,307 | $105,373 |
| VACANCY | | | | | | | | | | | | | | | | | | |
| PHYSICAL | 4% | | -$3,132 | -$3,195 | -$3,259 | -$3,324 | -$3,390 | -$3,458 | -$3,527 | -$3,598 | -$3,669 | -$3,743 | -$3,818 | -$3,894 | -$3,972 | -$4,051 | -$4,132 | -$4,215 |
| COLLECTION | 1% | | -$783 | -$799 | -$815 | -$831 | -$848 | -$864 | -$882 | -$899 | -$917 | -$936 | -$954 | -$974 | -$993 | -$1,013 | -$1,033 | -$1,054 |
| NET | | | $74,385 | $75,872 | $77,389 | $78,937 | $80,515 | $82,126 | $83,767 | $85,442 | $87,151 | $88,892 | $90,670 | $92,482 | $94,332 | $96,218 | $98,142 | $100,104 |
| ACC ONLY | | | | | | | | | | | | | | | | | | |
| GROSS RENT (Tenant Share) | | 2.00% | $16,776 | $17,111 | $17,453 | $17,802 | $18,158 | $18,521 | $18,891 | $19,268 | $19,653 | $20,046 | $20,446 | $20,854 | $21,271 | $21,696 | $22,129 | $22,571 |
| LAUNDRY | | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| PARKING | | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| OTHER | 0.0% | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| SUBTOTAL | | | $16,776 | $17,111 | $17,453 | $17,802 | $18,158 | $18,521 | $18,891 | $19,268 | $19,653 | $20,046 | $20,446 | $20,854 | $21,271 | $21,696 | $22,129 | $22,571 |
| VACANCY | | | | | | | | | | | | | | | | | | |
| PHYSICAL | 4% | | -$671 | -$684 | -$698 | -$712 | -$726 | -$741 | -$756 | -$771 | -$786 | -$802 | -$818 | -$834 | -$851 | -$868 | -$885 | -$903 |
| COLLECTION | 1% | | -$168 | -$171 | -$175 | -$178 | -$182 | -$185 | -$189 | -$193 | -$197 | -$200 | -$204 | -$209 | -$213 | -$217 | -$221 | -$226 |
| NET | | | $15,937 | $16,256 | $16,580 | $16,912 | $17,250 | $17,595 | $17,946 | $18,304 | $18,670 | $19,044 | $19,424 | $19,811 | $20,207 | $20,611 | $21,023 | $21,442 |
| PBV- NEDS TAX CREDIT UNITS | | | | | | | | | | | | | | | | | | |
| GROSS RENT (Tenant Share) | | 2.00% | $22,740 | $23,194 | $23,657 | $24,130 | $24,612 | $25,104 | $25,606 | $26,118 | $26,640 | $27,172 | $27,715 | $28,269 | $28,834 | $29,410 | $29,998 | $30,597 |
| LAUNDRY | | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| PARKING | | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| OTHER | 0.0% | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| SUBTOTAL | | | $22,740 | $23,194 | $23,657 | $24,130 | $24,612 | $25,104 | $25,606 | $26,118 | $26,640 | $27,172 | $27,715 | $28,269 | $28,834 | $29,410 | $29,998 | $30,597 |
| VACANCY | | | | | | | | | | | | | | | | | | |
| PHYSICAL | 4% | | -$910 | -$928 | -$946 | -$965 | -$984 | -$1,004 | -$1,024 | -$1,045 | -$1,066 | -$1,087 | -$1,109 | -$1,131 | -$1,153 | -$1,176 | -$1,200 | -$1,224 |
| COLLECTION | 1% | | -$227 | -$232 | -$237 | -$241 | -$246 | -$251 | -$256 | -$261 | -$266 | -$272 | -$277 | -$283 | -$288 | -$294 | -$300 | -$306 |
| NET | | | $21,603 | $22,034 | $22,474 | $22,924 | $23,382 | $23,849 | $24,326 | $24,812 | $25,308 | $25,813 | $26,329 | $26,855 | $27,393 | $27,940 | $28,498 | $29,067 |
| TAX CREDIT (ONLY) UNITS | | | | | | | | | | | | | | | | | | |
| GROSS RENT (Tenant Share) | | 2.00% | $82,620 | $84,272 | $85,957 | $87,676 | $89,429 | $91,217 | $93,041 | $94,901 | $96,799 | $98,734 | $100,708 | $102,722 | $104,776 | $106,871 | $109,008 | $111,188 |
| LAUNDRY | | 2.00% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| PARKING | | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| OTHER | 0.0% | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| SUBTOTAL | | | $82,620 | $84,272 | $85,957 | $87,676 | $89,429 | $91,217 | $93,041 | $94,901 | $96,799 | $98,734 | $100,708 | $102,722 | $104,776 | $106,871 | $109,008 | $111,188 |
| VACANCY | | | | | | | | | | | | | | | | | | |
| PHYSICAL | 4% | | -$3,305 | -$3,371 | -$3,438 | -$3,507 | -$3,577 | -$3,649 | -$3,722 | -$3,796 | -$3,872 | -$3,949 | -$4,028 | -$4,109 | -$4,191 | -$4,275 | -$4,360 | -$4,448 |
| COLLECTION | 1% | | -$826 | -$843 | -$860 | -$877 | -$894 | -$912 | -$930 | -$949 | -$968 | -$987 | -$1,007 | -$1,027 | -$1,048 | -$1,069 | -$1,090 | -$1,112 |
| NET | | | $78,489 | $80,058 | $81,659 | $83,292 | $84,958 | $86,656 | $88,389 | $90,156 | $91,959 | $93,798 | $95,673 | $97,586 | $99,537 | $101,527 | $103,558 | $105,628 |
| SUBSIDIES | | | | | | | | | | | | | | | | | | |
| SECTION 8 | | 2.00% | $58,764 | $59,939 | $61,138 | $62,361 | $63,608 | $64,880 | $66,178 | $67,501 | $68,851 | $70,228 | $71,633 | $73,066 | $74,527 | $76,018 | $77,538 | $79,089 |
| SECTION 9 | | 2.00% | $27,948 | $28,507 | $29,077 | $29,659 | $30,252 | $30,857 | $31,474 | $32,103 | $32,746 | $33,400 | $34,068 | $34,750 | $35,445 | $36,154 | $36,877 | $37,614 |
| OTHER | | | | | | | | | | | | | | | | | | |
| SUBTOTAL | | | $86,712 | $88,446 | $90,215 | $92,019 | $93,860 | $95,737 | $97,652 | $99,605 | $101,597 | $103,629 | $105,701 | $107,815 | $109,972 | $112,171 | $114,415 | $116,703 |
| VACANCY | 5% | | -$4,336 | -$4,422 | -$4,511 | -$4,601 | -$4,693 | -$4,787 | -$4,883 | -$4,980 | -$5,080 | -$5,181 | -$5,285 | -$5,391 | -$5,499 | -$5,609 | -$5,721 | -$5,835 |
| NET | | | $82,376 | $84,024 | $85,704 | $87,418 | $89,167 | $90,950 | $92,769 | $94,625 | $96,517 | $98,448 | $100,416 | $102,424 | $104,473 | $106,562 | $108,694 | $110,868 |
| MARKET UNITS (NON-TAX CREDIT) | | | | | | | | | | | | | | | | | | |
| GROSS RENT | | 2.00% | $80,398 | $82,005 | $83,645 | $85,317 | $87,023 | $88,763 | $90,538 | $92,348 | $94,194 | $96,077 | $97,998 | $99,957 | $101,956 | $103,995 | $106,074 | $108,196 |
| LAUNDRY | | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| PARKING | | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| OTHER | | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| SUBTOTAL | | | $80,398 | $82,005 | $83,645 | $85,317 | $87,023 | $88,763 | $90,538 | $92,348 | $94,194 | $96,077 | $97,998 | $99,957 | $101,956 | $103,995 | $106,074 | $108,196 |
| VACANCY | | | | | | | | | | | | | | | | | | |
| PHYSICAL | 6% | | -$4,824 | -$4,920 | -$5,019 | -$5,119 | -$5,221 | -$5,326 | -$5,432 | -$5,541 | -$5,652 | -$5,765 | -$5,880 | -$5,997 | -$6,117 | -$6,240 | -$6,364 | -$6,492 |
| COLLECTION | 1% | | -$804 | -$820 | -$836 | -$853 | -$870 | -$888 | -$905 | -$923 | -$942 | -$961 | -$980 | -$1,000 | -$1,020 | -$1,040 | -$1,061 | -$1,082 |
| NET | | | $74,771 | $76,265 | $77,790 | $79,345 | $80,932 | $82,549 | $84,201 | $85,884 | $87,600 | $89,351 | $91,138 | $92,960 | $94,819 | $96,715 | $98,649 | $100,622 |
| EFFECTIVE INCOME | | | $347,561 | $354,509 | $361,596 | $368,828 | $376,204 | $383,725 | $391,398 | $399,223 | $407,205 | $415,346 | $423,650 | $432,118 | $440,761 | $449,573 | $458,564 | $467,734 |

# EXHIBIT E

## ESTIMATED TOTAL DEVELOPMENT COST

| | | | |
|---|---|---|---|
| 1 | Cost of land acquisition and any buildings thereon | $ | - |
| 2 | Cost of site preparation, demolition and development (incl. utility fees) | $ | 125,000 |
| 3 | Architects, engineers, surveyors, consultants, experts and attorney's fees (paid or payable) in connection with the planning, execution and financing of the Development | $ | 552,248 |
| 4 | Cost of necessary studies, surveys, plans, and permits (incl. geo-tech, market study, appraisal) | $ | 29,063 |
| 5 | Insurance, interest, financing, tax, assessment, and other operating and carrying costs during construction (incl. accounting/cost audit, title, soft contingency) | $ | 537,756 |
| 6 | Cost of construction, reconstruction, fixtures, and equipment related to the real property (incl. interior demo and remediation, contingency) | $ | 8,481,446 |
| 7 | Cost of land improvements | $ | - |
| 8 | Necessary expenses in connection with initial occupancy of Development (FF&E, marketing) | $ | 55,575 |
| 9 | A reasonable profit or fee to the developer | $ | 1,420,058 |
| 10 | An allowance established by the NJHMFA for working capital and contingency reserves, and reserves for any operating deficits | $ | 183,571 |
| 11 | Costs of guarantees, insurance or other additional financial security for the Development | $ | - |
| 12 | Cost of such other items, including tenant relocation, as the NJHMFA shall determine to be reasonable and necessary for the development of the Development , less any and all net rents and other revenues received from the operation of the real and personal property on the Development site during construction, improvement or rehabilitation | $ | - |
| | **TOTAL** | **$** | **11,384,716** |

# EXHIBIT F-1

## PROJECTED STATEMENT OF STABILIZED PROPERTY OPERATION

## Year 1

**ANNUAL INCOME***

| | | | | |
|---|---|---|---|---|
| Apartments (Tenant Rent & Operating Subsidy) | | | | |
| | Affordable Units | | $ | 287,149 |
| | less vacancy | 5% | $ | (14,358) |
| | Non-Restricted Units | | $ | 80,398 |
| | less vacancy | 7% | $ | (5,628) |
| Other Income | | | $ | - |
| **Total Development Income** | | | **$** | **347,561** |

**OPERATING EXPENSES:**

| | | | | |
|---|---|---|---|---|
| I. | ADMINISTRATION | | $ | 19,500 |
| II. | SALARIES | | $ | 40,625 |
| III. | MAINTENANCE & REPAIRS | | $ | 21,350 |
| IV. | MAINTENANCE CONTRACTS | | $ | 3,750 |
| V. | INSURANCE | | $ | 22,000 |
| | | ***Sub Total*** | ***$*** | ***107,225*** |
| VI. | OPERATING | | $ | 37,680 |
| VII. | MANAGEMENT FEE | | $ | 28,627 |
| VIII. | REAL ESTATE TAXES | | $ | 30,384 |
| IX. | RESERVES | | $ | 16,000 |
| VI. | SOCIAL SERVICES | | $ | 7,813 |
| VII. | OTHER: Employee Benefits | | $ | 14,101 |
| | ***Sub Total*** | | ***$*** | ***134,604*** |
| **Total Operating Expenses:** | | | **$** | **241,829** |
| **NET OPERATING INCOME BEFORE DEBT SERVICE:** | | | **$** | **105,731** |

| | | |
|---|---|---|
| **DEBT SERVICE:** | | |
| 1. Principal and Interest | $ | 91,942 |
| 2. Debt Service on Other Mortgage Loans | $ | - |
| **Total Debt Service** | **$** | **91,942** |
| **NET OPERATING INCOME AFTER DEBT SERVICE:** | **$** | **13,789** |

**for detail see Ex.D*

# EXHIBIT F-2

## PROJECTED STATEMENT OF STABILIZED PROPERTY OPERATION

## Year 16

| | | | | |
|---|---|---|---|---|
| **ANNUAL INCOME*** | | | | |
| Apartments (Tenant Rent & Operating Subsidy) | | | | |
| | Affordable Units | | $ | 386,432 |
| | less vacancy | 5% | $ | (19,323) |
| | Non-Restricted Units | | $ | 108,199 |
| | less vacancy | 7% | $ | (7,574) |
| Other Income | | | $ | - |
| **Total Development Income** | | | **$** | **467,734** |

| | | | | |
|---|---|---|---|---|
| **OPERATING EXPENSES:** | | | | |
| I. | ADMINISTRATION | | $ | 30,372 |
| II. | SALARIES | | $ | 63,282 |
| III. | MAINTENANCE & REPAIRS | | $ | 33,252 |
| IV. | MAINTENANCE CONTRACTS | | $ | 5,834 |
| V. | INSURANCE | | $ | 34,268 |
| | | ***Sub Total*** | ***$*** | ***167,008*** |
| VI. | OPERATING | | $ | 58,696 |
| VII. | MANAGEMENT FEE | | $ | 44,591 |
| VIII. | REAL ESTATE TAXES | | $ | 40,326 |
| IX. | RESERVES | | $ | 24,920 |
| VI. | SOCIAL SERVICES | | $ | 12,161 |
| VII. | OTHER: Employee Benefits | | $ | 21,960 |
| | | ***Sub Total*** | ***$*** | ***202,654*** |
| **Total Operating Expenses:** | | | **$** | **369,662** |
| **NET OPERATING INCOME BEFORE DEBT SERVICE:** | | | **$** | **98,072** |
| **DEBT SERVICE:** | | | | |
| 1. Principal and Interest | | | $ | 91,942 |
| 2. Debt Service on Other Mortgage Loans | | | $ | - |

| | | |
|---|---|---|
| **Total Debt Service** | **$** | **91,942** |

| | | |
|---|---|---|
| **NET OPERATING INCOME AFTER DEBT SERVICE:** | **$** | **6,130** |

*The actual NOI in Year 16 will be based upon the adjusted project income (based on the HUD published rate for that year – which will likely vary from this projection). Further, the assumed 3% expenses inflation factor above is a projection determined by NJHMFA underwriting assumptions (as shown in the 15 year Net Operating Income Projection Schedule found on the following page).

Glennview Townhouses II - East
Development Feasibility

CALENDAR YEAR -- 2012
East 40 units

16 Year - Net Operating Income

| | PER UNIT or % | ANNUAL TRENDING | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 | YEAR 6 | YEAR 7 | YEAR 8 | YEAR 9 | YEAR 10 | YEAR 11 | YEAR 12 | YEAR 13 | YEAR 14 | YEAR 15 | YEAR 16 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EFFECTIVE INCOME | | | $347,561 | $354,509 | $361,596 | $368,828 | $376,204 | $383,725 | $391,398 | $399,223 | $407,205 | $415,346 | $423,650 | $432,118 | $440,761 | $449,573 | $458,564 | $467,734 |
| EXPENSES Base $1,357 | | | | | | | | | | | | | | | | | | |
| ADMINISTRATION | | 3.00% | $19,500 | $20,085 | $20,687 | $21,307 | $21,946 | $22,604 | $23,282 | $23,980 | $24,699 | $25,439 | $26,202 | $26,988 | $27,797 | $28,630 | $29,488 | $30,372 |
| SALARIES | | 3.00% | $40,625 | $41,843 | $43,098 | $44,390 | $45,721 | $47,092 | $48,504 | $49,959 | $51,457 | $53,000 | $54,590 | $56,227 | $57,913 | $59,650 | $61,439 | $63,282 |
| MAINTENANCE & REPAIRS | | 3.00% | $21,350 | $21,990 | $22,649 | $23,328 | $24,027 | $24,747 | $25,489 | $26,253 | $27,040 | $27,851 | $28,686 | $29,546 | $30,432 | $31,344 | $32,284 | $33,252 |
| MAINTENANCE CONTRACTS | | 3.00% | $3,750 | $3,862 | $3,977 | $4,096 | $4,218 | $4,344 | $4,474 | $4,608 | $4,746 | $4,888 | $5,034 | $5,185 | $5,340 | $5,500 | $5,665 | $5,834 |
| INSURANCE | | 3.00% | $22,000 | $22,660 | $23,339 | $24,039 | $24,760 | $25,502 | $26,267 | $27,055 | $27,866 | $28,701 | $29,562 | $30,448 | $31,361 | $32,301 | $33,270 | $34,268 |
| SUBTOTAL | | | $107,225 | $110,440 | $113,750 | $117,160 | $120,672 | $124,289 | $128,016 | $131,855 | $135,808 | $139,879 | $144,074 | $148,394 | $152,843 | $157,425 | $162,146 | $167,008 |
| OPERATING | | 3.00% | $37,680 | $38,810 | $39,974 | $41,173 | $42,408 | $43,680 | $44,990 | $46,339 | $47,729 | $49,160 | $50,634 | $52,153 | $53,717 | $55,328 | $56,987 | $58,696 |
| MANAGEMENT FEE | | 3.00% | $28,627 | $29,485 | $30,369 | $31,280 | $32,218 | $33,184 | $34,179 | $35,204 | $36,260 | $37,347 | $38,467 | $39,621 | $40,809 | $42,033 | $43,293 | $44,591 |
| REAL ESTATE TAXES | based on income | | $ 30,384 | $ 30,965 | $ 31,556 | $ 32,159 | $ 32,773 | $ 33,399 | $ 34,036 | $ 34,685 | $ 35,345 | $ 36,018 | $ 36,704 | $ 37,402 | $ 38,113 | $ 38,837 | $ 39,575 | $ 40,326 |
| RESERVES | | 3.00% | $16,000 | $16,480 | $16,974 | $17,483 | $18,007 | $18,547 | $19,103 | $19,676 | $20,266 | $20,873 | $21,499 | $22,143 | $22,807 | $23,491 | $24,195 | $24,920 |
| SOCIAL SERVICES | | 3.00% | $7,813 | $8,046 | $8,287 | $8,535 | $8,791 | $9,054 | $9,325 | $9,604 | $9,892 | $10,188 | $10,493 | $10,807 | $11,131 | $11,464 | $11,807 | $12,161 |
| OTHER: | BENEFITS/PAYROLL TAXES | 3.00% | $14,101 | $14,523 | $14,958 | $15,406 | $15,868 | $16,344 | $16,834 | $17,339 | $17,859 | $18,394 | $18,945 | $19,513 | $20,098 | $20,700 | $21,321 | $21,960 |
| | | | $134,604 | $138,309 | $142,118 | $146,036 | $150,065 | $154,208 | $158,467 | $162,847 | $167,351 | $171,980 | $176,742 | $181,639 | $186,675 | $191,853 | $197,178 | $202,654 |
| TOTAL OPERATING EXPENSES | | | $241,829 | $248,749 | $255,868 | $263,196 | $270,737 | $278,497 | $286,483 | $294,702 | $303,159 | $311,859 | $320,816 | $330,033 | $339,518 | $349,278 | $359,324 | $369,662 |
| NET OPERATING INCOME | | | $105,731 | $105,760 | $105,728 | $105,632 | $105,466 | $105,228 | $104,915 | $104,521 | $104,046 | $103,487 | $102,835 | $102,086 | $101,243 | $100,295 | $99,240 | $98,072 |
| DEBT SERVICE | | | | | | | | | | | | | | | | | | |
| FIRST HARD DEBT SERVICE | | | $91,942 | $91,942 | $91,942 | $91,942 | $91,942 | $91,942 | $91,942 | $91,942 | $91,942 | $91,942 | $91,942 | $91,942 | $91,942 | $91,942 | $91,942 | $91,942 |
| FIRST HARD DEBT SERVICING FEE | | bp | | | | | | | | | | | | | | | | |
| SECOND HARD DEBT SERVICE | | | | | | | | | | | | | | | | | | |
| CASH FLOW AFTER HARD DEBT | | | $13,789 | $13,818 | $13,785 | $13,690 | $13,524 | $13,286 | $12,973 | $12,579 | $12,103 | $11,544 | $10,892 | $10,143 | $9,300 | $8,353 | $7,297 | $6,130 |
| RATIO ANALYSIS | | | | | | | | | | | | | | | | | | |
| FIRST HARD DEBT COVERAGE RATIO | | | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 | 1.14 | 1.14 | 1.14 | 1.13 | 1.13 | 1.12 | 1.11 | 1.1 | 1.09 | 1.08 | 1.07 |
| EXPENSE : EFFECTIVE INCOME | | | 0.7 | 0.7 | 0.71 | 0.71 | 0.72 | 0.73 | 0.73 | 0.74 | 0.74 | 0.75 | 0.76 | 0.76 | 0.77 | 0.78 | 0.78 | 0.79 |
| PILOT Calc | | | | | | | | | | | | | | | | | | |
| *Affordable Rents (less vacancy)* | | | $ 272,790 | $ 278,244 | $ 283,806 | $ 289,483 | $ 295,272 | $ 301,176 | $ 307,197 | $ 313,339 | $ 319,605 | $ 325,995 | $ 332,512 | $ 339,158 | $ 345,942 | $ 352,858 | $ 359,915 | $ 367,109 |
| less utilities | | | $ (33,188) | $ (34,183) | $ (35,209) | $ (36,265) | $ (37,353) | $ (38,473) | $ (39,628) | $ (40,816) | $ (42,041) | $ (43,302) | $ (44,601) | $ (45,939) | $ (47,317) | $ (48,737) | $ (50,199) | $ (51,705) |
| Net shelter rents | | | $ 239,602 | $ 244,061 | $ 248,598 | $ 253,219 | $ 257,919 | $ 262,703 | $ 267,569 | $ 272,522 | $ 277,564 | $ 282,693 | $ 287,911 | $ 293,219 | $ 298,624 | $ 304,121 | $ 309,716 | $ 315,404 |
| Annual PILOT | | 8.00% | $ 19,168 | $ 19,525 | $ 19,888 | $ 20,257 | $ 20,634 | $ 21,016 | $ 21,406 | $ 21,802 | $ 22,205 | $ 22,615 | $ 23,033 | $ 23,458 | $ 23,890 | $ 24,330 | $ 24,777 | $ 25,232 |
| Market Rents | | | $ 74,772 | $ 76,266 | $ 77,791 | $ 79,346 | $ 80,933 | $ 82,550 | $ 84,202 | $ 85,885 | $ 87,601 | $ 89,352 | $ 91,139 | $ 92,961 | $ 94,820 | $ 96,716 | $ 98,650 | $ 100,623 |
| Annual PILOT (non restricted) | | 15.00% | $ 11,216 | $ 11,440 | $ 11,669 | $ 11,902 | $ 12,140 | $ 12,383 | $ 12,630 | $ 12,883 | $ 13,140 | $ 13,403 | $ 13,671 | $ 13,944 | $ 14,223 | $ 14,507 | $ 14,798 | $ 15,093 |
| total | | | $ 30,384 | $ 30,965 | $ 31,556 | $ 32,159 | $ 32,773 | $ 33,399 | $ 34,036 | $ 34,685 | $ 35,345 | $ 36,018 | $ 36,704 | $ 37,402 | $ 38,113 | $ 38,837 | $ 39,575 | $ 40,326 |

# EXHIBIT G

## PROPOSED FINANCIAL AGREEMENT

(PLEASE SEE ATTACHED)

FINANCIAL AGREEMENT

This Financial Agreement (this "Agreement") is made and entered into as of this _____ day of _____, 2011, by and between **GLENNVIEW TOWNHOUSES II URBAN RENEWAL ASSOCIATES, LP** (herein referred to as the "Redeveloper"), an urban renewal entity formed and qualified to do business in New Jersey under the provisions of the Long Term Tax Exemption Law of 1992, as amended and supplemented, N.J.S.A. 40A:20-1 et seq., having its principal office c/o Jersey City Housing Authority, 400 US Highway #1, Jersey City, New Jersey 07306, hereinafter referred to as the "Redeveloper", and the **CITY OF JERSEY CITY**, a Municipal Corporation of the County of Hudson and State of New Jersey, having its principal office at 280 Grove Street, Jersey City, NJ 07302 (hereinafter referred to as the "City").

**RECITALS**

**WITNESSETH:**

**WHEREAS,** the Entity has proposed the redevelopment of the area generally identified as the lands situated at 344 Woodward Street and 511 Grand Street; otherwise known on the City Tax Map as Block 2088.1, Lots 9 and 11.03, more particularly described in *Exhibit A*, (herein referred to as the "Property") into 40 units of new affordable rental housing (the "Development" or the "Improvements"); and

**WHEREAS,** this affordable housing project is located within a city with numerous redevelopment plans as well as a need for affordable housing and thus is eligible for tax exemption under Cervase v. Kawaida Towers, Inc., 124 NJ Super 547 (Law Div. 1973), Affirmed. 129 NJ Super 124 (App. Div. 1974); and

**WHEREAS,** The Property is currently vacant and owned by the Jersey City Housing Authority ("JCHA"); and

**WHEREAS,** the Entity plans to construct on the Property forty (40) units, of which will be thirty-three (33) will be reserved for households earning at or below 60% of Area Median Income ("AMI"); three (3) will be reserved for public housing households earning between 60 and 80% AMI; and four (4) will be 'market rate' units, therefore carrying no income restrictions.

**WHEREAS**, of the forty (40) units, nine (9) will be one bedroom apartments, seventeen (17) will be two bedroom apartments, twelve (12) will be three bedroom apartments, and two (2) will be four bedroom apartments ("Development").

**WHEREAS,** on _____, 2011, in accordance with the Act, the Entity filed a written application to the City for approval of a tax exemption for the Development; and

**WHEREAS,** the City made the following findings:

A. Relative Benefits of the Development when compared to the costs:

1. the current real estate tax would generate _____, if the property were subject to conventional taxes, whereas, the Annual Service charge as estimated, and will generate revenue to the City of approximately $30,380;

2. prior to the redevelopment, this property was a public housing development which under the cooperation agreement generated no real estate tax revenue;

3. it is expected that the Development will create approximately seventy-one (71) jobs during construction and two new full-time and one part-time permanent jobs;

4. the Development should stabilize and contribute to the economic growth of existing local business and to the creation of new business, which cater to the new residents;

5. the Development provides affordable housing which advances an inherently beneficial public purpose notwithstanding that the City's impact analysis, on file with the Office of the City Clerk, indicates that the service charge will not support the cost of providing municipal services to the Development ; and

B. Assessment of the Importance of the Tax Exemption in obtaining development of the Development and influencing the locational decisions of probable occupants:

1. the relative stability and predictability of the annual service charges will make the Development more attractive to investors and lenders needed to finance the Development ; and

2. the relative stability and predictability of the service charges will allow the owner to stabilize its operating budget, allowing a high level of maintenance to the building over the life of the Development , which will insure the likelihood of the success of the Development and insure that it will have a positive impact on the surrounding area; and

**WHEREAS,** by the adoption of Ordinance_____ adopted on _____, 2011, the Municipal Council approved the above findings and the tax exemption application and authorized the execution of this agreement.

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

## ARTICLE I - GENERAL PROVISIONS

### Section 1.1 Governing Law

This Agreement shall be governed by the provisions of the Long Term Tax Exemption Law, as amended and supplemented, NJ.S.A. 40A:20-1 et seq., Executive Order of the Mayor, 02-003, Ordinance 02-075, and Ordinance_____, which authorized the execution of this Agreement. It being expressly understood and agreed that the City expressly relies upon the facts, data, and representations contained in the Application, attached hereto as Exhibit 3, in granting this tax exemption.

### Section 1.2 General Definitions

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

I. **Affordable Low or Moderate Income** - A Person or Household whose total Gross Annual Income is equal to no more than 30% and 80% respectively of the median gross income figure established by geographic region and household size using the income guideline approved for use by the New Jersey Council on Affordable Housing or as it may be amended pursuant to NJ.A.C. 5:92-12.

II. **Allowable Net Profit-** The amount arrived at by applying the Allowable Profit Rate to Total Development Cost pursuant to N.J.S.A. 40A:20-3(c).

III. **Allowable Profit Rate** - The greater of 12% or the percentage per annum arrived at by adding 1.25% to the annual interest percentage rate payable on the Entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing, or if the financing is internal or undertaken by a related party, the Allowable Profit Rate shall be the greater of

12% or the percentage per annum arrived at by adding 1.25% per annum to the interest rate per annum which the municipality determines to be the prevailing rate on mortgage financing on comparable improvements in Hudson County. The provisions of N.J.S.A. 40A:20-3(b) are incorporated herein by reference.

IV. **Gross Revenue -** Any and all revenue derived from or generated by the Development of whatever kind or amount, whether received as rent from any tenants or income or fees from third parties, including but not limited to fees or income paid or received for parking, laundry, health club user fees or other services (such as lease premiums for views, fireplaces, etc.). No deductions will be allowed for operating or maintenance costs, including, but not limited to gas, electric, water and sewer, other utilities, garbage removal and insurance charges, whether paid for by the landlord, tenant or a third party, except for customary operating expenses of commercial tenants such as utilities, insurance and taxes (including payments in lieu of taxes) which shall be deducted from Gross Revenue based on the actual amount of such costs incurred.

V. **Annual Service Charge -** The amount the Entity has agreed to pay the City for municipal services supplied to the Development , which sum is in Lieu of any taxes on the Improvements, pursuant to N.J.SA 40A:20-12.

VI. **Auditor's Report -** A complete financial statement outlining the financial status of the Development (for a period of time as indicated by context), which shall also include a certification of Total Development Cost and clear computation of Net Profit. The contents of the Auditor's Report shall have been prepared in conformity with generally accepted accounting principles and shall contain at a minimum the following: a balance sheet, a statement of income, a statement of retained earnings or changes in stockholders' equity, a statement of cash flows, descriptions of accounting policies, notes to financial statements and appropriate schedules and explanatory material results of operations, cash flows and any other items required by Law. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

VII. **Certificate of Occupancy -** A document, whether temporary or permanent, issued by the City authorizing occupancy of a building, in whole or in part, pursuant to N.J.S.A. 52:27D-133.

VIII. **Debt Service -** The amount required to make annual payments of principal and

interest or the equivalent thereof on any construction mortgage, permanent mortgage or other financing including returns on institutional equity financing and market rate related party debt for the Development for a period equal to the term of this agreement.

IX. **Default** - Shall be a breach of or the failure of the Entity to perform any obligation imposed upon by the terms of this Agreement, or under the Law, beyond any applicable grace or cure periods.

X. **Entity** - The term Entity within this Agreement shall mean Glennview Townhouses II Urban Renewal Associates, L.P., which Entity is formed and qualified pursuant to NJ.S.A. 40A:20-5. It shall also include any subsequent purchasers or successors in interest of the Development , provided they are formed and operate under the Law.

XI. **Improvements or Development** - Any building, structure or fixture permanently affixed to the land and to be constructed and tax exempted under this Agreement.

XII. **In Rem Tax Foreclosure or Tax Foreclosure** - A summary proceeding by which the City may enforce a lien for taxes due and owing by tax sale, under N.J.S.A. 54:5-1 to 54:5-129 to 54:5-129 et seq.

XIII. **Land Taxes** - The amount of taxes assessed on the value of land, if any, on which the Development is located and, if applicable, taxes on any pre-existing improvements. Land Taxes may be exempt; however, if Land Taxes are levied, Entity shall receive a credit against the Annual Service Charge.

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

XV. **Law** - Law shall refer to the Long Term Tax Exemption Law, as amended and supplemented, N.J.S.A. 40A:20-1, et seq.; Executive Order of the Mayor 02-003, relating to long term tax exemption, as it may be amended and supplemented; Ordinance 02-075, and Ordinance 08-106, which authorized the execution of this Agreement; and Ordinance _____, as may be amended or supplemented from time to time, which requires the execution of a Development Labor

Agreement, and all other relevant Federal, State or City statutes, ordinances, resolutions, rules and regulations.

XVI. **Minimum Annual Service Charge** - The Minimum Annual Service Charge shall be the greater of:

(a) The amount of the total taxes levied against all real property in the area covered by the Development in the last full tax year in which the area was subject to taxation, or in the case of tax exempt property, the Development ed tax levy based upon the assessed value for the year in which the application is filed, which amount the parties agree would be $_____; or

(b) The sum of **$30, 384** per year, which sum will be prorated only in the years in which Substantial Completion occurs and this Agreement terminates.

The Minimum Annual Service Charge shall be paid in each year in which the Annual Service Charge, calculated pursuant to NJ.S.A. 40A:20-12 or this Agreement, would be less than the Minimum Annual Service Charge.

XVII. **Net Profit** - The Gross Revenues of the Entity less all operating and non-operating expenses of the Entity, all determined in accordance with generally accepted accounting principles, but:

(1) There shall be included in expenses: (a) all Annual Service charges paid pursuant to N.J.S.A. 40A:20-12; (b) all payments to the City of excess profits pursuant to NJ.S.A. 40A:20-15 or N.J.S.A. 40A:20-16; (c) an annual amount sufficient to amortize (utilizing the straight line method-equal annual amounts) the Total Development Cost and all capital costs determined in accordance with generally accepted accounting principles, of any other entity whose revenue is included in the computation of excess profits over the term of this agreement; (d) all reasonable annual operating expenses of the Entity and any other entity whose revenue is included in the computation of excess profits including the cost of all management fees, brokerage commissions, insurance premiums, all taxes or service charges paid, legal, accounting, or other professional

service fees, utilities, building maintenance costs, building and office supplies and payments into repair or maintenance reserve accounts; (e) all payments of rent including but not limited to ground rent by the Entity; (f) all debt service, if applicable; and

(2) There shall not be included in expenses either depreciation or obsolescence, interest on debt, except interest which is part of debt service, income taxes or salaries, bonuses or other compensation paid, directly or indirectly to directors, officers and stockholders of the entity, or officers, partners or other persons holding a proprietary ownership interest in the entity.

XVIII. **Pronouns** - He or it shall mean the masculine, feminine or neutral gender, the singular, as well as the plural, as context requires.

XIX. **Substantial Completion** - The determination by the City that the Development , in whole or in part, is ready for the use intended, which ordinarily shall mean the date on which the Development receives, or is eligible to receive any Certificate of Occupancy for any portion of the Development .

XX. **Termination** - Any act or omission which by operation of the terms of this Financial Agreement shall cause the Entity to relinquish its tax exemption.

XXI. **Total Development Cost** - The total cost of constructing the Development through the date a Certificate(s) of Occupancy is issued for the entire Development , which categories of cost are set forth in N.J.S.A. 40A:20-3(h). There shall be included in Total Development Cost the actual costs incurred by the Entity and certified by an independent and qualified architect or engineer, which are associated with site remediation and cleanup of environmentally hazardous materials or contaminants in accordance with State or Federal law and any extraordinary costs incurred including the cost of demolishing structures, relocation or removal of public utilities, cost of relocating displaced residents or buildings and the clearing of title. The Entity agrees that final Total Development Cost shall not be less than its estimated Total Development Cost.

## ARTICLE II - APPROVAL

### Section 2.1 Approval of Tax Exemption

The City hereby grants its approval for a tax exemption for all the Improvements to be constructed and maintained in accordance with the terms and conditions of this Agreement and the provisions of the Law which Improvements shall be constructed on certain property known on the Official Tax Assessor's Map of the City as: Block 2088.1, Lots 9 and 11.03, more commonly known by the street address of 344 Woodward Street and 511 Grand Street, and described by metes and bounds in Exhibit 1 attached hereto.

### Section 2.2 Approval of Entity

Approval is granted to the Entity whose Certificate of Formation is attached hereto as Exhibit 4. Entity represents that its Certificate contains all the requisite provisions of the Law; has been reviewed and approved by the Commissioner of the Department of Community Affairs; and has been filed with, as appropriate, the Office of the State Treasurer or Office of the Hudson County Clerk, all in accordance with N.J.SA. 40A:20-5.

### Section 2.3 Improvements to be Constructed

Entity represents that it will construct forty (40) new modern stacked townhome and flats apartments units, of which thirty-six (36) will be affordable to families of low income under 80% AMI and four (4) will be unrestricted 'market' units. The Development will contain nine (9) one bedroom apartments, seventeen (17) two bedroom apartments, twelve (12) will be three bedroom apartments, and two (2) will be four bedroom apartments as discussed in greater detail in the provided Application attached hereto as Exhibit 3.

### Section 2.4 Construction Schedule

The Entity agrees to diligently undertake to commence construction and complete the Development in accordance with the Estimated Construction Schedule, attached hereto as Exhibit 5.

### Section 2.5 Ownership, Management and Control

The Entity represents that it is the owner of the property upon which the Development is to be constructed. Upon construction, the Entity represents that the Improvements will be managed and controlled as follows:

The Entity represents that it is the owner of the Land upon which the Development is to be constructed and will manage and control the Development. The City acknowledges that the Entity may enter into a management agreement for the Development and will pay a management fee in accordance with BID regulations as provided in the Entity's agreement with HUD, which fee was disclosed in its tax exemption application. The City acknowledges that the Entity may enter into future management agreements so long as such agreements are not used to reduce the City's economic benefits under this Agreement and the management fees to be paid are comparable to those disclosed in the application.

**Section 2.6 Financial Plan**

The Entity represents that the Improvements shall be financed in accordance with the Financial Plan attached hereto as Exhibit 6. The Plan sets forth estimated Total Development Cost, the amortization rate on the Total Development Cost, the source of funds, the interest rates to be paid on construction financing, the source and amount of paid-in capital, and the terms of any mortgage amortization.

**Section 2.7 Statement of Rental Schedules and Lease Terms**

The Entity represents that its good faith projections of the initial rental schedules and lease terms are set forth in Exhibit 7.

## ARTICLE III - DURATION OF AGREEMENT

**Section 3.1 Term**

So long as there is compliance with the Law and this Agreement, it is understood and agreed by the parties hereto that this Agreement shall remain in effect for the earlier of 33 years from the date of the adoption of Ordinance _____ on _____, 2011 which approved the tax exemption for 30 years from the date of Substantial Completion of the Development . The tax exemption shall only be effective during the period of usefulness of the Development and shall continue in force only while the Development is owned by a corporation or association formed and operating under the Law.

## ARTICLE IV - ANNUAL SERVICE CHARGE

**Section 4.1 Annual Service Charge**

In consideration of the tax exemption, the Entity shall make the following payments to the City:

(i) City Service Charge: an amount equal to the greater of: the Minimum Annual Service Charge or an Annual Service Charge equal to 8.0% of the Annual Gross Revenue for the low and moderate income units. The Annual Service Charge for the unrestricted units will be equal to 15.0% of the Annual Gross Income. The Annual Service Charge shall be billed initially based upon the Entity's estimates of Annual Gross Revenue which shall not be less than the its estimate of Gross Revenue as set forth in its Financial Plan, attached hereto as Exhibit 6.Thereafter, the Annual Service Charge shall be adjusted in accordance with this Agreement.

A Minimum Annual Service Charge shall be due beginning on the effective date of this Agreement. The Annual Service Charge shall be due on the first day of the month following the Substantial Completion of the Development . In the event the Entity fails to timely pay the Minimum Annual Service Charge or the Annual Service Charge, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on land until paid.

(ii) County Service Charge: an amount equal to 5% of the Annual Service Charge upon receipt of that charge, for remittance to the County by the City.

**Section 4.2 Staged Adjustments**

The Annual Service Charge shall be adjusted, in Stages over the term of the tax exemption in accordance with N.J.S.A. 40A:20-12(b) as follows:

I. Stage One: From the first day of the month following Substantial Completion until the last day of the fifteenth year, the Annual Service Charge shall be 8.0% and 15.0% for the low and moderate income units and market rate units, respectively;

II. Stage Two: Beginning on the 1st day of the 16th year following Substantial Completion until the last day of the 21st year, an amount equal to the greater of the Annual Service Charge or 20% of the amount of the taxes otherwise due on the value of the land and Improvements;

III. Stage Three: Beginning on the 1st day of the 22nd year following the Substantial Completion until the last day of the 27th year, an amount equal to the greater of the Annual Service Charge or 40% of the amount of the taxes otherwise due on the value of the land and Improvements;

IV. Stage Four: Beginning on the 1st day of the 28th year following Substantial Completion until the last day of the 29th year, an amount equal to the greater of the Annual Service Charge or 60% of the amount of the taxes otherwise due on the value of the land and Improvements.

IV. Final Stage: Beginning on the 1st day of the 30th year following Substantial Completion through the date the tax exemption expires, an amount equal to the greater of the Annual Service Charge or 80% of the amount of the taxes otherwise due on the value of the land and Improvements.

**Section 4.3 Credits**

The Entity is required to pay both the Annual Service Charge and the Land Tax Payments. The Entity is obligated to make timely Land Tax Payments, including any tax on the pre-existing improvements, in order to be entitled to a Land Tax credit against the Annual Service Charge for the subsequent year. The Entity shall be entitled to credit for the amount, without interest, of the Land Tax Payments made in the last four preceding quarterly installments against the Annual Service Charge. In any quarter that the Entity fails to make any Land Tax Payments when due and owing, such delinquency shall render the Entity ineligible for any Land Tax Payment credits against the Annual Service Charge for that quarter. No credit will be applied against the Annual Service Charge for partial payments of Land Taxes. In addition, the City shall have, among this remedy and other remedies, the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, NJ.S.A. 54:5-1, et seq. and/or declare a Default and terminate this Agreement.

**Section 4.4 Quarterly Installments**

The Entity expressly agrees that the Annual Service Charge shall be made in quarterly installments on those dates when real estate tax payments are due; subject, nevertheless, to adjustment for over or underpayment within thirty (30) days after the close of each calendar year. In the event that the Entity fails to pay the Annual Service Charge, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid.

**Section 4.5 Administrative Fee**

The Entity shall also pay an annual Administrative Fee to the City in addition to the Annual Service Charge and Land Tax levy. The Administrative Fee shall be calculated as two

(2%) percent of each prior year's Annual Service Charge. This fee shall be payable and due on or before December 31st of each year, and collected in the same manner as the Annual Service Charge. In the event that the Entity fails to timely pay the Administrative Fee, the amount unpaid shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid.

**Section 4.6 Material Conditions**

It is expressly agreed and understood that the timely payments of Land Taxes, Minimum Annual Service Charges, Annual Service Charges, including adjustments thereto, Administrative Fees, Affordable Housing Contributions, and any interest thereon, are Material Conditions of this Agreement.

## ARTICLE V - DEVELOPMENT EMPLOYMENT AND CONTRACTING AGREEMENT

**Section 5.1 Development Employment and Contracting Agreement**

In order to provide City residents and businesses with certain employment and other economic related opportunities, the Entity is subject to the terms and conditions of the Development Employment and Contracting Agreement, attached hereto as Exhibit 8.

## ARTICLE VI - CERTIFICATE OF OCCUPANCY

**Section 6.1 Certificate of Occupancy**

It is understood and agreed that it shall be the obligation of the Entity to obtain all Certificates of Occupancy in a timely manner so as to complete construction in accordance with the proposed construction schedule attached hereto as Exhibit 5, The failure to secure the Certificates of Occupancy shall subject the property to full taxation for the period between the date of Substantial Completion and the date the Certificate of Occupancy is obtained.

**Section 6.2 Filing of Certificate of Occupancy**

It shall be the primary responsibility of the Entity to forthwith file with both the Tax Assessor and the Tax Collector a copy of each Certificate of Occupancy. Failure of the Entity to file such issued Certificate of Occupancy as required by the preceding paragraph, shall not militate against any action or non-action, taken by the City, including, if appropriate retroactive billing with interest for any charges determined to be due, in the absence of such filing by the Entity.

## ARTICLE VII - ANNUAL REPORTS

### Section 7.1 Accounting System

The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles.

### Section 7.2 Periodic Reports

A. An Auditor's Report: Within ninety (90) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis that the Agreement shall continue in effect, the Entity shall submit to the Mayor and Municipal Council and the NJ Division of Local Government Services in the Department of Community Affairs, its Auditor's Report for the preceding fiscal or calendar year. The Auditor's Report shall include, but not be limited to: condominium unit purchase price, and the terms and interest rate on any mortgagees) associated with the purchase or construction of the Development and such details as may relate to the financial affairs of the Entity and to its operation and performance hereunder, pursuant to the Law and this Agreement. The Report shall clearly identify and calculate the Net Profit for the Entity during the previous year.

B. Disclosure Statement: On the anniversary date of the execution of this Agreement, and each and every year thereafter while this agreement is in effect, the Entity shall submit to the Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, a Disclosure Statement listing the persons having an ownership interest in the Development , and the extent of the ownership interest of each and such additional information as the City may request from time to time.

### Section 7.3 Inspection/Audit

The Entity shall permit the inspection of its property, equipment, buildings and other facilities of the Development and, if deemed appropriate or necessary, any other related Entity by representatives duly authorized by the City and the NJ Division of Local Government Services in the Department of Community Affairs. It shall also permit, npon request, examination and audit of its books, contracts, records, documents and papers. Such examination or audit shall be made during the reasonable hours of the business day, in the presence of an officer or agent designated by the Entity. All costs incurred by the City to

conduct the audit, including reasonable attorneys' fees if appropriate, shall be billed to the Entity and paid to the City as part of the Entity's Annual Service Charge. Delinquent payments shall accrue interest at the same rate as for a delinquent service charge.

## ARTICLE VIII- LIMITATION OF PROFITS AND RESERVES

### Section 8.1 Limitation of Profits and Reserves

During the period of tax exemption as provided herein, the Entity shall be subject to a limitation of its profits pursuant to the provisions of N.J.S.A. 40A:20-15. The Entity shall have the right to establish a reserve against vacancies, unpaid rentals, and reasonable contingencies in an amount equal to five (5%) percent of the Gross Revenue of the Entity for the last full fiscal year preceding the year and may retain such part of the excess Net Profits as is necessary to eliminate a deficiency in that reserve, as provided in N.J.S.A. 40A:20-15. The reserve is to be non-cumulative, it being intended that no further credits thereto shall be permitted after the reserve shall have attained the allowable level of five (5%) percent of the preceding year's Gross Revenue. Pursuant to N.J.S.A. 40A:20-14(b) there is expressly excluded from the calculation of Gross Revenue and Net Profit in the determination of Excess Profit, any gain realized by the Entity on the sale of any condominium unit, whether or not taxable under federal or state law.

### Section 8.2 Annual Payment of Excess Net Profit

In the event the Net Profits of the Entity, in any fiscal year, shall exceed the Allowable Net Profits for such period, then the Entity, within one hundred and twenty (120) days after the end of such fiscal year, shall pay such excess Net Profits to the City as an additional service charge; provided, however, that the Entity may maintain a reserve as determined pursuant to aforementioned paragraph 8.1. The calculation of the entity's excess net profits shall include those development costs directly attributable to site remediation and cleanup expenses and any other costs excluded in the definition of Total Development Cost in Section 1.2 (xx) of this agreement even though those costs may have been deducted from the Development costs for purposes of calculating the annual service charge.

### Section 8.3 Payment of Reserve/Excess Net Profit Upon Termination, Expiration or Sale

The date of termination, expiration or sale shall be considered to be the close of the fiscal year of the Entity. Within ninety (90) days after such date, the Entity shall pay to the City

the amount of the reserve, if any, maintained by it pursuant to this section and the excess Net Profit, if any.

## ARTICLE IX - ASSIGNMENT AND/OR ASSUMPTION

### Section 9.1 Approval

Any sale or transfer of the Development shall be void unless approved in advance by Ordinance of the Municipal Council. It is understood and agreed that the City, on written application by the Entity, will not unreasonably withhold its consent to a sale of the Development and the transfer of this Agreement provided: 1) the new Entity does not own any other Development subject to long term tax exemption at the time of transfer; 2) the new Entity is formed and eligible to operate under the Law; 3) the Entity is not then in default of this Agreement or the Law; 4) the Entity's obligations under this Agreement is fully assumed by the new Entity, 5) the Entity shall pay the City a transfer fee equal to 2% of the then current Annual Service Charge as required by NJ .S.A. 40A:20-10d.

### Section 9.2 Fee

Where the consent or approval of the City is sought for approval of a change in ownership or sale or transfer of the Development , the Entity shall be required to pay to the City a new tax exemption application fee for the legal and administrative services of the City, as it relates to the review, preparation and/or submission of documents to the Municipal Council for appropriate action on the requested assignment. The fee shall be non-refundable.

## ARTICLE X - COMPLIANCE

### Section 10.1 Operation

During the term of this Agreement, the Development shall be maintained and operated in accordance with the provisions of the Law. Operation of the Development under this Agreement shall not only be terminable as provided by NJ.S.A. 40A:20-1, et seq., as currently amended and supplemented, but also by a Default under this Agreement. The Entity's failure to comply with the Law shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

### Section 10.2 Disclosure of Lobbyist Representative

During the term of this Agreement, the Entity must comply with Executive Order 2002-005, and Ordinance 02-075, requiring Written Disclosure of Lobbyist Representative Status. The Entity's failure to comply with the Executive Order or the Ordinance shall constitute a

Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

## ARTICLE XI - DEFAULT

### Section 11.1 Default

Default shall be failure of the Entity to conform with the terms of this Agreement or failure of the Entity to perform any obligation imposed by the Law, beyond any applicable notice, cure or grace period.

### Section 11.2 Cure Upon Default

Should the Entity be in Default, the City shall send written notice to the Entity of the Default (herein referred to as "Default Notice"). The Default Notice shall set forth with particularity the basis of the alleged Default. The Entity shall have sixty (60) days, from receipt of the Default Notice, to cure any Default which shall be the sole and exclusive remedy available to the Entity. However, if, in the reasonable opinion of the City, the Default cannot be cured within sixty (60) days using reasonable diligence, the City will extend the time to cure.

Subsequent to such sixty (60) days, or any approved extension, the City shall have the right to terminate this Agreement in accordance with Section 12.1.

Should the Entity be in default due to a failure to pay any charges defined as Material Conditions in Section 4.8, the Entity shall not be subject to the default procedural remedies as provided herein but shall allow the City to proceed immediately to terminate the Agreement as provided in Article XII herein.

### Section 11.3 Remedies Upon Default

The City shall, among its other remedies, have the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, NJ.S.A. 54:5-1, et seq. and/or may declare a Default and terminate this Agreement. Any default arising out of the Entity's failure to pay Land Taxes, the Minimum Annual Service Charge, Administrative Fees, Affordable Housing Contribution, or the Annual Service Charges shall not be subject to the default procedural remedies as provided in Article XI herein, but shall allow the City to proceed immediately to terminate the Agreement as provided in Article XII. All of the remedies provided in this Agreement to the City, and all rights and remedies granted to it by law and equity shall be cumulative and concurrent. No termination of any provision of this Agreement shall deprive the City of any of its remedies or actions against the Entity because of its failure to pay Land

Taxes, the Minimum Annual Service Charge, Annual Service Charge, Affordable Housing Contribution or Administrative Fees. This right shall apply to arrearages that are due and owing at the time or which, under the terms hereof, would in the future become due as if there had been no termination. Further, the bringing of any action for Land Taxes, the Minimum Annual Service Charge, the Annual Service Charge, Affordable Housing Contribution, Administrative Fees, or for breach of covenant or the resort to any other remedy herein provided for the recovery of Land Taxes shall not be construed as a waiver of the rights to terminate the tax exemption or proceed with a tax sale or Tax Foreclosure action or any other specified remedy.

In the event of a Default on the part of the Entity to pay any charges set forth in Article IV, the City among its other remedies, reserves the right to proceed against the Entity's land and property, in the manner provided by the In Rem Foreclosure Act, and any act supplementary or amendatory thereof. Whenever the word taxes appear, or is applied, directly or impliedly to mean taxes or municipal liens on land, such statutory provisions shall be read, as far as is pertinent to this Agreement, as if the charges were taxes or municipal liens on land.

## ARTICLE XII- TERMINATION

### Section 12.1 Termination Upon Default of the Entity

In the event the Entity fails to cure or remedy the Default within the time period provided in Section 11.2, the City may terminate this Agreement upon thirty (30) days written notice to the Entity (herein referred to as the "Notice of Termination").

### Section 12.2 Voluntary Termination by the Entity

The Entity may after the expiration of one year from the Substantial Completion of the Development notify the City that as of a certain date designated in the notice, it relinquishes its status as a tax exempt Development . As of the date so set, the tax exemption, the Annual Service Charges and the profit and dividend restrictions shall terminate.

### Section 12.3 Final Accounting

Within ninety (90) days after the date of termination, whether by affirmative action of the Entity or by virtue of the provisions of the Law or pursuant to the terms of this Agreement, the Entity shall provide a final accounting and pay to the City the reserve, if any, pursuant to the provisions of N.J.S.A. 40A:20-13 and 15 as well as any excess Net Profits. For purposes of rendering a final accounting the termination of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

**Section 12.4 Conventional Taxes**

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

**Section 12.5 Termination Payment**

In addition to any other remedies available to the City upon termination whether voluntary or upon default, the Entity shall pay to the City an amount equal to the difference between the service charge actually paid and the service charge that would have been due had each adjustment period provided in Section 4.2 hereof, been of the shortest duration permitted by law, thereby generating the most accelerated increases, permitted by law.

## ARTICLE XIII - DISPUTE RESOLUTION

**Section 13.1 Arbitration**

In the event of a breach of the within Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court of New Jersey by an appropriate proceeding, to settle and resolve the dispute in such fashion as will tend to accomplish the purposes of the Law. In the event the Superior Court shall not entertain jurisdiction, then the parties shall submit the dispute to the American Arbitration Association in New Jersey to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of the Long Term Tax Exemption Law. The cost for the arbitration shall be borne equally by the parties. The parties agree that the Entity may not file an action in Superior Court or with the Arbitration Association unless the Entity has first paid in full all charges defined in Article IV, Section 4.7 as Material Conditions.

## ARTICLE XIV - WAIVER

**Section 14.1 Waiver**

Nothing contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by the City of any rights and remedies, including, without limitation, the right to terminate the Agreement and tax exemption for violation of any of the conditions provided

herein. Nothing herein shall be deemed to limit any right of recovery of any amount which the City has under law, in equity, or under any provision of this Agreement.

## ARTICLE XV - INDEMNIFICATION

**Section 15.1 Defined**

It is understood and agreed that in the event the City shall be named as party defendant in any action alleging any breach, default or a violation of any of the provisions of this Agreement and/or the provisions of N.J.S.A. 40A:20-1 et~, the Entity shall indemnify and hold the City harmless against any and all liability, loss, cost, expense (including reasonable attorneys' fees and costs, through trial and all stages of any appeal, including the cost of enforcing this indemnity) arising out of Agreement. In addition, the Entity expressly waives all statutory or common law defenses or legal principles which would defeat the purposes of this indemnification. The Entity also agrees to defend the suit at its own expense, counsel to be selected by the City, subject to the reasonable consent of the Entity. However, the City maintains the right to intervene as a party thereto, to which intervention the Entity consents; the expense thereof to be borne by the City.

## ARTICLE XVI- NOTICE

**Section 16.1 Certified Mail**

Any notice required hereunder to be sent by either party to the other shall be sent by certified or registered mail, return receipt requested.

**Section 16.2 Sent by City**

When sent by the City to the Entity the notice shall be addressed to:

Glennview Townhouses II Urban Renewal Associates, LP
Three East Stow Road, PO Box 994
Marlton, New Jersey 08053
Attn: Joel Silver, Vice President

and

Jersey City Housing Authority
400 U.S. Highway #1
Jersey City, New Jersey 07306
Attn: Maria T. Maio, Executive Director

unless prior to giving of notice the Entity shall have notified the City in writing otherwise.

In addition, provided the City is sent a formal written notice in accordance with this Agreement, of the name and address of Entity's Mortgagee, the City agrees to provide such Mortgagee with a copy of any notice required to be sent to the Entity.

**Section 16.3 Sent by Entity**

When sent by the Entity to the City, it shall be addressed to:

City of Jersey City, Office of the City Clerk
City Hall
280 Grove Street
Jersey City, New Jersey 07302

with copies sent to the Corporation Counsel, the Business Administrator, and the Tax Collector unless prior to the giving of notice, the City shall have notified the Entity otherwise. The notice to the City shall identify the Development to which it relates, (i.e., the Urban Renewal Entity and the Property's Block and Lot number).

## ARTICLE XVII-SEVERABILITY

**Section 17.1 Severability**

If any term, covenant or condition of this Agreement or the Application, except a Material Condition, shall be judicially declared to be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

If a Material Condition shall be judicially declared to be invalid or unenforceable and provided the Entity is not in Default of this Agreement, the parties shall cooperate with each other to take the actions reasonably required to restore the Agreement in a manner contemplated by the parties and the Law. This shall include, but not be limited to the authorization and re-execution of this Agreement in a form reasonably drafted to effectuate the original intent of the parties and the Law. However, the City shall not be required to restore the Agreement if it would modify a Material Condition, the amount of the periodic adjustments or any other term of this Agreement which would result in any economic reduction or loss to the City.

## ARTICLE XVIII - MISCELLANEOUS

**Section 18.1 Construction**

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

**Section 18.2 Conflicts**

The parties agree that in the event of a conflict between the Application and the language contained in the Agreement, the Agreement shall govern and prevail. In the event of conflict between the Agreement and the Law, the Law shall govern and prevail.

**Section 18.3 Oral Representations**

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

**Section 18.4 Entire Document**

This Agreement and all conditions in the Ordinance of the Municipal Council approving this Agreement are incorporated in this Agreement and made a part hereof.

**Section 18.5 Good Faith**

In their dealings with each other, utmost good faith is required from the Entity and the City.

**Section 18.6 Pending Litigation**

The Entity fully and freely holds the City harmless and assumes any risk that may affect the present or future validity of the within financial agreement, arising from any other litigation.

## ARTICLE XIX - EXHIBITS

**Section 19 Exhibits**

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

1. Metes and Bounds description of the Development ;
2. Ordinance of the City authorizing the execution of this Agreement;
3. The Application with Exhibits;
4. Certificate of the Entity;
5. Estimated Construction Schedule;
6. The Financial Plan for the undertaking of the Development ;
7. Good Faith Estimate of Initial Rental Schedule and Lease Terms;
8. Development Employment and Contracting Agreement;
9. Architect's Certification of Actual Construction Costs.

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

**ATTEST:**

**GLENNVIEW TOWNHOUSES II URBAN RENEWAL ASSOCIATES, LP**

By its General Partner, Glennview II-Michaels, LLC,

_____

_____

Joel Silver, Vice President

**ATTEST:**

**CITY OF JERSEY CITY**

_____

_____

Brian O'Reilly,
Business Administrator

DRAFT

**EXHIBIT 1:**

**Metes and Bounds description of the Development**

DRAFT

**EXHIBIT 2:**

**Ordinance of the City authorizing the execution of this Agreement**

DRAFT

**EXHIBIT 3:**

**The Application with Exhibits**

DRAFT

**EXHIBIT 4:**

**Certificate of the Entity**

DRAFT

# State of New Jersey

DEPARTMENT OF COMMUNITY AFFAIRS
101 SOUTH BROAD STREET
PO BOX 805
TRENTON, NJ 08625-0805

CHRIS CHRISTIE
*Governor*

KIM GUADAGNO
*Lt. Governor*

LORI GRIFA
*Commissioner*


FILED
MAR 02 2011
STATE TREASURER

DEPARTMENT OF COMMUNITY AFFAIRS

TO: State Treasurer
RE: GLENNVIEW TOWNHOUSES II URBAN RENEWAL ASSOCIATES, LP
(formerly Lafayette Family Phase V Urban Renewal Associates, LP, an Urban Renewal Entity)
File # 900
An Urban Renewal Entity

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

Done this 24th day of February 2011 at Trenton, New Jersey.

DEPARTMENT OF COMMUNITY AFFAIRS

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

**New Jersey Department of Treasury**
**Division of Revenue**

FILED
MAR 02 2011
STATE TREASURER

# Amended and Restated Limited Partnership Certificate

1. *Name of Limited Partnership:* **Lafayette Family Phase V Urban Renewal Associates, LP, an Urban Renewal Entity**

2. *Identification Number:* **0600331280**

3. *Date of Filing of Original Certificate:* **August 21, 2008**

4. *Address of Principal Office:* **Three East Stow Road, Suite 100**
**Marlton, New Jersey 08053**

5. *New Name of Limited Partnership* **Glennview Townhouses II Urban Renewal Associates, LP**

6. *Registered Agent:* **Paul T. Chan, Esq.**

   *Registered Office:* **3030 Atlantic Avenue**
**Atlantic City, New Jersey 08401**

7. *Character of its Business:*

**(a) The purpose for which the partnership is formed shall be to develop, own and operate real estate under the Long Term Tax Exemption Law, P.L.1991, c.431 (C. 40A:20-1 et seq.) and to initiate and conduct projects for the redevelopment of a redevelopment area pursuant to a redevelopment plan, or projects necessary, useful, or convenient for the relocation of residents displaced or to be displaced by the redevelopment of all or part of one or more redevelopment areas, or low and moderate income housing projects, and, when authorized by financial agreement with the municipality, to acquire, plan, develop, construct, alter, maintain or operate housing, senior citizen housing, business, industrial, commercial administrative, community, health, recreational, educational or welfare projects, or any combination of two or more of these types of improvement in a single project, under such conditions as to use, ownership, management and control as regulated pursuant to P.L.1991, c.431 (C. 40A:20-1 et seq.). The partnership may develop a housing project (the "Project") in the City of Jersey City, State of New Jersey as a limited dividend, urban renewal entity.**

**(b) So long as the partnership is obligated under financial agreement with a municipality made pursuant to P.L.1991, c.431 (C. 40A:20-1 et seq.), it shall**

**engage in no business other than the ownership, operation and management of the Project.**

**(c) The partnership has been organized to serve a public purpose, and its operations shall be directed toward:**

**(1) the redevelopment of redevelopment areas, the facilitation of the relocation of residents displaced or to be displaced by redevelopment, or the conduct of low and moderate income housing projects;**

**(2) the acquisition, management and operation of a project, redevelopment relocation housing project, or low and moderate income housing project under P.L.1991, c.431 (C. 40A:20-1 et seq.);**

**(3) that it shall be subject to regulation by the municipality in which its Project is situated, and to a limitation or prohibition, as appropriate, on profits or dividends for so long as it remains the owner of a project subject to P.L.1991, c.431 (C. 40A:20-1 et seq.).**

**(d) The partnership shall not voluntarily transfer more than 10% of the ownership of the Project or any portion thereof undertaken by it under P.L.1991, c.431 (C. 40A:20-1 et seq.), until it has first removed both itself and the Project from all restrictions of P.L.1991, c.431 (C. 40A:20-1 et seq.) in the manner required by P.L.1991, c.431 (C. 40A:20-1 et seq.) and, if the Project includes housing units, has obtained the consent of the Commissioner of Community Affairs to such transfer; with the exception of transfer to another urban renewal entity, as approved by the municipality in which the Project is situated, which other urban renewal entity shall assume all contractual obligations of the transferor entity under the financial agreement with the municipality. The partnership shall file annually with the municipal governing body a disclosure of the persons having an ownership interest in the Project, and of the extent of the ownership interest of each. Nothing herein shall prohibit any transfer of the ownership interest in the urban renewal entity itself provided that the transfer, if greater than 10 percent, is disclosed to the municipal governing body in the annual disclosure statement or in correspondence sent to the municipality in advance of the annual disclosure statement referred to above.**

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

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

8. *Term for which the Partnership is to Exist:* **December 31, 2100**

9. *Name/Address of Each General Partner:* **Glennview II–Michaels, LLC**
**Three East Stow Road**
**Marlton, New Jersey 08053**

10. *Set forth the aggregate amount of cash and a description of the agreed value of other property or services contributed by all partners; or agreed to be contributed in the future:*

**The partners of the Partnership have agreed to contribute an aggregate of $1,000.00 in capital to the Partnership.**

11. *Set forth the times at which or events on the happening of which any additional contributions agreed to be made by any partner or partners are to be made:*

**No partner is required to make additional contributions to the capital of the Partnership.**

12. *Do the limited partners have the power to grant the right to become a limited partner to an assignee of any part of their partnership?*

**No.**

13. *If agreed upon, list when or what must occur to enable a partner to terminate his membership in the partnership. (Include the amount or the way of determining the distribution of property to terminate a partner's interest).*

**The partners have not agreed upon when or what must occur to enable a partner to terminate his membership in the Partnership, nor the amount, or method of determining the distributions to which such partner may be entitled respecting his partnership interests, nor the terms and conditions of such termination and distribution.**

14. *Does a partner have the right to receive distributions of property, including cash from the limited partnership?*

**Yes.**

**IN TESTIMONY WHEREOF**, the undersigned General Partners execute this Amended and Restated Certificate as of the 1st day of January, 2011.

**GENERAL PARTNER:**

**GLENNVIEW II-MICHAELS, LLC**

**By:** _____
**Michael J. Levitt, Sole Member**

L-102 NJSA 42 (2/94)

FILED
FEB 07 2011
STATE TREASURER

0600324247

New Jersey Division of Revenue

**Certificate of Amendment**
Limited Liability Company

This form may be used to amend a Certificate of Formation of a Limited Liability Company on file with the Department of the Treasury. Applicants must insure strict compliance with NJSA 42, the New Jersey Limited Liability Act, and insure that all applicable filing requirements are met.

1. Name of Limited Liability Company:
   Lafayette Family V-Michaels, LLC
2. Identification Number:
   0600324247
3. New LLC Name (if applicable):
   Glenmview II-Michaels, LLC
4. Effective Date:
5. The Certificate of Formation is amended as follows (provide attachments if needed):
   The name of the limited liability company shall be "Glenmview II-Michaels, LLC".

The undersigned represent(s) that this filing complies with State law as detailed in NJSA 42 and that they are authorized to sign this form behalf of the Limited Liability Company.

Signature:

Name: Michael J. Levitt, Sole Member

Date: 1/31/11

NJ Division of Revenue, PO Box 308, Trenton, NJ 08646

***AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP***
***GLENNVIEW TOWNHOUSES II URBAN RENEWAL ASSOCIATES, LP***

THIS AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP ("Agreement"), is dated as of January 1, 2011, by and among GLENNVIEW II-MICHAELS, LLC, as general partner (the "General Partner") and each of MICHAEL J. LEVITT and ANDREW J. BOCCHINO, as limited partners (each a "Limited Partner" or collectively the "Limited Partners"). The General Partner and the Limited Partners are sometimes individually referred to as a "Partner" and collectively as the "Partners".

*WITNESSETH:*

WHEREAS, the General Partner, Michael J. Levitt and Andrew J. Bocchino formed the partnership as Lafayette Family Phase V Urban Renewal Associates, LP, An Urban Renewal Entity, as a New Jersey limited partnership pursuant to a Certificate of Limited Partnership dated as of May 15, 2008 and filed with the State Treasurer on August 21, 2008 and that certain Agreement of Limited Partnership dated as of May 15, 2008 (the "Original Agreement"); and

WHEREAS, the partners desire to change the name of the partnership; and

WHEREAS, the parties hereto desire to enter into an agreement among the Partners to provide for, among other things, (i) the allocation of profits, losses and distributions of cash flow and other proceeds of the Partnership among the Partners, (ii) the respective right, obligations and interests of the parties hereto to each other and to the Partnership and (iii) certain other matters.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## *ARTICLE I*
## *FORMATION*

1.01 Continuation. The undersigned hereby continue the partnership (the "Partnership") as a limited partnership under the New Jersey Limited Partnership Act, N.J.S.A. 42:2A-1 et seq. and as an urban renewal entity under the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., as same may be amended from time to time during the term of the Partnership (hereinafter collectively the "Act").

1.02 Name. The name of the Partnership shall be "Glennview Townhouses II Urban Renewal Associates, LP".

1.03 Term. The term of the Partnership shall continue until December 31, 2100 unless the Partnership is sooner terminated in accordance with the provisions of

this Agreement.

## *ARTICLE II*
## *DEFINED TERMS*

In addition to the abbreviations and definitions set forth hereinabove and in the recitals to this Agreement, the following defined terms used in this Agreement shall have the meanings specified below:

"Capital Account" means the capital account of a Partner as described in Section 10.03 of this Agreement.

"Consent" means the prior written consent or approval of the General or Limited Partners or any other Person, as the context may require, to do the act or thing for which the consent is solicited.

"Interest" or "Partnership Interest" means the ownership interest of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which such Partner may be entitled as provided in the Agreement and in the act, together with the obligations of such Partner to comply with all of the terms and provisions of this Agreement and of the Act.

"Net Cash Flow" means the gross cash proceeds from Partnership operations (including sales and dispositions of property in the ordinary course of business) less the portion thereof used to pay or establish reserves for all Partnership expenses, debt payments, capital improvements, replacements, and contingencies, all as determined by the General Partner in its sole discretion. Net Cash Flow shall not be reduced by depreciation, cost recovery deductions such as amortization or similar allowances.

"Project" means a multifamily apartment project for tenants located in Jersey City, New Jersey.

"State" means the State of New Jersey.

## *ARTICLE III*
## *PURPOSE AND BUSINESS OF THE PARTNERSHIP*

3.01 Purpose. The purpose of the Partnership is to develop, finance, lease, own and operate the Project and to engage in all activities in connection therewith.

3.02 Authority of the Partnership. In order to carry out its purpose, the Partnership is empowered and authorized to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of its purpose, and for the protection and benefit of the Partnership.

## *ARTICLE IV*

## *DUTIES AND OBLIGATIONS OF GENERAL PARTNERS*

The General Partner shall use its best efforts in connection with its performance of the following duties and obligations with respect to the Partnership:

(a) take all action that may be necessary or appropriate to carry out the purposes of the Partnership as described in this Agreement; and

(b) do all other things (subject to the restrictions contained herein) that may be necessary or desirable in order to properly and efficiently administer and carry on the affairs, assets and business of the Partnership.

## *ARTICLE V*
## *PARTNERSHIP INTERESTS*
## *AND OBLIGATIONS OF THE PARTNERSHIP*

5.01 Partners' Percentage Interests. The Partners' Percentage Interests in the Partnership and required capital contributions are set forth on Exhibit A attached hereto. The Partners acknowledge that each Partner has made their required capital contribution.

5.02 Return of Capital Contribution. Except as otherwise provided in this Agreement, no Partner shall be entitled to demand or receive the return of his or its capital contribution. No Partner shall have priority over any other Partner, either as to return of such Partner's capital contribution or as to profits, losses or distributions unless otherwise specifically provided herein. Moreover, no General Partner shall be personally liable for the return of the capital contribution of any Limited Partner, or any portion thereof, it being expressly understood that any such return shall be made solely from assets of the Partnership, nor shall the General Partner be required to pay the Partnership, or any Partner, any deficit in its or any other Partner's Capital Account upon dissolution or otherwise, it being understood and agreed that any deficit in any Capital Account shall not be treated as an asset of the Partnership. No Partner shall have the right to demand or receive property other than cash for his or its Interest. Each of the Partners hereby agree to, and does hereby waive, any right such Partner may otherwise have to cause any asset of the Partnership to be petitioned or to file a complaint or institute any proceeding at law or in equity seeking to have any such asset partitioned.

5.03 Loans by the Partners. If the General Partner believes that additional funds are necessary for the carrying on of the Partnership affairs, it shall have the right to borrow in the Partnership's name the amount which it deems necessary, or it may advance such sums or sums as may be required. Any money so advanced to the Partnership by a partner shall bear interest at the rate of two percent (2%) over PNC Bank prime. Any said advances shall be repaid prior to any distribution in respect of an Interest in the Partnership.

## *ARTICLE VI*
## *RIGHTS, OBLIGATIONS AND*
## *POWERS OF THE GENERAL PARTNER*

6.01 Management of the Partnership. Except as otherwise set forth in this Agreement, the General Partner, within the authority granted to it under this Agreement, shall have full, complete and exclusive discretion to manage and control the business of the Partnership for the purposes stated in Article III of this Agreement, shall make all decisions affecting the business of the Partnership and shall manage and control the affairs of the Partnership to the best of its ability and use its best efforts to carry out the purpose of the Partnership. The General Partner shall have the authority to execute documents on behalf of the Partnership and to bind the Partnership thereby, and third parties shall have the right to rely on the General Partner's signatures as being binding on the Partnership.

6.02 Development and Syndication of the Project.

(a) Development. The Partners agree to acquire, develop, finance, rehabilitate and syndicate a multifamily housing project as follows: The Managing General Partner, will select all professionals related to the development, financing, construction and syndication of the Project including, but not limited to, the Project's architect, general contractor, lenders, tax credit syndicators and legal and accounting professionals.

(b) Syndication. Each Partner hereto agrees to take such action as may be required for such acquisition, development, financing and syndication of the Project, including executing any amendments to this Agreement and to the Partnership's Certificate of Limited Partnership evidencing the admission and withdrawal of partners. At the election of the General Partner, upon a syndication of the Partnership or the Project, the Limited Partners agree to withdraw as partners to provide for the syndication of partnership interests.

## *ARTICLE VII*
## *TRANSFERS OF AND RESTRICTIONS ON*
## *TRANSFERS OF, INTERESTS OF LIMITED PARTNERS*

7.01 Restrictions on Transfers of Limited Partners' Interests. Under no circumstances will any offer, sale, transfer, assignment, hypothecation or pledge of the Limited Partner's Interest be permitted unless the General Partner shall consent thereto, which consent may not be unreasonably withheld.

7.02 Admission of Substitute Limited Partners. Subject to the other provisions of this Agreement, including this Article VII, an assignee of the Interest of the Limited Partner (which shall be understood to include any purchaser, transferee, donee or other recipient of any disposition of such Interest) shall be admitted as a substitute Limited Partner of the Partnership only upon the satisfactory completion of the following:

(i) consent of the General Partner (which may be arbitrarily and unreasonably withheld in its sole discretion) shall have been given; and (ii) the assignee shall accept and agree to be bound by the terms and provisions of this Agreement by executing a counterpart hereof or an appropriate amendment hereto, and such other documents or instruments as the General Partner may require in order to effect the admission of such person as a Limited Partner. A person who acquires all or any portion of a Limited Partner's Interest, but does not become a substitute Limited Partner in accordance with this Section 7.02 shall not have any rights or privileges of a Limited Partner under this Agreement and/or the Act, but shall have the right to receive its share of the profits, losses and distributions of the Partnership to which his, her or its assignor would have been entitled.

7.03 Rights of Assignee of Partnership Interest. Any person who is the assignee of all or any portion of a Limited Partner's Interest, but does not become a substitute Limited Partner and desires to make a further assignment of such Interest, shall be subject to all the provisions of this Article VII to the same extent and in the same manner as any Limited Partner desiring to make an assignment of his, her or its Interest.

## *ARTICLE VIII*
## *RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS*

8.01 Management of the Partnership. No Limited Partner shall take part in the management or control of the business of the Partnership nor transact any business in the name of the Partnership. No Limited Partner shall have the power or authority to bind the Partnership or to sign any agreement or document in the name of the Partnership.

8.02 Limitation on Liability of Limited Partners. The liability of each Limited Partner shall be limited to his capital contributions. No Limited Partner shall have any other liability to contribute money to, or in respect of the liabilities or obligations of the Partnership, nor shall any Limited Partner be personally liable for any obligations of the Partnership. No Limited Partner shall be obligated to make loans to the Partnership.

## *ARTICLE IX*
## *PROFITS, LOSSES AND DISTRIBUTIONS*

9.01 Allocation of Profits, Losses and Cash Distributions from Operations. Profits and losses for any fiscal year shall be allocated to the Partners in accordance with their Percentage Interests. Net Cash Flow for the fiscal year shall be distributed in such amounts and at such times as the General Partner determines, in their sole discretion. All distributions shall be made to the Partners in accordance with their Percentage Interests.

9.02 Allocation of Gains, Losses and Distributions from Sale and Liquidation of Partnership Property. (a) Gains and losses recognized by the Partnership upon the

sale, exchange or other disposition of all or substantially all of the property owned by the Partnership shall be allocated to the Partners in accordance with their Percentage Interests.

(b) The proceeds resulting from the liquidation of the Partnership assets pursuant to Section 10.02 hereof, and the net proceeds resulting from any sale of the property of the Partnership or refinancing of any obligation of the Partnership, as the case may be, shall be distributed and applied in the following order of priority:

(i) to the payment of all matured debts and liabilities of the Partnership, excluding debts and liabilities of the Partnership to Partners or any affiliates;

(ii) to the setting up of any reserves which the General Partners deem reasonably necessary for contingent, unmatured or unforeseen liabilities or obligations of the Partnership; provided, however, that the balance of any such reserve remaining at such time as the General Partner reasonably determine such reserve is no longer needed, shall be distributed in accordance with Sections 9.02(c)(iii) and 9.02(c)(iv) hereof;

(iii) to the repayment of any unrepaid debts and liabilities (including unpaid fees) owed to the Partners or any affiliates by the Partnership for Partnership obligations; and

(iv) the balance, to the Partners in accordance with their Percentage Interests.

9.03 Capital Accounts. Throughout the full term of this Agreement, a separate Capital Account shall be maintained and adjusted for each Partner in accordance with the accounting rules of Section 1.704-1(b)(2)(iv) of the Regulations.

9.04 Designation of Tax Matters Partner. The General Partner is hereby designated as Tax Matters Partner of the Partnership.

## *ARTICLE X*
## *SALE, DISSOLUTION AND LIQUIDATION*

10.01 Dissolution of the Partnership. The Partnership shall be dissolved upon the occurrence of any of the following events:

(a) the expiration of the term as provided in Paragraph 1.03 hereinabove;

(b) the death, retirement, disability, or adjudication of bankruptcy of all the General Partners.

The Partnership may continue despite the death, retirement, disability, or bankruptcy of a sole General Partner with the successor in interest as a substitute General Partner, with the consent of all the limited partners. In the event that at any time where there is more than one General Partner, then, in the event of the death, retirement, disability or bankruptcy of a General Partner, the remaining General Partner or partners may continue the business of the Partnership by unanimous consent of all partners and the existence of the Partnership shall not be affected. In such case, the estate of a General Partner may be admitted as a Limited Partner and the estate's general partnership interest converted to a limited partnership interest.

10.02 Winding Up and Distribution. (a) Upon the dissolution of the Partnership pursuant to Section 10.01 of this Agreement, the Partnership business shall be wound up and it assets liquidated as provided in this Section 10.02 and the net proceeds of such liquidation shall be distributed in accordance with Section 9.02 of this Agreement.

(b) It is the intent of the Partners that, upon liquidation of the Partnership, any liquidation proceeds available for distribution to the Partners be distributed in accordance with the Partners' respective positive Capital Account balances and the Partners believe that distributions under Section 9.02(b) of this Agreement will effectuate such intent. In the event that, upon liquidation, there is any conflict between a distribution pursuant to the Partners' respective positive Capital Account balances and the intent of the Partners with respect to distribution of proceeds as provided in subsection 9.02(b) of this Agreement, the General Partner shall, notwithstanding the provision of Sections 9.01(a) and (b) 9.02(a) and (b) of this Agreement, allocate the Partnership's gains and losses among the Partners in a manner that will effectuate the distribution of liquidation proceeds to the Partners as provided in Section 9.02 to be in accordance with the Partners' respective positive Capital Account balances.

## *ARTICLE XI*
## *ACCOUNTING, ETC.*

11.01 Fiscal Year and Accounting Method. The fiscal year of the Partnership shall be the calendar year.

11.02 Bank Accounts. All funds of the Partnership not otherwise invested shall be deposited in one or more accounts maintained in such banking institutions as the General Partners shall determine, and withdrawals shall be made only in the regular course of Partnership business on such signature or signatures as the General Partner may, from time to time, determine.

## *ARTICLE XII*
## *CONSENTS, VOTING, ETC.*

Any Consent required by this Agreement may be given a written Consent of the consenting Partner and received by the General Partner. Except as otherwise expressly provided in this Agreement, whenever the Consent of the Limited Partners is required, the votes of the majority of the Percentage Interests of the Limited Partners shall control.

## *ARTICLE XIII*
## *GENERAL PROVISIONS*

13.01 Burden and Benefit. The covenants and agreements contained herein shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.

13.02 Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State.

13.03 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all of the parties hereto, notwithstanding that all of the parties shall not have signed the same counterpart.

13.04 Separability of Provisions. Each provision of this Agreement shall be considered separable and, if for any reason any provision which is not essential to the effectuation of the basic purposes of this Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or effect those provisions of this Agreement which are valid.

13.05 Entire Agreement. This Agreement sets forth all (and is intended by all parties to be an integration of all) of the representations, promises, agreements and understandings among the parties hereto with respect to the Partnership, the Partnership business and the property of the Partnership, and there are no representations, promises, agreements or understandings, oral or written, express or implied, among them other than as set forth or incorporated herein.

13.06 DCA Requirements. Notwithstanding anything herein to the contrary, the terms of the Certificate of Limited Partnership and the New Jersey Long-Term Tax Exemption Law (N.J.S.A. 40A:20-1 et seq.) are incorporated herein by reference and shall govern the Partnership in the event of any conflict.

13.07 NJHMFA Provision. The Partnership acknowledges that any review of the provisions of this Agreement by the New Jersey Housing and Mortgage Finance Agency ("NJHMFA") is performed in accordance with its responsibility as Lender and is intended only to assure that the Partnership is validly formed according to law, with the legal authority to borrow the funds which will constitute the NJHMFA Mortgage Loan and operate the Property securing the NJHMFA Mortgage Loan. Notwithstanding any other provisions herein, the Partnership acknowledges and agrees that as a condition of obtaining the NJHMFA Mortgage Loan, that the NJHMFA statutes, rules and regulations and all the financing documents in connection with the NJHMFA Mortgage Loan, are applicable to the Partnership and the Property securing the NJHMFA Mortgage Loan. The Partnership further acknowledges that, except as contained in this Section, the NJHMFA makes no representations express or implied, as to this Agreement; and the Partnership and the Partners shall not rely upon the NJHMFA review of this Agreement.

13.08 Amendment. This Agreement may only be modified or amended by an agreement in writing signed by all of the Partners.

**[SIGNATURES TO APPEAR ON THE FOLLOWING PAGE]**

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IN WITNESS WHEREOF, the parties have affixed their signatures and seals to this Agreement as of the date first written above.

ATTEST:

Susan Langley

GENERAL PARTNER:
GLENNVIEW II-MICHAELS, LLC

By: _____
Print Name: Michael J. Levitt
Title: Sole Member

ATTEST:

Susan Langley

Susan Langley

LIMITED PARTNERS:

_____
MICHAEL J. LEVITT

_____
ANDREW J. BOCCHINO

## *EXHIBIT A*

| | Required Capital Contributions | Percentage Interests |
|---|---|---|
| Glennview II-Michaels, LLC | 10.00 | 0.00% |
| Michael J. Levitt | 980.00 | 98.00% |
| Andrew J. Bocchino | 10.00 | 1.00% |
| | 1,000.00 | 100.00% |

# AMENDED and RESTATED OPERATING AGREEMENT

*for*

# GLENNVIEW II-MICHAELS, LLC

**THIS AMENDED and RESTATED OPERATING AGREEMENT** is made and entered into as of June 1, 2010 by and between **GLENNVIEW II-MICHAELS, LLC**, a New Jersey limited liability company (the "Company"), and **MICHAEL J. LEVITT**, as the sole member of the Company ("Member").

## W I T N E S S E T H:

**WHEREAS**, Lafayette Family V-Michaels, LLC (the "Company") was formed under the laws of the State of New Jersey (the "State") by filing a Certificate of Formation (the "Certificate") with the State Treasurer of New Jersey on April 23, 2008 and pursuant to that certain Operating Agreement dated as of May 15, 2008 (collectively the "Original Agreement") .

**WHEREAS,** the parties changed the name of the Company to Glennview II-Michaels, LLC.

**WHEREAS**, the parties hereto desire to enter into this Agreement to provide for, among other things, (i) the payment of capital contributions by the Members, (ii) the allocation of profits, losses and distributions of cash flow and other proceeds of the limited liability company to the Members, (iii) the respective rights and obligations of the parties hereto to each other and to the limited liability company, (iv) the respective interests of the parties hereto and (v) certain other matters.

**WHEREAS,** the sole Member intends to operate the Business and provide for operation of the Company.

**NOW, THEREFORE,** in consideration of the mutual promises below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

**A. ORGANIZATION.**

**1. Continuation.** The undersigned hereby agree to continue the Company under the New Jersey Limited Liability Act (the "Act").

**2.** *Name.* The name of the Company shall be "Glennview II-Michaels, LLC."

3. ***Duration.*** The Company shall have perpetual existence.

4. **Restatement.** The Original Agreement is hereby replaced in its entirety by this Agreement.

5. ***Registered Office and Resident Agent.*** The Registered Office and Resident Agent of the Company shall be as designated in the initial Articles. The Registered Office and/or Resident Agent may be changed from time to time. Any such change shall be made in accordance with the Act.

6. ***Purpose.*** The Company was formed for the purpose of serving as the general partner of Glennview Townhouses II Urban Renewal Associates, LP (the "Project Partnership"). The Project Partnership was formed for the purpose of developing, financing, rehabilitating, maintaining, operating, selling, and otherwise disposing of, an affordable housing complex (the "Project").

7. ***Tax Status for Company.*** The Company shall be taxed as a sole proprietorship for tax purposes unless and until at least one additional Member is added in which event the Company shall thereafter be treated as a partnership for tax purposes.

## B. CAPITAL CONTRIBUTIONS.

The initial Member hereby made a Capital Contribution of One Hundred Dollars ($100.00) for the capital interests of the Company. Future Capital Contributions may be made in the sole discretion of the Member.

## C. ALLOCATIONS and DISTRIBUTIONS.

Except as may be required by the Code as amended, net profits, net losses, and other items of income, gain, loss, deduction and credit of the Company shall be reported by the Member on the Member's income tax return. The Member may make distributions from time to time after the Member determines that the Company has sufficient funds available.

## D. GENERAL POWERS of SOLE MEMBER.

The Member has authority to:

1. conduct the business and affairs of the Company;

2. do all things necessary or convenient to carry out the business and affairs of the Company;

3. purchase, lease or otherwise acquire any real, personal, tangible or intangible property;

4. sell, convey, mortgage, grant a security interest in, pledge, lease, license, exchange or otherwise dispose of or encumber any real, personal, tangible or intangible property;

5. open one or more depository accounts and make deposits into and checks and withdrawals against such accounts and to designate and authorize any additional signatory on such accounts;

6. borrow money, incur liabilities and other obligations, establish lines of credits, mortgages, and other credit and financing facilities relating to the business of the Company;

7. obtain insurance covering the business and affairs of the Company and its property;

8. commence prosecute or defend any proceeding in the Company's name or relating to the business of the Company;

9. enter into any arrangements or agreements, and execute any contracts, documents and instruments relating to the business of the Company;

10. engage consultants and agents, define their respective duties and establish their compensation or remuneration. This right shall include the right to designate a person to operate the Company and conduct the business of the Company in the event of the illness, disability or demise of the sole Member. If such person is appointed, such person shall be referred to as the "Manager" and shall have any rights, powers and obligations granted or created herein to the sole Member excepts as the sole Member shall otherwise restrict or limit in a document appointing said Manager; and

11. take all actions required of the Project Partnership with respect to the Project.

## E. EXCULPATION of LIABILITY: INDEMNIFICATION.

Unless otherwise provided by law or expressly assumed, the sole Member shall not be liable for the acts, debts or liabilities of the Company.

## F. OTHER ACTIVITIES.

The Member may engage in other business ventures of every nature, including, without limitation by specification, the ownership of another business similar to that operated by the Company. The Company shall not have any right or interest in any such independent ventures or to the income and profits derived therefrom.

## G. DEATH, DISABILITY, DISSOLUTION.

1. ***Death of the Member.*** Upon the death of the Member, if the Member has not theretofore appointed a Manager who is then willing to act, then the personal representative of the estate of the Member may act as Manager hereunder or appoint a person to so serve until the Member's Interests and Capital Account of the deceased Member have been transferred or distributed.

2. ***Disability of the Member.*** Upon the disability of the Member, if the Member has not theretofore appointed a Manager who is then willing to act, then the guardian, committee, or conservator of the disabled Member may act as Manager hereunder or appoint a person to so serve until the Member's Interests and Capital Account of the disabled Member have been transferred or distributed.

3. ***Dissolution.*** The Company shall dissolve and its affairs shall be wound up by the written consent of the Member. However, no third party dealing with the LLC shall be adversely affected by such action unless it receives notice, or should have reasonably been aware of such action.

## H. BOOKS, RECORDS and ACCOUNTING.

1. ***Books and Records.*** The Company shall maintain complete and accurate books and records of the Company's business and affairs as required by the Act.

2. ***Fiscal Year; Accounting.*** The Company's fiscal year shall be the calendar year.

3. ***Member's Capital Accounts.*** A Capital Account for the Member shall be maintained by the Company. The Member's Capital Account shall reflect the Member's capital contributions and increases for any net income or gain of the Company. The Member's Capital Account shall also reflect decreases for distributions made to the Member and the Member's share of any losses and deductions of the Company.

## I. MISCELLANEOUS PROVISIONS.

1. ***Terms.*** Nouns and pronouns will be deemed to refer to the masculine, feminine, neuter, singular and plural, as the identity of the person or persons, firm or corporation may in the context require. The term "Code" shall refer to the Internal Revenue Code of 1986, as amended.

2. ***Article Headings.*** The Article headings and numbers contained in this Operating Agreement have been inserted only as a matter of convenience and for reference, and in no way shall be construed to define, limit or describe the scope or intent of any provision of this Operating Agreement.

3. ***Entire Agreement.*** This Operating Agreement constitutes the entire agreement among the sole Member and the Company and contains all of the agreements among said parties with respect to the subject matter hereof. This Operating Agreement supersedes any and all other agreements, either oral or written, between said parties with respect to the subject matter hereof.

4. ***Severability.*** The invalidity or unenforceability of any particular provision of this Operating Agreement shall not affect the other provisions hereof, and this Operating Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

5. ***Amendment.*** This Operating Agreement may be amended or revoked at any time by a written document executed by the sole Member.

6. ***Binding Effect.*** Subject to the provisions of this Operating Agreement relating to transferability, this Operating Agreement will be binding upon and shall inure to the benefit of the parties, and their respective distributees, heirs, successors and assigns.

7. ***Governing Law.*** This Operating Agreement is being executed and delivered in the State of New Jersey and shall be governed by, construed, and enforced in accordance with the laws of the State of New Jersey.

8. ***NJHMFA Provision.*** The Company acknowledges that any review of the provisions of this Operating Agreement by the New Jersey Housing and Mortgage Finance Agency ("NJHMFA") is performed in accordance with its responsibility as Lender and is intended only to assure that the Company is validly formed according to law, with the legal authority to borrow the funds which will constitute the NJHMFA Mortgage Loan and to operate the Property securing the NJHMFA Mortgage Loan. Notwithstanding any other provisions herein, the Company acknowledges and agrees that as a condition of obtaining the NJHMFA Mortgage Loan, that the NJHMFA statutes, rules and regulations and all the financing documents in connection with the NJHMFA Mortgage Loan, are applicable to the Company and the Property securing the NJHMFA Mortgage Loan. The Company further acknowledges that, except as contained in this Section, the

NJHMFA makes no representations express or implied, as to this Operating Agreement; and the Company and the Members shall not rely upon the NJHMFA review of this Operating Agreement.

**[SIGNATURE PAGE TO FOLLOW]**

S:\BROWN\LEVITT\Archive\LAFAYETTE V\A&R Operating Agt Glennview LLC 011911.doc

**IN WITNESS WHEREOF**, the parties hereto make and execute this Operating Agreement to be effective on the date first above written.

***MEMBER:***

**MICHAEL J. DEVITT**

***COMPANY:***

**GLENNVIEW II-MICHAELS, LLC**

*By:* **Michael J. Levitt**, *Sole Member*

**EXHIBIT I:**

**COOPERATION AGREEMENTS IN PLACE**

(PLEASE SEE ATTACHED)

# COOPERATION AGREEMENT

The following public housing developments are included in the Cooperation Agreement:

| PROJECT NAME/NUMBER | | TOTAL UNITS |
|---|---|---|
| MARION GARDENS | N.J. 9-2 | 234 |
| BOOKER T. WASHINGTON | N.J. 9-3 | 314 |
| HUDSON GARDENS | N.J. 9-4 | 222 |
| HOLLAND GARDENS | N.J. 9-5 | 192 |
| MONTGOMERY GARDENS | N.J. 9-6 | 462 |
| CURRIES WOODS | N.J. 9-8 | 91 |
| BERRY GARDENS | N.J. 9-9 | 368 |
| DWIGHT STREET HOMES | N.J. 9-10 | 34 |
| LAFAYETTE SENIOR LIVING CENTER | N.J. 9-13 | 83 |
| THOMAS J. STEWART APTS. | N.J. 9-14 | 48 |
| OCEAN POINTE EAST | N.J. 9-20 | 29 |
| | TOTAL | 2,077 |

# EXHIBIT J:

## FINANCIAL AGREEMENTS IN FORCE

(PLEASE SEE ATTACHED)

## EXISTING FINANCIAL AGREEMENTS

All parties of the applicant who have an interest in any other financial agreements in force and effect in the City of Jersey City include:

1) The Jersey City Housing Authority has a current tax enhancement agreement in place with the City of Jersey City for the 36 residential units at the premises located at 254 Bergen Avenue.

2) The Jersey City Housing Authority has a current tax enhancement agreement in place with the City of Jersey City for the 90 residential units at Arlington Gardens located at 315 Randolph Avenue.

3) The Jersey City Housing Authority and Lafayette Community Limited Partnership have a current tax enhancement agreement in place (under the NJHMFA Statute) with the City of Jersey City for the 124 residential units at the mixed-income HOPE VI Lafayette Village located at 579 Grand Street.

4) The Jersey City Housing Authority and Lafayette Family Urban Renewal Associates, L.P. have a current tax enhancement agreement in place with the City of Jersey City for the 70 residential units at the mixed-income HOPE VI Woodward Terrace located at 511 Grand Street.

5) The Jersey City Housing Authority and Lafayette Family II Urban Renewal Associates, L.P. have a current tax enhancement agreement in place with the City of Jersey City for the 72 residential units at the mixed-income HOPE VI Pacific Court Townhouses located at 320 Bramhall Avenue.

6) The Jersey City Housing Authority and Lafayette Family Phase III Urban Renewal Associates, L.P. have a current tax enhancement agreement in place with the City of Jersey City for the 67 residential units plus community center at the mixed-income HOPE VI Barbara Place Terrace located at Ash Street, Carbon Street and Pacific Avenue.

7) The Jersey City Housing Authority and A. Harry Moore Phase I Associates, L.P. have a current tax enhancement agreement in place with the City of Jersey City for the 66 residential units at the mixed-income HOPE VI Gloria Robinson Court Homes I located at 332-336 Duncan Avenue.

8) The Jersey City Housing Authority and A. Harry Moore Phase II Associates, L.P. have a current tax enhancement agreement in place with the City of Jersey City for the 78 residential units and community center at the mixed-income HOPE VI Gloria Robinson Court Homes II located at 340-344 Duncan Avenue.

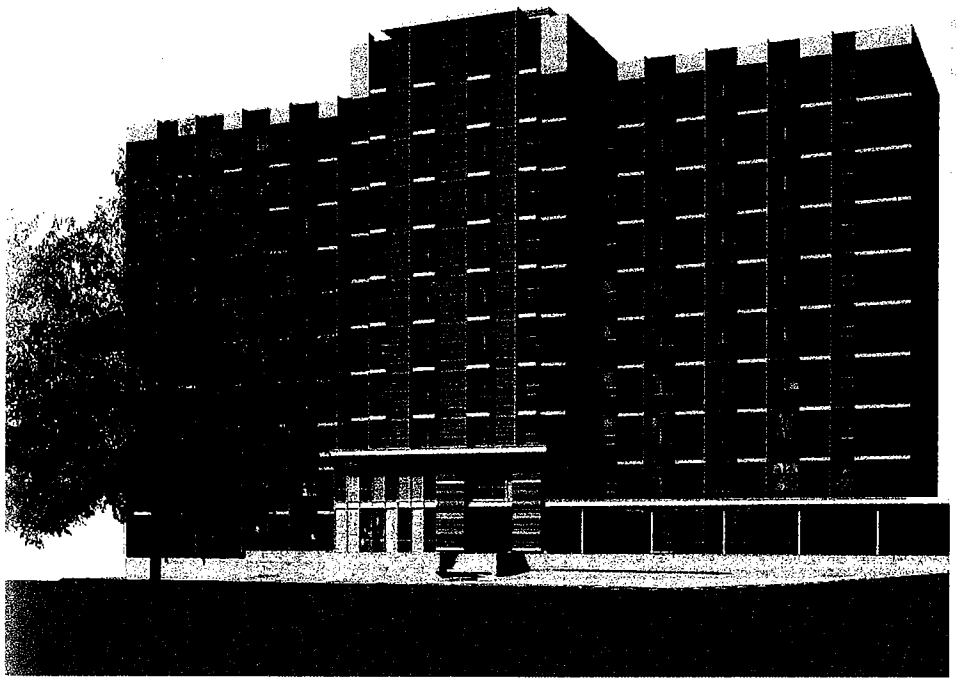
9) The Jersey City Housing Authority and Lafayette Family Phase IV Urban Renewal Associates, L.P. have a current tax enhancement agreement in place with the City of Jersey City for the 63 residential units under

construction at the mixed-income HOPE VI Glennview Townhouses I located at Grande Street, Barbara Place, and Halladay Street.

10) The Jersey City Housing Authority and AHM Housing Urban Renewal Associates, LLC have a current tax enhance agreement in place with the City of Jersey City for the 60 residential units under construction at the mixed-income HOPE VI A. Harry Moore Phase III Development located at 324 Duncan Avenue.

# *Montgomery Senior*

## Tax Abatement Application to the City of Jersey City



Submitted to:
Jersey City Tax Abatement Committee
30 Montgomery Street
Jersey City, NJ 07302
Attn: Mr. Al Cameron, Dpty. Director of HEDC

By:
Montgomery Senior Living Urban Renewal Associates, LP
c/o Jersey City Housing Authority
400 US Highway 1
Jersey City, NJ 07306
Attn: Ms. Joan Pollock , Development Director

May 2011

# CERTIFIED APPLICATION TO THE CITY OF JERSEY CITY FOR LONG TERM TAX EXEMPTION OF MONTGOMERY SENIOR CENTER

In compliance with Executive Order #S-02-003 of the Mayor of the City of Jersey City, the Applicant herewith submits the following information in support of its application for a Long Term Tax Exemption pursuant to the Urban Renewal Corporation and Association Law, N.J.S.A 40A:20-1 et seq.

| | |
|---|---|
| Applicant: | Montgomery Senior Living Center Urban Renewal Associates, LP<br>C/o Jersey City Housing Authority<br>400 US Highway No. 1 (Marion Gardens)<br>Jersey City, New Jersey 07306 |
| Property: | Block 2116, to be known as Lot P1<br>(Formerly part of Lot P)<br>Part of 561 Montgomery Street<br>Jersey City, New Jersey 07302 |
| Development: | Montgomery Senior Center, an affordable senior rental housing development<br>Part of 561 Montgomery Street<br>Jersey City, New Jersey 07302 |
| Applicant's Architect: | Nando Micale<br>Nando Micale Architecture<br>1700 Market Street, 28th Floor<br>Philadelphia, PA 19103 |
| Applicant's Attorney: | Nancy A. Skidmore, Esq.<br>Connell Foley, LLP<br>Harborside Financial Center<br>2510 Plaza Five<br>Jersey City, NJ 07311-4029<br>(201) 521-1000 |

**LIST OF EXHIBITS:**

Exhibit

| | |
|---|---|
| A. | Description of Property |
| B. | Preliminary Site Plans & Architectural Renderings |
| C. | Description of Leases |
| D-1. | Total Annual Gross Revenue Computation – Year 1 |
| D-2. | Total Annual Gross Revenue Computation – Year 16 |
| E. | Estimated Total Development Cost |
| F-1. | Projected Statement of Property Operations – Year 1 |
| F-2. | Projected Statement of Property Operations – Year 16 |
| G. | Proposed Financial Agreement |
| H. | Certificate of Formation and Disclosure Statement |
| I. | Cooperation Agreements in Place |
| J. | Financial Agreements in Force |

# APPLICATION

## 1. Identification of the Property:

The land upon which the development is located is part of Block 2116, Lot P (pursuant to a recent subdivision) that is known as Lot P1 on the Tax Map of the City of Jersey City, and is commonly known as part of 561 Montgomery Street, Jersey City, New Jersey (the "Property"). Upon perfection of the subdivision, the Property will consist of approximately 26,071 square feet (or ± /.599 acres). The metes and bounds description of the land where the Development is located is attached hereto as *Exhibit A*. Further, for context, the preliminary site plans and architectural renderings have been provided as *Exhibit B*.

## 2. Type of Development:

The Property is currently improved with a ten story apartment building that is part of an existing public housing development, consisting of a total of six (6) buildings, that is known as Montgomery Gardens and that is operated by the Jersey City Housing Authority ("JCHA"). As noted above, the Property has been subdivided from the existing Montgomery Gardens parcel (Block 2116, Lot P). The Property will be owned by JCHA and site control will be provided to the Applicant via a Long Term Ground Lease with JCHA.

The existing building (now known as Building 1) on the Property will be completely rehabilitated and converted into an affordable senior housing development (herein referred to as the "Development"). Specifically, the Development will consist of a senior low/moderate income apartment complex (all tenants of which are elderly and/or handicapped, with the exception of one superintendent unit, which is non-income producing) having sixty-eight (68) units and approximately 2,500 square feet of community and management space for use by the residents and staff of the building. One hundred percent (100%) of these apartments will be affordable to households earning at or below 60% of the Area Median Income, adjusted for household size. The anticipated number, size, and rent for the affordable apartments will be as follows:

| *Unit Type* | *No. of Units* | *Square Footage** | *Net Monthly Rent*** | *Tenant Portion of Rent* |
|---|---|---|---|---|
| 1 BR | 58 | 650 | $ 520 | $ 293 |
| 2 BR | 9 | 866 | $ 570 | $ 343 |
| 2 BR - Super | 1 | 866 | $ - | $ - |
| | ***68*** | | | |

* The exact square footage and rent could vary. The numbers above represent the average square footage and rent for

each type of apartment.
** The balance of the rents will be paid by HUD pursuant to either a Public Housing Operating Subsidy ("ACC" Subsidy) or a Section 202 Project Rental Assistance Contract.

The affordable housing units will be available only to those who qualify under the relevant federal and state guidelines which are as follows: seniors must be at least 62 years old and have a combined income of less than 60% of the Area Median Income (which according to HUD is currently $34,140 for a two bedroom unit). Each household will be expected to pay 30% of their adjusted annual income towards rent. As the income generating units in the Development are anticipated to consist solely of public housing units, the balance of the net rent, which is needed to meet project expenses, will be paid by HUD in the form of an operating subsidy or Housing Assistance Payments.

Interstate Realty Management Company, (herein referred to as "IRM"), who is an affiliate of the Developer and corporate guarantor, the Michaels Development Company I, LP, will serve as the property manager and will qualify potential residents of the affordable units in accordance with federal and state guidelines. IRM currently operates the over 35,000 units Michaels has developed since its creation in 1973, including all of the phases at the Lafayette Gardens HOPE VI development, which include two senior projects that are similar in scope to what is proposed to the Development.

In addition to the many unit amenities, the following "project amenities" will be available at no additional charge to the residents of the building:

1. A large multi-purpose room with warming kitchen
2. A computer learning center
3. A "living room"/library/reading room (similar to those at the Lafayette Senior and Ocean Pointe Developments)
4. A game room
5. On-site laundry facilities (located on every floor), and;
6. A large private outdoor patio space that is furnished and space-programmed

3. **Type of Abatement Requested:**

In light of the above, and as JCHA and Michaels have done at Lafayette Gardens, the Applicant seeks a Long Term Tax Exemption based on a formula pursuant to the Urban Renewal Corporation and Association Law, N.J.S.A 40A:20-1 et seq.(the "Urban Renewal Law"). The P.I.L.O.T requested is **6.28%** of the Adjusted Annual Gross Revenue (gross project revenue less utilities or "net shelter rents") which translates to **$21,928** annually or **$327** per income generating unit per year. The formula for this conclusion is provided below.

| Type | Net Rent PUPM | Annual Rent Per Unit | Unit Count | Total Rent Per Month | Total Annual Rent |
|---|---|---|---|---|---|
| 1 BR | $ 520 | $ 6,240 | 58 | $ 30,160 | $ 361,920 |
| 2 BR | $ 570 | $ 6,840 | 9 | $ 5,130 | $ 61,560 |
| 2 BR - Super | $ - | $ - | 1 | $ - | $ - |
| | | | | ***$ 35,290*** | ***$ 423,480*** |
| | | | | *Plus other income* | *$ 6,000* |
| | | | | *Less vacancy (3.5%)* | *$ (12,704)* |
| | | | | *Less utilities* | *$ (74,500)* |
| | | | | ***Subtotal*** | ***$ 342,276*** |
| | | | | ***Times 6.28%*** | ***$ 21,495*** |

In accordance with the Long Term Exemption Statute and the New Jersey Housing and Mortgage Finance Agency's ("NJHMFA") Low Income Housing Tax Credit (herein referred to as "LIHTC") Qualified Allocation Plan, this P.I.L.O.T. percentage would be fixed for the first 15 years of the exemption period. This is comparable to the terms of the financial agreements between the City of Jersey City and the ownership entities for the Housing Authority's HOPE VI project phases at Lafayette Gardens. As discussed on page 10 of the provided Draft Financial Agreement, appended hereto as *Exhibit G,* after the first fixed 15 years (Stage One), the Applicant will pay the City an Annual Service Charge which will be adjusted in stages over the term of the tax exemption in accordance with N.J.S.A. 40A:20-12(b) as follows:

I. Stage Two: Beginning on the 1st day of the 16th year following Substantial Completion until the last day of the 21st year, an amount equal to the greater of the Annual Service Charge or 20% of the amount of the taxes otherwise due on the value of the land and Improvements;

III. Stage Three: Beginning on the 1st day of the 22nd year following the Substantial Completion until the last day of the 27th year, an amount equal to the greater of the Annual Service Charge or 40% of the amount of the taxes otherwise due on the value of the land and Improvements;

IV. Stage Four: Beginning on the 1st day of the 28th year following Substantial Completion until the last day of the 29th year, an amount equal to the greater of the Annual Service Charge or 60% of the amount of the taxes otherwise due on the value of the land and Improvements.

The complete calculations for the estimated P.I.L.O.T. have provided in the Total Annual Gross Revenue Computation set forth in *Exhibit D* and the Proposed Statement of Stabilized Property Operations

set forth in *Exhibit F.*

4. **Term of Abatement:**

The term of the tax exemption being requested by the Applicant is 30 years from the date of substantial completion of the Development or for period not to exceed the period of time by which the Development is encumbered by funding provided to the Applicant by the New Jersey Housing and Mortgage Agency pursuant to the NJMHFA Law commencing from the date of substantial completion of the Development (i.e. LIHTC compliance period, amortization period for permanent debt – if applicable).

5. **Description of the Development:**

The Property consists of approximately 26,071 square feet (or ± /.599 acres) of land located at 561 Montgomery Street in Jersey City, New Jersey.

The Property is currently improved with a ten-story building containing 70 residential units and community space. The improvements to be constructed will consist of the following:

1. A rehabilitation of the existing ten-story building unit which will consist of re-conversion from seventy-six (70) obsolete mixed studio, one, two, three, and four bedroom units into sixty-eight (68) modern one and two bedrooms in the configuration discussed above. The space resulting from the reduction of units will result in larger residential living spaces and allow for the addition of on-site laundry facilities on every floor.
2. The provision of new elevator cars and building egress
3. Repairs and improvements to the exterior building façade
4. The addition of a lobby, community, supportive service, and management space

The sixty-eight (68) residential rental units will consist of: fifty-eight (58) one bedroom units, which will average approximately six hundred fifty (650) square feet in size, and ten (10) two bedroom units, which will average approximately eight hundred sixty (860) square feet in size. Each residential unit will have living, dining, and kitchen areas. The building will also contain community and management space which will be approximately two thousand five hundred (2,500) square feet in size.

The Property consists of one newly subdivided tax lot. The Jersey City Housing Authority is the owner of the property and will provide site control to the applicant via a Long Term Ground Lease. Upon transfer of title to the Applicant, the Applicant will construct and maintain ownership interest in the

Development.

6. **Estimated Total Cost of Development:**

The Total Development Cost, as set forth in *Exhibit E* is estimated to be **$ 14,934,367.** The construction costs have been estimated based upon information compiled by the Applicant and its consultants. The Total Development Cost is subject to approval by the NJHMFA.

7. **Financing Structure:**

Major financing for the Development will be provided by the following sources:

1. NJHMFA – in the form of a Low Income Housing Tax Credit ("LIHTC") allocation from the Federal Low Income Housing Tax Credit Program
2. Construction and/or Permanent Financing from NJHMFA
3. A direct subsidy from the Federal Home Loan Bank's Affordable Housing Program
4. A CDBG allocation from the City of Jersey City
5. Federal Section 202 Capital Advance Funds

8. **Annual Gross Revenue and Expenses**:

A Schedule of Annual Gross Revenue for the Development is attached hereto as *Exhibit D*. A Projected Statement of Operations is attached hereto as *Exhibit E*. As is the case with the Development Costs, the Annual Gross Revenue and Projected Statement of Operations are subject to approval by the NJHMFA.

9. **Construction Schedule**:

If the Applicant is successful in securing LIHTC's in the August 2011 Competitive Funding Round, the construction of the Development is scheduled to commence in May 2012 and will be completed within approximately fourteen (14) months. This construction schedule is subject to modification based upon the time required to obtain the necessary funding and governmental approvals and permits from those local, state and federal governmental agencies involved in the Development.

10. **Fair Market Value:**

The Current (2011) Land Assessment for the entire un-subdivided Montgomery Gardens Site, Block 2116, Lot P, is $1,820,000. The proposed Development and Property, (newly subdivided Block 2116, Lot P1)

constitutes 12% of the land value or $218,400. The Real Estate Tax Assessment attributable to Lot P1 is subject to review and determination by the Tax Assessor upon perfection of the subdivision.

11. **Current Real Estate Tax Status**:

For 2010, no taxes were levied on the property as it is exempt being owned by the JCHA pursuant to a Cooperation Agreement between the City and the JCHA. Enclosed as *Exhibit I* is a listing of the public housing developments that are included in the JCHA's Cooperation Agreements with the City. The subject site is included within this list.

Provided as *Exhibit J*, is a listing of other financial agreements in place within Jersey City between the City and the JCHA, the Lafayette Gardens HOPE VI ownership entities and/or Michaels Development Company and its subsidiaries.

12. **Developer Certification as to Commencement of the Development.**

With the submission and signing of this application, the Applicant certifies that it will not commence construction of the Development prior to the receipt of final approval of the tax abatement and the execution of a Financial Agreement between the City and the Applicant.

13. **Estimated Jobs to be created:**

Based on the Developer's past experience in the City and the projected scope of work at the Development, it is anticipated that the Development will generate approximately one hundred twenty-five (125) full time equivalent construction jobs during the term of construction. In addition, it is projected that the Development will generate two direct full time and one part time permanent employment opportunities upon the commencement of operations of the Development. This Development will not cause any loss or displacement of current employments opportunities. All of the aforementioned employment opportunities will be immediately created. The Applicant agrees to execute a Development Employment Agreement simultaneously with the execution of a financial agreement. The Applicant will also adhere to the Housing Authority's Section 3 Employment and Contracting Opportunity Requirements.

The Development is exempt from the requirements of City Ordinance #07-123, which may otherwise require the execution of a Development Labor Agreement. This Application is for tax exemption pursuant to the NJHMFA Law and, therefore, not a "Tax Abated Development" as defined under Ordinance #07-123.

14. **Compliance with State and Local Redevelopment Laws.**

With the submission and signing of this application, the Applicant certifies that the Development is located in the R-4 Zoning District and the Urban Enterprise Zone Area.

The Development will be constructed in accordance with the terms and conditions of any preliminary site plan approval granted by the Jersey City Planning Board and in compliance with any state permits or approvals required for the renovation or new construction. It is anticipated that an application for preliminary site plan approval will be heard by the Jersey City Planning Board on May 24, 2011.

15. **Compliance with State and Local Law:**

With the submission and signing of this application, the Applicant certifies that the Development meets the requirements of the laws of the State of New Jersey and the City of Jersey City to qualify for a tax exemption.

16. **Form of Financial Agreement:**

Attached hereto as *Exhibit G* is a proposed form of Financial Agreement between the City of Jersey City and the Applicant which is modeled after the Glennview Townhomes I agreement that was also sponsored by JCHA and applied for by an affiliate of the Developer that was executed on August 26, 2008 and approved by Jersey City Ordinance 08-106.

17. **Certificate of Formation:**

The Applicant is an Urban Renewal Entity and Limited Partnership formed pursuant to the laws of the State of New Jersey and is qualified to do business in New Jersey.

Attached hereto as part of *Exhibit H* is a copy of the Certificate of Formation as an Urban Renewal Entity dated January 18, 2011. A Disclosure Statement listing the names and address of the members of the Applicant is attached hereto as part the above noted attachment.

18. **Affordable Housing Contribution**:

No affordable housing contribution is required pursuant to Section 304-28 of the Code of the City of

Jersey City. This Application is for tax exemption pursuant to the Urban Renewal Law, and this Development contains affordable housing units that are in excess of 15% of the overall number of units. Therefore, the Development is entitled to exemption on two separate bases under Section 304-28.

19. **Fee:**

Since this Application concerns a Development which provides housing for seniors of low or moderate income, no application fee is required.

Respectively submitted:

**Montgomery Senior Living Center Urban Renewal Associates, LP**
By its General Partner, Montgomery Senior-Michaels, LLC

Joel Silver, Vice President

# EXHIBIT A

## DESCRIPTION OF PROPERTY

Address: Part of the property commonly known as 561 Montgomery Street, Jersey City, New Jersey 07302

Block 2116, to be known as Lot P1.

A metes and bounds description is attached hereto.

PS&S
integrating design & engineering

67B Mountain Boulevard Extension
P.O. Box 4039
Warren, NJ 07059
Tel 732.560.9700
www.psands.com

# PROPOSED LOT P.1, BLOCK 2116
# CITY OF JERSEY CITY, HUDSON COUNTY
# NEW JERSEY

**BEGINNING** at the intersection formed by the westerly right-of-way line of Florence Street (60' wide per tax map), with the southerly right-of-way line of Montgomery Street (80' wide per tax map) and running thence.

1. Along the westerly right-of-way line of Florence Street, South 22 degrees 12 minutes 21 seconds West, a distance of 192.50 feet to a point, thence.

2. Leaving said right-of-way line and along the proposed subdivision line of existing Lot P, in Block 2116, South 67 degrees 47 minutes 39 seconds East, a distance of 135.25 feet to a point, thence.

3. Along said subdivision line, North 21 degrees 58 minutes 51 seconds East, a distance of 191.97 feet to a point in the southerly right-of-way line of Montgomery Street, thence.

4. Along said right-of-way line, South 68 degrees 01 minutes 09 seconds East, a distance of 136.00 feet to the **POINT OF BEGINNING**

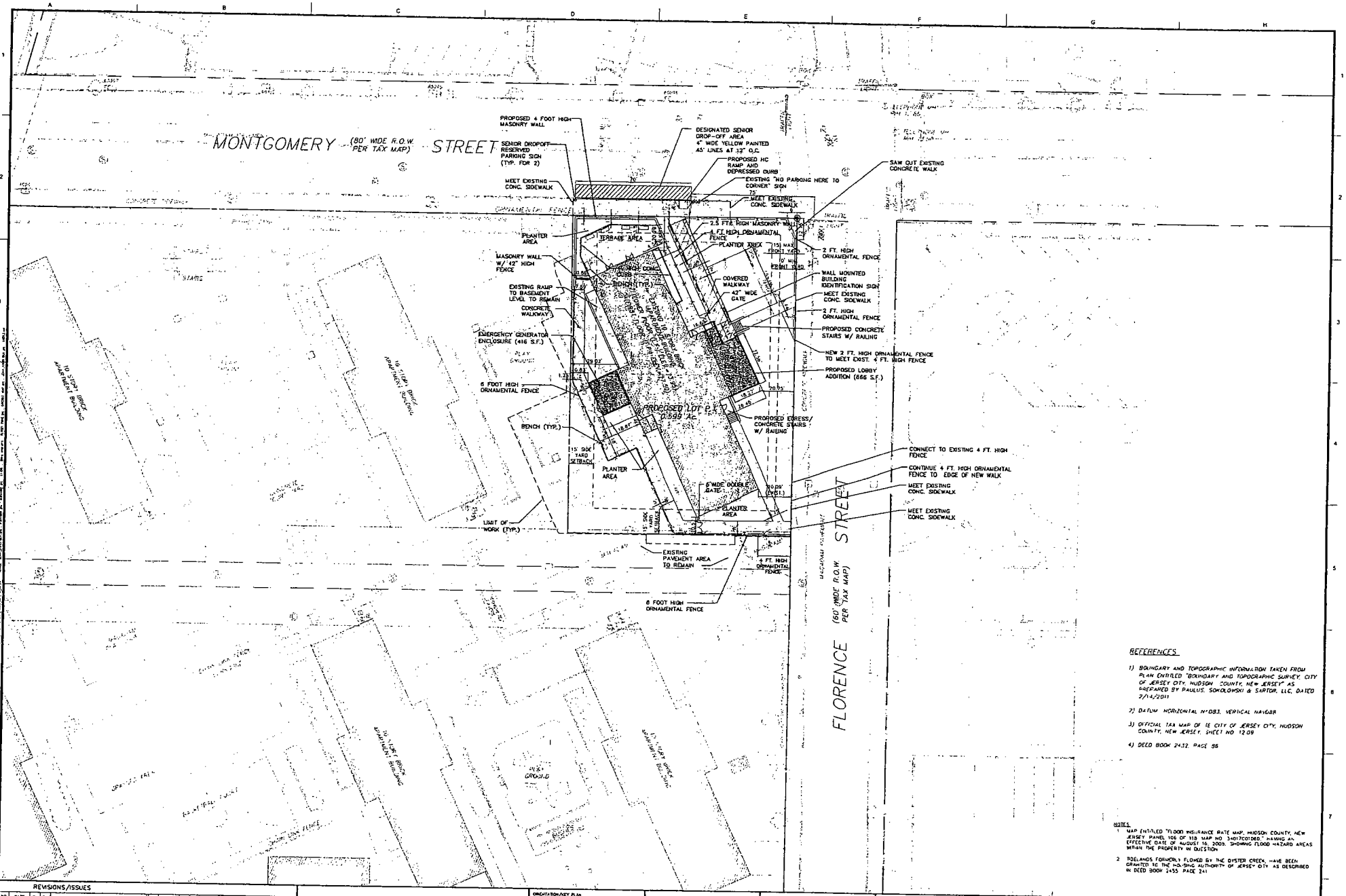
Containing an area of 26,071square feet or 0.599 acres, as calculated by Paulus, Sokolowski and Sartor, LLC in May 2011.

Subject to any easements or restrictions of record if any, which an accurate title search may disclose.

Francis C. Wecht, Jr.
Professional Land Surveyor
NJ License No. 27190
April 2, 2011.

# EXHIBIT B:

## PRELIMINARY SITE PLANS & ARCHITECTURAL RENDERINGS




REFERENCES

1) BOUNDARY AND TOPOGRAPHIC INFORMATION TAKEN FROM PLAN ENTITLED "BOUNDARY AND TOPOGRAPHIC SURVEY, CITY OF JERSEY CITY, HUDSON COUNTY, NEW JERSEY" AS PREPARED BY PAULUS, SOKOLOWSKI & SARTOR, LLC, DATED 2/14/2011

2) DATUM HORIZONTAL NAD83, VERTICAL NAVD88

3) OFFICIAL TAX MAP OF 16 CITY OF JERSEY CITY, HUDSON COUNTY, NEW JERSEY, SHEET NO 12.09

4) DEED BOOK 2432, PAGE 96

NOTES

1. MAP ENTITLED "FLOOD INSURANCE RATE MAP, HUDSON COUNTY, NEW JERSEY, PANEL 106 OF 113, MAP NO. 34017C0106D," HAVING AN EFFECTIVE DATE OF AUGUST 16, 2003, SHOWING FLOOD HAZARD AREAS WITHIN THE PROPERTY IN QUESTION.
2. WOETLANDS (FORMERLY FLOWED BY THE OYSTER CREEK, HAVE BEEN GRANTED TO THE HUDSON AUTHORITY OF JERSEY CITY AS DESCRIBED IN DEED BOOK 2455, PAGE 241

REVISIONS/ISSUES

| NO | DATE | BY | CHK | DESCRIPTION | NO | DATE | BY | CHK | DESCRIPTION |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |

ORIENTATION/KEY PLAN

GRAPHIC SCALE

( IN FEET )
1 inch = 20 ft.

PATRICIA A. RUSKAN, P.E.
PROFESSIONAL ENGINEER
N.J. LICENSE NO. 42018

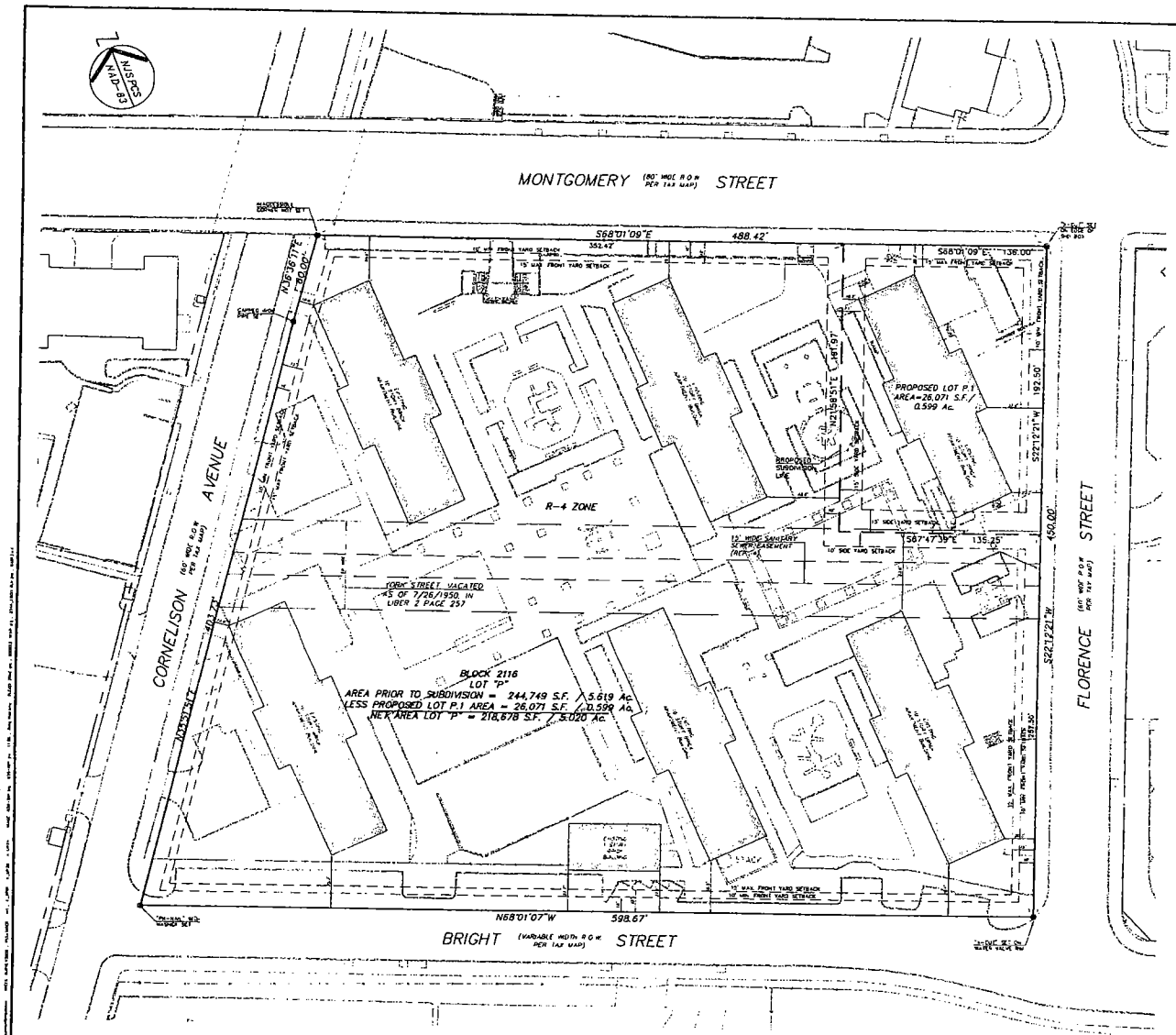
SIGNATURE DATE

PS&S
Integrating design & engineering

PROJECT TITLE
MONTGOMERY GARDENS SENIOR
MONTGOMERY STREET AND FLORENCE STREET

SHEET TITLE
SITE PLAN

| | |
|---|---|
| DATE 4/05/2011 | JOB NO 02880-028 |
| SCALE 1"=20' | B/O |
| DRAWN PAW | SHEET NO C-5 |
| CHKD | |



ZONING MAP SCALE: 1"=600'

| REV / ISSUE | DATE | BY | CHK | DESCRIPTION |
|---|---|---|---|---|
| | | | | |

NOTES:

1. BOUNDARY INFORMATION SHOWN HEREON WAS PREPARED BY PAULUS, SOKOLOVSKI & SARTOR LLC DURING FEBRUARY 2011
2. PLANIMETRIC INFORMATION SHOWN HEREON WAS FIELD VERIFIED BY PAULUS, SOKOLOVSKI & SARTOR LLC DURING FEBRUARY 2011
3. PLANIMETRIC INFORMATION SHOWN HEREON WAS PREPARED BY ATLANTIC AERIAL SURVEY CO. DURING JANUARY 2011 FROM AERIAL PHOTOGRAPHS DATED 12/21/2010
3. BOUNDARY SHOWN HEREON IS KNOWN AND DESIGNATED AS BLOCK 2116, LOT P ON SHEET 13 OF 18 OF THE CURRENT TAX MAPS OF THE CITY OF JERSEY CITY, HUDSON COUNTY, NEW JERSEY
4. SUBJECT TO ANY EASEMENTS OR RESTRICTIONS OF RECORD THAT AN ACCURATE TITLE SEARCH MAY DISCLOSE
5. THIS SURVEY IS ONLY VALID IF THE SURVEYORS EMBOSSED SEAL IS AFFIXED

REFERENCES:

1. OFFICIAL TAX MAP OF THE CITY OF JERSEY CITY, HUDSON COUNTY NEW JERSEY, SHEET No. 13.08
2. DEED BOOK 2432 PAGE 86
3. MAP ENTITLED "PROPERTY LINE MAP, PROJECT B-8, JERSEY CITY HOUSING AUTHORITY, JERSEY CITY, HUDSON COUNTY, NEW JERSEY," PREPARED BY CHRISTIAN H. DEGLER, DATED FEBRUARY 13, 1951
4. MAP ENTITLED "SITE PLAN AND LOCATION OF BUILDINGS, PUBLIC HOUSING ADMINISTRATION, PROJECT No. NJ B-8, HOUSING AUTHORITY OF THE CITY OF JERSEY CITY, N.J.," PREPARED BY CHRISTIAN H. DEGLER, DATED FEBRUARY 15, 1954
5. MAP ENTITLED "FLOOD INSURANCE RATE MAP, HUDSON COUNTY, NEW JERSEY, PANEL 106 OF 118, MAP No. 34017C0106D" HAVING AN EFFECTIVE DATE OF AUGUST 18, 2009 SHOWING FLOOD HAZARD AREAS WITH JURISDICTION & DIRECTION
6. HORIZONTAL DATUM REFERS TO NORTH AMERICAN DATUM 1983-83
7. WETLANDS FORMERLY FLOWED BY THE OYSTER CREEK HAVE BEEN GRANTED TO THE HOUSING AUTHORITY OF JERSEY CITY, AS DESCRIBED IN DEED BOOK 7155 PAGE 241
8. TITLE INFORMATION PREPARED BY MARLTON ABSTRACT AGENCY, LLC HAVING AN EFFECTIVE DATE OF JANUARY 13, 2011 AND HAS A REFERENCE No. OF 1010-01.

| PROPOSED LOT P.1<br>R-4 ZONE (THE STANDARDS OF THE R-1 DISTRICT FOR SENIOR HOUSING APPLY TO SENIOR HOUSING PROJECTS IN THE R-4 ZONE) | REQUIRED | LOT P.1 PROVIDED |
|---|---|---|
| MIN. LOT WIDTH | 100' | 182.46' |
| MIN. LOT DEPTH | 100' | 136.00' |
| MIN. LOT AREA | 10,000 S.F. | 26,071 SF (0.598 AC) |
| MAX. BUILDING HEIGHT | 7 STORIES/70' | 10 STORIES (EXISTING) * |
| MIN. FRONT YARD | 10' | 20.1' (EXISTING) |
| MAX. FRONT YARD | 15' | 37.4'** (EXISTING) |
| MIN. SIDE YARD | 15' | 10.5' ** (EXISTING) |
| MIN. REAR YARD | 40' | 7.5' ** (EXISTING BASEMENT RAMP) |
| MAX. BUILDING COVERAGE | 65% | 26.4% (0.17 AC) |
| MAX. LOT COVERAGE | 75% | 62% (0.37 AC) |

NOTES:
* EXISTING CONDITION
** VARIANCE REQUIRED

| LOT P-LANDS REMAINING<br>R-4 ZONE (MULTI FAMILY) | REQUIRED | LOT P' LANDS REMAINING |
|---|---|---|
| MIN. LOT SIZE | 40,000 S.F. | 218,678 S.F. |
| MIN. LOT WIDTH | 300' | 596.24' |
| MIN. LOT DEPTH | 200' | 257.54' |
| MIN. FRONT YARD | 10' | n/a |
| MAX. FRONT YARD | 15' | 35.5' (EXISTING) |
| MIN. REAR YARD | 25' | n/a |
| MIN. SIDE YARD | 10' | 46.8' |
| MAX. BLDG HEIGHT | 8 STY/80' | 10 STORIES* (EXISTING) |
| MAX. BUILDING COVERAGE | 60% | 17.98% (0.903 AC) |
| MAX. LOT COVER | 75% | 73.13% (3.872 AC) |

LOT AREA TABULATION

| | | |
|---|---|---|
| EXISTING LOT "P" AREA | 244,749 S.F. | / 5.619 Ac. |
| LESS PROPOSED LOT P.1 AREA | 26,071 S.F. | / 0.598 Ac. |
| REMAINDER LOT "P" AREA | 218,678 S.F. | / 5.020 Ac. |

GRAPHIC SCALE
( IN FEET )
1 inch = 30 ft.

OWNER:
JERSEY CITY HOUSING AUTHORITY
400 U.S. HIGHWAY 1
JERSEY CITY, NJ 07306

APPLICANT:
MONTGOMERY SENIOR LIVING CENTER
URBAN RENEWAL ASSOCIATES, LP
THREE EAST STOW ROAD
MARLTON, NJ 08053

CERTIFICATIONS

I HEREBY CERTIFY THAT THIS MAP COMPLIES WITH THE PROVISIONS OF CHAPTER 141 P.L. 1960 AND FURTHER CERTIFY THAT THIS MAP HAS BEEN APPROVED FOR FILING IN THE OFFICE OF THE COUNTY CLERK OF HUDSON COUNTY BY THE ZONING BOARD OF THE CITY OF JERSEY CITY. THIS CERTIFICATION SHALL EXPIRE IF THIS MAP IS NOT PROPERLY FILED WITH SAID COUNTY CLERK WITHIN 95 DAYS OF THE CERTIFICATION INDICATED BELOW

CHAIRMAN, ZONING BOARD OF ADJUSTMENT — DATE

SECRETARY, ZONING BOARD OF ADJUSTMENT — DATE

I HEREBY CERTIFY THAT TO THE BEST OF MY KNOWLEDGE AND BELIEF THIS MAP AND LAND SURVEY DATED MARCH 2011 MEETS THE MINIMUM SURVEY DETAIL REQUIREMENTS AS PROMULGATED BY THE STATE BOARD OF PROFESSIONAL ENGINEERS AND LAND SURVEYORS AND WAS BEEN MADE UNDER MY SUPERVISION, AND COMPLIES WITH THE PROVISIONS OF THE MAP FILING LAW AND THAT THE OUTBOUND MONUMENTS AS SHOWN HAVE BEEN SET

FRANCIS C. WECHT, JR. — DATE
PROFESSIONAL LAND SURVEYOR N.J. LIC. NO. 27190

I HAVE CAREFULLY EXAMINED THIS MAP AND TO THE BEST OF MY KNOWLEDGE AND BELIEF FIND IT CONFORMS WITH THE PROVISIONS OF THE MAP FILING LAW, RESOLUTION OF APPROVAL AND MUNICIPAL ORDINANCES AND REQUIREMENTS APPLICABLE THERETO

CITY ENGINEER — DATE

I HEREBY CERTIFY THAT THE SUBDIVISION SHOWN HEREON IS MADE WITH THE FREE CONSENT AND IN ACCORDANCE WITH THE DESIRES OF THE OWNERS AND THEY HEREBY CONSENT TO THE FILING THEREOF

JERSEY CITY HOUSING AUTHORITY — DATE
400 U.S. HIGHWAY 1
JERSEY CITY, NJ 07306

MONTGOMERY SENIOR LIVING CENTER — DATE
URBAN RENEWAL ASSOCIATES, LP
THREE EAST STOW ROAD
MARLTON, NJ 08053

HUDSON COUNTY APPROVAL

PS&S
Integrating design & engineering
PAULUS, SOKOLOVSKI AND SARTOR LLC
SITE/MUNICIPAL ENGINEERS DIVISION
P.O. BOX 1486
WARREN, NEW JERSEY 07059
PHONE (732) 560-9700
FAX (732) 560-9706
CERTIFICATE OF AUTHORIZATION NO. 24GA28003700

FRANCIS C. WECHT, JR.
N.J. LIC. NO. 27190
4-5-11
DATE
PROFESSIONAL LAND SURVEYOR

OWNER
Jersey City Housing Authority
Building Communities, Creating Opportunities, Transforming Lives

PROJECT
MONTGOMERY GARDENS
641 MONTGOMERY STREET
JERSEY CITY, N.J.
BLOCK 2116, LOT P
CITY OF JERSEY CITY
HUDSON COUNTY
NEW JERSEY

SHEET TITLE
MINOR SUBDIVISION

JOB NO. 02860-023
DATE 03/24/2011
DRAWN MPP
CHECK FCW
SCALE 1"=30'

BINDING ORDER
SHEET 1 OF 3
SHEET NO.
S-1

# EXHIBIT C

## DESCRIPTION OF RESIDENTIAL LEASES
## GOOD FAITH ESTIMATE OF INITIAL RENTS

1. Name of Tenant: Various – 68 in total

2. Term of Lease: Initial term of lease not less than 1 year.

3. Number of Apartments: 68

Affordable Apartments: 67

| *Unit Type* | *No. of Units* | *Square Footage** | *Net Monthly Rent*** | *Tenant Portion of Rent* |
|---|---|---|---|---|
| 1 BR | 58 | 650 | $ 520 | $ 293 |
| 2 BR | 9 | 866 | $ 570 | $ 343 |
| 2 BR - Super | 1 | 866 | $ - | $ - |
| | ***68*** | | | |

*The actual percentage of tenant rent to net rent could vary as HUD regulations restrict housing costs at 30% of annual household income. These numbers are currently underwritten at 21% AMI. The numbers above represent the projected average rent for each type of apartment.

** The balance of the rents will be paid by HUD pursuant to either a Public Housing Operating Subsidy ("ACC" Subsidy) or a Housing Assistance Payments Contract (project based vouchers).

4. Premium paid directly by Tenant Annually:
   a. Fire & other insurance — NONE
   b. Real Estate Taxes of Assessments — NONE
   c. Operating and maintenance expenses* — UNIT UTILITIES - ELECTRIC, AC

5. Special Features in the Development:
   Ample Community facilities: multi-purpose room, on-site social services and wellness programs, large programmed patio area with furniture (private to the Development), media center and game rooms, on-site laundry facilities, shuttle service, and a covered bus shelter.

*Energy Efficient Design (Energy Star) which greatly reduce utility expenses for units

# EXHIBIT D-1

## TOTAL ANNUAL GROSS REVENUE COMPUTATION

### Year 1

| Type | Net Rent PUPM | Unit Count | Total Rent Per Month | Total Annual Rent |
|---|---|---|---|---|
| 1 BR | $ 520 | 58 | $ 30,160 | $ 361,920 |
| 2 BR | $ 570 | 9 | $ 5,130 | $ 61,560 |
| 2 BR (Super) | $ - | 1 | $ - | $ - |
| | | | ***$ 35,290*** | ***$ 423,480*** |
| | | | *Plus other income* | *$ 6,000* |
| | | | *Less vacancy (3.0%)* | *$ (12,704)* |
| | | | ***TOTAL*** | **$ 416,776** |

*The numbers above represent the projected average rent for each type of apartment.

# EXHIBIT D-2

## TOTAL ANNUAL GROSS REVENUE COMPUTATION

### Year 16

| Type | Net Rent PUPM | Unit Count | Total Rent Per Month | Total Annual Rent |
|---|---|---|---|---|
| 1 BR | $ 825 | 58 | $ 47,833 | $ 573,991 |
| 2 BR | $ 794 | 9 | $ 7,147 | $ 85,769 |
| 2 BR (Super) | $ - | 1 | | $ - |
| | | | **$ 54,980** | **$ 659,760** |
| | | | *Plus other income* | *$ 8,069* |
| | | | *Less vacancy (3.0%)* | *$ (20,035)* |
| | | | **TOTAL** | **$ 647,794** |

*The actual rent in Year 16 will be based upon the HUD published rate for that year and will likely vary from this projection. The assumed 3% inflation factor above is a projection determined by NJHMFA underwriting assumptions (as shown in the 15 year Operating Income Projection Schedule found on the following page).

MONTGOMERY GARDENS SENIOR DEVELOPMENT - 68 UNITS 9% PRO-FORMA

Projected Annual Income Schedule

| | PER UNIT or % | ANNUAL TRENDING | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 | YEAR 6 | YEAR 7 | YEAR 8 | YEAR 9 | YEAR 10 | YEAR 11 | YEAR 12 | YEAR 13 | YEAR 14 | YEAR 15 | YEAR 16 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME | | | | | | | | | | | | | | | | | | |
| TAX CREDIT UNITS | | | | | | | | | | | | | | | | | | |
| GROSS RENT | | 3.00% | $240,972 | $248,201 | $255,647 | $263,316 | $271,215 | $279,351 | $287,731 | $296,362 | $305,252 | $314,409 | $323,841 | $333,556 | $343,562 | $353,868 | $364,484 | $375,418 |
| LAUNDRY | | 2.00% | $6,000 | $6,120 | $6,242 | $6,366 | $6,493 | $6,622 | $6,754 | $6,889 | $7,026 | $7,166 | $7,309 | $7,455 | $7,604 | $7,756 | $7,911 | $8,069 |
| PARKING | | 1.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| OTHER | 0.0% | 1.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| SUBTOTAL | | | $246,972 | $254,321 | $261,889 | $269,682 | $277,708 | $285,973 | $294,485 | $303,251 | $312,278 | $321,575 | $331,150 | $341,011 | $351,166 | $361,624 | $372,395 | $383,487 |
| VACANCY | | | | | | | | | | | | | | | | | | |
| PHYSICAL | 2.00% | | -$4,819 | -$5,086 | -$5,238 | -$5,394 | -$5,554 | -$5,719 | -$5,890 | -$6,065 | -$6,246 | -$6,432 | -$6,623 | -$6,820 | -$7,023 | -$7,232 | -$7,448 | -$7,670 |
| COLLECTION | 1% | | -$2,410 | -$2,543 | -$2,619 | -$2,697 | -$2,777 | -$2,860 | -$2,945 | -$3,033 | -$3,123 | -$3,216 | -$3,312 | -$3,410 | -$3,512 | -$3,616 | -$3,724 | -$3,835 |
| NET | | | $239,743 | $246,692 | $254,032 | $261,591 | $269,377 | $277,394 | $285,650 | $294,153 | $302,909 | $311,927 | $321,215 | $330,781 | $340,631 | $350,776 | $361,223 | $371,982 |
| SUBSIDIES | | | | | | | | | | | | | | | | | | |
| SECTION 8 | | | | | | | | | | | | | | | | | | |
| SECTION 9 | | | $182,508 | $187,983 | $193,623 | $199,431 | $205,414 | $211,577 | $217,924 | $224,462 | $231,196 | $238,132 | $245,275 | $252,634 | $260,213 | $268,019 | $276,060 | $284,342 |
| OTHER | | | | | | | | | | | | | | | | | | |
| SUBTOTAL | | | $182,508 | $187,983 | $193,623 | $199,431 | $205,414 | $211,577 | $217,924 | $224,462 | $231,196 | $238,132 | $245,275 | $252,634 | $260,213 | $268,019 | $276,060 | $284,342 |
| VACANCY | 3.0% | | -$5,475 | -$5,639 | -$5,809 | -$5,983 | -$6,162 | -$6,347 | -$6,538 | -$6,734 | -$6,936 | -$7,144 | -$7,358 | -$7,579 | -$7,806 | -$8,041 | -$8,282 | -$8,530 |
| NET | | | $177,033 | $182,344 | $187,814 | $193,448 | $199,252 | $205,230 | $211,386 | $217,728 | $224,260 | $230,988 | $237,917 | $245,055 | $252,407 | $259,978 | $267,778 | $275,812 |
| NON TAX CREDIT UNITS | | | | | | | | | | | | | | | | | | |
| GROSS RENT | | 2.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| LAUNDRY | | 1.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| PARKING | | 1.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| OTHER | | 1.00% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| SUBTOTAL | | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| VACANCY | | | | | | | | | | | | | | | | | | |
| PHYSICAL | 10% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| COLLECTION | 1% | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| NET | | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| EFFECTIVE INCOME | | | $416,776 | $429,036 | $441,846 | $455,039 | $468,629 | $482,624 | $497,036 | $511,881 | $527,169 | $542,915 | $559,132 | $575,836 | $593,038 | $610,754 | $629,001 | $647,794 |

# EXHIBIT E

## ESTIMATED TOTAL DEVELOPMENT COST

| | | | |
|---|---|---|---|
| 1 | Cost of land acquisition and any buildings thereon | $ | - |
| 2 | Cost of site preparation, demolition and development (incl. utility fees) | $ | 200,000 |
| 3 | Architects, engineers, surveyors, consultants, experts and attorney's fees (paid or payable) in connection with the planning, execution and financing of the Development | $ | 845,003 |
| 4 | Cost of necessary studies, surveys, plans, and permits (incl. geo-tech, market study, appraisal) | $ | 128,555 |
| 5 | Insurance, interest, financing, tax, assessment, and other operating and carrying costs during construction (incl. accounting/cost audit, title, soft contingency) | $ | 1,105,316 |
| 6 | Cost of construction, reconstruction, fixtures, and equipment related to the real property (incl. interior demo and remediation, contingency) | $ | 10,524,448 |
| 7 | Cost of land improvements | $ | - |
| 8 | Necessary expenses in connection with initial occupancy of Development (FF&E, marketing) | $ | 333,760 |
| 9 | A reasonable profit or fee to the developer | $ | 1,048,967 |
| 10 | An allowance established by the NJHMFA for working capital and contingency reserves, and reserves for any operating deficits | $ | 748,318 |
| 11 | Costs of guarantees, insurance or other additional financial security for the Development | $ | - |
| 12 | Cost of such other items, including tenant relocation, as the NJHMFA shall determine to be reasonable and necessary for the development of the Development , less any and all net rents and other revenues received from the operation of the real and personal property on the Development site during construction, improvement or rehabilitation | $ | - |
| | **TOTAL** | **$** | **14,934,367** |

# EXHIBIT F-1

## PROJECTED STATEMENT OF STABILIZED PROPERTY OPERATION

### Year 1

| | | | |
|---|---|---|---|
| **ANNUAL INCOME*** | | | |
| Apartments (Tenant Rent & Operating Subsidy) | | 68 | $ 423,480 |
| Other Income | | | $ 6,000 |
| Less Vacancy Loss | @ 3%' | | $ (12,704) |
| **Total Development Income** | | | **$ 416,776** |
| **OPERATING EXPENSES:** | | | |
| I. ADMINISTRATION | | | $ 39,200 |
| II. SALARIES | | | $ 73,500 |
| III. MAINTENANCE | | | $ 32,600 |
| IV. MAINTENANCE CONTRACTS | | | $ 14,000 |
| V. INSURANCE | | | $ 37,400 |
| | ***Sub Total*** | | ***$ 196,700*** |
| VI. OPERATING | | | $ 82,856 |
| VII. MANAGEMENT FEE | | | $ 33,342 |
| VIII. REAL ESTATE TAXES | | | $ 21,495 |
| IX. RESERVES | | | $ 20,400 |
| VI. SOCIAL SERVICES | | | $ 14,000 |
| VII. OTHER: | Employee Benefits | | $ 34,500 |
| | ***Sub Total*** | | ***$ 206,593*** |
| **Total Operating Expenses:** | | | **$ 403,293** |
| **NET OPERATING INCOME BEFORE DEBT SERVICE:** | | | **$ 13,483** |
| **DEBT SERVICE:** | | | |
| 1. Principal and Interest | | | $ - |
| 2. Debt Service on Other Mortgage Loans | | | $ - |
| **Total Debt Service** | - | | **$ -** |
| **NET OPERATING INCOME AFTER DEBT SERVICE:** | | | $ 13,483 |

# EXHIBIT F-2

## PROJECTED STATEMENT OF STABILIZED PROPERTY OPERATION

## Year 16

| | | | | |
|---|---|---|---|---|
| **ANNUAL INCOME*** | | | | |
| Apartments (Tenant Rent & Operating Subsidy) | | 68 | $ | 659,760 |
| Other Income | | | $ | 8,069 |
| Less Vacancy Loss | @ 3%' | | $ | (20,035) |
| **Total Development Income** | | | **$** | **647,794** |
| **OPERATING EXPENSES:** | | | | |
| I. ADMINISTRATION | | | $ | 70,586 |
| II. SALARIES | | | $ | 132,358 |
| III. MAINTENANCE | | | $ | 58,701 |
| IV. MAINTENANCE CONTRACTS | | | $ | 25,204 |
| V. INSURANCE | | | $ | 67,347 |
| | ***Sub Total*** | | ***$*** | ***354,196*** |
| VI. OPERATING | | | $ | 149,210 |
| VII. MANAGEMENT FEE | | | $ | 60,040 |
| VIII. REAL ESTATE TAXES | | | $ | 40,681 |
| IX. RESERVES | | | $ | 20,400 |
| VI. SOCIAL SERVICES | | | $ | 25,204 |
| VII. OTHER: | Employee Benefits | | $ | 62,133 |
| | ***Sub Total*** | | ***$*** | ***357,668*** |
| **Total Operating Expenses:** | | | **$** | **711,864** |
| **NET OPERATING INCOME BEFORE DEBT SERVICE:** | | | **$** | **(64,070)** |
| **DEBT SERVICE:** | | | | |
| 1. Principal and Interest | | | $ | - |
| 2. Debt Service on Other Mortgage Loans | | | $ | - |
| **Total Debt Service** | | | **$** | **-** |
| **NET OPERATING INCOME AFTER DEBT SERVICE:** | | | $ | (64,070) |

| | | |
|---|---|---|
| LESS TOTAL DEBT SERVICE | $ | - |
| NET INCOME: | $ | (64,070) |
| WITHDRAWL FROM OPERATING RESERVE | $ | 65,500 |
| RESULTANT NET OPERATING INCOME: | $ | 1,430 |

**for detail see Ex.D*

*The actual NOI in Year 16 will be based upon the adjusted project income (based on the HUD published rate for that year – which will likely vary from this projection). Further, the assumed 4% expenses inflation factor above is a projection determined by NJHMFA underwriting assumptions (as shown in the 15 year Net Operating Income Projection Schedule found on the following page).

MONTGOMERY GARDENS SENIOR DEVELOPMENT - 68 UNITS 9% PRO-FORMA

CALENDAR YEAR – 2013

Projected 15 Year Net Operating Income

| | PER UNIT or % | ANNUAL TRENDING | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 | YEAR 6 | YEAR 7 | YEAR 8 | YEAR 9 | YEAR 10 | YEAR 11 | YEAR 12 | YEAR 13 | YEAR 14 | YEAR 15 | YEAR 16 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EFFECTIVE INCOME | | 3.00% | $416,776 | $429,036 | $441,846 | $455,039 | $468,629 | $482,624 | $497,036 | $511,881 | $527,169 | $542,915 | $559,132 | $575,836 | $593,038 | $610,754 | $629,001 | $647,794 |
| EXPENSES Base $2,490 | | | | | | | | | | | | | | | | | | |
| ADMINISTRATION | | 4.00% | $39,200 | $40,768 | $42,398 | $44,093 | $45,856 | $47,690 | $49,597 | $51,580 | $53,643 | $55,788 | $58,019 | $60,339 | $62,752 | $65,262 | $67,872 | $70,586 |
| SALARIES | | 4.00% | $73,500 | $76,440 | $79,497 | $82,676 | $85,983 | $89,422 | $92,998 | $96,717 | $100,585 | $104,608 | $108,792 | $113,143 | $117,668 | $122,374 | $127,268 | $132,358 |
| MAINTENANCE | | 4.00% | $32,600 | $33,904 | $35,260 | $36,670 | $38,136 | $39,661 | $41,247 | $42,896 | $44,611 | $46,395 | $48,250 | $50,180 | $52,187 | $54,274 | $56,444 | $58,701 |
| MAINTENANCE CONTRACTS | | 4.00% | $14,000 | $14,560 | $15,142 | $15,747 | $16,376 | $17,031 | $17,712 | $18,420 | $19,156 | $19,922 | $20,718 | $21,546 | $22,407 | $23,303 | $24,235 | $25,204 |
| INSURANCE | | 4.00% | $37,400 | $38,896 | $40,451 | $42,069 | $43,751 | $45,501 | $47,321 | $49,213 | $51,181 | $53,228 | $55,357 | $57,571 | $59,873 | $62,267 | $64,757 | $67,347 |
| SUBTOTAL | | | $196,700 | $204,568 | $212,748 | $221,255 | $230,102 | $239,305 | $248,875 | $258,826 | $269,176 | $279,941 | $291,136 | $302,779 | $314,887 | $327,480 | $340,576 | $354,196 |
| OPERATING | | 4.00% | $82,856 | $86,170 | $89,616 | $93,200 | $96,928 | $100,805 | $104,837 | $109,030 | $113,391 | $117,926 | $122,643 | $127,548 | $132,649 | $137,954 | $143,472 | $149,210 |
| MANAGEMENT FEE | | 4.00% | $33,342 | $34,675 | $36,062 | $37,504 | $39,004 | $40,564 | $42,186 | $43,873 | $45,627 | $47,452 | $49,350 | $51,324 | $53,376 | $55,511 | $57,731 | $60,040 |
| REAL ESTATE TAXES | 6.28% | net rent | $21,495 | $22,078 | $22,688 | $23,314 | $23,957 | $24,617 | $25,294 | $25,989 | $26,703 | $27,436 | $28,188 | $28,960 | $29,752 | $30,565 | $31,399 | $40,681 |
| RESERVES | | 4.00% | $20,400 | $20,400 | $20,400 | $20,400 | $20,400 | $20,400 | $20,400 | $20,400 | $20,400 | $20,400 | $20,400 | $20,400 | $20,400 | $20,400 | $20,400 | $20,400 |
| SOCIAL SERVICES | | 4.00% | $14,000 | $14,560 | $15,142 | $15,747 | $16,376 | $17,031 | $17,712 | $18,420 | $19,156 | $19,922 | $20,718 | $21,546 | $22,407 | $23,303 | $24,235 | $25,204 |
| OTHER: employee benefits | | 4.00% | $34,500 | $35,880 | $37,315 | $38,808 | $40,360 | $41,975 | $43,654 | $45,400 | $47,216 | $49,104 | $51,068 | $53,111 | $55,236 | $57,445 | $59,743 | $62,133 |
| SUBTOTAL | | | $206,593 | $213,763 | $221,223 | $228,972 | $237,025 | $245,391 | $254,082 | $263,112 | $272,493 | $282,240 | $292,367 | $302,889 | $313,820 | $325,178 | $336,980 | $357,668 |
| TOTAL OPERATING EXPENSES | $5,931 | | $403,293 | $418,331 | $433,971 | $450,227 | $467,127 | $484,696 | $502,957 | $521,938 | $541,669 | $562,181 | $583,503 | $605,668 | $628,707 | $652,658 | $677,556 | $711,864 |
| NET OPERATING INCOME | | | $13,483 | $10,706 | $7,875 | $4,812 | $1,503 | -$2,072 | -$5,921 | -$10,057 | -$14,500 | -$19,267 | -$24,371 | -$29,832 | -$35,669 | -$41,904 | -$48,556 | -$64,070 |
| DEBT SERVICE | | | | | | | | | | | | | | | | | | |
| FIRST HARD DEBT SERVICE | | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| FIRST HARD DEBT SERVICING FEE | | bp | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| CASH FLOW AFTER HARD DEBT | | | $13,483 | $10,706 | $7,875 | $4,812 | $1,503 | -$2,072 | -$5,921 | -$10,057 | -$14,500 | -$19,267 | -$24,371 | -$29,832 | -$35,669 | -$41,904 | -$48,556 | -$64,070 |
| RATIO ANALYSIS | | | | | | | | | | | | | | | | | | |
| FIRST HARD DEBT COVERAGE RATIO | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EXPENSE : EFFECTIVE INCOME | | | 0.97 | 0.98 | 0.98 | 0.99 | 1 | 1 | 1.01 | 1.02 | 1.03 | 1.04 | 1.04 | 1.05 | 1.06 | 1.07 | 1.08 | 1.1 |
| OPERATING DEFICIT RESERVE | | | | | | | | | | | | | | | | | | |
| BALANCE | | | $ 250,000 | $255,000 | $260,100 | $265,302 | $270,608 | $276,020 | $278,041 | $276,601 | $270,633 | $260,046 | $244,547 | $223,938 | $196,917 | $163,855 | $123,132 | $75,595 |
| UTILIZATION FOR CASH FLOW SHORTFALL | | | $ - | | | | | $ 3,500 | $ 7,000 | $ 11,500 | $ 16,000 | $ 20,700 | $ 25,500 | $ 31,500 | $37,000 | $44,000 | $50,000 | $65,500 |
| INTEREST INCOME | | 2.00% | $ 5,000 | $5,100 | $5,202 | $5,306 | $5,412 | $5,520 | $5,561 | $5,532 | $5,413 | $5,201 | $4,891 | $4,479 | $3,938 | $3,277 | $2,463 | $1,512 |
| BALANCE | | $0 | $255,000 | $260,100 | $265,302 | $270,608 | $276,020 | $278,041 | $276,601 | $270,633 | $260,046 | $244,547 | $223,938 | $196,917 | $163,855 | $123,132 | $75,595 | $11,607 |
| ADJUSTED CASH FLOW - POST RESERVES | | | $13,483 | $10,706 | $7,875 | $4,812 | $1,503 | $1,428 | $1,079 | $1,443 | $1,500 | $1,433 | $1,129 | $1,668 | $1,331 | $2,096 | $1,444 | $1,430 |

# EXHIBIT G

## PROPOSED FINANCIAL AGREEMENT

(PLEASE SEE ATTACHED)

FINANCIAL AGREEMENT

This Financial Agreement (this "Agreement") is made and entered into as of this _____ day of _____, 2011, by and between **MONTGOMERY SENIOR LIVING CENTER URBAN RENEWAL ASSOCIATES, LP** (herein referred to as the "Redeveloper"), an urban renewal entity formed and qualified to do business in New Jersey under the provisions of the Long Term Tax Exemption Law of 1992, as amended and supplemented, N.J.S.A. 40A:20-1 et seq., having its principal office c/o Jersey City Housing Authority, 400 US Highway #1, Jersey City, New Jersey 07306, hereinafter referred to as the "Redeveloper", and the **CITY OF JERSEY CITY**, a Municipal Corporation of the County of Hudson and State of New Jersey, having its principal office at 280 Grove Street, Jersey City, NJ 07302 (hereinafter referred to as the "City").

**RECITALS**

**WITNESSETH:**

**WHEREAS,** the Entity has proposed the redevelopment of the area generally identified as the lands situated at 561 Montgomery Street; otherwise known on the City Tax Map as Block 2116, Lot P1 (a subdivided portion of the larger Block 2116, lot P) more particularly described in *Exhibit A*, (herein referred to as the "Property") into 68 units of affordable rental housing (the "Development" or the "Improvements"); and

**WHEREAS,** this affordable housing project is located within a city with numerous redevelopment plans as well as a need for affordable housing and thus is eligible for tax exemption under Cervase v. Kawaida Towers, Inc., 124 NJ Super 547 (Law Div. 1973), Affirmed. 129 NJ Super 124 (App. Div. 1974); and

**WHEREAS,** The Property currently consists of an existing ten (10) story high rise building containing 70 dwelling units which are dedicated as senior affordable housing and are currently owned and operated by the Jersey City Housing Authority (JCHA); and

**WHEREAS**, the Entity plans to rehabilitate and reconfigure the exiting building on the Property into sixty-eight (68) units, of which sixty-seven (67) units will be reserved for senior headed households, aged sixty-two (62) years of age, earning at or below 60% of Area Median Income; and

**WHEREAS**, of the 68 units, fifty-eight (58) will be one bedroom apartments, and nine (9) will be two bedroom apartments, and one (1) additional two bedroom apartment will be dedicated for an on-site superintendent ("Development").

**WHEREAS,** on _____, 2011, in accordance with the Act, the Entity filed a written application to the City for approval of a tax exemption for the Development; and

**WHEREAS,** the City made the following findings:

A. Relative Benefits of the Project when compared to the costs:

1. the current real estate tax would generate _____, if the property were subject to conventional taxes, whereas, the Annual Service charge as estimated, and will generate revenue to the City of approximately $22,000;

2. prior to the redevelopment, this property was a public housing development which under the cooperation agreement generated no real estate tax revenue;

2. it is expected that the Project will create approximately 125 jobs during construction and two new full-time and one part-time permanent jobs;

3. the project should stabilize and contribute to the economic growth of existing local business and to the creation of new business, which cater to the new residents;

4. the project provides affordable housing for seniors which advances an inherently beneficial public purpose notwithstanding that the City's impact analysis, on file with the Office of the City Clerk, indicates that the service charge will not support the cost of providing municipal services to the Project; and

B. Assessment of the Importance of the Tax Exemption in obtaining development of the project and influencing the locational decisions of probable occupants:

1. the relative stability and predictability of the annual service charges will make the Project more attractive to investors and lenders needed to finance the Project; and

2. the relative stability and predictability of the service charges will allow the owner to stabilize its operating budget, allowing a high level of maintenance to the building over the life of the Project, which will insure the likelihood of the success of the Project and insure that it will have a positive impact on the surrounding area; and

**WHEREAS,** by the adoption of Ordinance_____ adopted on _____, 2011, the Municipal Council approved the above findings and the tax exemption application and authorized the execution of this agreement.

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

## ARTICLE I - GENERAL PROVISIONS

### Section 1.1 Governing Law

This Agreement shall be governed by the provisions of the Long Term Tax Exemption Law, as amended and supplemented, NJ.S.A. 40A:20-1 et seq., Executive Order of the Mayor, 02-003, Ordinance 02-075, and Ordinance_____, which authorized the execution of this Agreement. It being expressly understood and agreed that the City expressly relies upon the facts, data, and representations contained in the Application, attached hereto as Exhibit 3, in granting this tax exemption.

### Section 1.2 General Definitions

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

I. **Affordable Low or Moderate Income** - A Person or Household whose total Gross Annual Income is equal to no more than 30% and 80% respectively of the median gross income figure established by geographic region and household size using the income guideline approved for use by the New Jersey Council on Affordable Housing or as it may be amended pursuant to NJ.A.C. 5:92-12.

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

III. **Allowable Profit Rate -** The greater of 12% or the percentage per annum arrived at by adding 1.25% to the annual interest percentage rate payable on the Entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing, or if the financing is internal or undertaken by a related party, the Allowable Profit Rate shall be the greater of

12% or the percentage per annum arrived at by adding 1.25% per annum to the interest rate per

annum which the municipality determines to be the prevailing rate on mortgage financing on comparable improvements in Hudson County. The provisions of N.J.S.A. 40A:20-3(b) are incorporated herein by reference.

IV. **Gross Revenue -** Any and all revenue derived from or generated by the Project of whatever kind or amount, whether received as rent from any tenants or income or fees from third parties, including but not limited to fees or income paid or received for parking, laundry, health club user fees or other services (such as lease premiums for views, fireplaces, etc.). No deductions will be allowed for operating or maintenance costs, including, but not limited to gas, electric, water and sewer, other utilities, garbage removal and insurance charges, whether paid for by the landlord, tenant or a third party, except for customary operating expenses of commercial tenants such as utilities, insurance and taxes (including payments in lieu of taxes) which shall be deducted from Gross Revenue based on the actual amount of such costs incurred.

V. **Annual Service Charge -** The amount the Entity has agreed to pay the City for municipal services supplied to the Project, which sum is in Lieu of any taxes on the Improvements, pursuant to N.J.SA 40A:20-12.

VI. **Auditor's Report -** A complete financial statement outlining the financial status of the Project (for a period of time as indicated by context), which shall also include a certification of Total Project Cost and clear computation of Net Profit. The contents of the Auditor's Report shall have been prepared in conformity with generally accepted accounting principles and shall contain at a minimum the following: a balance sheet, a statement of income, a statement of retained earnings or changes in stockholders' equity, a statement of cash flows, descriptions of accounting policies, notes to financial statements and appropriate schedules and explanatory material results of operations, cash flows and any other items required by Law. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

VII. **Certificate of Occupancy -** A document, whether temporary or permanent, issued by the City authorizing occupancy of a building, in whole or in part, pursuant to N.J.S.A. 52:27D-133.

VIII. **Debt Service** - The amount required to make annual payments of principal and interest or the equivalent thereof on any construction mortgage, permanent mortgage or other financing including returns on institutional equity financing and market rate related party debt for the project for a period equal to the term of this agreement.

IX. **Default** - Shall be a breach of or the failure of the Entity to perform any obligation imposed upon the by the terms of this Agreement, or under the Law, beyond any applicable grace or cure periods.

X. **Entity** - The term Entity within this Agreement shall mean Montgomery Senior Living Urban Renewal Associates, L.P., which Entity is formed and qualified pursuant to NJ.S.A. 40A:20-5. It shall also include any subsequent purchasers or successors in interest of the Project, provided they are formed and operate under the Law.

XI. **Improvements or Project** - Any building, structure or fixture permanently affixed to the land and to be constructed and tax exempted under this Agreement.

XII. **In Rem Tax Foreclosure or Tax Foreclosure** - A summary proceeding by which the City may enforce a lien for taxes due and owing by tax sale, under N.J.S.A. 54:5-1 to 54:5-129 to 54:5-129 et seq.

XIII. **Land Taxes** - The amount of taxes assessed on the value of land, if any, on which the project is located and, if applicable, taxes on any pre-existing improvements. Land Taxes may be exempt; however, if Land Taxes are levied, Entity shall receive a credit against the Annual Service Charge.

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

XV. **Law** - Law shall refer to the Long Term Tax Exemption Law, as amended and supplemented, N.J.S.A. 40A:20-1, et seq.; Executive Order of the Mayor 02-003, relating to long term tax exemption, as it may be amended and supplemented; Ordinance 02-075, and Ordinance 08-106, which authorized the execution of this Agreement; and Ordinance _____, as may be amended or supplemented from time to time, which requires the execution of a Project Labor Agreement, and

all other relevant Federal, State or City statutes, ordinances, resolutions, rules and regulations.

XVI. **Minimum Annual Service Charge** - The Minimum Annual Service Charge shall be the greater of:

(a) The amount of the total taxes levied against all real property in the area covered by the Project in the last full tax year in which the area was subject to taxation, or in the case of tax exempt property, the projected tax levy based upon the assessed value for the year in which the application is filed, which amount the parties agree would be $____ _____; or

(b) The sum of **$21,928** per year, which sum will be prorated only in the years in which Substantial Completion occurs and this Agreement terminates.

The Minimum Annual Service Charge shall be paid in each year in which the Annual Service Charge, calculated pursuant to NJ.S.A. 40A:20-12 or this Agreement, would be less than the Minimum Annual Service Charge.

XVII. **Net Profit** - The Gross Revenues of the Entity less all operating and non-operating expenses of the Entity, all determined in accordance with generally accepted accounting principles, but:

(1) There shall be included in expenses: (a) all Annual Service charges paid pursuant to N.J.S.A. 40A:20-12; (b) all payments to the City of excess profits pursuant to NJ.S.A. 40A:20-15 or N.J.S.A. 40A:20-16; (c) an annual amount sufficient to amortize (utilizing the straight line method-equal annual amounts) the Total Project Cost and all capital costs determined in accordance with generally accepted accounting principles, of any other entity whose revenue is included in the computation of excess profits over the term of this agreement; (d) all reasonable annual operating expenses of the Entity and any other entity whose revenue is included in the computation of excess profits including the cost of all management fees, brokerage commissions, insurance premiums, all taxes or service charges paid, legal, accounting, or other professional

service fees, utilities, building maintenance costs, building and office supplies and payments into repair or maintenance reserve accounts; (e) all payments of rent including but not limited to ground rent by the Entity; (f) all debt service, if applicable; and

(2) There shall not be included in expenses either depreciation or obsolescence, interest on debt, except interest which is part of debt service, income taxes or salaries, bonuses or other compensation paid, directly or indirectly to directors, officers and stockholders of the entity, or officers, partners or other persons holding a proprietary ownership interest in the entity.

XVIII. **Pronouns** - He or it shall mean the masculine, feminine or neutral gender, the singular, as well as the plural, as context requires.

XIX. **Substantial Completion** - The determination by the City that the Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the date on which the Project receives, or is eligible to receive any Certificate of Occupancy for any portion of the Project.

XX. **Termination** - Any act or omission which by operation of the terms of this Financial Agreement shall cause the Entity to relinquish its tax exemption.

XXI. **Total Project Cost** - The total cost of constructing the Project through the date a Certificate(s) of Occupancy is issued for the entire Project, which categories of cost are set forth in N.J.S.A. 40A:20-3(h). There shall be included in Total Project Cost the actual costs incurred by the Entity and certified by an independent and qualified architect or engineer, which are associated with site remediation and cleanup of environmentally hazardous materials or contaminants in accordance with State or Federal law and any extraordinary costs incurred including the cost of demolishing structures, relocation or removal of public utilities, cost of relocating displaced residents or buildings and the clearing of title. The Entity agrees that final Total Project Cost shall not be less than its estimated Total Project Cost.

## ARTICLE II - APPROVAL

### Section 2.1 Approval of Tax Exemption

The City hereby grants its approval for a tax exemption for all the Improvements to be constructed and maintained in accordance with the terms and conditions of this Agreement and the provisions of the Law which Improvements shall be constructed on certain property known on the Official Tax Assessor's Map of the City as: Block 2116, Lot P1, more commonly known by the street address of 563 Montgomery Street, and described by metes and bounds in Exhibit 1 attached hereto.

### Section 2.2 Approval of Entity

Approval is granted to the Entity whose Certificate of Formation is attached hereto as Exhibit 4. Entity represents that its Certificate contains all the requisite provisions of the Law; has been reviewed and approved by the Commissioner of the Department of Community Affairs; and has been filed with, as appropriate, the Office of the State Treasurer or Office of the Hudson County Clerk, all in accordance with N.J.SA. 40A:20-5.

### Section 2.3 Improvements to be Constructed

Entity represents that it will substantially rehabilitate an existing 10-story building and construction a new two-story addition. The existing functionally obsolete seventy-six (76) units will be converted to sixty-eight (68) modern units, with sixty-seven (67) being affordable to seniors of low income and one (1) non-revenue unit reserved for the building superintendent. The project will contain fifty-eight (58) one-bedroom units and ten (10) two-bedroom units, all of which is specifically described in the Application attached hereto as Exhibit 3.

### Section 2.4 Construction Schedule

The Entity agrees to diligently undertake to commence construction and complete the Project in accordance with the Estimated Construction Schedule, attached hereto as Exhibit 5.

### Section 2.5 Ownership, Management and Control

The Entity represents that it is the owner of the property upon which the Project is to be constructed. Upon construction, the Entity represents that the Improvements will be managed and controlled as follows:

The Entity represents that it is the owner of the Land upon which the project is to be constructed and will manage and control the Project. The City acknowledges that the Entity

may enter into a management agreement for the Project and will pay a management fee in accordance with BID regulations as provided in the Entity's agreement with HUD, which fee was disclosed in its tax exemption application. The City acknowledges that the Entity may enter into future management agreements so long as such agreements are not used to reduce the City's economic benefits under this Agreement and the management fees to be paid are comparable to those disclosed in the application.

**Section 2.6 Financial Plan**

The Entity represents that the Improvements shall be financed in accordance with the Financial Plan attached hereto as Exhibit 6. The Plan sets forth estimated Total Project Cost, the amortization rate on the Total Project Cost, the source of funds, the interest rates to be paid on construction financing, the source and amount of paid-in capital, and the terms of any mortgage amortization.

**Section 2.7 Statement of Rental Schedules and Lease Terms**

The Entity represents that its good faith projections of the initial rental schedules and lease terms are set forth in Exhibit 7.

## ARTICLE III - DURATION OF AGREEMENT

**Section 3.1 Term**

So long as there is compliance with the Law and this Agreement, it is understood and agreed by the parties hereto that this Agreement shall remain in effect for the earlier of 33 years from the date of the adoption of Ordinance _____ on _____, 2011 which approved the tax exemption for 30 years from the date of Substantial Completion of the Project. The tax exemption shall only be effective during the period of usefulness of the Project and shall continue in force only while the Project is owned by a corporation or association formed and operating under the Law.

## ARTICLE IV - ANNUAL SERVICE CHARGE

**Section 4.1 Annual Service Charge**

In consideration of the tax exemption, the Entity shall make the following payments to the City:

(i) City Service Charge: an amount equal to the greater of: the Minimum Annual Service Charge or an Annual Service Charge equal to 6.28% of the Annual Gross

Revenue for the low and moderate income units. The Annual Service Charge shall be billed initially based upon the Entity's estimates of Annual Gross Revenue which shall not be less than the its estimate of Gross Revenue as set forth in its Financial Plan, attached hereto as Exhibit 6.Thereafter, the Annual Service Charge shall be adjusted in accordance with this Agreement.

A Minimum Annual Service Charge shall be due beginning on the effective date of this Agreement. The Annual Service Charge shall be due on the first day of the month following the Substantial Completion of the Project. In the event the Entity fails to timely pay the Minimum Annual Service Charge or the Annual Service Charge, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on land until paid.

(ii) County Service Charge: an amount equal to 5% of the Annual Service Charge upon receipt of that charge, for remittance to the County by the City.

**Section 4.2 Staged Adjustments**

The Annual Service Charge shall be adjusted, in Stages over the term of the tax exemption in accordance with N.J.S.A. 40A:20-12(b) as follows:

I. Stage One: From the first day of the month following Substantial Completion until the last day of the fifteenth year, the Annual Service Charge shall be 6.28% for the low and moderate income units;

II. Stage Two: Beginning on the 1st day of the 16th year following Substantial Completion until the last day of the 21st year, an amount equal to the greater of the Annual Service Charge or 20% of the amount of the taxes otherwise due on the value of the land and Improvements;

III. Stage Three: Beginning on the 1st day of the 22nd year following the Substantial Completion until the last day of the 27th year, an amount equal to the greater of the Annual Service Charge or 40% of the amount of the taxes otherwise due on the value of the land and Improvements;

IV. Stage Four: Beginning on the 1st day of the 28th year following Substantial Completion until the last day of the 29th year, an amount equal to the greater of the Annual Service Charge or 60% of the amount of the taxes otherwise due on the value of the land and Improvements.

IV. Final Stage: Beginning on the 1st day of the 30th year following Substantial Completion through the date the tax exemption expires, an amount equal to the greater of the Annual Service Charge or 80% of the amount of the taxes otherwise due on the value of the land and Improvements.

**Section 4.3 Credits**

The Entity is required to pay both the Annual Service Charge and the Land Tax Payments. The Entity is obligated to make timely Land Tax Payments, including any tax on the pre-existing improvements, in order to be entitled to a Land Tax credit against the Annual Service Charge for the subsequent year. The Entity shall be entitled to credit for the amount, without interest, of the Land Tax Payments made in the last four preceding quarterly installments against the Annual Service Charge. In any quarter that the Entity fails to make any Land Tax Payments when due and owing, such delinquency shall render the Entity ineligible for any Land Tax Payment credits against the Annual Service Charge for that quarter. No credit will be applied against the Annual Service Charge for partial payments of Land Taxes. In addition, the City shall have, among this remedy and other remedies, the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. and/or declare a Default and terminate this Agreement.

**Section 4.4 Quarterly Installments**

The Entity expressly agrees that the Annual Service Charge shall be made in quarterly installments on those dates when real estate tax payments are due; subject, nevertheless, to adjustment for over or underpayment within thirty (30) days after the close of each calendar year. In the event that the Entity fails to pay the Annual Service Charge, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid.

**Section 4.5 Administrative Fee**

The Entity shall also pay an annual Administrative Fee to the City in addition to the Annual Service Charge and Land Tax levy. The Administrative Fee shall be calculated as two (2%) percent of each prior year's Annual Service Charge. This fee shall be payable and due on or before December 31st of each year, and collected in the same manner as the Annual Service Charge. In the event that the Entity fails to timely pay the Administrative Fee, the amount unpaid shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid.

**Section 4.6 Material Conditions**

It is expressly agreed and understood that the timely payments of Land Taxes, Minimum Annual Service Charges, Annual Service Charges, including adjustments thereto, Administrative Fees, Affordable Housing Contributions, and any interest thereon, are Material Conditions of this Agreement.

## ARTICLE V - PROJECT EMPLOYMENT AND CONTRACTING AGREEMENT

**Section 5.1 Project Employment and Contracting Agreement**

In order to provide City residents and businesses with certain employment and other economic related opportunities, the Entity is subject to the terms and conditions of the Project Employment and Contracting Agreement, attached hereto as Exhibit 8.

## ARTICLE VI - CERTIFICATE OF OCCUPANCY

**Section 6.1 Certificate of Occupancy**

It is understood and agreed that it shall be the obligation of the Entity to obtain all Certificates of Occupancy in a timely manner so as to complete construction in accordance with the proposed construction schedule attached hereto as Exhibit 5, The failure to secure the Certificates of Occupancy shall subject the property to full taxation for the period between the date of Substantial Completion and the date the Certificate of Occupancy is obtained.

**Section 6.2 Filing of Certificate of Occupancy**

It shall be the primary responsibility of the Entity to forthwith file with both the Tax Assessor and the Tax Collector a copy of each Certificate of Occupancy. Failure of the Entity to file such issued Certificate of Occupancy as required by the preceding paragraph, shall not militate against any action or non-action, taken by the City, including, if appropriate retroactive billing with interest for any charges determined to be due, in the absence of such filing by the Entity.

## ARTICLE VII - ANNUAL REPORTS

**Section 7.1 Accounting System**

The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles.

**Section 7.2 Periodic Reports**

A. An Auditor's Report: Within ninety (90) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis that the Agreement shall continue in effect, the Entity shall submit to the Mayor and Municipal Council and the NJ Division of Local Government Services in the Department of Community Affairs, its Auditor's Report for the preceding fiscal or calendar year. The Auditor's Report shall include, but not be limited to: condominium unit purchase price, and the terms and interest rate on any mortgagees) associated with the purchase or construction of the Project and such details as may relate to the financial affairs of the Entity and to its operation and performance hereunder, pursuant to the Law and this Agreement. The Report shall clearly identify and calculate the Net Profit for the Entity during the previous year.

B. Disclosure Statement: On the anniversary date of the execution of this Agreement, and each and every year thereafter while this agreement is in effect, the Entity shall submit to the Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, a Disclosure Statement listing the persons having an ownership interest in the Project, and the extent of the ownership interest of each and such additional information as the City may request from time to time.

**Section 7.3 Inspection/Audit**

The Entity shall permit the inspection of its property, equipment, buildings and other facilities of the Project and, if deemed appropriate or necessary, any other related Entity by representatives duly authorized by the City and the NJ Division of Local Government Services in the Department of Community Affairs. It shall also permit, npon request, examination and audit of its books, contracts, records, documents and papers. Such examination or audit shall be made during the reasonable hours of the business day, in the presence of an officer or agent designated by the Entity. All costs incurred by the City to conduct the audit, including reasonable attorneys' fees if appropriate, shall be billed to the Entity and paid to the City as part of the Entity's Annual Service Charge. Delinquent payments shall accrue interest at the same rate as for a delinquent service charge.

## ARTICLE VIII- LIMITATION OF PROFITS AND RESERVES

### Section 8.1 Limitation of Profits and Reserves

During the period of tax exemption as provided herein, the Entity shall be subject to a limitation of its profits pursuant to the provisions of N J .S.A. 40A:20-15. The Entity shall have the right to establish a reserve against vacancies, unpaid rentals, and reasonable contingencies in an amount equal to five (5%) percent of the Gross Revenue of the Entity for the last full fiscal year preceding the year and may retain such part of the excess Net Profits as is necessary to eliminate a deficiency in that reserve, as provided in N.J.S .A. 40A:20-15. The reserve is to be non-cumulative, it being intended that no further credits thereto shall be permitted after the reserve shall have attained the allowable level of five (5%) percent of the preceding year's Gross Revenue. Pursuant to N.J.S.A. 40A:20-14(b) there is expressly excluded from the calculation of Gross Revenue and Net Profit in the determination of Excess Profit, any gain realized by the Entity on the sale of any condominium unit, whether or not taxable under federal or state law.

### Section 8.2 Annual Payment of Excess Net Profit

In the event the Net Profits of the Entity, in any fiscal year, shall exceed the Allowable Net Profits for such period, then the Entity, within one hundred and twenty (120) days after the end of such fiscal year, shall pay such excess Net Profits to the City as an additional service charge; provided, however, that the Entity may maintain a reserve as determined pursuant to aforementioned paragraph 8.1. The calculation of the entity's excess net profits shall include those project costs directly attributable to site remediation and cleanup expenses and any other costs excluded in the definition of Total Project Cost in Section 1.2 (xx) of this agreement even though those costs may have been deducted from the project costs for purposes of calculating the annual service charge.

### Section 8.3 Payment of Reserve/Excess Net Profit Upon Termination, Expiration or Sale

The date of termination, expiration or sale shall be considered to be the close of the fiscal year of the Entity. Within ninety (90) days after such date, the Entity shall pay to the City the amount of the reserve, if any, maintained by it pursuant to this section and the excess Net Profit, if any.

## ARTICLE IX - ASSIGNMENT AND/OR ASSUMPTION

### Section 9.1 Approval

Any sale or transfer of the Project, shall be void unless approved in advance by Ordinance of the Municipal Council. It is understood and agreed that the City, on written application by the Entity, will not unreasonably withhold its consent to a sale of the Project and the transfer of this Agreement provided: 1) the new Entity does not own any other Project subject to long term tax exemption at the time of transfer; 2) the new Entity is formed and eligible to operate under the Law; 3) the Entity is not then in default of this Agreement or the Law; 4) the Entity's obligations under this Agreement is fully assumed by the new Entity, 5) the Entity shall pay the City a transfer fee equal to 2% of the then current Annual Service Charge as required by NJ .S.A. 40A:20-10d.

**Section 9.2 Fee**

Where the consent or approval of the City is sought for approval of a change in ownership or sale or transfer of the Project, the Entity shall be required to pay to the City a new tax exemption application fee for the legal and administrative services of the City, as it relates to the review, preparation and/or submission of documents to the Municipal Council for appropriate action on the requested assignment. The fee shall be non-refundable.

## ARTICLE X - COMPLIANCE

**Section 10.1 Operation**

During the term of this Agreement, the Project shall be maintained and operated in accordance with the provisions of the Law. Operation of Project under this Agreement shall not only be terminable as provided by NJ.S.A. 40A:20-1, et seq., as currently amended and supplemented, but also by a Default under this Agreement. The Entity's failure to comply with the Law shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

**Section 10.2 Disclosure of Lobbyist Representative**

During the term of this Agreement, the Entity must comply with Executive Order 2002-005, and Ordinance 02-075, requiring Written Disclosure of Lobbyist Representative Status. The Entity's failure to comply with the Executive Order or the Ordinance shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

## ARTICLE XI - DEFAULT

### Section 11.1 Default

Default shall be failure of the Entity to conform with the terms of this Agreement or failure of the Entity to perform any obligation imposed by the Law, beyond any applicable notice, cure or grace period.

### Section 11.2 Cure Upon Default

Should the Entity be in Default, the City shall send written notice to the Entity of the Default (herein referred to as "Default Notice"). The Default Notice shall set forth with particularity the basis of the alleged Default. The Entity shall have sixty (60) days, from receipt of the Default Notice, to cure any Default which shall be the sole and exclusive remedy available to the Entity. However, if, in the reasonable opinion of the City, the Default cannot be cured within sixty (60) days using reasonable diligence, the City will extend the time to cure.

Subsequent to such sixty (60) days, or any approved extension, the City shall have the right to terminate this Agreement in accordance with Section 12.1.

Should the Entity be in default due to a failure to pay any charges defined as Material Conditions in Section 4.8, the Entity shall not be subject to the default procedural remedies as provided herein but shall allow the City to proceed immediately to terminate the Agreement as provided in Article XII herein.

### Section 11.3 Remedies Upon Default

The City shall, among its other remedies, have the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, NJ.S.A. 54:5-1, et seq. and/or may declare a Default and terminate this Agreement. Any default arising out of the Entity's failure to pay Land Taxes, the Minimum Annual Service Charge, Administrative Fees, Affordable Housing Contribution, or the Annual Service Charges shall not be subject to the default procedural remedies as provided in Article XI herein, but shall allow the City to proceed immediately to terminate the Agreement as provided in Article XII. All of the remedies provided in this Agreement to the City, and all rights and remedies granted to it by law and equity shall be cumulative and concurrent. No termination of any provision of this Agreement shall deprive the City of any of its remedies or actions against the Entity because of its failure to pay Land Taxes, the Minimum Annual Service Charge, Annual Service Charge, Affordable Housing Contribution or Administrative Fees. This right shall apply to arrearages that are due and

owing at the time or which, under the terms hereof, would in the future become due as if there had been no termination. Further, the bringing of any action for Land Taxes, the Minimum Annual Service Charge, the Annual Service Charge, Affordable Housing Contribution, Administrative Fees, or for breach of covenant or the resort to any other remedy herein provided for the recovery of Land Taxes shall not be construed as a waiver of the rights to terminate the tax exemption or proceed with a tax sale or Tax Foreclosure action or any other specified remedy.

In the event of a Default on the part of the Entity to pay any charges set forth in Article IV, the City among its other remedies, reserves the right to proceed against the Entity's land and property, in the manner provided by the In Rem Foreclosure Act, and any act supplementary or amendatory thereof. Whenever the word taxes appear, or is applied, directly or impliedly to mean taxes or municipal liens on land, such statutory provisions shall be read, as far as is pertinent to this Agreement, as if the charges were taxes or municipal liens on land.

## ARTICLE XII- TERMINATION

### Section 12.1 Termination Upon Default of the Entity

In the event the Entity fails to cure or remedy the Default within the time period provided in Section 11.2, the City may terminate this Agreement upon thirty (30) days written notice to the Entity (herein referred to as the "Notice of Termination").

### Section 12.2 Voluntary Termination by the Entity

The Entity may after the expiration of one year from the Substantial Completion of the Project notify the City that as of a certain date designated in the notice, it relinquishes its status as a tax exempt Project. As of the date so set, the tax exemption, the Annual Service Charges and the profit and dividend restrictions shall terminate.

### Section 12.3 Final Accounting

Within ninety (90) days after the date of termination, whether by affirmative action of the Entity or by virtue of the provisions of the Law or pursuant to the terms of this Agreement, the Entity shall provide a final accounting and pay to the City the reserve, if any, pursuant to the provisions of N.J.S.A. 40A:20-13 and 15 as well as any excess Net Profits. For purposes of rendering a final accounting the termination of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

**Section 12.4 Conventional Taxes**

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

**Section 12.5 Termination Payment**

In addition to any other remedies available to the City upon termination whether voluntary or upon default, the Entity shall pay to the City an amount equal to the difference between the service charge actually paid and the service charge that would have been due had each adjustment period provided in Section 4.2 hereof, been of the shortest duration permitted by law, thereby generating the most accelerated increases, permitted by law.

## ARTICLE XIII - DISPUTE RESOLUTION

**Section 13.1 Arbitration**

In the event of a breach of the within Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court of New Jersey by an appropriate proceeding, to settle and resolve the dispute in such fashion as will tend to accomplish the purposes of the Law. In the event the Superior Court shall not entertain jurisdiction, then the parties shall submit the dispute to the American Arbitration Association in New Jersey to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of the Long Term Tax Exemption Law. The cost for the arbitration shall be borne equally by the parties. The parties agree that the Entity may not file an action in Superior Court or with the Arbitration Association unless the Entity has first paid in full all charges defined in Article IV, Section 4.7 as Material Conditions.

## ARTICLE XIV - WAIVER

**Section 14.1 Waiver**

Nothing contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by the City of any rights and remedies, including, without limitation, the right to terminate the Agreement and tax exemption for violation of any of the conditions provided herein. Nothing herein shall be deemed to limit any right of recovery of any amount which the City has under law, in equity, or under any provision of this Agreement.

## ARTICLE XV - INDEMNIFICATION

**Section 15.1 Defined**

It is understood and agreed that in the event the City shall be named as party defendant in any action alleging any breach, default or a violation of any of the provisions of this Agreement and/or the provisions of N.J.S.A. 40A:20-1 et~, the Entity shall indemnify and hold the City harmless against any and all liability, loss, cost, expense (including reasonable attorneys' fees and costs, through trial and all stages of any appeal, including the cost of enforcing this indemnity) arising out of Agreement. In addition, the Entity expressly waives all statutory or common law defenses or legal principles which would defeat the purposes of this indemnification. The Entity also agrees to defend the suit at its own expense, counsel to be selected by the City, subject to the reasonable consent of the Entity. However, the City maintains the right to intervene as a party thereto, to which intervention the Entity consents; the expense thereof to be borne by the City.

## ARTICLE XVI- NOTICE

**Section 16.1 Certified Mail**

Any notice required hereunder to be sent by either party to the other shall be sent by certified or registered mail, return receipt requested.

**Section 16.2 Sent by City**

When sent by the City to the Entity the notice shall be addressed to:

Montgomery Senior Living Urban Renewal Associates, L.P.
Three East Stow Road, PO Box 994
Marlton, New Jersey 08053
Attn: Joel Silver, Vice President

and

Jersey City Housing Authority
400 U.S. Highway #1
Jersey City, New Jersey 07306
Attn: Maria T. Maio, Executive Director

unless prior to giving of notice the Entity shall have notified the City in writing otherwise.

In addition, provided the City is sent a formal written notice in accordance with this Agreement, of the name and address of Entity's Mortgagee, the City agrees to provide such Mortgagee with a copy of any notice required to be sent to the Entity.

**Section 16.3 Sent by Entity**

When sent by the Entity to the City, it shall be addressed to:

City of Jersey City, Office of the City Clerk
City Hall
280 Grove Street
Jersey City, New Jersey 07302

with copies sent to the Corporation Counsel, the Business Administrator, and the Tax Collector unless prior to the giving of notice, the City shall have notified the Entity otherwise. The notice to the City shall identify the Project to which it relates, (i.e., the Urban Renewal Entity and the Property's Block and Lot number).

## ARTICLE XVII-SEVERABILITY

**Section 17.1 Severability**

If any term, covenant or condition of this Agreement or the Application, except a Material Condition, shall be judicially declared to be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

If a Material Condition shall be judicially declared to be invalid or unenforceable and provided the Entity is not in Default of this Agreement, the parties shall cooperate with each other to take the actions reasonably required to restore the Agreement in a manner contemplated by the parties and the Law. This shall include, but not be limited to the authorization and re-execution of this Agreement in a form reasonably drafted to effectuate the original intent of the parties and the Law. However, the City shall not be required to restore the Agreement if it would modify a Material Condition, the amount of the periodic adjustments or any other term of this Agreement which would result in any economic reduction or loss to the City.

## ARTICLE XVIII - MISCELLANEOUS

**Section 18.1 Construction**

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

**Section 18.2 Conflicts**

The parties agree that in the event of a conflict between the Application and the language contained in the Agreement, the Agreement shall govern and prevail. In the event of conflict between the Agreement and the Law, the Law shall govern and prevail.

**Section 18.3 Oral Representations**

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

**Section 18.4 Entire Document**

This Agreement and all conditions in the Ordinance of the Municipal Council approving this Agreement are incorporated in this Agreement and made a part hereof.

**Section 18.5 Good Faith**

In their dealings with each other, utmost good faith is required from the Entity and the City.

**Section 18.6 Pending Litigation**

The Entity fully and freely holds the City harmless and assumes any risk that may affect the present or future validity of the within financial agreement, arising from any other litigation.

## ARTICLE XIX - EXHIBITS

**Section 19 Exhibits**

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

1. Metes and Bounds description of the Project;
2. Ordinance of the City authorizing the execution of this Agreement;
3. The Application with Exhibits;
4. Certificate of the Entity;
5. Estimated Construction Schedule;
6. The Financial Plan for the undertaking of the Project;
7. Good Faith Estimate of Initial Rental Schedule and Lease Terms;
8. Project Employment and Contracting Agreement;
9. Architect's Certification of Actual Construction Costs.

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

**ATTEST:**

**MONTGOMERYSENIOR LIVING URBAN RENEWAL ASSOCIATES, LP**

By its General Partner, Montgomery Senior-Michaels, LLC

_____

_____
Joel Silver, Vice President

**ATTEST:**

**CITY OF JERSEY CITY**

_____

_____
Brian O'Reilly,
Business Administrator

DRAFT

**EXHIBIT 1:**

**Metes and Bounds description of the Project**

DRAFT

**EXHIBIT 2:**

**Ordinance of the City authorizing the execution of this Agreement**

DRAFT

**EXHIBIT 3:**

**The Application with Exhibits**

DRAFT

**EXHIBIT 4:**

**Certificate of the Entity**

DRAFT

## EXHIBIT 5:

## Estimated Construction Schedule

DRAFT

**EXHIBIT 6:**

**The Financial Plan for the undertaking of the Project**

DRAFT

**EXHIBIT 7:**

**Good Faith Estimate of Initial Rental Schedule and Lease Terms**

DRAFT

**EXHIBIT 8:**

**Project Employment and Contracting Agreement**

DRAFT

**EXHIBIT 9:**

**Architect's Certification of Actual Construction Costs**

DRAFT

# EXHIBIT H

## CERTIFICATION OF FORMATION & DISCLOSURE STATEMENT

NAME OF ENTITY: **MONTGOMERY SENIOR LIVING URBAN RENEWAL ASSOCIATES, LP**

NAME OF GENERAL PARTNER: **MONTGOMERY SENIOR-MICHAELS, LLC**

ADDRESS: **THREE EAST STOW ROAD, PO BOX 994**
**MARLTON, NJ 08053**

I certify that the following list represents the name of all members owning a 10% or greater interest in the above entity.

| NAME | ADDRESS | PERCENT OWNED |
|---|---|---|
| MONTGOMERY SENIOR-MICHAELS, LLC | 3 E. STOW RD, MARLTON, NJ | 100% |

I further certify, as the above entity is, itself, an entity, that the following list represents the name of the sole owner of the above noted entity.

| NAME | ADDRESS | PERCENT OWNED |
|---|---|---|
| MICHAEL J. LEVITT | 3 E. STOW RD, MARLTON, NJ | 100% |

Montgomery Senior Living Center Urban Renewal Associates, LP

By: _____
Joel Silver, Vice President
Montgomery Senior-Michaels, LLC, GP

LEVINE STALLER attorneys at law
Levine, Staller, Sklar, Chan, Brown & Donnelly, P.A.

FILE COPY

ARTHUR M. BROWN
LL.M. (Taxation)
abrown@levinestaller.com
Fax: 609-345-2473

Respond to Atlantic City

April 11, 2011

**Via Overnight Mail**
M. Burr Keim Company
2021 Arch Street
Philadelphia, PA 19103-1491
Attn: Don Hart

**Re: Montgomery Senior Living Center Urban Renewal Assoc., LP, a New Jersey limited partnership**

Dear Don:

I enclose a copy of a Limited Partnership Certificate for Montgomery Senior Living Center Urban Renewal Associates, LP for filing. Please note that this entity is an urban renewal entity and is filed with a Certificate from the Department of Community Affairs authorizing same (original).

As you are aware from your conversation today with my secretary, Kathleen, we sent these items directly to the State of New Jersey for filing months ago, with a postage paid, return envelope and have been contacting them periodically for a status. They still show no record of receiving same, nor have we had our mail returned to us.

Please record these as soon as possible and return a filed copy for our files.

If you have any questions, please do not hesitate to call.

Very truly yours,

ARTHUR M. BROWN

AMB/kmw
Encls.
c: Joel Silver (w/encl.) (via email)
Kristina Vagen (w/encl.) (via email)

S:\BROWN\LEVITT\MONTGOMERY SENIOR\CORRESPONDENCE\M. Burr Keim (file LP cert) 04 11 11 ltr.doc

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

CHRIS CHRISTIE
*Governor*

KIM GUADAGNO
*Lt. Governor*

LORI GRIFA
*Commissioner*

FILED
APR 13 2011
STATE TREASURER

DEPARTMENT OF COMMUNITY AFFAIRS

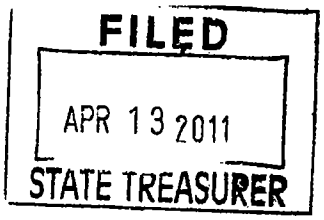
TO: State Treasurer
RE: MONTGOMERY SENIOR LIVING CENTER URBAN RENEWAL ASSOCIATES, LP
File # 1036
An Urban Renewal Entity

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

Done this 18th day of January 2011 at Trenton, New Jersey.

DEPARTMENT OF COMMUNITY AFFAIRS

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




**New Jersey Department of Treasury**
**Division of Revenue**

**Limited Partnership Certificate**

1. *Name of Limited Partnership:* **Montgomery Senior Living Center Urban Renewal Associates, LP**

2. *Address of Principal Office:* **Three East Stow Road, Suite 100**
**Marlton, New Jersey 08053**

3. *Registered Agent:* **Arthur M. Brown, Esq.**

4. *Registered Office:* **3030 Atlantic Avenue**
**Atlantic City, New Jersey 08401**

5. *Character of its Business:*

**(a) The purpose for which the partnership is formed shall be to develop, own and operate real estate under the Long Term Tax Exemption Law, P.L.1991, c.431 (C. 40A:20-1 et seq.) and to initiate and conduct projects for the redevelopment of a redevelopment area pursuant to a redevelopment plan, or projects necessary, useful, or convenient for the relocation of residents displaced or to be displaced by the redevelopment of all or part of one or more redevelopment areas, or low and moderate income housing projects, and, when authorized by financial agreement with the municipality, to acquire, plan, develop, construct, alter, maintain or operate housing, senior citizen housing, business, industrial, commercial administrative, community, health, recreational, educational or welfare projects, or any combination of two or more of these types of improvement in a single project, under such conditions as to use, ownership, management and control as regulated pursuant to P.L.1991, c.431 (C. 40A:20-1 et seq.). The partnership may develop a housing project (the "Project") in the City of Jersey City, State of New Jersey as a limited dividend, urban renewal entity.**

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

**(c) The partnership has been organized to serve a public purpose, and its operations shall be directed toward:**

(1) **the redevelopment of redevelopment areas, the facilitation of the relocation of residents displaced or to be displaced by redevelopment, or the conduct of low and moderate income housing projects;**

(2) **the acquisition, management and operation of a project, redevelopment relocation housing project, or low and moderate income housing project under P.L.1991, c.431 (C. 40A:20-1 et seq.);**

(3) **that it shall be subject to regulation by the municipality in which its Project is situated, and to a limitation or prohibition, as appropriate, on profits or dividends for so long as it remains the owner of a project subject to P.L.1991, c.431 (C. 40A:20-1 et seq.).**

**(d) The partnership shall not voluntarily transfer more than 10% of the ownership of the Project or any portion thereof undertaken by it under P.L.1991, c.431 (C. 40A:20-1 et seq.), until it has first removed both itself and the Project from all restrictions of P.L.1991, c.431 (C. 40A:20-1 et seq.) in the manner required by P.L.1991, c.431 (C. 40A:20-1 et seq.) and, if the Project includes housing units, has obtained the consent of the Commissioner of Community Affairs to such transfer; with the exception of transfer to another urban renewal entity, as approved by the municipality in which the Project is situated, which other urban renewal entity shall assume all contractual obligations of the transferor entity under the financial agreement with the municipality. The partnership shall file annually with the municipal governing body a disclosure of the persons having an ownership interest in the Project, and of the extent of the ownership interest of each. Nothing herein shall prohibit any transfer of the ownership interest in the urban renewal entity itself provided that the transfer, if greater than 10 percent, is disclosed to the municipal governing body in the annual disclosure statement or in correspondence sent to the municipality in advance of the annual disclosure statement referred to above.**

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

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

6. *Term for which the Partnership is to Exist:* **December 31, 2100**

7. *Name/Address of Each General Partner:* **Montgomery Senior –Michaels, LLC**

8. *Set forth the aggregate amount of cash and a description of the agreed value of other property or services contributed by all partners; or agreed to be contributed in the future:*

   **The partners of the Partnership have agreed to contribute an aggregate of $1,000.00 in capital to the Partnership.**

9. *Set forth the times at which or events on the happening of which any additional contributions agreed to be made by any partner or partners are to be made:*

   **No partner is required to make additional contributions to the capital of the Partnership.**

10. *Do the limited partners have the power to grant the right to become a limited partner to an assignee of any part of their partnership?*

    **No.**

11. *If agreed upon, list when or what must occur to enable a partner to terminate his membership in the partnership. (Include the amount or the way of determining the distribution of property to terminate a partner's interest).*

    **The partners have not agreed upon when or what must occur to enable a partner to terminate his partnership in the Partnership, nor the amount, or method of determining the distributions to which such partner may be entitled respecting his partnership interests, nor the terms and conditions of such termination and distribution.**

12. *Does a partner have the right to receive distributions of property, including cash from the limited partnership?*

    **Yes.**

13. *Does a partner have the right to receive, or does the general partner have the right to make, distributions to a partner which include a return of all or any part of the partner's contribution?*

    **Yes.**

14. *When or upon what events occurring is this limited partnership to be dissolved and its affairs wound up?*

**The Partnership shall be dissolved and its affairs wound up upon the earlier of the expiration of the term of the Partnership or upon the death, retirement, disability or adjudication of bankruptcy of all of the General Partners.**

15. *What are the rights of the remaining general partners to continue the business in the event that a general partner withdraws?*

**The Partnership may continue despite the death, retirement, disability, or bankruptcy of a sole General Partner with the successor in interest as a substitute General Partner, with the consent of all the limited partners. In the event that at any time where there is more than one General Partner, then, in the event of the death, retirement, disability or bankruptcy of a General Partner, the remaining General Partner or partners may continue the business of the Partnership by unanimous consent of all partners and the existence of the Partnership shall not be affected.**

16. *List any other matters that the partners decide to include:*

**N/A**

17. *Effective date of amendment if subsequent to date of filing: (Must be within 30 days followings date of filing):*

**Effective date is the date of filing.**

**IN TESTIMONY WHEREOF**, the undersigned General Partner executes this Certificate as of the 1st day of December, 2010.

**MONTGOMERY SENIOR-MICHAELS, LLC**

**By:** _____
**Michael J. Levitt, Sole Member**

S:\BROWN\LEVITT\MONTGOMERY SENIOR\ORG DOCS\LP Cert 120710.doc

# EXHIBIT I:

## COOPERATION AGREEMENTS IN PLACE

(PLEASE SEE ATTACHED)

# COOPERATION AGREEMENT

The following public housing developments are included in the Cooperation Agreement:

| PROJECT NAME/NUMBER | | TOTAL UNITS |
|---|---|---|
| MARION GARDENS | N.J. 9-2 | 234 |
| BOOKER T. WASHINGTON | N.J. 9-3 | 314 |
| HUDSON GARDENS | N.J. 9-4 | 222 |
| HOLLAND GARDENS | N.J. 9-5 | 192 |
| MONTGOMERY GARDENS | N.J. 9-6 | 462 |
| CURRIES WOODS | N.J. 9-8 | 91 |
| BERRY GARDENS | N.J. 9-9 | 368 |
| DWIGHT STREET HOMES | N.J. 9-10 | 34 |
| LAFAYETTE SENIOR LIVING CENTER | N.J. 9-13 | 83 |
| THOMAS J. STEWART APTS. | N.J. 9-14 | 48 |
| OCEAN POINTE EAST | N.J. 9-20 | 29 |
| | TOTAL | 2,077 |

# EXHIBIT J:

## FINANCIAL AGREEMENTS IN FORCE

(PLEASE SEE ATTACHED)

## EXISTING FINANCIAL AGREEMENTS

All parties of the applicant who have an interest in any other financial agreements in force and effect in the City of Jersey City include:

1) The Jersey City Housing Authority has a current tax enhancement agreement in place with the City of Jersey City for the 36 residential units at the premises located at 254 Bergen Avenue.

2) The Jersey City Housing Authority has a current tax enhancement agreement in place with the City of Jersey City for the 90 residential units at Arlington Gardens located at 315 Randolph Avenue.

3) The Jersey City Housing Authority and Lafayette Community Limited Partnership have a current tax enhancement agreement in place (under the NJHMFA Statute) with the City of Jersey City for the 124 residential units at the mixed-income HOPE VI Lafayette Village located at 579 Grand Street.

4) The Jersey City Housing Authority and Lafayette Family Urban Renewal Associates, L.P. have a current tax enhancement agreement in place with the City of Jersey City for the 70 residential units at the mixed-income HOPE VI Woodward Terrace located at 511 Grand Street.

5) The Jersey City Housing Authority and Lafayette Family II Urban Renewal Associates, L.P. have a current tax enhancement agreement in place with the City of Jersey City for the 72 residential units at the mixed-income HOPE VI Pacific Court Townhouses located at 320 Bramhall Avenue.

6) The Jersey City Housing Authority and Lafayette Family Phase III Urban Renewal Associates, L.P. have a current tax enhancement agreement in place with the City of Jersey City for the 67 residential units plus community center at the mixed-income HOPE VI Barbara Place Terrace located at Ash Street, Carbon Street and Pacific Avenue.

7) The Jersey City Housing Authority and A. Harry Moore Phase I Associates, L.P. have a current tax enhancement agreement in place with the City of Jersey City for the 66 residential units at the mixed-income HOPE VI Gloria Robinson Court Homes I located at 332-336 Duncan Avenue.

8) The Jersey City Housing Authority and A. Harry Moore Phase II Associates, L.P. have a current tax enhancement agreement in place with the City of Jersey City for the 78 residential units and community center at the mixed-income HOPE VI Gloria Robinson Court Homes II located at 340-344 Duncan Avenue.

9) The Jersey City Housing Authority and Lafayette Family Phase IV Urban Renewal Associates, L.P. have a current tax enhancement agreement in place with the City of Jersey City for the 63 residential units under

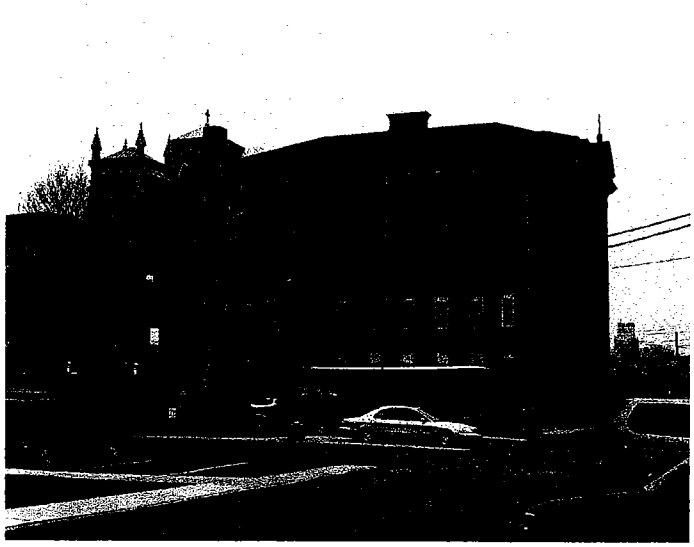
construction at the mixed-income HOPE VI Glennview Townhouses I located at Grande Street, Barbara Place, and Halladay Street.

10) The Jersey City Housing Authority and AHM Housing Urban Renewal Associates, LLC have a current tax enhance agreement in place with the City of Jersey City for the 60 residential units under construction at the mixed-income HOPE VI A. Harry Moore Phase III Development located at 324 Duncan Avenue.

# APPLICANT: ST. BRIDGET'S SENIOR RESIDENCE URBAN RENEWAL, LLC

# PROJECT: ST. BRIDGET'S SENIOR RESIDENCE

# APPLICATION FOR LONG TERM TAX ABATEMENT
June 10, 2011

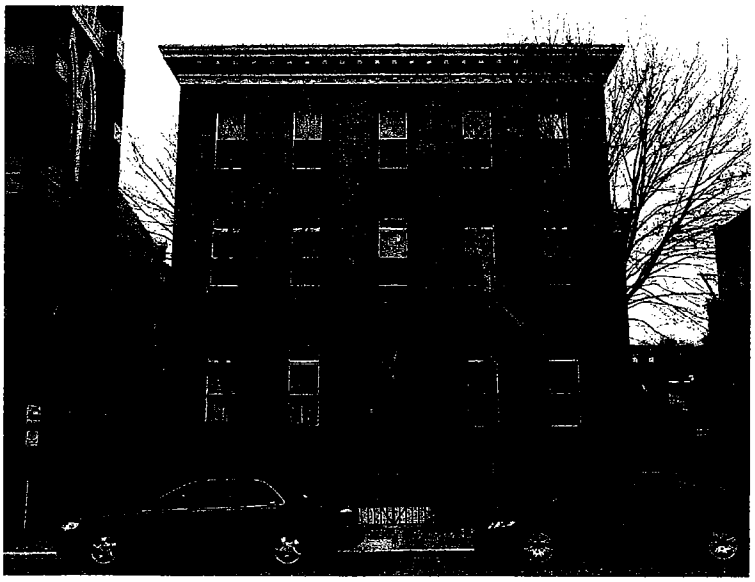


St. Bridget's Parish Buildings, Montgomery and Mercer (vac.) Streets
City of Jersey City, Hudson County, NJ

4

St. Bridget's Parish Buildings, Montgomery and Mercer (vac.) Streets
City of Jersey City, Hudson County, NJ

2



St. Bridget's Parish Buildings, Montgomery and Mercer (vac.) Streets
City of Jersey City, Hudson County, NJ

1

## APPLICATION FOR TAX ABATEMENT

### St. Bridget's Senior Residence

1. **Property Identification**: A portion of Block: 380 Lot(s): N1, A, and B as shown on the Official Assessment map of the City of Jersey City and more commonly referred to as 372 Montgomery St; 193 & 195 Mercer St. Upon subdivision, such portion of Lots N1, A, and B shall be known as a new Lot to be determined by the Tax Assessor ("Property"). A legal description of the Property is attached hereto as Exhibit A.

2. **Type of Exemption Requested:** The Applicant, St. Bridget's Senior Residence Urban Renewal, LLC ("Applicant"), seeks a Tax Abatement granted pursuant to the New Jersey Long Term Tax Exemption Law, N.J.S.A 40A:20-1 et. seq. for a forty-six (46) unit, multi-family low-income rental senior housing development (studio, one bedroom, and two bedroom apartments) ("Project"). The Applicant seeks an abatement based on 8% of the estimated annual gross revenues of the Project.

3. **Project Statement**: As part of its continuing mission to build affordable housing, the Applicant is proposing the development of a forty-six (46) unit Senior Housing Complex, 100% of which will be affordable to seniors earning 50% or less of the area median income. Thus, these affordable units are expected to be available to persons/families with incomes ranging from approximately $10,020 to $32,200 annually.

4. **Tax Abatement**: The term of the abatement requested by the Applicant is 30 years from the date of substantial completion of the Project. Based upon the Annual Gross Revenue computation and Statement of Operation set forth in Exhibits D & E, the Project will generate an estimated Annual Service Charge of approximately $22,798.

5. **Improvements to be Constructed**: The overall site consists of approximately 43,012 square feet of land on 372 Montgomery Street, 193 & 195 Mercer Street, improved with a rectory, convent and school (hereafter referred to as the Rectory, Convent, and the School respectively), as well as St. Bridget's Church. Upon subdivision, the Property (new Lot to be determined) will consist of 25,772± square feet. The Project will consist of the gut renovation, rehabilitation, and adaptive reuse of the Rectory, Convent, and School to include senior housing. The church will remain and, upon subdivision, will be located on a separate Lot. The Project will contain forty-six (46) units, ground floor common area, an outdoor "allocation garden," and four (4) parking spaces at grade level. The residential units will be located in the Rectory, Convent, and School and distributed as follows:

   5 Studios
   33 1 Bedroom
   8 2 Bedroom

Each residential unit will contain all new mechanical systems, fixtures and appliances and will seek to qualify for Historic Tax Credits. Specifically, in order to qualify for Historic Tax Credits, the Applicant will be providing for the substantial rehabilitation and restoration of the exteriors and interiors of the Rectory, Convent and School buildings, which will be presented to the Jersey City Historic Preservation Commission for review and approval.

The subject site is owned by the Church of the Resurrection, a/k/a St. Bridget's Church. The Applicant will execute a long-term lease of the Property from its current owners.

The Applicant will renovate the buildings, develop the Property, and upon completion lease the residential units to low-income senior citizens. The standard form of lease will require the tenants to pay the following estimated rents, in accordance with relevant federal and state guidelines:

| | | |
|---|---|---|
| Studio (523 SF) = | $218.00 | 5 Units |
| 1 BR (702 SF) = | $627.00 | 33 Units |
| 2 BR (987 SF) = | $751.00 | 5 Units |
| | | 43 Units |

The remaining three (3) units will be non-income producing, consisting of one (1) unit to be occupied by a superintendent and two (2) units to be utilized by the existing church for church purposes. A general description of the residential lease is attached as Exhibit B.

The Alperts Group, an affiliate of the Applicant, will serve as the property manager and will qualify potential residents of the affordable housing units in accordance with federal and state guidelines.

6. **Estimated Total Project Cost:** The total cost of the project is $9,410,032. The total project cost has been calculated in accordance with the provisions of N.J.S.A. 40A:20-3(h). The breakdown of the total project cost is attached as Exhibit C.

7. **Funding Structure:** Major funding for the Project will be provided by the following:

NJHMFA Low Income Housing Tax Credits:

**$6,568,000**

Affordable Housing Trust Fund or Home Fund Subsidy from Jersey City:

**$1,500,000**

Historic Tax Credits:

**$1,342,000**

8. **Annual Gross Revenue and Expenses:** A statement of the Annual Gross Revenue for the Project is attached hereto as Exhibit D. A projected statement of operations (Income & Expenses) is attached hereto as Exhibit E.

9. **Construction Schedule:** The construction of this Project is scheduled to commence at the beginning of the 1st Quarter 2012 and will be completed and placed in-service by December 2013. The aforementioned notwithstanding, construction of the Project will not commence prior to final approval and execution of a financial agreement between the City of Jersey City and the Applicant.

10. **Compliance with State and Local Redevelopment Laws / Municipal Land Use Approvals:** The Applicant certifies that the Project is located in the Montgomery Gateway Redevelopment Plan Area. The Project will be constructed in accordance with the terms and conditions of any preliminary site plan approval granted by the Jersey City Planning Board and in compliance with any state permits or approvals required for the rehabilitation. It is anticipated that an application for Preliminary Site Plan Approval will be heard by the Jersey City Planning Board on June 28, 2011.

11. **Real Estate Tax Assessments:** The tax assessment information for the overall property (Block 380, Lots N1, A, and B) upon which the Project is to be located is attached hereto as Exhibit F. The tax assessment for the Property (to be designated as a new Lot) will be subject to review and determination by the Tax Assessor, upon subdivision.

12. **Real Estate Taxes Levied:** The overall site (Block 380, Lots N1, A, and B) is exempt from real estate taxation, as set forth in Exhibit G.

13. **Status of Municipal Taxes and Other Charges:** To the best of the Applicant's knowledge and belief, all other assessments against Block 380, Lots N1, A, and B have been paid in full.

14. **Disclosure Statement and Certificate of Formation:** The Disclosure Statement is attached hereto as Exhibit H. The Applicant is an urban renewal limited liability company in formation being organized under the laws of the State of New Jersey, including the Long Term Tax Exemption Statute. A copy of the Certificate of Formation is attached hereto as part of Exhibit H.

15. **Certification of Construction Commencement:** The Certificate of Construction Commencement is attached hereto as Exhibit I.

16. **Estimated Jobs Created:** The Applicant estimates that the construction of the Project will generate approximately **73** jobs over the construction period. Upon commencement of operations of the Project, approximately **2** permanent full time jobs will be created in real estate management and service positions.

    The Project is exempt from the requirements of City Ordinance #07-123, which would otherwise require the execution of a Project Labor Agreement. The Project contains

more than 50% affordable housing and is, therefore, not a "Tax Abated Project" as defined under Ordinance #07-123.

The Applicant agrees to execute a Project Employment Agreement simultaneously with the execution of a Financial Agreement.

17. **Compliance with State and Local Laws:** A certification by the Applicant that the Project meets the requirements of the laws of the State of New Jersey and the City of Jersey City is attached hereto as Exhibit J.

18. **Certification of Truthfulness and Diligent Inquiry:** A certification by the Applicant that the statements contained herein are true and subject to diligent inquiry is attached hereto as Exhibit K.

19. **Financial Agreement:** The proposed Financial Agreement is attached hereto as Exhibit L.

20. **Affordable Housing Contribution:** No affordable housing contribution is required pursuant to Section 304-28 of the Jersey City Code, as this Project contains affordable housing units that are in excess of 15% of the overall number of units.

21. **Fee:** Since the Application concerns a Project providing for seniors of low and moderate income, no application fee is required.

## APPLICATION FOR TAX ABATEMENT

## ST. BRIDGET'S SENIOR RESIDENCE URBAN RENEWAL, LLC

## INDEX TO EXHIBITS

| EXHIBIT | DESCRIPTION |
|---|---|
| A | Legal Description of the Property |
| B | General Description of Residential Leases |
| C | Breakdown of Total Project Cost |
| C-1 | Total Project Cost Certification |
| D | Annual Gross Revenue *(Abatement Calculation)* |
| E | Statement of Operations *(Income & Expenses)* |
| E-1 | Municipal Land Use Approvals |
| F | Real Estate Tax Assessments |
| G | Real Estate Tax Statement |
| H | Disclosure Statement *(LLC Member Percentages)* & Certificate of Formation |
| I | Certificate of Construction Commencement |
| J | Compliance with State & Local Laws Certificate |
| K | Certificate of Truthfulness & Diligent Inquiry |
| L | Proposed Financial Agreement |

# Exhibit A

## ST. BRIDGET'S SENIOR RESIDENCE URBAN RENEWAL, LLC

## Legal Description of Property

St. Bridget's Senior Residence is a proposed multi-family low-income rental senior housing development to be located on a portion of Block 380, Lots: N1, A, and B as shown on the Official Assessment map of the City of Jersey City, and more commonly referred to as 372 Montgomery Street, 193 and 195 Mercer Street, Jersey City, NJ. Upon subdivision, the relevant portion of Lots N1, A, and B shall be known as a new Lot to be determined by the Tax Assessor ("Property"). See legal description of Property attached hereto.

PS&S
integrating design & engineering

67B Mountain Boulevard Extension
P.O. Box 4039
Warren, NJ 07059
Tel 732.560.9700
www.psands.com

# PROPOSED NEW LOT 2, BLOCK 380
# CITY OF JERSEY CITY , HUDSON COUNTY
# NEW JERSEY

**BEGINNING** at a point in the northerly right-of-way line of Montgomery Street, said point being distance of 87.66 feet, on a bearing of South 67° 18' 01" East from the intersection of Montgomery Street with Brunswick Street and running thence.

1. North 22° 03' 56" East, a distance of 198.30 feet, to a point, thence.

2. South 67° 56' 04" East, a distance of 121.68 feet, to a point, thence.

3. South 22° 21' 29" West, a distance of 100.00 feet, to a point, thence.

4. South 67° 56' 04" East, a distance of 16.67 feet, to a point, thence.

5. South 22° 21' 29" West, a distance of 99.82 feet, to a point in the northerly right-of-way line of Montgomery Street, thence.

6. Along the same, North 67° 18' 01" West, a distance of 137.34 feet, to the **POINT OF BEGINNING.**

Containing an area of 25,772 square feet or 0.591 acres, as calculated by Paulus, Sokolowski and Sartor, LLC in June 2011.

Subject to any easements or restrictions of record if any, which an accurate title search may disclose.

Francis C. Wecht, Jr.
Professional Land Surveyor
NJ License No. 27190
6/9/2011

# EXHIBIT B

## ST. BRIDGET'S SENIOR RESIDENCE URBAN RENEWAL, LLC

### DESCRIPTION OF RESIDENTIAL LEASES
### GOOD FAITH ESTIMATE OF INITIAL RENTS

1. Name of Tenant: Various

2. Term of Lease: Initial term of lease not less than 1 year.

3. Number of Apartments:

Affordable Apartments: 43 (plus 3 non-income producing units)

| Number of Apts. | Number of Bedrooms/Baths | Square* Footage | Monthly Rent |
|---|---|---|---|
| 5 | Studio | 523 | $218 |
| 33 | 1/1 | 702 | $627 |
| 5 | 2/1 | 987 | $751 |
| Total 43 | | | |

* The exact square footage and rent could vary. The numbers above represent the average square footage and rent for each type of apartment.

5. Premium paid directly by Tenant Annually

   a. Fire & other insurance NONE

   b. Real Estate Taxes of Assessments on in project NONE

   c. Operating and maintenance expenses paid by tenant NONE

6. Special Features: common area

# Exhibit C

## ST. BRIDGET'S SENIOR RESIDENCE URBAN RENEWAL, LLC

## Estimated Total Project Cost

## Total Project Cost (per N.J.S.A. 40A:20-3(h))

| | |
|---|---|
| Land Value | $552,000 |
| Architects, Engineers, etc. | $420,000 |
| Surveying and Testing | $27,500 |
| Construction Costs | $7,382,355 |
| Insurance, Interest, Finance Costs during construction | $587,533 |
| Commissions and Marketing Expenses in connection with sale of Units | $23,000 |
| Real Estate Taxes and assessments during construction period | $0 |
| Developer's overhead | $417,644 |
| **Total** | **$9,410,032** |

# Exhibit C-1

# Total Project Cost Certification

On this 9th day of June 2011, the undersigned being the Architect for St. Bridget's Senior Residence does certify that to the best of my knowledge and belief Exhibit C accurately reflects the estimated Construction Cost of the Project proposed on a portion of Block 380 Lots: N1, A & B more commonly referred to as 372 Montgomery Street, 193 & 195 Mercer Street, Jersey City, New Jersey.

By:
Name: Eli D. Martin, RA
Title: Architect

# Exhibit D

## ST. BRIDGET'S SENIOR RESIDENCE URBAN RENEWAL, LLC

## Annual Gross Revenue Calculation
## Real Estate Tax Calculation for Tax Abatement

| | |
|---|---|
| **P.I.L.O.T on Residential** | |
| Gross Residential Rents | $306,432.00 |
| Less Vacancy (7%) | (-)21,450.00 |
| Effective Gross Rents | $284,982.00 |
| x Rate | 8.00% |
| **P.I.L.O.T** | **$ 22,798.00** |
| Administrative Fee (2%) | $ 455.96 |
| County (5%) | $ 1,139.00 |
| **Total** | **$ 24,392.96** |

# Exhibit E

## ST. BRIDGET'S SENIOR RESIDENCE URBAN RENEWAL, LLC

## Projected Statement of Operations
## (Income & Expenses)

***30 YEAR CASH FLOW PROJECTION:*** ***St. Bridget's Senior Residence***

| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **GROSS RESIDENTIAL INCOME** | | | 306,432 | 315,625 | 325,094 | 334,847 | 344,892 | 355,239 | 365,896 | 376,873 | 388,179 | 399,824 | 411,819 | 424,174 | 436,899 | 450,006 | 463,506 |
| **GROSS COMMERCIAL INCOME** | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| LESS VACANCY | 7% | 10% | 21,450 | 22,094 | 22,757 | 23,439 | 24,142 | 24,867 | 25,613 | 26,381 | 27,173 | 27,988 | 28,827 | 29,692 | 30,583 | 31,500 | 32,445 |
| **EFFECTIVE GROSS INCOME** | | | 284,982 | 293,531 | 302,337 | 311,407 | 320,749 | 330,372 | 340,283 | 350,492 | 361,006 | 371,837 | 382,992 | 394,481 | 406,316 | 418,505 | 431,060 |
| **TOTAL INCOME** | | | 284,982 | 293,531 | 302,337 | 311,407 | 320,749 | 330,372 | 340,283 | 350,492 | 361,006 | 371,837 | 382,992 | 394,481 | 406,316 | 418,505 | 431,060 |
| **OPERATING EXPENSES** | | | | | | | | | | | | | | | | | |
| REAL ESTATE TAXES (PILOT) | | 8% | 24,515 | 25,250 | 26,007 | 26,788 | 27,591 | 28,419 | 29,272 | 30,150 | 31,054 | 31,986 | 32,946 | 33,934 | 34,952 | 36,000 | 37,080 |
| WATER & SEWER CHARGES | | | 24,675 | 25,415 | 26,178 | 26,963 | 27,772 | 28,605 | 29,463 | 30,347 | 31,258 | 32,195 | 33,161 | 34,156 | 35,181 | 36,236 | 37,323 |
| FIRE INSURANCE | | | 33,677 | 34,687 | 35,728 | 36,800 | 37,904 | 39,041 | 40,212 | 41,418 | 42,661 | 43,941 | 45,259 | 46,617 | 48,015 | 49,456 | 50,939 |
| LIABILITY INSURANCE | | | 13,800 | 14,214 | 14,640 | 15,080 | 15,532 | 15,998 | 16,478 | 16,972 | 17,481 | 18,006 | 18,546 | 19,102 | 19,676 | 20,266 | 20,874 |
| STAFF SALARIES | | | 55,000 | 56,650 | 58,350 | 60,100 | 61,903 | 63,760 | 65,673 | 67,643 | 69,672 | 71,763 | 73,915 | 76,133 | 78,417 | 80,769 | 83,192 |
| ELEVATOR MAINTENANCE | | | 10,000 | 10,300 | 10,609 | 10,927 | 11,255 | 11,593 | 11,941 | 12,299 | 12,668 | 13,048 | 13,439 | 13,842 | 14,258 | 14,685 | 15,126 |
| CLEANING EXPENSES | | | 5,922 | 6,100 | 6,283 | 6,471 | 6,665 | 6,865 | 7,071 | 7,283 | 7,502 | 7,727 | 7,959 | 8,197 | 8,443 | 8,697 | 8,958 |
| HEATING | | | 28,200 | 29,046 | 29,917 | 30,815 | 31,739 | 32,692 | 33,672 | 34,682 | 35,723 | 36,795 | 37,898 | 39,035 | 40,206 | 41,413 | 42,655 |
| GAS & ELECTRIC | | | 6,345 | 6,535 | 6,731 | 6,933 | 7,141 | 7,356 | 7,576 | 7,804 | 8,038 | 8,279 | 8,527 | 8,783 | 9,046 | 9,318 | 9,597 |
| MANAGEMENT | | | 18,386 | 18,937 | 19,506 | 20,091 | 20,694 | 21,314 | 21,954 | 22,612 | 23,291 | 23,989 | 24,709 | 25,450 | 26,214 | 27,000 | 27,810 |
| PAINTING | | | 6,345 | 6,535 | 6,731 | 6,933 | 7,141 | 7,356 | 7,576 | 7,804 | 8,038 | 8,279 | 8,527 | 8,783 | 9,046 | 9,318 | 9,597 |
| REPAIRS & REPLACEMENT | | | 13,800 | 14,214 | 14,640 | 15,080 | 15,532 | 15,998 | 16,478 | 16,972 | 17,481 | 18,006 | 18,546 | 19,102 | 19,676 | 20,266 | 20,874 |
| LEGAL & ACCOUNTING | | | 12,100 | 12,463 | 12,837 | 13,222 | 13,619 | 14,027 | 14,448 | 14,881 | 15,328 | 15,788 | 16,261 | 16,749 | 17,252 | 17,769 | 18,302 |
| BUILDING RESERVE | | | 11,500 | 11,845 | 12,200 | 12,566 | 12,943 | 13,332 | 13,732 | 14,144 | 14,568 | 15,005 | 15,455 | 15,919 | 16,396 | 16,888 | 17,395 |
| ASSET MANAGEMENT FEE | | | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 |
| **TOTAL EXPENSES** | | | 268,864 | 276,792 | 284,958 | 293,369 | 302,032 | 310,955 | 320,146 | 329,612 | 339,362 | 349,405 | 359,749 | 370,404 | 381,378 | 392,681 | 404,324 |
| **NET OPERATING INCOME** | | | 16,117 | 16,739 | 17,379 | 18,038 | 18,717 | 19,417 | 20,138 | 20,880 | 21,644 | 22,431 | 23,242 | 24,078 | 24,938 | 25,824 | 26,737 |
| **NET CASH FLOW** | | | 16,117 | 16,739 | 17,379 | 18,038 | 18,717 | 19,417 | 20,138 | 20,880 | 21,644 | 22,431 | 23,242 | 24,078 | 24,938 | 25,824 | 26,737 |
| **OPERATING RESERVE** | | | 134,432 | 138,465 | 142,619 | 146,898 | 151,305 | 155,844 | 160,519 | 165,335 | 170,295 | 175,404 | 180,666 | 186,086 | 191,668 | 197,418 | 203,341 |
| **INTEREST EARNED** | | 3.00% | 4,033 | 4,154 | 4,279 | 4,407 | 4,539 | 4,675 | 4,816 | 4,960 | 5,109 | 5,262 | 5,420 | 5,583 | 5,750 | 5,923 | 6,100 |
| **OPERATING DEFICIT** | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **OPERATING RESERVE BALANCE** | | | 138,465 | 142,619 | 146,898 | 151,305 | 155,844 | 160,519 | 165,335 | 170,295 | 175,404 | 180,666 | 186,086 | 191,668 | 197,418 | 203,341 | 209,441 |
| **BEGINNING OPERATING RESERVE** | | | 134,432 | | | | | | | | | | | | | | |

**PREPARED BY: RCG DEVELOPMENT GROUP, LLC** **05-Jun-11**

**30 YEAR CASH FLOW PROJECTION:** **St. Bridget's Senior Residence** 

| | | | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **GROSS RESIDENTIAL INCOME** | | | 477,411 | 491,733 | 506,485 | 521,680 | 537,330 | 553,450 | 570,054 | 587,155 | 604,770 | 622,913 | 641,601 | 660,849 | 680,674 | 701,094 | 722,127 |
| **GROSS COMMERCIAL INCOME** | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| LESS VACANCY | 7% | 10% | 33,419 | 34,421 | 35,454 | 36,518 | 37,613 | 38,742 | 39,904 | 41,101 | 42,334 | 43,604 | 44,912 | 46,259 | 47,647 | 49,077 | 50,549 |
| **EFFECTIVE GROSS INCOME** | | | 443,992 | 457,312 | 471,031 | 485,162 | 499,717 | 514,709 | 530,150 | 546,055 | 562,436 | 579,309 | 596,689 | 614,589 | 633,027 | 652,018 | 671,578 |
| **TOTAL INCOME** | | | 443,992 | 457,312 | 471,031 | 485,162 | 499,717 | 514,709 | 530,150 | 546,055 | 562,436 | 579,309 | 596,689 | 614,589 | 633,027 | 652,018 | 671,578 |
| **OPERATING EXPENSES** | | | | | | | | | | | | | | | | | |
| REAL ESTATE TAXES (PILOT) | | 8% | 38,193 | 39,339 | 40,519 | 41,734 | 42,986 | 44,276 | 45,604 | 46,972 | 48,382 | 49,833 | 51,328 | 52,868 | 54,454 | 56,088 | 57,770 |
| WATER & SEWER CHARGES | | | 38,443 | 39,596 | 40,784 | 42,008 | 43,268 | 44,566 | 45,903 | 47,280 | 48,698 | 50,159 | 51,664 | 53,214 | 54,810 | 56,455 | 58,148 |
| FIRE INSURANCE | | | 52,468 | 54,042 | 55,663 | 57,333 | 59,053 | 60,824 | 62,649 | 64,529 | 66,464 | 68,458 | 70,512 | 72,628 | 74,806 | 77,051 | 79,362 |
| LIABILITY INSURANCE | | | 21,500 | 22,145 | 22,809 | 23,494 | 24,198 | 24,924 | 25,672 | 26,442 | 27,235 | 28,053 | 28,894 | 29,761 | 30,654 | 31,573 | 32,521 |
| STAFF SALARIES | | | 85,688 | 88,259 | 90,907 | 93,634 | 96,443 | 99,336 | 102,316 | 105,386 | 108,547 | 111,804 | 115,158 | 118,613 | 122,171 | 125,836 | 129,611 |
| ELEVATOR MAINTENANCE | | | 15,580 | 16,047 | 16,528 | 17,024 | 17,535 | 18,061 | 18,603 | 19,161 | 19,736 | 20,328 | 20,938 | 21,566 | 22,213 | 22,879 | 23,566 |
| CLEANING EXPENSES | | | 9,226 | 9,503 | 9,788 | 10,082 | 10,384 | 10,696 | 11,017 | 11,347 | 11,688 | 12,038 | 12,399 | 12,771 | 13,154 | 13,549 | 13,956 |
| HEATING | | | 43,935 | 45,253 | 46,610 | 48,009 | 49,449 | 50,932 | 52,460 | 54,034 | 55,655 | 57,325 | 59,045 | 60,816 | 62,640 | 64,520 | 66,455 |
| GAS & ELECTRIC | | | 9,885 | 10,182 | 10,487 | 10,802 | 11,126 | 11,460 | 11,804 | 12,158 | 12,522 | 12,898 | 13,285 | 13,684 | 14,094 | 14,517 | 14,952 |
| MANAGEMENT | | | 28,645 | 29,504 | 30,389 | 31,301 | 32,240 | 33,207 | 34,203 | 35,229 | 36,286 | 37,375 | 38,496 | 39,651 | 40,840 | 42,066 | 43,328 |
| PAINTING | | | 9,885 | 10,182 | 10,487 | 10,802 | 11,126 | 11,460 | 11,804 | 12,158 | 12,522 | 12,898 | 13,285 | 13,684 | 14,094 | 14,517 | 14,952 |
| REPAIRS & REPLACEMENT | | | 21,500 | 22,145 | 22,809 | 23,494 | 24,198 | 24,924 | 25,672 | 26,442 | 27,235 | 28,053 | 28,894 | 29,761 | 30,654 | 31,573 | 32,521 |
| LEGAL & ACCOUNTING | | | 18,851 | 19,417 | 19,999 | 20,599 | 21,217 | 21,854 | 22,510 | 23,185 | 23,880 | 24,597 | 25,335 | 26,095 | 26,878 | 27,684 | 28,514 |
| BUILDING RESERVE | | | 17,917 | 18,454 | 19,008 | 19,578 | 20,165 | 20,770 | 21,393 | 22,035 | 22,696 | 23,377 | 24,078 | 24,801 | 25,545 | 26,311 | 27,101 |
| ASSET MANAGEMENT FEE | | | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 |
| **TOTAL EXPENSES** | | | 416,315 | 428,667 | 441,389 | 454,493 | 467,989 | 481,891 | 496,210 | 510,958 | 526,149 | 541,795 | 557,911 | 574,510 | 591,608 | 609,218 | 627,357 |
| **NET OPERATING INCOME** | | | 27,677 | 28,645 | 29,643 | 30,670 | 31,728 | 32,818 | 33,940 | 35,096 | 36,287 | 37,514 | 38,777 | 40,079 | 41,419 | 42,800 | 44,222 |
| **NET CASH FLOW** | | | 27,677 | 28,645 | 29,643 | 30,670 | 31,728 | 32,818 | 33,940 | 35,096 | 36,287 | 37,514 | 38,777 | 40,079 | 41,419 | 42,800 | 44,222 |
| **OPERATING RESERVE** | | | 209,441 | 215,724 | 222,196 | 228,862 | 235,728 | 242,800 | 250,084 | 257,586 | 265,314 | 273,273 | 281,471 | 289,915 | 298,613 | 307,571 | 316,798 |
| **INTEREST EARNED** | | 3.00% | 6,283 | 6,472 | 6,666 | 6,866 | 7,072 | 7,284 | 7,503 | 7,728 | 7,959 | 8,198 | 8,444 | 8,697 | 8,958 | 9,227 | 9,504 |
| **OPERATING DEFICIT** | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **OPERATING RESERVE BALANCE** | | | 215,724 | 222,196 | 228,862 | 235,728 | 242,800 | 250,084 | 257,586 | 265,314 | 273,273 | 281,471 | 289,915 | 298,613 | 307,571 | 316,798 | 326,302 |

**PREPARED BY: RCG DEVELOPMENT GROUP, LLC** **05-Jun-11**

# Exhibit E-1

# Municipal Land Use Approvals

# Resolution of the Planning Board of the City of Jersey City*

* The Applicant is scheduled to appear before the Planning Board of the City of Jersey City on June 28, 2011. A Resolution granting Preliminary Site Plan Approval will be supplied upon receipt.

# Exhibit F

## ST. BRIDGET'S SENIOR RESIDENCE URBAN RENEWAL, LLC

## Real Estate Tax Assessments

# Property Detail

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Block: | 380 | Prop Loc: | 372 MONTGOMERY STREET | Owner: | CHURCH OF THE RESURRECTION, JC, TJE | Square Ft: | 0 |
| Lot: | N1 | District: | 0906 JERSEY CITY | Street: | 372 MONTGOMERY ST. | Year Built: | |
| Qual: | | Class: | 15D | City State: | JERSEY CITY, NJ 07302 | Style: | |

Additional Information

| | | | | | |
|---|---|---|---|---|---|
| Prior Block: | Acct Num: | 00042135 | Addl Lots: | EPL Code: | 23 10 49 |
| Prior Lot: | Mtg Acct: | | Land Desc: 225X197.33 IRR | Statute: | 54:4-3.6 |
| Prior Qual: | Bank Code: | 0 | Bldg Desc: CHURCH REC&CONV | Initial: | 110170 Further: 110103 |
| Updated: 09/21/05 | Tax Codes: | | Class4Cd: 0 | Desc: | CONVENT |
| Zone: | Map Page: | 0301 | Acreage: 0 | Taxes: | 0.00 / 0.00 |

Sale Information

Sale Date: 00/00/00 Book: Page: Price: 0 NU#: 0

| Sr1a | Date | Book | Page | Price | NU# | Ratio | Grantee |
|---|---|---|---|---|---|---|---|

TAX-LIST-HISTORY

| Year | Owner Information | Land/Imp/Tot | Exemption | Assessed |
|---|---|---|---|---|
| 2011 | CHURCH OF THE RESURRECTION, JC, TJE | 387000 | 0 | 1897200 |
| | 372 MONTGOMERY ST. | 1510200 | | |
| | JERSEY CITY, NJ 07302 | 1897200 | | |
| 2010 | CHURCH OF THE RESURRECTION, JC, TJE | 387000 | 0 | 1897200 |
| | 372 MONTGOMERY ST. | 1510200 | | |
| | JERSEY CITY, NJ 07302 | 1897200 | | |
| 2009 | CHURCH OF THE RESURRECTION, JC, TJE | 387000 | 0 | 1897200 |
| | 372 MONTGOMERY ST. | 1510200 | | |
| | JERSEY CITY, NJ 07302 | 1897200 | | |
| 2008 | CHURCH OF THE RESURRECTION, JC, TJE | 387000 | 0 | 1897200 |
| | 372 MONTGOMERY ST. | 1510200 | | |
| | JERSEY CITY, NJ 07302 | 1897200 | | |

# Property Detail

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Block: | 380 | Prop Loc: | 195 MERCER ST | Owner: | CHURCH OF THE RESURRECTION J.C.,THE | Square Ft: | 0 |
| Lot: | A | District: | 0906 JERSEY CITY | Street: | 372 MONTGOMERY ST. | Year Built: | |
| Qual: | | Class: | 15D | City State: | JERSEY CITY, NJ 07302 | Style: | |

Additional Information

| | | | | | |
|---|---|---|---|---|---|
| Prior Block: | | Acct Num: | 00042143 | Addl Lots: | | EPL Code: | 23 10 780 |
| Prior Lot: | | Mtg Acct: | | Land Desc: | 46.66X100 | Statute: | 54:4-3.6 |
| Prior Qual: | | Bank Code: | 0 | Bldg Desc: | VACANT LAND | Initial: | 110170 Further: 110103 |
| Updated: | 07/12/07 | Tax Codes: | | Class4Cd: | 0 | Desc: | PAVED PARKING LOT |
| Zone: | | Map Page: | 0301 | Acreage: | 0.1071 | Taxes: | 0.00 / 0.00 |

Sale Information

| | | | | | |
|---|---|---|---|---|---|
| Sale Date: | 00/00/00 | Book: | Page: | Price: | 0 NU#: 0 |

| Sr1a | Date | Book | Page | Price | NU# | Ratio | Grantee |
|---|---|---|---|---|---|---|---|

TAX-LIST-HISTORY

| Year | Owner Information | Land/Imp/Tot | Exemption | Assessed |
|---|---|---|---|---|
| 2011 | CHURCH OF THE RESURRECTION J.C.,THE | 46700 | 0 | 46700 |
| | 372 MONTGOMERY ST. | 0 | | |
| | JERSEY CITY, NJ 07302 | 46700 | | |
| 2010 | CHURCH OF THE RESURRECTION J.C.,THE | 46700 | 0 | 46700 |
| | 372 MONTGOMERY ST. | 0 | | |
| | JERSEY CITY, NJ 07302 | 46700 | | |
| 2009 | CHURCH OF THE RESURRECTION J.C.,THE | 46700 | 0 | 46700 |
| | 372 MONTGOMERY ST. | 0 | | |
| | JERSEY CITY, NJ 07302 | 46700 | | |
| 2008 | CHURCH OF THE RESURRECTION J.C.,THE | 46700 | 0 | 46700 |
| | 372 MONTGOMERY ST. | 0 | | |
| | JERSEY CITY, NJ 07302 | 46700 | | |

# Property Detail

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Block: | 380 | Prop Loc: | 193 MERCER ST | Owner: | CHURCH OF THE RESURRECTION J.C.,THE | Square Ft: | 0 |
| Lot: | B | District: | 0906 JERSEY CITY | Street: | 372 MONTGOMERY ST. | Year Built: | |
| Qual: | | Class: | 15D | City State: | JERSEY CITY, NJ 07302 | Style: | |

Additional Information

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Prior Block: | | Acct Num: | 00042150 | Addl Lots: | | EPL Code: | 23 10 780 |
| Prior Lot: | | Mtg Acct: | | Land Desc: | 16.67X100 | Statute: | 54:4-3.3 |
| Prior Qual: | | Bank Code: | 30000 | Bldg Desc: | VACANT LAND | Initial: | 110170 Further: 110103 |
| Updated: | 09/21/05 | Tax Codes: | | Class4Cd: | 0 | Desc: | PAVED PARKING LOT |
| Zone: | | Map Page: | 0301 | Acreage: | 0.0383 | Taxes: | 0.00 / 0.00 |

Sale Information

| | | | | | |
|---|---|---|---|---|---|
| Sale Date: | 00/00/00 | Book: | Page: | Price: | 0 NU#: 0 |

| Sr1a | Date | Book | Page | Price | NU# | Ratio | Grantee |
|---|---|---|---|---|---|---|---|

TAX-LIST-HISTORY

| Year | Owner Information | Land/Imp/Tot | Exemption | Assessed |
|---|---|---|---|---|
| 2011 | CHURCH OF THE RESURRECTION J.C.,THE | 17600 | 0 | 17600 |
| | 372 MONTGOMERY ST. | 0 | | |
| | JERSEY CITY, NJ 07302 | 17600 | | |
| 2010 | CHURCH OF THE RESURRECTION J.C.,THE | 17600 | 0 | 17600 |
| | 372 MONTGOMERY ST. | 0 | | |
| | JERSEY CITY, NJ 07302 | 17600 | | |
| 2009 | CHURCH OF THE RESURRECTION J.C.,THE | 17600 | 0 | 17600 |
| | 372 MONTGOMERY ST. | 0 | | |
| | JERSEY CITY, NJ 07302 | 17600 | | |
| 2008 | CHURCH OF THE RESURRECTION J.C.,THE | 17600 | 0 | 17600 |
| | 372 MONTGOMERY ST. | 0 | | |
| | JERSEY CITY, NJ 07302 | 17600 | | |

# Exhibit G

## ST. BRIDGET'S SENIOR RESIDENCE URBAN RENEWAL, LLC

## Real Estate Taxes

The following properties are owned by The Church of the Resurrection J.C.:

Block 380, Lots N1, A, and B.

The street addresses for these properties are 372 Montgomery Street, 195 Mercer Street, and 193 Mercer Street respectively.

These properties are currently exempt from real estate taxation.

# Exhibit H

## ST. BRIDGET'S SENIOR RESIDENCE URBAN RENEWAL, LLC

## Disclosure Statement

## &

## Certificate of Formation

**St. Bridget's Senior Residence Urban Renewal, LLC** is an Urban Renewal Limited Liability Company formed for the business of developing and owning a multi-family low-income rental senior housing development located in Jersey City, NJ.

**50% Owner of Applicant** - The Co-Managing Member is **RCG Development Group, LLC** whose registered agent is Christopher Garlin located at 26 Park Street, Montclair, NJ 07042.

**50% Owner of Applicant** - The Co-Managing Member is **Joseph Alpert** located at One Parker Plaza, Fort Lee, NJ 07024.

The members of RCG Development Group, LLC are as follows:

| | |
|---|---|
| Christopher Garlin | 50% |
| Regina Mincey-Garlin | 50% |

F

# CONNELL FOLEY LLP
## ATTORNEYS AT LAW

HARBORSIDE FINANCIAL CENTER
2510 PLAZA FIVE
JERSEY CITY, N.J. 07311-4029
(201) 521-1000
FAX: (201) 521-0100

ROSELAND OFFICE
85 LIVINGSTON AVENUE
ROSELAND, N.J. 07068-3702
(973) 535-0500
FAX: (973) 535-9217

NEW YORK OFFICE
888 SEVENTH AVENUE
NEW YORK, N.Y. 10106
(212) 262-2390
FAX: (212) 262-0050

PHILADELPHIA OFFICE
1500 MARKET STREET
PHILADELPHIA, PA 19102
(215) 246-3403
FAX: (215) 665-5727

JOHN A. PINDAR (1969)
GEORGE W. CONNELL (2005)
ADRIAN M. FOLEY, JR.
GEORGE J. KENNY*
KENNETH F. KUNZMAN
SAMUEL D. LORD
RICHARD D. CATENACCI
RICHARD J. BADOLATO*
PETER D. MANAHAN
JOHN B. MURRAY
MARK L. FLEDER
KEVIN J. COAKLEY
THOMAS S. COSMA
KATHLEEN S. MURPHY
PATRICK J. MCAULEY
PETER J. PIZZI*+
KEVIN R. GARDNER
ROBERT E. RYAN
MICHAEL X. MCBRIDE*
JEFFREY W. MORYAN
PETER J. SMITH*
BRIAN G. STELLER
PHILIP F. MCGOVERN, JR.
KAREN PAINTER RANDALL
LIZA M. WALSH
JOHN P. LACEY
MICHAEL J. CROWLEY-
TIMOTHY E. CORRISTON*
ERNEST W. SCHOELLKOPFF+
PATRICK J. HUGHES*+
JAMES C. MCCANN*
JOHN D. CROMIE
ANGELA A. IUSO*
WILLIAM T. MCGLOIN*
BRENDAN JUDGE
STEPHEN A. URBAN
CHARLES J. HARRINGTON III+
STEPHEN V. FALANGA*
TRICIA O'REILLY*
ANTHONY F. VITIELLO*+
MARC D. HAEFNER
JONATHAN P. MCHENRY
JAMES P. RHATICAN*+
BRAD D. SHALIT*
W. NEVINS MCCANN*
THOMAS J. O'LEARY*
MITCHELL W. TARASCHI
M. TREVOR LYONS*
MICHAEL A. SHADIACK
PATRICIA A. LEE*+
AGNIESZKA ANTONIAN*
CRAIG S. DEMARESKI*
OWEN C. MCCARTHY*
NEIL V. MODY*

*ALSO ADMITTED IN NEW YORK
+ALSO ADMITTED IN PENNSYLVANIA
-ONLY ADMITTED IN NEW YORK
PLEASE REPLY TO JERSEY CITY, NJ

COUNSEL
JOHN W. BISSELL
FRANCIS E. SCHILLER*
EUGENE P. SQUEO*
NOEL D. HUMPHREYS*
ANTHONY ROMANO II*
STEVE BARNETT*
THOMAS M. SCUDERI*
KARIN I. SPALDING*
JODI ANNE HUDSON*
RICHARD A. JAGEN
JOSEPH M. MURPHY
NANCY A. SKIDMORE*
JASON E. MARX*
ALEXIS E. LAZZARA

DOUGLAS J. SHORT*
JAMES M. MERENDINO
MICHELE T. TANTALLA*
HECTOR D. RUIZ*
ROBERT A. VERDIBELLO*
JENNIFER C. CRITCHLEY*
PATRICK S. BRANNIGAN*
DANIELA R. D'AMICO*
CHRISTINE I. GANNON*
PHILIP W. ALLOGRAMENTO III*
LAURIE B. KACHONICK*
ANDREW C. SAYLES*
STEPHEN D. KESSLER
CHRISTOPHER ABATEMARCO*
AARON M. BENDER+
ANTHONY J. CORINO*
WILLIAM D. DEVEAU*
CONOR F. MURPHY*
MEGHAN B. BARRETT*
RUKHSANAH L. LIGHARI*
STACIE L. POWERS
NICOLE B. DORY*
CHRISTIAN J. JENSEN*
JOSEPH A. VILLANI, JR.*
MICHAEL BOJBASA-
E. KEVIN VOLZ*
CHRISTOPHER M. HEMRICK*
SUSAN KWIATKOWSKI*
MONICA SETH*
MELISSA D. LOPEZ
ANDREW L. BARON*
JASON D. FALK*
JOANNA S. RICH*
MEGAN K. MUSSO
EDMUND J. CAULFIELD*
SYDNEY J. DARLING*
JESSICA L. PALMER
NEIL V. SHAH*
STEPHEN R. TURANO*
TARA L. TOULOUMIS*
MICHAEL J. CREEGAN*

June 8, 2011

**Via: Regular Mail & E-Mail**
Karen Schwacha
Administrative Analyst
Department of Homeowner Protection
PO Box 805
Trenton, NJ 08625-0805

**Re: ST. BRIDGET'S SENIOR RESIDENCE URBAN RENEWAL, LLC**

Dear Ms. Schwacha,

Enclosed please find the following documents:

1. Original and five (5) copies of the Certificate of Formation of St. Bridget's Senior Residence Urban Renewal, LLC.

2. Original and one (1) copy of the Urban Renewal Entities Disclosure Information.

Additionally, if there is a fee involved regarding the filing of the enclosed documents, please advise me accordingly.

Kindly call me if you have any questions or comments concerning this matter or the enclosed documents.

Very truly yours,

Alexis E. Lazzara

AEL/ga
Enclosure
cc: Christopher Garlin, St. Bridget's Senior Residence Urban Renewal, LLC, encl., via e-mail

2537738-01

# CERTIFICATE OF FORMATION
# OF
# ST. BRIDGET'S SENIOR RESIDENCE URBAN RENEWAL, LLC

1. Name of Limited Liability Company: ST. BRIDGET'S SENIOR RESIDENCE URBAN RENEWAL, LLC

2. The purpose for which this Limited Liability Company ("Company") is organized is:

   To operate under P.L. 1991, c.431 (C.40A:20-1 et seq.) and to initiate and conduct projects for the redevelopment of a redevelopment area pursuant to a redevelopment plan, or projects necessary, useful, or convenient for the relocation of residents displaced or to be displaced by the redevelopment of all or part of one or more redevelopment areas, or low and moderate income housing projects, and, when authorized by financial agreement with the municipality, to acquire, plan, develop, construct, alter, maintain or operate housing, senior citizen housing, business, industrial, commercial, administrative, community, health, recreational, educational or welfare projects, or any combination of two or more of these types of improvement in a single project, under such conditions as to use, ownership, management and control as regulated pursuant to P.L. 1991, c.431 (C.40A:20-1 et seq.).

3. Date of formation: The date upon which this certificate of formation is filed in the office of the Department of Treasury of New Jersey.

4. Address of Registered Office:
   Connell Foley LLP
   Harborside Financial Center
   2510 Plaza Five
   Jersey City, NJ 07311

5. Registered Agent Name & Address:
   Charles J. Harrington, Esq.
   Connell Foley LLP
   Harborside Financial Center
   2510 Plaza Five
   Jersey City, NJ 07311

6. Dissolution date: Perpetual.

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

   The Company has been organized to serve a public purpose and its operations shall be directed toward: (1) the redevelopment of redevelopment areas, the

facilitation of the relocation of residents displaced or to be displaced by redevelopment, or the conduct of low and moderate income housing projects; and (2) the acquisition, management and operation of a project, redevelopment relocation housing project, or low and moderate income housing project under P.L. 1991, c.431 (C.40A:20-1 et seq.). The Company shall be subject to regulation by the City of Jersey City, and to a limitation on profits or dividends for so long as it remains the owner of a project subject to P.L. 1991, c.431 (C.40A:20-1 et seq.).

The Company shall not voluntarily transfer more than 10% of the ownership of the project or any portion thereof, undertaken by it under P.L. 1991, c. 431 (C.40A:20-1 et seq.), until it has first removed both itself and the project from all restrictions of P.L. 1991, c. 431 (C.40A:20-1 et seq.) in the manner required by P.L. 1991, c. 431 (C.40A:20-1 et seq.) and, if the project includes housing units, has obtained the consent of the Commissioner of Community Affairs to such transfer, with the exception of any transfer to another urban renewal entity, as approved by the City of Jersey City, which other urban renewal entity shall assume all contractual obligations of the transferor entity under the financial agreement with the City of Jersey City.

The Company shall file annually with the governing body of the City of Jersey City a disclosure of the persons having an ownership interest in the Project and the extent of the ownership held by each.

Nothing herein shall prohibit any transfer of the ownership interest in the urban renewal entity itself provided that transfer, if greater than ten percent (10%), is disclosed to the City of Jersey City in the annual disclosure statement or in correspondence sent to the City of Jersey City in advance of the annual disclosure statement referred to above.

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

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

The undersigned represent(s) that this filing complies with requirements detailed in N.J.S.A. 42:2B-1 et. seq. The undersigned hereby represent(s) that it is authorized to sign this certificate on behalf of the Company.

By: _____

Dated: June 3, 2011

CHRISTOPHER GARLIN,
Authorized Representative

**NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS**
**DIVISION OF CODES AND STANDARDS**
**BUREAU OF HOMEOWNER PROTECTION**
**PO BOX 805**
**TRENTON, NEW JERSEY 08625-0805**

URBAN RENEWAL ENTITIES
DISCLOSURE INFORMATION

Instructions for Completion: You have filed an application for approval of an urban renewal entity pursuant to the Long Term Tax Exemption Law (N.J.S.A. 40A:20-1 et seq.). In order for us to process the application, we require that you provide the following information and forward this form to the above address or fax it to (609)984-7954. This form must be completed prior to Division approval of the entity. If you have any questions, please call Karen Schwacha at (609)633-6606.

---

Name of Urban Renewal Entity: St. Bridget's Senior Residence Urban Renewal, LLC

**SECTION 1: TYPE OF APPROVAL REQUESTED** (check one):

X Original certificate (of incorporation, limited partnership, formation, etc.)

____ Amendment to original certificate (of incorporation, limited partnership, formation, etc.). Note: In the case of amendments, please forward a copy of original certificate marked "filed, State Treasurer" or "filed, Secretary of State" with this form.

____ Other (please specify)_____

**SECTION 2: PROJECT INFORMATION**

Project Name: St. Bridget's Senior Residence

Project Street Address: 372 Montgomery St., 193 Mercer St., and 195 Mercer St.
Jersey City, NJ

Project Block Number(s) 380 Project Lot Numbers N1, A & B

Municipality in which the Project is located Jersey City

County in which the Project is located Hudson

**SECTION 3** (for project listed in **SECTION 2**.)

(Check one)

___1. This project is solely a commercial project (with no housing units) developed in a redevelopment area pursuant to a municipal redevelopment plan.

*-next-*

URBAN RENEWAL ENTITIES
DISCLOSURE INFORMATION, PAGE 2

NAME OF URBAN RENEWAL ENTITY: St. Bridget's Senior Residence Urban Renewal, LLC

**SECTION 3 (cont.)**

___2. This project consists solely of market rate housing units developed in a redevelopment area pursuant to a municipal redevelopment plan.

NOTE: If you checked 1 or 2, complete **SECTIONS 4, 6, and 7.**

X 3. The project consists of low and moderate income housing units, which may include senior citizen low and moderate income housing units.

NOTE: If you checked 3, complete **SECTION 5, 6, and 7.**

___4. This project consists of mixed uses.
Specify type:
___ Market rate and low and moderate income housing.
___ Commercial and market rate housing.
___ Commercial and low and moderate income housing.
___ Other (please describe). _____

NOTE: If you checked 4, complete **SECTIONS 4, 5, 6, and 7.**

**SECTION 4:REDEVELOPMENT PLAN INFORMATION**

Name of Municipal Redevelopment Agency Jersey City Redevelopment Agency

Citation of municipal ordinance adopting the redevelopment plan S-138-A; Montgomery Gateway Redevelopment Plan

For housing projects, complete the following:
Specify type and number of units as applicable:
0 Condominium units _____
0 Market rate rental _____
0 Low and moderate income in mixed use projects _____
46 Senior citizen in mixed use projects low income senior housing
___ Other (please specify) _____
Total number of units 46

**SECTION 5: PROJECT FUNDING SOURCES**

The low and moderate income housing project will be financed or insured by which of the following (check all applicable):
___ Private funds (Please specify) _____
___ State or Federal financing or insuring agencies (Please specify below)
___ Other (Please specify) _____

-next-

URBAN RENEWAL ENTITIES
DISCLOSURE INFORMATION, PAGE 3

NAME OF URBAN RENEWAL ENTITY: St. Bridget's Senior Residence Urban Renewal, LLC

**SECTION 5: PROJECT FUNDING SOURCES (cont.)**

State or Federal Financing or Insuring Agencies for the Project (check all that apply):

NJ Department of Community Affairs:
___ Neighborhood Preservation Balanced Housing
___ Downtown Living Initiative Program
___ HOME – Housing Production Investment Fund
___ HOME – Neighborhood Preservation
___ HOME – Rental Rehabilitation

NJ Housing and Mortgage Finance Agency:
___ NJ Community Housing Demo Program (developmental disabilities)
___ NJ Supportive Housing Program
___ Shared Residence Rental Housing Program (community residence)
___ Transitional Housing Revolving Loan Program
___ Multifamily Rental Housing Program
___ Public Housing Construction and Permanent Loan Program
___ Rental Housing Incentive Finance Fund
___ 100% Mortgage Program
___ Urban Home Ownership Recovery Program
X Low-Income Housing Tax Credit Allocation Program

NJ Redevelopment Authority:
___ NJ Urban Site Acquisition Program

US Department of Housing and Urban Development (HUD)
___ Section 811 Supportive Housing for Persons with Disabilities
___ Section 202 Supportive Housing for the Elderly
___ HOPE VI Grants
___ HOME Program

US Department of Agriculture
___ Rural Resources Administration (formerly Farmers' Home Administration)

X Other (Please specify) Jersey City Affordable Housing and State of New Jersey Historic Preservation

List the information of the State or Federal financing or insuring agency's contact person:
Name: SEE ATTACHED SCHEDULE A
Title: ___
Department/Agency: ___
Address: ___
___
Telephone Number ___

-next-

## SCHEDULE A

**Jersey City Affordable Housing**
Darice Toon
30 Montgomery St # 404
Jersey City, NJ 07302-3864
(201) 547-5051

**Housing and Mortgage Finance Agency**
Low Income Housing Tax Credit
Debbie Urban, Director of Tax Credit Services
Phone: 609-278-7577
e-mail: Durban@njhmfa.state.nj.us

**State of New Jersey**
Department of Environmental Protection
Historic Preservation Office
PO Box 420
Trenton, NJ 08625-0420
TEL: (609) 984-0176
FAX: (609) 984-0578

URBAN RENEWAL ENTITIES
DISCLOSURE INFORMATION, PAGE 4

NAME OF URBAN RENEWAL ENTITY: St. Bridget's Senior Residence Urban Renewal, LLC

**SECTION 6: PROJECT CONSTRUCTION/OWNERSHIP**

___1. The project is new construction.

_X_2. An existing project is being rehabilitated.
If rehab, specify name of individual, entity, etc. who is the current owner of the project.
Church of the Resurrection a/k/a St. Bridget's Church, Jersey City

___3. Ownership of an existing project is being transferred to the new urban renewal entity.
If transfer, specify name of individual, entity, etc. from whom the project is being or has been transferred. _____

Is the transferor entity a limited dividend corporation or association, established pursuant to the Limited Dividend and Nonprofit Housing Corporations and Associations Law, N.J.S.A.55:16-1 et seq.? (yes or no) _____

Is the transferor entity an existing urban renewal entity established pursuant to the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq.? (yes or no) _____

_x_4. Has this project caused or will this project cause displacement of individuals or businesses? (yes or no) No

**SECTION 7:CERTIFICATION**
NOTE: This certification must be completed by an individual authorized to execute the certificate of incorporation (incorporator), the certificate of limited partnership (general partner), or other similar certificate or statement as may be required by law.

**CERTIFICATION**
I attest that the information stated herein is truthful and accurate to the best of my knowledge and understand that failure to fully and accurately disclose any information may delay processing the application while the Department investigates the application and project. Further, I understand that any project of the urban renewal entity may be subject to additional Department review and approval, pursuant to the requirements of the Limited Dividend and Nonprofit Corporations or Associations Law, N.J.S.A. 55:16-1 et seq., the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., and/or rules governing Limited Dividend and Nonprofit Housing Corporations and Associations and Urban Renewal Entities, N.J.A.C. 5:13-1 et seq.

St. Bridget's Senior Residence Urban Renewal, LLC

Sworn to me and subscribed before me this 17 day of (mo/day/year) June 2011

By: X _____
(authorized individual's signature)

_____
(notary public/attorney)
Alexis E. Lazzara
Attorney at Law of New Jersey

Christopher Garlin
(print name of authorized individual)

Rev. 8/2006

# Exhibit I

## ST. BRIDGET'S SENIOR RESIDENCE URBAN RENEWAL, LLC

## Certificate of Construction Commencement

The undersigned being the developer of St. Bridget's Senior Residence, a proposed low-income rental senior housing development, hereby certifies that:

1. Construction of the Project has not and will not commence prior to the final approval and execution of a Financial Agreement between the City and the undersigned.

2. The forgoing statements made this 9th day of June 2011 are true to the best of my knowledge and I understand that if it is willfully false, I am subject to punishment.

St. Bridget's Senior Residence
Urban Renewal, LLC
By: RCG Development Group, LLC

By: _____
Name: Rev. Christopher Garlin
Title: Managing Member

# Exhibit J

## ST. BRIDGET'S SENIOR RESIDENCE URBAN RENEWAL, LLC

## Compliance with State and Local Laws

On this 9th day of June 2011 the undersigned, being the developer of St. Bridget's Senior Residence, hereby affirms that the multi-family low-income rental senior housing development will comply with all applicable State and Local laws.

St. Bridget's Senior Residence
Urban Renewal, LLC
By: RCG Development Group, LLC

By: _____
Name: Christopher Garlin
Title: Managing Member

# Exhibit K

## ST. BRIDGET'S SENIOR RESIDENCE URBAN RENEWAL, LLC

## Certification of Truthfulness

The undersigned being the developer of St. Bridget's Senior Residence, a proposed multi-family low-income rental senior housing development to be located on a portion of Block 380, Lots N1, A & B as shown on the Official Assessment map of the City of Jersey City, and more commonly referred to as 372 Montgomery Street, 193 & 195 Mercer Street, (to be known as a new Lot to be determined by the Tax Assessor) Jersey City, NJ, hereby certifies as follows:

1. All information contained in the application for tax abatement is true and correct to the developer's knowledge, after he/she has made diligent inquiry to confirm the accuracy of all information.

2. The forgoing statement made by me this 9th day of June 2011 is true to the best of my knowledge and I understand that if it is willfully false, I am subject to punishment.

St. Bridget's Senior Residence
Urban Renewal, LLC
By: RCG Development Group, LLC

By: _____
Name: Christopher Garlin
Title: Managing Member

# Exhibit L

## ST. BRIDGET'S SENIOR RESIDENCE URBAN RENEWAL, LLC

## Proposed Financial Agreement

Long Term Tax Exemption
N.J.S.A. 40A:20-1, et seq.
(Affordable Residential Rental)

Re: A portion of 372 Montgomery Street, 193 & 195 Mercer Street; Block 380 Lots: N1, A & B, to be known as Lot___.

**PREAMBLE**

THIS FINANCIAL AGREEMENT, (this "Agreement") is made as of this ____ day of _____, 2011, by and between **ST. BRIDGET'S SENIOR RESIDENCE URBAN RENEWAL, LLC** an urban renewal limited liability company formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 1992, as amended and supplemented, N.J.S.A. 40A:20-1 et seq., having its principal office at 26 Park Street, Montclair, NJ 07042 (the "Entity"), and the **CITY OF JERSEY CITY**, a Municipal Corporation of the State of New Jersey, having its principal office at 280 Grove Street, Jersey City, New Jersey 07302 (the "City").

**RECITALS**
**WITNESSETH:**

WHEREAS, the Entity is the Lessee of certain property designated as a portion of Block 380, Lots: N1, A and B more commonly known by the street address of 372 Montgomery Street, 193 & 195 Mercer Street, to be known as Lot ___, and more particularly described by the metes and bounds description set forth as Exhibit 1 to this Agreement; and

WHEREAS, this property is an affordable housing project located within the boundaries of the Montgomery Gateway Redevelopment Area; and

WHEREAS, the Entity plans to gut renovate, rehabilitate and adaptively reuse a school, convent and rectory to create forty six (46) rental residential units for low income senior citizens; and

WHEREAS, on _____ , 2011, the Entity filed an Application with the City for a long term tax exemption for the Project; and

WHEREAS, the City made the following findings:

(A) Relative Benefits of the Project when compared to the costs:

(1) the Property is currently exempt from conventional taxes; whereas, the Annual Service Charge, as estimated, will generate revenue to the City of approximately $22,798;

(2) it is expected that the Project will create approximately 73 jobs during construction and 2 new permanent jobs;

(3) the project should stabilize and contribute to the economic growth of existing local business and to the creation of new business, which cater to the new residents;

(4) the project provides 46 rental units of affordable housing which advances an inherently beneficial public purpose notwith-standing that the City's impact analysis, on file with the Office of the City Clerk, indicates that the service charge will not support the cost of providing municipal services to the Project; and

(B) Assessment of the Importance of the Tax Exemption in obtaining development of the project and influencing the locational decisions of probable occupants:

(1) the relative stability and predictability of the annual service charges will make the Project more attractive to investors and lenders needed to finance the Project; and

(2) the relative stability and predictability of the service charges will allow the owner to stabilize its operating budget, allowing a high level of maintenance to the building over the life of the Project, which will insure the likelihood of the success of the Project and insure that it will have a positive impact on the surrounding area;

WHEREAS, by the adoption of Ordinance _____, on _____, 2011, the Municipal Council approved the above findings and the tax exemption application and authorized the execution of this Agreement.

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

## ARTICLE I - GENERAL PROVISIONS

**Section 1.1 Governing Law**

This Agreement shall be governed by the provisions of the Long Term Tax

Exemption Law, as amended and supplemented, N.J.S.A. 40A:20-1 et seq., Executive Order of the Mayor, 02-003, Ordinance 02-075, and Ordinance _____, which authorized the execution of this Agreement. It being expressly understood and agreed that the City expressly relies upon the facts, data, and representations contained in the Application, attached hereto as Exhibit 3, in granting this tax exemption.

**Section 1.2 General Definitions**

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

(A) Affordable Low or Moderate Income - A Person or Household whose total Gross Annual Income is equal to between 30% and 80% or less of the median gross income figure established by geographic region and household size using the income guideline approved for use by the New Jersey Council on Affordable Housing or as it may be amended pursuant to N.J.A.C. 5:92-12.

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

(C) Allowable Profit Rate - The greater of 12% or the percentage per annum arrived at by adding 1.25% to the annual interest percentage rate payable on the Entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing, or if the financing is internal or undertaken by a related party, the Allowable Profit Rate shall be the greater of 12% or the percentage per annum arrived at by adding 1.25% per annum to the interest rate per annum which the municipality determines to be the prevailing rate on mortgage financing on comparable improvements in Hudson County. The provisions of N.J.S.A. 40A:20-3(b) are incorporated herein by reference.

(D) Gross Revenue - Any and all revenue derived from or generated by the

Project of whatever kind or amount, whether received as rent from any tenants or income or fees from third parties, including but not limited to fees or income paid or received for parking, laundry, health club user fees or other services (such as lease premiums for views, fireplaces, etc.). No deductions will be allowed for operating or maintenance costs, including, but not limited to gas, electric, water and sewer, other utilities, garbage removal and insurance charges, whether paid for by the landlord, tenant or a third party, except for customary operating expenses of commercial tenants such as utilities, insurance and taxes (including payments in lieu of taxes) which shall be deducted from Gross Revenue based on the actual amount of such costs incurred.

(E) Annual Service Charge - The amount the Entity has agreed to pay the City for municipal services supplied to the Project, which sum is in lieu of any taxes on the Improvements, pursuant to N.J.S.A. 40A:20-12.

(F) Auditor's Report - A complete financial statement outlining the financial status of the Project (for a period of time as indicated by context), which shall also include a certification of Total Project Cost and clear computation of Net Profit. The contents of the Auditor's Report shall have been prepared in conformity with generally accepted accounting principles and shall contain at a minimum the following: a balance sheet, a statement of income, a statement of retained earnings or changes in stockholders' equity, a statement of cash flows, descriptions of accounting policies, notes to financial statements and appropriate schedules and explanatory material results of operations, cash flows and any other items required by Law. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

(G) Certificate of Occupancy - A document, whether temporary or permanent, issued by the City authorizing occupancy of a building, in whole or in part, pursuant to N.J.S.A. 52:27D-133.

(H) Debt Service - The amount required to make annual payments of principal and interest or the equivalent thereof on any construction mortgage, permanent mortgage or other financing including returns on institutional equity financing and market rate related party debt

for the project for a period equal to the term of this agreement.

(I) Default - Shall be a breach of or the failure of the Entity to perform any obligation imposed upon the Entity by the terms of this Agreement, or under the Law, beyond any applicable grace or cure periods.

(J) Entity - The term Entity within this Agreement shall mean St. Bridget's Senior Residence Urban Renewal, LLC, which Entity is formed and qualified pursuant to N.J.S.A. 40A:20-5. It shall also include any subsequent purchasers or successors in interest of the Project, provided they are formed and operate under the Law.

(K) Improvements or Project - Any building, structure or fixture permanently affixed to the land and to be constructed and tax exempted under this Agreement.

(L) In Rem Tax Foreclosure or Tax Foreclosure - A summary proceeding by which the City may enforce a lien for taxes due and owing by tax sale, under N.J.S.A. 54:5-1 to 54:5-129 et seq.

(M) Land Taxes - The amount of taxes assessed on the value of land, if any, on which the project is located and, if applicable, taxes on any pre-existing improvements. Land Taxes may be exempt; however, if Land Taxes are levied, Entity shall receive a credit against the Annual Service Charge.

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

(O) Law - Law shall refer to the Long Term Tax Exemption Law, as amended and supplemented, N.J.S.A. 40A:20-1, et seq.; Executive Order of the Mayor 02-003 relating to long term tax exemption, as it may be amended and supplemented; Ordinance 02-075, and Ordinance _____ which authorized the execution of this Agreement and all other relevant Federal, State or City statutes, ordinances, resolutions, rules and regulations.

(P) Minimum Annual Service Charge - The Minimum Annual Service Charge shall be the greater of:

(i) the amount of the total taxes levied against all real property in the area covered by the Project in the last full tax year in which the area was subject to taxation, or in the case of tax exempt property, the projected tax levy based upon the assessed value for the year in which the application is filed, which amount the parties agree would be $1.00; or

(ii) the sum of $22,798 per year, which sum will be prorated only in the years in which Substantial Completion occurs and this Agreement terminates.

The Minimum Annual Service Charge shall be paid in each year in which the Annual Service Charge, calculated pursuant to N.J.S.A. 40A:20-12 or this Agreement, would be less than the Minimum Annual Service Charge.

(Q) Net Profit - The Gross Revenues of the Entity less all operating and non-operating expenses of the Entity, all determined in accordance with generally accepted accounting principles, but:

(i) there shall be included in expenses: (a) all Annual Service Charges paid pursuant to N.J.S.A. 40A:20-12; (b) all payments to the City of excess profits pursuant to N.J.S.A. 40A:20-15 or N.J.S.A. 40A:20-16; (c) an annual amount sufficient to amortize (utilizing the straight line method-equal annual amounts) the Total Project Cost and all capital costs determined in accordance with generally accepted accounting principles, of any other entity whose revenue is included in the computation of excess profits over the term of this agreement; (d) all reasonable annual operating expenses of the Entity and any other entity whose revenue is included in the computation of excess profits including the cost of all management fees, brokerage commissions, insurance premiums, all taxes or service charges paid, legal, accounting, or other professional service fees, utilities, building maintenance costs, building and office supplies and payments into repair or maintenance reserve accounts; (e) all payments of rent including but not limited to ground rent by the Entity; and (f) all debt service.

(iii) there shall not be included in expenses either depreciation or obsolescence, interest on debt, except interest which is part of debt service, income taxes or

salaries, bonuses or other compensation paid, directly or indirectly to directors, officers and stockholders of the entity, or officers, partners or other persons holding a proprietary ownership interest in the entity.

(R) Pronouns - He or it shall mean the masculine, feminine or neuter gender, the singular, as well as the plural, as context requires.

(S) Substantial Completion - The determination by the City that the Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the date on which the Project receives, or is eligible to receive any Certificate of Occupancy for any portion of the Project.

(T) Termination - Any act or omission which by operation of the terms of this Financial Agreement shall cause the Entity to relinquish its tax abatement.

(U) Total Project Cost - The total cost of constructing the Project through the date a Certificate(s) of Occupancy is issued for the entire Project, which categories of cost are set forth in N.J.S.A. 40A:20-3(h). There shall be included in Total Project Cost the actual costs incurred by the Entity and certified by an independent and qualified architect or engineer, which are associated with site remediation and cleanup of environmentally hazardous materials or contaminants in accordance with State or Federal law and any extraordinary costs incurred including the cost of demolishing structures, relocation or removal of public utilities, cost of relocating displaced residents or buildings and the clearing of title. The Entity agrees that final Total Project Cost shall not be less than its estimated Total Project Cost.

## ARTICLE II - APPROVAL

### Section 2.1 Approval of Tax Abatement

The City hereby grants its approval for a tax abatement for all the Improvements to be constructed and maintained in accordance with the terms and conditions of this Agreement and the provisions of the Law which Improvements shall be constructed on certain property known on the Official Tax Assessor's Map of the City as: a portion of Block 380 Lots: N1, A and

B, more commonly known by the street address of 372 Montgomery Street, 193 & 195 Mercer Street, to be known as Lot ___ and described by metes and bounds in Exhibit 1 attached hereto.

**Section 2.2 Approval of Entity**

Approval is granted to the Entity whose Certificate of Formation is attached hereto as Exhibit 4. Entity represents that its Certificate contains all the requisite provisions of the Law; has been reviewed and approved by the Commissioner of the Department of Community Affairs; and has been filed with, as appropriate, the Office of the State Treasurer in accordance with N.J.S.A. 40A:20-5.

**Section 2.3 Improvements to be Constructed**

Entity represents that it will gut renovate, rehabilitate, and adaptively reuse a school, rectory and convent to construct forty-six (46) rental residential units for low income senior citizens, as well as a ground floor common area, an outdoor allocation garden and five (5) parking spaces at grade level, all of which is specifically described in the Application attached hereto as Exhibit 3.

**Section 2.4 Construction Schedule**

The Entity agrees to diligently undertake to commence construction and complete the Project in accordance with the Estimated Construction Schedule, attached hereto as Exhibit 5.

**Section 2.5 Ownership, Management and Control**

The Entity represents that it is the lessee of the property upon which the Project is to be constructed. Upon construction, the Entity represents that the Improvements will be managed and controlled as follows:

The Entity represents that it is the lessee of the Land upon which the project is to be constructed and it or its affiliate will manage and control the Project. The City acknowledges that the Entity may enter into future management agreements so long as such agreements are not used to reduce the City's economic benefits under this Agreement and the management fees to be paid are comparable to those disclosed in the application.

**2.6 Financial Plan**

The Entity represents that the Improvements shall be financed in accordance with the Financial Plan attached hereto as Exhibit 6. The Plan sets forth estimated Total Project Cost, the amortization rate on the Total Project Cost, the source of funds, the interest rates to be paid on construction financing, the source and amount of paid-in capital, and the terms of any mortgage amortization.

**2.7 Statement of Rental Schedules and Lease Terms**

The Entity represents that its good faith projections of the initial rental schedules and lease terms are set forth in Exhibit 7.

## ARTICLE III - DURATION OF AGREEMENT

**Section 3.1 Term**

So long as there is compliance with the Law and this Agreement, it is understood and agreed by the parties hereto that this Agreement shall remain in effect for the earlier of 35 years from the date of the adoption of Ordinance _____ on _____, 2011, which approved the tax exemption or 30 years from the date of Substantial Completion of the Project. The tax exemption shall only be effective during the period of usefulness of the Project and shall continue in force only while the Project is owned by a corporation or association formed and operating under the Law.

## ARTICLE IV - ANNUAL SERVICE CHARGE

**Section 4.1 Annual Service Charge**

In consideration of the tax exemption, the Entity shall make the following payments to the City:

City Service Charge: an amount equal to the greater of: the Minimum Annual Service Charge or an Annual Service Charge equal to 8% of the Annual Gross Revenue for the low income units. The Annual Service Charge shall be billed initially based upon the Entity's estimates of Annual Gross Revenue which shall not be less than the its estimate of Gross

Revenue as set forth in its Financial Plan, attached hereto as Exhibit 6. Thereafter, the Annual Service Charge shall be adjusted in accordance with Section 4.2 of this Agreement.

(B) A Minimum Annual Service Charge shall be due beginning on the effective date of this Agreement. The Annual Service Charge shall be due on the first day of the month following the Substantial Completion of the Project. If the event the Entity fails to timely pay the Minimum Annual Service Charge or the Annual Service Charge, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on land until paid.

**Section 4.2 Schedule of Annual Service Charge**

(A) Stage One: The first stage of the exemption period shall commence with the 1st day of the month following Substantial Completion of the Project and continue until the last day of the 15th year. During the first stage of the exemption period, the Entity shall pay the municipality an annual service charge for municipal services supplied to the Project in accordance with Section 4.1 above.

(B) Stage Two: The second stage of the exemption period shall continue for six (6) years beginning on the 1st day of the 16th year following Substantial completion until the last day of the 21st year. During the second stage of the exemption period, the Entity shall pay the municipality an annual service charge for municipal services supplied to the Project in accordance with Section 4.1 above or 20% of the amount of taxes otherwise due on the value of the land and Improvements, whichever shall be greater.

(C) Stage Three: The third stage of the exemption period shall continue for six (6) years beginning on the 1st day of the 22nd year following Substantial Completion until the last day of the 27th year. During the third stage of the exemption period, the Entity shall pay the municipality an annual service charge for municipal services supplied to the Project in accordance with Section 4.1 above or 40% of the amount of taxes otherwise due on the value of the land and Improvements, whichever shall be greater.

(D) Stage Four: The fourth stage of the exemption period shall continue for a

period of two (2) years, beginning on the 1st day of the 28th year following Substantial Completion until the last day of the 29th year. During the fourth stage of the exemption period, the Entity shall pay the municipality an annual service charge for municipal services supplied to the Project in accordance with Section 4.1 above or 60% of the amount of taxes otherwise due on the value of land and Improvements, whichever shall be greater.

(E) Final Stage: The final stage of the exemption period shall continue for one (1) year beginning on the 1st day of the 30th year following Substantial Completion through the date that the tax exemption expires. During the final stage of the exemption period, the Entity shall pay the municipality an annual service charge for municipal services supplied to the Project in accordance with Section 4.1 above or 80% of the amount of taxes otherwise due on the value of the land and Improvements, whichever shall be greater.

**Section 4.3 Credits**

The Entity is required to pay both the Annual Service Charge and the Land Tax Payments. The Entity is obligated to make timely Land Tax Payments, including any tax on the pre-existing improvements, in order to be entitled to a Land Tax credit against the Annual Service Charge for the subsequent year. The Entity shall be entitled to credit for the amount, without interest, of the Land Tax Payments made in the last four preceding quarterly installments against the Annual Service Charge. In any quarter that the Entity fails to make any Land Tax Payments when due and owing, such delinquency shall render the Entity ineligible for any Land Tax Payment credits against the Annual Service Charge for that quarter. No credit will be applied against the Annual Service Charge for partial payments of Land Taxes. In addition, the City shall have, among this remedy and other remedies, the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. and/or declare a Default and terminate this Agreement.

**Section 4.4 Quarterly Installments**

The Entity expressly agrees that the Annual Service Charge shall be made in quarterly installments on those dates when real estate tax payments are due; subject,

nevertheless, to adjustment for over or underpayment within thirty (30) days after the close of each calendar year. In the event that the Entity fails to pay the Annual Service Charge, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid.

**Section 4.5 Administrative Fee**

The Entity shall also pay an annual Administrative Fee to the City in addition to the Annual Service Charge and Land Tax levy. The Administrative Fee shall be calculated as two (2%) percent of each prior year's Annual Service Charge. This fee shall be payable and due on or before December 31st of each year, and collected in the same manner as the Annual Service Charge. In the event that the Entity fails to timely pay the Administrative Fee, the amount unpaid shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid.

**Section 4.6 Material Conditions**

It is expressly agreed and understood that the timely payments of Land Taxes, Minimum Annual Service Charges, Annual Service Charges, including adjustments thereto, Administrative Fees, and any interest thereon, are material conditions of this Agreement (the "Material Conditions").

## ARTICLE V - PROJECT EMPLOYMENT AND CONTRACTING AGREEMENT

**Section 5.1 Project Employment and Contracting Agreement**

In order to provide City residents and businesses with certain employment and other economic related opportunities, the Entity is subject to the terms and conditions of the Project Employment and Contracting Agreement, attached hereto as Exhibit 8.

## ARTICLE VI - CERTIFICATE OF OCCUPANCY

**Section 6.1 Certificate of Occupancy**

It is understood and agreed that it shall be the obligation of the Entity to obtain all Certificates of Occupancy in a timely manner so as to complete construction in accordance with

the proposed construction schedule attached hereto as Exhibit 5. The failure to secure the Certificates of Occupancy shall subject the property to full taxation for the period between the date of Substantial Completion and the date the Certificate of Occupancy is obtained.

**Section 6.2 Filing of Certificate of Occupancy**

It shall be the primary responsibility of the Entity to forthwith file with both the Tax Assessor and the Tax Collector a copy of each Certificate of Occupancy.

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

## ARTICLE VII - ANNUAL REPORTS

**Section 7.1 Accounting System**

The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles.

**Section 7.2 Periodic Reports**

(A) An Auditor's Report: Within ninety (90) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis that the Agreement shall continue in effect, the Entity shall submit to the Mayor and Municipal Council and the NJ Division of Local Government Services in the Department of Community Affairs, its Auditor's Report for the preceding fiscal or calendar year. The Auditor's Report shall include, but not be limited to: purchase price, and the terms and interest rate on any mortgage(s) associated with the purchase or construction of the Project and such details as may relate to the financial affairs of the Entity and to its operation and performance hereunder, pursuant to the Law and this Agreement. The Report shall clearly identify and calculate the Net Profit for the Entity during the previous year.

(B) Disclosure Statement: On the anniversary date of the execution of this Agreement, and each and every year thereafter while this agreement is in effect, the Entity shall

submit to the Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, a Disclosure Statement listing the persons having an ownership interest in the Project, and the extent of the ownership interest of each and such additional information as the City may request from time to time.

**Section 7.3 Inspection/Audit**

The Entity shall permit the inspection of its property, equipment, buildings and other facilities of the Project and, if deemed appropriate or necessary, any other related Entity by representatives duly authorized by the City and the NJ Division of Local Government Services in the Department of Community Affairs. It shall also permit, upon request, examination and audit of its books, contracts, records, documents and papers. Such examination or audit shall be made during the reasonable hours of the business day, in the presence of an officer or agent designated by the Entity.

All costs incurred by the City to conduct the audit, including reasonable attorneys' fees if appropriate, shall be billed to the Entity and paid to the City as part of the Entity's Annual Service Charge. Delinquent payments shall accrue interest at the same rate as for a delinquent service charge.

## ARTICLE VIII- LIMITATION OF PROFITS AND RESERVES

**Section 8.1 Limitation of Profits and Reserves**

During the period of tax exemption as provided herein, the Entity shall be subject to a limitation of its profits pursuant to the provisions of N.J.S.A. 40A:20-15.

The Entity shall have the right to establish a reserve against vacancies, unpaid rentals, and reasonable contingencies in an amount equal to five (5%) percent of the Gross Revenue of the Entity for the last full fiscal year preceding the year and may retain such part of the excess Net Profits as is necessary to eliminate a deficiency in that reserve, as provided in N.J.S.A. 40A:20-15. The reserve is to be non-cumulative, it being intended that no further credits thereto shall be permitted after the reserve shall have attained the allowable level of five

(5%) percent of the preceding year's Gross Revenue. Pursuant to N.J.S.A. 40A:20-14(b) there is expressly excluded from the calculation of Gross Revenue and Net Profit in the determination of Excess Profit, any gain realized by the Entity on the sale of any condominium unit, whether or not taxable under federal or state law.

**Section 8.2 Annual Payment of Excess Net Profit**

In the event the Net Profits of the Entity, in any fiscal year, shall exceed the, Allowable Net Profits for such period, then the Entity, within one hundred and twenty (120) days after the end of such fiscal year, shall pay such excess Net Profits to the City as an additional service charge; provided, however, that the Entity may maintain a reserve as determined pursuant to aforementioned section 8.1. The calculation of the entity's excess net profits shall include those project costs directly attributable to site remediation and cleanup expenses and any other costs excluded in the definition of Total Project Cost in Section 1.2 (xx) of this agreement even though those costs may have been deducted from the project costs for purposes of calculating the annual service charge.

**Section 8.3 Payment of Reserve/ Excess Net Profit Upon Termination, Expiration or Sale**

The date of termination, expiration or sale shall be considered to be the close of the fiscal year of the Entity. Within ninety (90) days after such date, the Entity shall pay to the City the amount of the reserve, if any, maintained by it pursuant to this section and the excess Net Profit, if any.

## ARTICLE IX - ASSIGNMENT AND/OR ASSUMPTION

**Section 9.1 Approval**

Any sale or transfer of the Project, shall be void unless approved in advance by Ordinance of the Municipal Council. It is understood and agreed that the City, on written application by the Entity, will not unreasonably withhold its consent to a sale of the Project and the transfer of this Agreement provided (a) the new Entity does not own any other Project subject to long term tax exemption at the time of transfer; (b) the new entity is formed and eligible to

operate under the Law; (c) the Entity is not then in default of this Agreement or the Law; (d) the Entity's obligations under this Agreement is fully assumed by the new Entity; and (e) the Entity shall pay the City a transfer fee equal to 2% of the then current Annual Service Charge as required by N.J.S.A. 40A:20-10(d).

**Section 9.2 Fee**

Where the consent or approval of the City is sought for approval of a change in ownership or sale or transfer of the Project, the Entity shall be required to pay to the City a new tax exemption application fee for the legal and administrative services of the City, as it relates to the review, preparation and/or submission of documents to the Municipal Council for appropriate action on the. requested assignment. The fee shall be non-refundable.

## ARTICLE X - COMPLIANCE

**Section 10.1 Operation**

During the term of this Agreement, the Project shall be maintained and operated in accordance with the provisions of the Law. Operation of Project under this Agreement shall not only be terminable as provided by N.J.S.A. 40A:20-1, et seq., as currently amended and supplemented, but also by a Default under this Agreement. The Entity's failure to comply with the Law shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

**Section 10.2 Disclosure of Lobbyist Representative**

During the term of this Agreement, the Entity must comply with Executive Order 2002-005, and Ordinance 02-075, requiring Written Disclosure of Lobbyist Representative Status. The Entity's failure to comply with the Executive Order or the Ordinance shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

## ARTICLE XI - DEFAULT

**Section 11.1 Default**

Default shall be failure of the Entity to conform with the terms of this Agreement or failure of the Entity to perform any obligation imposed by the Law, beyond any applicable notice, cure or grace period.

**Section 11.2 Cure Upon Default**

Should the Entity be in Default, the City shall send written notice to the Entity of the Default ("Default Notice"). The Default Notice shall set forth with particularity the basis of the alleged Default. The Entity shall have sixty (60) days, from receipt of the Default Notice, to cure any Default which shall be the sole and exclusive remedy available to the Entity. However, if, in the reasonable opinion of the City, the Default cannot be cured within sixty (60) days using reasonable diligence, the City will extend the time to cure.

Subsequent to such sixty (60) days, or any approved extension, the City shall have the right to terminate this Agreement in accordance with Section 12.1.

Should the Entity be in default due to a failure to pay any charges defined as Material Conditions in Section 4.6, the Entity shall not be subject to the default procedural remedies as provided herein but shall allow the City to proceed immediately to terminate the Agreement as provided in Article XII herein.

**Section 11.3 Remedies Upon Default**

The City shall, among its other remedies, have the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. and/or may declare a Default and terminate this Agreement. Any default arising out of the Entity's failure to pay Land Taxes, the Minimum Annual Service Charge, Administrative Fees, or the Annual Service Charges shall not be subject to the default procedural remedies as provided in Article Xl herein, but shall allow the City to proceed immediately to terminate the Agreement as provided in Article XII. All of the remedies provided in this Agreement to the City, and all rights and remedies granted to it by law and equity shall be cumulative and concurrent. No termination of any provision of this Agreement shall deprive the City of any of its remedies or actions against the Entity because of its failure to pay Land Taxes, the Minimum Annual Service Charge,

Annual Service Charge or Administrative Fees. This right shall apply to arrearages that are due and owing at the time or which, under the terms hereof, would in the future become due as if there had been no termination. Further, the bringing of any action for Land Taxes, the Minimum Annual Service Charge, the Annual Service Charge, Administrative Fees or for breach of covenant or the resort to any other remedy herein provided for the recovery of Land Taxes shall not be construed as a waiver of the rights to terminate the tax, exemption or proceed with a tax sale or Tax Foreclosure action or any other specified remedy.

In the event of a Default on the part of the Entity to pay any charges set forth in Article IV, the City among its other remedies, reserves the right to proceed against the Entity's land and property, in the manner provided by the In Rem Foreclosure Act, and any act supplementary or amendatory thereof. Whenever the word taxes appear, or is applied, directly or impliedly to mean taxes or municipal liens on land, such statutory - provisions shall be read, as far as is pertinent to this Agreement, as if the charges were taxes or municipal liens on land.

## ARTICLE XII- TERMINATION

### Section 12.1 Termination Upon Default of the Entity

In the event the Entity fails to cure or remedy the Default within the time period provided in Section 11.2, the City may terminate this Agreement upon thirty (30) days written notice to the Entity ("Notice of Termination").

### Section 12.2 Voluntary Termination by the Entity

The Entity may after the expiration of one year from the Substantial Completion of the Project notify the City that as of a certain date designated in the notice, it relinquishes its status as a tax exempt Project. As of the date so set, the tax abatement, the Annual Service Charges and the profit and dividend restrictions shall terminate.

### Section 12.3 Final Accounting

Within ninety (90) days after the date of termination, whether by affirmative action of the Entity or by virtue of the provisions of the Law or pursuant to the terms of this

Agreement, the Entity shall provide a final accounting and pay to the City the reserve, if any, pursuant to the provisions of N.J.S.A. 40A:20-13 and 15 as well as any excess Net Profits. For purposes of rendering a final accounting the termination of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

**Section 12.4 Conventional Taxes**

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

## ARTICLE XIII - DISPUTE RESOLUTION

**Section 13.1 Arbitration**

In the event of a breach of the within Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court of New Jersey by an appropriate proceeding, to settle and resolve the dispute in such fashion as will tend to accomplish the purposes of the Law. In the event the Superior Court shall not entertain jurisdiction, then the parties shall submit the dispute to the American Arbitration Association in New Jersey to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of the Long Term Tax Exemption Law. The cost for the arbitration shall be borne equally by the parties. The parties agree that the Entity may not file an action in Superior Court or with the Arbitration Association unless the Entity has first paid in full all charges defined in Article III, Section 4.6 as Material Conditions.

## ARTICLE XIV - WAIVER

**Section 14.1 Waiver**

Nothing contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by the City of any rights and remedies, including, without limitation,

the right to terminate the Agreement and tax exemption for violation of any of the conditions provided herein. Nothing herein shall be deemed to limit any right of recovery of any amount which the City has under law, in equity, or under any provision of this Agreement.

## ARTICLE XV INDEMNIFICATION

**Section 15.1 Defined**

It is understood and agreed that in the event the City shall be named as party defendant in any action alleging any breach, default or a violation of any of the provisions of this Agreement and/or the provisions of N.J.S.A. 40A:20-1 et seq., the Entity shall indemnify and hold the City harmless against any and all liability, loss, cost, expense (including reasonable attorneys' fees and costs, through trial and all stages of any appeal, including the cost of enforcing this indemnity) arising out of Agreement. In addition, the Entity expressly waives all statutory or common law defenses or legal principles which would defeat the purposes of this indemnification. The Entity also agrees to defend the suit at its own expense. However, the City maintains the right to intervene as a party thereto, to which intervention the Entity consents; the expense thereof to be borne by the City.

## ARTICLE XVI- NOTICE

**Section 16.1 Certified Mail**

Any notice required hereunder to be sent by either party to the other shall be sent by certified or registered mail, return receipt requested.

**Section 16.2 Sent by City**

When sent by the City to the Entity the notice shall be addressed to:

St. Bridget's Senior Residence Urban Renewal, LLC
c/o RCG Development Group, LLC
26 Park Street
Montclair, NJ 07042

unless prior to giving of notice the Entity shall have notified the City in writing otherwise.

In addition, provided the City is sent a formal written notice in accordance with

this Agreement, of the name and address of Entity's Mortgagee, the City agrees to provide such Mortgagee with a copy of any notice required to be sent to the Entity.

**Section 16.3 Sent by Entity**

When sent by the Entity to the City, it shall be addressed to:

City of Jersey City, Office of the City Clerk
City Hall
280 Grove Street
Jersey City, New Jersey 07302,

with copies sent to the Corporation Counsel, the Business Administrator, and the Tax Collector unless prior to the giving of notice, the City shall have notified the Entity otherwise. The notice to the City shall identify the Project to which it relates, (i.e., the Urban Renewal Entity and the Property's Block and Lot number).

## ARTICLE XVII - SEVERABILITY

**Section 17.1 Severability**

If any term, covenant or condition of this Agreement or the Application, except a Material Condition, shall be judicially declared to be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

If a Material Condition shall be judicially declared to be invalid or unenforceable and provided the Entity is not in Default of this Agreement, the parties shall cooperate with each other to take the actions reasonably required to restore the Agreement in a manner contemplated by the parties and the Law. This shall include, but not be limited to the authorization and re-execution of this Agreement in a form reasonably drafted to effectuate the original intent of the parties and the Law. However, the City shall not be required to restore the Agreement if it would modify a Material Condition, the amount of the periodic adjustments or any other term of this Agreement which would result in any economic reduction or loss to the City.

## ARTICLE XVIII - MISCELLANEOUS,

**Section 18.1 Construction**

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

**Section 18.2 Conflicts**

The parties agree that in the event of a conflict between the Application and the language contained in the Agreement, the Agreement shall govern and prevail. In the event of conflict between the Agreement and the Law, the Law shall govern and prevail.

**Section 18.3 Oral Representations**

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

**Section 18.4 Entire Document**

This Agreement and all conditions in the Ordinance of the Municipal Council approving this Agreement are incorporated in this Agreement and made a part hereof.

**Section 18.5 Good Faith**

In their dealings with each other, utmost good faith is required from the Entity and the City.

**Section 18.6 Pending Litigation**

The Entity fully and freely holds the City harmless and assumes any risk that may effect the present or future validity of the within financial agreement, arising from any other litigation.

## ARTICLE XIX - EXHIBITS

**Section 19 Exhibits**

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

(A) Metes and Bounds description of the Project;
(B) Ordinance of the City authorizing the execution of this Agreement;
(C) The Application with Exhibits;
(D) Certificate of the Entity; Estimated Construction Schedule;
(E) The Financial Plan for the undertaking of the Project;
(F) Good Faith Estimate of Initial Rental Schedule and Lease Terms;
(G) Project Employment and Contracting Agreement;
(H) Architect's Certification of Actual Construction Costs.

IN WITNESS WHEREOF, the parties have caused these presents to be executed the day and year first above written.

**ATTEST:**

**ST. BRIDGET'S SENIOR RESIDENCE URBAN RENEWAL, LLC**

_____

_____
**Christopher Garlin., Authorized Signatory**

**ATTEST:**

**CITY OF JERSEY CITY**

_____

_____
**John Kelly**
**Business Administrator**