Application for 500 Manila Avenue LLC
Payment In Lieu of Taxes

A. A description of the Property for which the tax exemption is sought, identified by metes and bounds, tax map block and lots and corresponding street address, including a survey or plotting from the tax map;

The street address of the property for this application is 500 Manila Avenue, Jersey City, NJ 07302. The tax map lot and block are: Block 215 and Lot A. There will be no change in the property from the existing Abatement.

B. A copy of the deed or lease as applicable. If the Property is not owned or leased at the time of application, the applicant shall provide a copy of the contract to purchase or the proposed form of lease. A copy of the executed deed or lease shall be provided no later than the date the Financial Agreement is executed.

See Appendix A – Agreement for the Purchase and Sale of Real Estate

C. A general statement of the nature of the Proposed project: low and moderate income housing, market rate residential, commercial, industrial, etc.; and whether the Property is to be owned or leased.

The Project will remain a low and moderate income senior housing community. There will be no changes in the nature of the project. The number of units, subsidy and income restrictions will remain as they currently exist.

D. The requested term or duration of the tax exemption;

We intend to assume the existing abatement with no changes to the term of the agreement. See Appendix B – Tax Abatement Agreement. We intend to continue this abatement as per Section 7 of that agreement.

E. A detailed description of the improvements to be made to the Property, including approved site plans and, if appropriate, architectural drawings;

N/A

F. An estimate of the total cost of the project, including an estimate of construction costs, certified by a qualified architect or engineer;

N/A

G. The source, method and amount of money to be subscribed through public or private capital, to fund the construction of the Project, including the amount of stock or other securities to be issued therefore, or the extent of capital invested and the proprietary or ownership interest obtained in consideration therefore;

N/A

H. A fiscal plan outlining the schedule of annual gross revenue or gross shelter rents, the estimated expenditures for operation and maintenance, interest, amortization of debt and all reserves, and the proposed payments to be made to the City under the Financial Agreement.

Please see Appendix D – Schedules of Payment in Lieu of Real Estate Taxes. This schedule is found in the Financial Statement submitted to Jersey City on an annual basis. This schedule identifies the calculation required under the abatement.

I. A construction schedule indicating a certain commencement date which must occur no later than five (5) years from the date of the application.

N/A

J. Certified copies of all Planning Board Resolutions granting the Project final site plan approval;

N/A

K. Proof that the proposed Project is located within a redevelopment plan area, or an Urban Enterprise Zone; or is a Project for the relocation of residents displaced from a redevelopment area or is restricted to occupation by low or moderate income households under State or federal law.

N/A

L. Tax levy on the Property for the year in which the application is filed. In the case of Property that has been classified as tax exempt by the Tax Assessor under Title 54, the projected tax levy shall be stated as if the Property had not been tax exempt;

Please see Appendix D – Schedules of Payment in Lieu of Real Estate Taxes you will see the amount paid as per the existing abatement for the most recent year.

M. Status of all municipal taxes, fees and charges due and payable to the City arising from or imposed on the Property or any other property within the City, that is owned by the Developer or any principal or partner of the Developer;

It is our understanding that all taxes and fees due to the City by the development are current.

N. Disclosure statements as to all parties, including principals, partners, parent and subsidiary companies, having any interest in the Property or the Project or any other Financial Agreements then in force and effect in which any of such parties have any interest;

The Buyer/Assignee is 500 manila Ave., LLC and is comprised of four members: SHP Acquisitions, LLC, LP Solutions, LLC, D&J Development Corpration, LC and TGG, LLC. The individuals that make up the members of SHP Acquisitions are Kevin Smith, Daniel Smith, Michael Burnham, and Chris Bowden. For LP Solutions, LLC - Charles Gendron. The individuals that make up D & J Development Corporation LLC are Sebastian D'Amico, Sr. and George Juchnewich. The individuals that make up TGG – 2 LLC are Mildred B. Gershen, Deborah M. Gershen, and Jonathan S. Gershen.

O. For an application under the Long Term Tax Exemption Law only, a certification by the Developer that construction of the Project has not and will not commence, prior to the final approval and full execution of the Financial Agreement;

N/A

P. The Developer's good faith estimate of the number and type of temporary jobs to be created by the Project during construction and the number and type of permanent jobs to be created by the Project within one year after construction is completed. The application shall also set forth the proposed Project Employment Plan of the Developer and a certification by the Developer that such plan complies with the City's employment policies;

N/A

Q. Certification by the Developer that he has made diligent inquiry to confirm the accuracy of all information contained in the application and that the information is true and correct to the best of the Developer's knowledge. The certification shall contain the original signature of the Developer notarized or witnessed. In the case of a corporation, the Developer shall submit a notarized corporate resolution, with the seal of the corporation and the signature of the secretary of the corporation, authorizing the signatory to bind the corporation or similar bona fide evidence of authorization. In the case of a partnership the Developer shall submit a copy of the partnership agreement, certified to be a full force and effect, authorizing the signatory to bind the partnership. In the case of a limited liability corporation or any other lawful business organization, the Developer shall submit other similar bona fide evidence of the signatory's authority;

Please see attached certification by the manager/member of 500 Manila Avenue LLC listed as Exhibit E.

R. Proposed form of Financial Agreement, approved by the Corporation Counsel;

Please see Appendix C - Assignment and Assumption of Tax Abatement Agreement. This is the format as established per New Jersey Housing and Mortgage Finance Agency for these types of transactions.

S. Proposed form of Project Employment Agreement;

N/A

T. Project Labor Agreement, if applicable;

N/A

U. Payment in full of the applicable application fee; and

$1,500 enclosed

V. Such other documents or information as the Committee deems necessary or appropriate.

No other documents have been requested at this time.

APPENDIX A

AGREEMENT FOR THE PURCHASE AND SALE OF REAL ESTATE

AGREEMENT made and entered into this 2rd day of December, 2010 (the "Effective Date"), by and between Unico-Jersey City Housing, Inc., a New Jersey Nonprofit Corporation having an address for purposes of this Agreement, 500 Manilla Ave., Jersey City, NJ 07302 ("Seller"), and 500 Manila Ave., LLC, and/or its Assigns, having an address, for purposes of this Agreement, at 217 Commercial Street, Suite 300, Portland, ME 04101 ("Buyer").

WITNESSETH AS FOLLOWS:

1. **PURCHASE AND SALE.** Seller agrees to sell to Buyer and Buyer agrees to buy, on the terms and conditions hereinafter set forth, the land, improvements and buildings located at 500 Manila Ave., Jersey City, NJ 07302, consisting of a 202 unit federally subsidized housing project known as Unico Towers as more particularly described on Exhibit A attached hereto and made a part hereof (the "Premises") together with, except as otherwise provided herein, all of the Seller's right, title and interest in the following:

(a) All furniture, fixtures and equipment used in connection with the Premises and owned by the Seller.

(b) All tenant security deposits which shall be transferred to the Buyer for appropriate handling by Buyer pursuant to the law.

(c) All reserve and escrow accounts as stated in the audited financial statement and presently maintained under the terms of (i) the Rental Assistance Program ("RAP") Contract (the "RAP Contract") between the Seller and the Department of Housing and Urban Development ("HUD"), (ii) the Regulatory Agreement between the Seller and the New Jersey Housing and Mortgage Finance Agency ("NJHMFA") ("Regulatory Agreement"), and (iii) the mortgage securing the Mortgage Debt as hereinafter described (the "Mortgage"), including without limitation, the operating account, the replacement reserve, the operating reserve, the insurance and real estate tax escrow, and the residual receipts reserve fund ("Regulatory Reserves"); together with any interest on said accounts belonging to Seller. It is further understood that the Regulatory Reserves will be fully funded by Seller at closing except to the extent such funding would cause the Net Sale Proceeds (as hereinafter defined) to be less than One Million Dollars ($1,000,000). As used in the preceding sentence, "Net Sale Proceeds" means the amount by which (i) the Purchase Price exceeds (ii) the Mortgage Debt plus the amount required at Closing to fund any deficiencies in the Regulatory Reserves, as determined by the NJHMFA. If on an aggregate basis the Regulatory Reserves are overfunded as of the Closing, the Seller shall be entitled to the surplus.

(d) All of Seller's rights in the RAP Contract, and Regulatory Agreement.

(e) All books and records related to the operation of the Premises which are in the Seller's possession.

(f) All agreements pertaining to the operation of the Premises, including vending and maintenance contracts. If any of said agreements or contracts is cancelable, the Buyer shall have the right to cancel

same as of the date of closing, or assume same, but in no event shall the Buyer's decision regarding same result in any fee, charge or expense being incurred by the Seller.

(g) The name "Unico Towers," including the right to utilize such name in any respect concerning the Premises.

2. PURCHASE PRICE AND DEPOSIT.

(a) Subject to such adjustments and pro-rations as are provided for in this Agreement, the Buyer agrees to pay for the Assets a sum of Eight Million and Sixteen Thousand Dollars ($8,016,000) (the "Purchase Price"). The Purchase Price shall be payable as follows:

(i) The Buyer shall pay to the Escrow Agent upon the execution of this Agreement a deposit in the amount of One Hundred Thousand ($100,000) Dollars (the "Deposit"), to be held pursuant to the terms of this Agreement and credited against the Purchase Price at the Closing;

(ii) The Buyer shall assume (or Buyer may pay off) the Seller's existing mortgage debt upon the Project as of the Closing (the "Mortgage Debt") which debt approximates $6,507,370 (as of 3/31/10) and consists of a NJHMFA first mortgage, a Residual Receipts Note, a CIAP mortgage, a Subordinated Mortgage Note to NJHMFA and Rent Excess due to HUD; and

(iii) The Buyer shall pay the remaining balance of the Purchase Price by certified check or wire transfer to an account designated in writing by the Seller.

(b) In consideration of the transfer to it by Seller of all of the Seller's operating accounts, Buyer shall assume upon the Closing those accounts payable incurred by Seller in the ordinary course of business and recorded on the Seller's books of account as of the Closing Date, exclusive of all contingent and non-current liabilities (the "Payables"). If, as of the Closing Date, the Payables exceed the amount of funds in the Seller's operating account that will be made available at Closing to the Buyer on an unrestricted basis to pay the Payables (the "Operating Funds"), the Purchase Price shall be reduced by the amount of such excess, and if, as of the Closing Date, the amount of Operating Funds exceeds the Payables, the Purchase Price shall be increased by the amount of such excess.

3. ESCROW PROVISIONS REGARDING DEPOSIT.

(a) Escrow Agent shall hold the Deposit and make delivery of the Deposit to the party entitled thereto under the terms of this Contract. Escrow Agent shall invest the Deposit in such short-term, high-grade securities, interest-bearing bank accounts, money market funds or accounts, bank certificates of deposit or bank repurchase contracts as Escrow Agent, in its discretion, deems suitable, and all interest and income thereon shall become part of the Deposit and shall be remitted to the party entitled to the Deposit pursuant to this Contract.

(b) Escrow Agent shall hold the Deposit until the earlier occurrence of (i) the Closing Date, at which time the Deposit shall be applied against the Purchase Price, or released to Seller pursuant to this Agreement, or (ii) the date on which Escrow Agent shall be authorized to disburse the Deposit as set forth

in this Agreement. The tax identification numbers of the parties shall be furnished to Escrow Agent upon request.

(c) If prior to the Closing Date either party makes a written demand upon Escrow Agent for payment of the Deposit, Escrow Agent shall give written notice to the other party of such demand. If Escrow Agent does not receive a written objection from the other party to the proposed payment within 5 Business Days after the giving of such notice, Escrow Agent is hereby authorized to make such payment. If Escrow Agent does receive such written objection within such 5-Business Day period, Escrow Agent shall continue to hold such amount until otherwise directed by written instructions from the parties to this Contract or a final judgment or arbitrator's decision. However, Escrow Agent shall have the right at any time to deposit the Deposit and interest thereon, if any, with a court of competent jurisdiction in the state in which the Property is located. Escrow Agent shall give written notice of such deposit to Seller and Buyer. Upon such deposit, Escrow Agent shall be relived and discharged of all further obligations and responsibilities hereunder. Any return of the Deposit to Buyer, provided for in this Contract, shall be subject to Buyer's obligations set forth in this Agreement.

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

(e) The parties shall deliver to Escrow Agent an executed copy of this Contract. Escrow Agent shall execute the signature page for Escrow Agent attached hereto which shall confirm Escrow Agent's agreement to comply with the terms of Seller's closing escrow instruction letter delivered at Closing and the provisions of this Agreement.

(f) Escrow Agent, as the person responsible for closing the transaction within the meaning of Section 6045(e)(2)(A) of the Internal Revenue Code of 1986, as amended (the "Code"), shall file all necessary information, reports, returns and statements regarding the transaction required by the Code including, but not limited to, the tax reports required pursuant to Section 6045 of the Code. Further, Escrow Agent agrees to indemnity and hold Buyer, Seller and their respective attorneys and brokers harmless from and against any Losses resulting from Escrow Agent's failure to file the reports Escrow Agent is required to file pursuant to this section. This provision of this clause shall survive the termination of this Contract and, if not so terminated, the Closing and delivery of the Deed to Buyer.

4. TITLE. Seller shall deliver, free and clear of all liens and encumbrances, good, marketable, and insurable title (at regular insurance rates) to the Premises, by bargain and sale deed with covenant against grantor's acts, subject only to:

(a) tenant leases, provided such leases substantially comply with the requirements of the RAP Contract; and

(b) such other easements and restrictions of record or other liens and encumbrances existing as of the date of this Agreement which do not singly, or in the aggregate, render title to the Premises in any way unmarketable or substantially impair or restrict the use and occupancy of the Premises as an elderly or senior citizen housing project in substantially the same manner as presently being used by the Seller; and

(c) such state of facts as would be shown on an accurate survey provided such facts would not interfere with the use of the Premises as an elderly or senior citizen housing project; and

(d) zoning ordinances and other governmental regulations, provided the foregoing are not violated and permit the continued use of the Improvements upon the Premises as an elderly or senior citizen housing project; and

(e) the Mortgage Debt unless the Buyer elects to pay it off at the Closing.

In the event Seller is unable to convey title as aforesaid, Seller shall be given a reasonable period of time not to exceed sixty (60) days in which to remedy any title defects. In the event that said defects cannot be corrected or remedied within said period, then Buyer may terminate this Agreement and, at its option, receive back the Deposit and, thereafter, the Buyer and Seller shall be under no further obligation to one another hereunder, or Buyer may elect to close this transaction notwithstanding said defects and without any abatement in the purchase price. Seller shall transfer the Personal Property to the Buyer by warranty bill of sale, and shall assign to Buyer by instrument mutually satisfactory to Buyer's and Seller's Counsel the RAP Contract and/or HAP Agreement and all tenant leases.

To aid the Buyer in its title searches, the Seller shall provide Buyer with copies of all of its back title information not later than ten (10) days after Seller's execution of this Agreement.

5. **CLOSING.** The Closing shall be held on a business day designated by the Buyer upon not less than ten (10) days notice to the Seller and shall take place at the office of the Seller's attorney or such other location as is mutually agreeable by the parties, but no later than May 31, 2011 (the "Deadline"). Buyer shall have the right to one 120-day extension of the Deadline by increasing the Deposit by an additional Fifty Thousand Dollars ($50,000) and with written notice of said extension to Seller by May 15, 2011. Buyer shall have the further right to extend the Deadline if any governmental agency that regulates or controls any aspect of the Project's operation (e.g., HUD, NJHMFA, or the New Jersey Department of Community Affairs) seeks to impose on the Buyer conditions to the its approval of the transaction herein described that are unacceptable to the Buyer and if the Buyer disputes by appropriate administrative or court action the legal authority of the governmental agency to impose such conditions (a "Legal Dispute"), the Deadline in paragraph 5 shall be extended until 90 days after the first to occur of (a) a negotiated resolution of the Legal Dispute, (b) a final (non-appealable) decision is rendered by tribunal that hears the Legal Dispute, or (c) the Buyer ceases to pursue its claims in the Legal Dispute. At the Closing, the Seller shall execute and deliver to the Buyer, against payment of the Purchase Price, the Seller's bargain and sale deed to the Project with covenants against grantor's acts (the "Deed"), bills of sale, and an assignment of the RAP Contract and/or HAP Agreement and other contract rights as described in clause 1(d) herein.

The Seller further agrees to execute and deliver to the Buyer at the Closing a Certificate of Non-Foreign Status (as required by Internal Revenue Service regulations) and a "Seller's Affidavit of Title" regarding mechanics liens and persons in possession and, if the Seller is a corporation, partnership or

other legal entity, evidence of authority and good standing reasonably satisfactory to the Buyer's title insurance company.

6. **RISK OF LOSS, DAMAGE AND INSURANCE.** The risk of loss to the Premises prior to the closing shall be borne by Seller. Seller shall keep the Premises fully insured against fire and other extended coverage risks until the closing and shall name Buyer as an additional insured as Buyer's interest may appear. In the event that, prior to the closing, the improvements which are part of the Premises are destroyed, or substantially damaged in excess of $200,000, and the Seller is unwilling to repair or restore the improvements so damaged or destroyed, the Buyer may either (i) terminate this Agreement and secure a return of the earnest money deposit, or (ii) accept the insurance proceeds payable by reason of such damage or destruction and close this transaction without abatement in Purchase Price notwithstanding said damage.

7. **FEASIBILITY PERIOD.** Within ninety (90) days of the acceptance of this Agreement ("Feasibility Period"), Buyer and its agents, contractors, engineers, surveyors, attorneys and employees (collectively "Consultants") shall, at no cost or expense to Seller, have the right from time to time to enter onto the Premises to conduct and make any and all customary studies, tests, examinations, inquiries, inspections and investigations of or concerning the Premises, , and to otherwise confirm any and all matters which Buyer may reasonably desire to confirm with respect to the Premises, its operations, structural integrity, infrastructure, and the like (collectively the "Inspections"). If any of the matters referred to herein or any title or survey matters appear unsatisfactory to Buyer for any reason, or for no reason whatsoever, in Buyer's sole and absolute discretion, then Buyer shall have the right to terminate this Contract by giving written notice to that effect to Seller and Escrow Agent no later than 5:00 p.m. on or before the date of expiration of the Feasibility Period. If Buyer provides such notice, this Contract shall terminate and be of no further force and effect subject to and except for the Survival Provisions, and Seller and/or Escrow Agent shall return the Deposit, as it may have been increased, to Buyer. If Buyer fails to provide Seller with written notice of termination prior to the expiration of the Feasibility Period, Buyer's right to terminate based on this provision of the Agreement shall be permanently waived and Buyer's obligation to purchase the Property shall be non-contingent and unconditional except only for satisfaction of the other contingencies and closing requirements set forth in the other provisions of this Agreement. Within three (3) business days of Buyer's request, Seller shall make available for review and copying by Buyer, at Seller's office or at the office of its managing agent and at Buyer's expense, all available plans, letters, leases, files, documents and other papers or printed materials related to or concerning the Project and its tenants.

8. **FINANCING CONTINGENCY.** Provided that there is no notice of termination, at the conclusion of the Feasibility Period, or sooner, if it so chooses, the Buyer shall apply immediately for the assumption of the existing long term liabilities as shown on the project audited financial statement. This transaction is subject to Buyer obtaining approval of said assumption prior to closing.

9. **POSSESSION OF THE PREMISES.** The premises shall be delivered to the Buyer at the time of the closing free and clear of all tenancies or occupancies except for (a) the lease of the laundry room to the owner of the coin operated laundry machines, (b) the lease of roof top space to the owner(s) of the cell tower(s), and leases of the apartment units to qualified tenants (the "residential leases"). Seller shall provide to Buyer within thirty (30) days after the execution of this Agreement a complete schedule of all residential leases (Exhibit B) which schedule shall be updated as of five (5) business days prior to

the Closing Date (Exhibit C). True copies of each tenant's lease, with all amendments attached thereto, shall be delivered to Buyer within thirty (30) days of the date of execution of this Agreement.

10. SECURITY DEPOSITS. All of the security deposits paid by Tenants plus all accrued interest thereon (less any amounts deducted by the Seller prior to closing of title) shall be paid over to Buyer at the time of the closing and Seller shall provide all tenants with written notice of the transfer of the Premises and security deposits to Buyer.

11. FLOOD AREA. The federal and state governments have designated certain areas as "flood areas." This means they are more likely to have floods than other areas. If the Premises are within a "flood area," the Buyer may cancel this Agreement within thirty (30) days of the end of the Feasibility Period.

12. REPRESENTATIONS AND WARRANTIES OF SELLER. Seller represents and warrants to Buyer that the following statements are true in all material respects as of the date of this Agreement and will be true, in all material respects, at of the Closing:

(a) There are no outstanding, pending or threatened liens, claims, rights of first refusal, or encumbrances against the Premises.

(b) To the best of Seller's knowledge, there are no outstanding claims, losses or demands against Seller by any tenant or other person respecting Seller's ownership, or with respect to the use and occupancy of the Premises.

(c) Seller is nonprofit corporation duly formed and validly existing under the laws of the State of New Jersey with full power and authority to enter into and perform its obligations under this Agreement, including the conveyance of the Premises to the Buyer in fee simple title.

(d) The execution and delivery of this Agreement and the performance of Seller's obligations hereunder have been duly authorized by all necessary action on the Seller's part and this Agreement is binding upon and enforceable against Seller in accordance with its terms. Seller shall cause its legal counsel to furnish to Buyer an opinion at the closing to the effect that the Seller has the full power and authority to perform its obligation under this Agreement and that the consummation of the transaction described in this Agreement has been approved by all the necessary action subject to such qualifications as Seller's and Buyer's counsel may agree.

(e) Except as set forth on Exhibit B and Exhibit C (as same shall be amended prior to Closing), there are no leases written or oral affecting the Premises. Each lease listed on Exhibit B, as and when updated by Exhibit C, is in full force and effect and unmodified and Seller has not received any notice or claim from any tenant under any of said leases claiming a breach or default by the lessor which has not been cured or waived, and to the best knowledge of Seller no event has occurred which but for the giving of notice or the passage of time or both would constitute a default under any of the tenant leases.

(f) To the best of the Seller's knowledge, all financial information regarding the operation of Premises provided by Seller or its agents to Buyer is accurate and complete in all material respects.

(g) As of the date hereof, the Seller has not been declared in default under the RAP Contract, the Regulatory Agreement, the Mortgage or any other agreement pertaining to the Premises.

(h) Seller has not entered into any brokerage agreements with respect to the transactions herein described.

(i) Seller has not received any notice from any insurance company which has issued a policy with respect to the Premises or from any board of fire underwriters (or other body exercising similar functions) requesting the performance of any repairs, alterations or other work.

(j) The Seller is not party to any management, service, supply or maintenance agreement (herein collectively called a "service contract") with respect to or affecting the Property, except as listed on Exhibit D annexed hereto, which Exhibit D sets forth the name of the contractor under each service contract, the service supplied, the payments to be made thereunder, the expiration thereof, and any rights of cancellation or termination granted thereunder. There are no service contracts with a term greater than one year in duration, other than those specifically indentified as such on Exhibit D.

(k) Seller has not received any notice of any violation of any federal, state or municipal laws, ordinances, orders, regulations or requirements affecting any portion of the Premises within the past 12 months and has no knowledge of any fact or condition which would constitute any such violation. Seller has complied with all notices prior to the 12 month period.

(l) No portion of the Premises is, and the Seller has not received any notice and has no knowledge that, any portion of the Property will be, subject to or affected by any condemnation or similar proceeding.

(m) The Seller has no knowledge of any existing action, suit or proceeding affecting the Premises or any portion thereof or relating to, or arising out of the ownership, management, or operation of the Premises, in any court or before or by any federal, state, county or municipal department, commission, board, bureau or agency or other governmental instrumentality, exclusive of any action, claim or proceeding seeking monetary damages for personal injury or property damage which does not affect title to the Premises and against which the Seller's insurer is providing defense and indemnification.

(n) The Seller represents that the operation of the Premises is not in violation of any rent control laws.

(o) On July 8, 1999, the New Jersey Housing and Mortgage Finance Agency Board approved an agenda item for the Seller permitting development of the vacant land, representing a parcel of approximately 1.39 acres, at the Premises. Such "Board Approved Agenda Item" was not vetoed by the Governor of the State of New Jersey, has never been rescinded or amended by the NJHMFA, and remains in full force and effect.

(p) Seller represents that (i) Certificates of Occupancy for the Premises are in full force and effect, (ii) no change, alteration or improvement has been mde to the Premises which might invalidate said Certificates, (iii) all space in the Premises is being used in conformity with such Certificates of Occupancy, (iv) all requirements of the Department of Community Affairs have been satisfied, (v) all

units and common areas meet any and all Code requirements with respect to the installation and operation of smoke detectors, smoke alarms and sprinkler systems.

(q) Exhibit E hereto is a complete and correct list, as of the date hereof, of the Seller's employees who are employed in connection with the management, operation and maintenance of the Premises, their salaries and hourly wages, fringe benefits, job categories, and accrued vacation pay. No employee is paid or is entitled to any bonus or compensation not therein set forth. No such employee shall have any right of continued employment with respect to the property as of the date of closing unless Buyer at its own election, subject to approval of any such employee, agrees to continue the services of such employee. By [date], Buyer shall advise Seller which employees, if any, Seller must terminate as of the date of Closing.

(r) No person, firm or other entity has any right or option to acquire the Premises or any portion thereof or any interest therein.

(s) Neither the execution and delivery of this Agreement nor the consummation of the sale provided for herein will constitute a violation or breach by Seller of any provision of any agreement or other instrument to which Seller is a party or to which seller may be subject although not a party, or will result in or constitute a violation or breach of any judgment, order, writ, injunction or decree issued against Seller.

(t) There are no unrecorded (i) leases other than tenant leases, (ii) mortgages or other liens or encumbrances, or (iii) other agreements affecting the title or the operation of the Premises except as set forth in this Agreement.

(u) Seller has fully complied with the requirements of N.J.S.A. 46:8-19 with regard to notice to tenants concerning their tenant lease security deposits.

(v) The Premises are not presently, and to the best of Seller's knowledge, after due inquiry and investigation, have never been used for the generation, manufacture, storage, treatment, discharge or disposal of hazardous material. There has never been any release, discharge, or spillage of hazardous materials upon, in or under the Premises, or to the best of Seller's knowledge, any adjacent or neighboring property.

(w) There is no underground storage tank or asbestos on the Premises.

(x) The Premises are in compliance with all environmental laws and there is no pending or threatened claim, action, complaint, notice of violation or proceeding by any governmental authority or third party respecting the Premises arising out of any violation or alleged violation of any environmental law.

(y) Seller represents that its use of the premises does not render it subject to the Industrial Site Recovery Act.

Seller hereby agrees to indemnify, defend and save Buyer harmless from and against any and all loss, damage, liability, penalties, fines and the like, of whatever nature, including attorney's fees and expert's fees should any of the foregoing representations or warranties prove to be untrue or inaccurate. All of the

foregoing representations and warranties shall be deemed to have been re-made by Seller as of the Closing and shall survive the closing of title.

13. **REPRESENTATIONS AND WARRANTIES OF BUYER.** Buyer represents and warrants to Seller that the following are true as of the date of this Agreement and will be true as of the closing:

(a) Buyer is a Corporation duly organized, validly existing under the laws of the State of New Jersey, and has all necessary power to execute and deliver this Agreement, to perform all obligations hereunder, and that this Agreement and any other documents delivered in connection herewith have been duly authorized by all requisite action on Buyer's part, and that this Agreement is valid and legally binding on Buyer and does not contravene any law applicable to Buyer. Buyer shall cause its legal counsel to furnish to Seller an opinion at the Closing to the effect that the Buyer has the full power and authority to perform its obligations under this Agreement and that all requisite corporate action has been taken so as to empower the Buyer as required herein.

(b) Performance under this Agreement will not result in any breach of, or constitute any default under, any agreement, indenture or other instrument to which Buyer is a party or may be bound.

(c) There is no litigation or proceeding pending which would prevent Buyer from complying with any of its obligations under this Agreement.

(d) Buyer is not aware of any fact or condition which would render Buyer ineligible to obtain Regulatory Approval and to perform pursuant to this Agreement.

14. **PRE-CLOSING COVENANTS OF SELLER.** Seller covenants and agrees that subsequent to the date hereof and until the Closing Date:

(a) Seller shall comply in all respects with all federal, state and municipal laws, ordinances, directives, orders, regulations, and requirements which apply to it or to any portion of the Premises or to any adjacent street or other public area or to the maintenance, operation or use thereof and will promptly notify the Buyer of and promptly remedy any notice of violation of law, ordinances, orders or requirements noted in or issued by any city, county or state agency, department or authority having jurisdiction thereof, against or affecting the Premises on or prior to the Closing Date and all work orders of any mortgagees and existing insurance carried under an applicable insurance policies, all at Seller's expense. Seller shall obtain, maintain and deliver to Buyer existing and required "Green Cards." At closing, Seller shall deliver any required Certificate or Resale Certificate of Occupancy for the sale of the Premises which shall be in the name of the Buyer or any permitted assignee if such certificate is required by law.

(b) Seller shall keep in force any insurance policy required by the holder of any mortgage on the Premises.

(c) Seller shall manage and care for the Premises prior to closing in a reasonable manner and deal with same in a business-like manner. The Seller shall maintain repair, and operate the Premises in good order and condition in accordance with Seller's customary maintenance procedures, subject to ordinary wear and tear. Seller shall not remove from the Improvements any items of Personal Property except as

may be required for repair and replacement in the ordinary course; items removed for repair and items of, or with respect to, the Premises which are in possession of Seller or its agents, if any, shall be promptly reinstalled, or replace with items of equal or greater value.

Seller hereby agrees to indemnify, defend and save Buyer harmless from and against any and all loss, damage, liability, penalties, fines and the like, of whatever nature, including attorney's fees and expert's fees should any of the foregoing covenants prove to be untrue or inaccurate or to have been breached by the Seller. All of the foregoing covenants shall survive the closing of title.

15. CONTINGENCIES. It is understood that the obligation of Buyer to purchase the Premises is expressly contingent upon the achievement or satisfaction of all of the following conditions, any or all of which the Buyer shall have the right to waive, in whole or in part. Said conditions are as follows:

(a) Zoning. (i) A consideration in the determination of the purchase price by the parties is the fact that the premises are zoned for multi-family, high-rise buildings and customary uses relating to such uses ("Buyer's Use"). This Agreement is made contingent upon the continuance of the presently applicable zoning regulations for the Premises through the date of Closing. (ii) Between the date of this Agreement and the date of Closing, no amendment to the zoning ordinance which would adversely affect the Purchaser's right to construct Purchaser's Use shall have been recommended by the Planning Board of the City of Jersey City to the Governing Body of the City of Jersey City or adopted at first reading by the said Governing Body. (iii) Litigation shall not have commenced in any court of competent jurisdiction attacking the present zoning regulations affecting the premises. Seller represents that it has no knowledge of the institution or pendency of any such proceeding.

If at any time prior to Closing, and despite satisfaction of all other contingencies the present zoning shall have changed or be subject to change by virtue of events described in (ii) and (iii) above, Buyer shall be entitled to terminate this Agreement and its deposit shall be returned to Buyer and the Agreement shall be of no further force or effect.

(b) Underground Storage Tanks. To the extent that there are underground storage tanks upon the premises, Seller shall evidence compliance to Buyer's reasonable satisfaction with the requirements of N.J.S.A. 58:10A-21, *et seq.* (Leaking Underground Storage Tank Act). Seller must further evidence to Buyer's reasonable satisfaction that all underground tanks located on or under the premises have either (i) been certified as "Tight" pursuant to a valid Petro-Tite Test or such other test as may be satisfactory to Buyer, or (ii) have been the subject of appropriate soil sample analysis, pursuant to the DEP protocols, which analysis confirms that the extent of the petroleum hydrocarbon contamination in the requisite areas surrounding each tank is within DEP's acceptable tolerances for parts per million for each sample.

(c) Wetlands. Buyer's obligation to close title hereunder is subject to and contingent upon its receipt within 90 days from the execution of this Agreement, in form and substance reasonably satisfactory to Buyer and its proposed mortgage lender, prepared by a qualified, licensed professional engineer, hydro-geologist or other qualified wetlands specialist engaged by Buyer at its sole expense and cost, indicating that no portions of the Premises are (i) "navigable waters" within the meaning of 33 U.S.C. Sections 1344 and 1362(7) and regulations thereunder, or (ii) "freshwater wetlands" as defined in the Freshwater Wetlands Protection Act, N.J.S.A. 13:9B-1, et seq., and regulations enacted pursuant thereto, or subject to the transition area requirements imposed thereunder. Further, at the option of the

Buyer, this Agreement is contingent upon the issuance by DEP of a Letter of Interpretation pursuant to N.J.S.A. 13:9B-8, confirming that no portion of the Premises is comprised of wetlands or transition area as defined in the said Act.

(d) Governmental Approvals. Buyer shall be able to procure all site plan resolutions, permits and approvals which may be required, including the issuance of all building and construction permits for the construction and operation of a new high-rise apartment building on the vacant land at the Premises. Such approvals shall include, by way of description but not by way of limitation, if, as and to the extent required, site plan and subdivision approval by municipal and county authorities, approvals of local, county and state authorities with respect to the availability of potable water and sewerage capacity, etc.; approvals from all applicable governmental authorities concerning storm drainage, approvals from the Department of Transportation respecting highways and curb cuts, if necessary, approvals from the Federal Environmental Protection Agency. U.S. Army Corps of Engineers and the Department of Environmental Protection for steam encroachment permits, sewer extension permits and all environmental permits relating to toxic wastes, air, water and environmental quality, if applicable, approvals from the Soil Conservation District, approvals from the Department of Community Affairs; and approvals from applicable public utilities for requisite utility service. In connection with approvals with respect to water, sewerage and other utilities, storm drainage, curb cuts, stream encroachment and sewer extension permits such contingencies shall not be deemed satisfied if Buyer, by virtue of any such approvals, is required to construct off-tract or off-site improvements. For purposes of this Agreement, the requisite approvals and permits shall be deemed to have been procured only upon: (i) the final, irrevocable action of each agency which is empowered to issue the permits and approvals; and (ii) the expiration of the period within which appeals from the agencies' actions can be filed without the filing of any such appeal.

(e) Municipal Approval of Tax Abatement Agreement. This transaction is subject to Buyer and Seller's receipt of any and all approvals necessary from the City of Jersey City, New Jersey, in regard to the assignment of the Seller's Tax Abatement Agreement currently in place to the Buyer.

Except as described hereinafter, Buyer shall have until [date], to satisfy all contingencies. If by such date any or all contingencies have not been satisfied, Buyer shall so advise Seller, in writing, and thereupon this Agreement shall terminate. If by [date], Buyer has not so advised Seller, then at any time commencing on the next day thereafter, Seller shall have the right to terminate this Agreement by written notice to Buyer thereof. If neither Seller nor Buyer has terminated this Agreement nor Buyer has advised Seller that contingencies have been satisfied, then the time period within which the contingencies can be satisfied shall continue after [date] until the earlier of (i) Seller's written notification to Buyer that this Agreement has been terminated for non-satisfaction of contingencies, (ii) Buyer's written notification to Seller that this Agreement has been terminated for non-satisfaction of contingencies, or (iii) Buyer's notification to Seller that the contingencies have been satisfied or waived. It is the intention of this paragraph to provide that this Agreement shall not automatically terminate nor will the contingencies be deemed automatically satisfied unless and until Seller and/or Buyer, as applicable, shall affirmatively advise the other party with respect thereto.

16. MANAGEMENT AGREEMENT. Unless waived by Buyer, Buyer's obligations under this Agreement are conditional upon Buyer entering into a mutually satisfactory understanding with Moderate Income Management Company, Inc. on or before the expiration of the Feasibility Period with respect to the future management for the Premises.

17. **DEFAULT AND REMEDIES.** In the event that Seller fails to close title pursuant to this Agreement for any reason other than (a) one permitted herein to the Seller as grounds for it to terminate this Agreement, or (b) a default by the Buyer, the Buyer's sole and exclusive remedies shall be to (i) secure the return of the Deposit, or (ii) to seek specific performance against the Seller. In the event the Buyer fails to close hereunder for (a) reason other than one permitting the Buyer to terminate this Agreement, or (b) a default by the Seller, the Seller may retain the Deposit as full and complete liquidated damages in lieu of any other legal or equitable remedy.

18. **CONDITIONS PRECEDENT TO BUYER'S OBLIGATION TO CLOSE.** The obligation of Buyer to close is subject to the satisfaction at or before the closing of all of the following conditions:

(a) All representations, warranties, and covenants of Seller contained in this Agreement shall be true as of the closing in all material respects.

(b) All contingencies contained in this Agreement shall be met by the parties, or waived as provided hereinabove.

(c) The Premises are in at least the same condition that they were in as of the date of this Agreement, normal wear and tear excepted.

(d) Seller and Buyer shall have obtained all necessary consents to the assignment of the RAP Contract and/or HAP Agreement to Buyer, or conversion to Project Based Vouchers and a HAP Agreement acceptable to Buyer.

(e) The Buyer shall not have theretofore terminated this Agreement for any reason permitted herein.

(f) The Buyer shall have accepted the reports of its various expert investigations and testing as provided for hereinabove.

19. **GENERAL PROVISIONS.** This instrument may be executed in multiple originals and is to be construed under the laws of New Jersey. Except as otherwise expressly stated herein, time is not automatically of the essence of this Agreement, but either party may make time of the essence as to any obligation herein provided it gives ten (10) days written notice to the other party after the performance date herein provided first expires. This Agreement is binding upon and inures to the benefit of the parties hereto, their respective heirs, successors and assigns, and may be canceled, modified, or amended only by a writing executed by the parties hereto or their legal representatives. All notices, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given or, if mailed, on the date three (3) days following mailing, provided that all mailed notices are to be sent by first class mail, postage prepaid, certified, return receipt requested, addressed as follows:

To Seller: Unico-Jersey Housing, Inc.
500 Manilla Ave.
Jersey City, NJ 07302

With a copy to: [illegible]

[illegible]

To Buyer: 500 Manila Ave., LLC
c/o Charles P. Gendron
Low Income Housing Corporation
217 Commercial Street, Suite 300
Portland, ME 04101

With a copy to: Eric F. Saunders, Esq.
Bernstein Shur
100 Middle Street
Portland, ME 04101

Either party may change its address for purposes of this paragraph by giving the other party notice of the new address in the manner described herein. All representations and warranties made by Seller shall survive the closing of this transaction. If any provision of this Agreement is determined to be invalid or unenforceable, it shall not affect the validity and enforcement of the remaining provisions hereof. This Agreement is the entire and only agreement between the Buyer and the Seller. This Agreement cancels and replaces any previous agreements between the Buyer and Seller.

20. TAX FREE EXCHANGE. Buyer hereby notifies Seller that Buyer has identified and plans to purchase Property as replacement property as part of a like-kind exchange under Section 1031 of the Code. Seller hereby agrees to cooperate with Buyer to effectuate the like kind exchange, including the closing of the purchase of the Property within the time limits set in Section 1031 of the Code.

As part of the like-kind exchange, the rights of the Buyer under this Purchase and Sale Agreement will be assigned to an Exchange Facilitator. This assignment will not affect the rights and obligations of the Seller under this Purchase and Sale Agreement. In accordance with this Purchase and Sale Agreement, Seller will sell the Property to the Buyer and the Buyer will receive a deed for the Property from Seller. Some or all of the proceeds from the purchase of the Property will come from the Exchange Facilitator.

IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement as of the date first above written.

WITNESS:

Unico-Jersey Housing, Inc.

By: _____

500 Manila Ave., LLC

By: LP Solutions, LLC, its Co-Manager

By: _____
Charles P. Gendron

APPENDIX B

THIS AGREEMENT, made this day of , 1973, between the UNICO J.C. HOUSING, INC., a corporation of the State of New Jersey, organized pursuant to the Limited Dividend Nonprofit Housing Corporations or Associations Law as amended, or hereinafter amended (N.J.S.A. 55:16 et seq.) (hereinafter referred to as the "Limited Dividend Law"), having its principal office c/o Boffa, Willis & Kennedy, Suite 505, 880 Bergen Avenue, Jersey City, New Jersey (hereinafter designated as the "sponsor") and the City of Jersey City (hereinafter designated as the "municipality")

WITNESSETH:

In consideration of the mutual covenants herein contained and for other good and valuable consideration, it is mutually convenanted and agreed as follows:

1. This Agreement is made pursuant to the authority contained in Section 18 of the Limited Dividend Law (N.J.S.A. 55:16-18) and a Resolution of the Municipal Council of the Municipality dated March 20, 1973, and with the approval of the New Jersey Housing Finance Agency (hereinafter referred to as "N.J.H.F.A."), as provided for under Section 30 (b) of the N.J.H.F.A. Law (N.J.S.A. 55:14J-30 (b).

2. The Municipality recognizes and approves the Sponsor as the owner and operator of the development known as Unico Towers, Grove Street and previously approved by the governing body in the aforesaid Resolution dated March 20 1973.

3. It is expressly understood and agreed that the Municipality enters into this Agreement in reliance upon the data set forth in the financial plan attached hereto as Exhibit "A" and which was made a part of the aforesaid

Resolution of the Municipal Council of the Municipality, dated March 20 1973, and upon the supervision over the Sponsor vested by statute in the Public Housing and Development Authority in the Department of Community Affairs of the State of New Jersey (hereinafter referred to as the "Authority") and in the N.J.H.F.A. The Municipality recognizes, however, the right of the N.J.H.F.A. to direct the Sponsor to make reasonable changes in the construction, maintenance and operation of the development which are required by the N.J.H.F.A. in its view, to ensure compliance with the financial and statutory requirements of the New Jersey Housing Finance Agency Law of 1967, as amended or hereinafter amended (N.J.A. 55:14J-1 et. seq.) and, further, to comply with covenants made to the bond holders of the N.J.H.F.A.

4. The lands upon which the development is to be undertaken is described as follows:

Parcel No. 1 Boundary Description

Parcel No. 1 a certain portion of land situated in Jersey City, Hudson County, New Jersey, containing 175,054 square feet as shown on a map entitled: Disposition Map, Henderson Street Urban Renewal Area, Project No. N.J. R-13, Jersey City Redevelopment Agency, dated December 15, 1972, scale 1 inch equals 20 feet as prepared by Paul J. Emilius Associates.

BEING more particularly bounded and described as follows: commencing at a point, said point being the southwesterly corner of the herein described parcel, said point being more fully described as the intersection of the northerly street line of Eighth Street and the easterly street line of Grove Street; thence, north 06°-16'-55" east for a distance of 441.08 feet along the easterly street line of Grove Street, thence south 83°-53'-08" east a distance

of 333.44 feet along the proposed southerly street line of Ninth Street, thence 102.26 feet the arc of a curve to the right having a radius of 55.00 feet. Thence, along the proposed westerly street line of Henderson Street south 06°-15'-15" west a distance of 376.45 feet, thence north 83°-48'-35" west along the northerly street line of Eighth Street, a distance of 398.81 feet to the point and place of beginning.

Parcel No. 1 also being subject to a utility easement in the area of Pavonia Avenue.

Parcel No. 2 Boundary Description

Parcel No. 2 a certain portion of land situated in Jersey City, Hudson County, New Jersey, containing 11,605 square feet as shown on a map entitled: Disposition Map, Henderson Street Urban Renewal Area, Project No. N.J.R-13, Jersey City Redevelopment Agency, dated December 15, 1972, scale 1 inch equals 20 feet as prepared by Paul J. Emelius Associates.

Being more particularly bounded and described as follows: commencing at a point in the southerly street line of Eighth Street, said point being the northwesterly corner of the herein described parcel, said point being more fully described as a point 340.85 feet easterly of the intersection of the southerly street line of the Eighth Street line of Grove Street, as measured along the Eighth Street line, thence south 06°-15'-15" west a distance of 200.07 feet along the proposed westerly street line of Henderson Street, thence north 83°-50'-27" west a distance of 58.00 feet along the northerly street line of Seventh Street, thence north 06°-13'-56" east a distance of 200.10 feet to the point and place of beginning.

Parcel No. 3 Boundary Description

Parcel No. 3 a certain portion of land situated in Jersey City, Hudson County, New Jersey, containing 13,113 square feet as shown on a map entitled: Disposition Map, Henderson Street Urban Renewal Area, Project No. N.J. R-13, Jersey City Redevelopment Agency, dated December 15, 1972, scale 1 inch equals 20 feet as prepared by Paul J. Emilius Associates.

Being more particularly bounded and described as follows: commencing at a point in the southerly street line of Eighth Street, said point being the northwesterly corner of the herein described parcel, said point being more fully described as a point 275.28 feet easterly of the intersection of the southerly street line of Eighth Street and the easterly street line of Grove Street as measured along the Eighth Street line; thence south 83°-48'-35" east a distance of 65.57 feet along the southerly street line of Eighth Street, thence south 06°-15'-15" a distance of 200.10 feet; thence north 83°-50'-27" west a distance of 65.49 feet along the northerly street line of Seventh Street, thence north 06°-13'-56" east a distance of 200.13 feet to the point and place of beginning.

Parcel No. 5 Boundary Description

Parcel No. 5 a certain portion of land situated in Jersey City, Hudson County, New Jersey, containing 80,155 square feet as shown on a map entitled: Disposition Map, Henderson Street Urban Renewal Area, Project No. N.J. R-13, Jersey City Redevelopment Agency, dated December 15, 1972, scale 1 inch equals 20 feet as prepared by Paul J. Emilius Associates.

Being more particularly bounded and described as follows: commencing at a point, said point being the southwesterly corner of the herein described parcel, said point being more fully described as the intersection of the northerly street line of Sixth Street and the easterly street line of Grove Street; thence north 06°-16'-55" east for a distance of 201.20 feet along the

easterly street line of Grove Street, thence south 83°-50'-27" east a distance of 398.97 feet along the southerly street line of Seventh Street, thence along the proposed westerly street line of Henderson Street south 06°-15'-15" west a distance of 200.56 feet, thence north 83°-55'-57" west along the northerly street line of Sixth Street, a distance of 399.07 feet to the point and place of beginning.

5. The tax exemption established by N.J.S.A. 55:16-18 shall be effective upon the date the Sponsor executes a first mortgage upon the development in favor of the N.J.H.F.A. and shall continue for a period of not more than fifty (50) years therefrom nor less than the term of the N.J.H.F.A. mortgage.

6. (a) In consideration of the aforesaid exemption from taxation, the Sponsor shall make payment to the Municipality of an annual service charge for municipal services, supplied to said development, in such amount, not exceeding the tax on the property on which the development is located for the year in which the undertaking of such development is commenced or fifteen percent (15%) of the annual gross shelter rents obtained from payments by residents of the development determined in the manner set forth in Exhibit "A", whichever is greater. For purposes of this Agreement the year in which the development is commenced shall be deemed to be the year during which a mortgage on the development is executed in favor of the N.J.H.F.A. 12/1/75

(b) The aforesaid payment by the Sponsor shall be made on a quarterly basis in accordance with bills issued by the Office of the Tax Collector of the Municipality and in the same manner and on the same dates as real

estate taxes are paid in the Municipality. Said payments shall be in the amount of one-fourth (1/4) of the minimum service charge set forth above except that no later than February 1st of any year after the issuance of a State or local Certificate of Occupancy for one or more units, or for the entire development, the Sponsor shall submit to the Office of and Tax Collector of the Municipality, for as long as this Agreement is in effect, including the February 1st of the year following the termination of the development as a limited dividend or nonprofit housing development, an aduitor's report, certified to by a certified public accountant, of the operations of the development setting forth the actual figures for the prior year of operation comprising the annual gross shelter rents paid by the residents of the development and the total service charge due the Municipality at fifteen porcent (15%) thereof determined in the manner set forth in Exhibit "A". The Sponsor shall simultaneously pay the difference, if any, between fifteen percent (15%) of the gross shelter rents shown by the audit and the sum of the four quarterly payments paid by the Sponsor to the Municipality. The Municipality may accept payment without prejudice to its right to challenge the accurary of the audit and the amount due.

(c) In the event the development is enlarged or modified upon the present site, it is understood and agreed that the annual municipal service charge shall become due from the added or enlarged units in accordance with the formula more specifically set forth above.

(d) All quarterly payments made under paragraph (b) above shall be in lieu of taxes and the Municipality shall have all the rights and remedies of tax enforcement granted to Municipalities by law just as if said payments constituted regular tax obligations on real property within the Municipality. If,

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however, the Municipality disputes the total amount of the annual service charge due it, based upon the Sponsor's annual audit, it may apply tothe Superior Court, Chancery Division for an accounting of the service charge due the Municipality, in accordance with this Agreement and the Limited-Dividend Law. Any such action must be commenced withon one year of the receipt of the Sponsor's audit by the Municipality.

7. The tax exemption provided herein shall apply only so long as the Sponsor or its successors and assigns and the development remain subject to the provisions of the aforesaid Limited-Dividend Law (N.J.S.A. 55:16-1 et. seq.) and the supervision of the Authority but in no event longer than fifty (50) years from the effective date of the exemption as set forth in paragraph 5 above.

8. Upon any termination of such tax exemption, whether by affirmative action of the Sponsor, its successors and assigns, or by virtue of the provisions of the Limited-Dividend Law, the development shall be taxed as omitted property in accordance with law.

9. The Sponsor, its successors and assigns shall, upon request, permit inspection of property, equipment, buildings and other facilities of the development and also permit examination and audit of its books, contracts, records, documents and papers by representatives duly authorized by the Municipality. Any such inspection, examination, or audit shall be made during the reasonable hours of the business day, in the presence of an officer or agent of the Corporation or its successors and assigns.

10. A notice or communication sent by either party to the other hereunder shall be sent by certified mail, return receipt requested, addressed as follows:

(a) When sent by the Municipality to the Sponsor, it shall be addressed c/o Boffa, Willis & Kennedy, Suite 505, 880 Bergen Avenue, Jersey City, New Jersey 07306, or to such other address as the Corporation may hereafter designate in writing.

(b) When sent by the Sponsor to the Municipality, it shall be addressed to City Hall, 280 Grove Street, Jersey City, New Jersey or to such other address in respect to either party as that party may designate in writing.

11. It is agreed and understood that subject to the terms and provisions of paragraph 8 herein, the Corporation agrees that it will not sell or transfer the development described in the annexed application, together with the improvements thereon, to any corporation, association or entity, unless such corporation, association or entity qualified under the Limited-Dividend Law (N.J.S.A. 55:16-1 et. seq.) as amended, and owns no other development at the time of the transfer, without first obtaining the prior written consent of the Municipality and the first mortgagee.

12. 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, Chancery Division, to settle and resolve said dispute in such fashion as will tend to accomplish the purposes of the act known as the "Limited-Dividend Nonprofit Housing Corporationsor Associations Law" and the "New Jersey Housing Finance Agency Law."

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

ATTEST:

CITY OF JERSEY CITY

BY: PAUL JORDON, Mayor

ATTEST:

BY: President

APPROVED:

NEW JERSEY HOUSING FINANCE AGENCY

By

Approved as to legal form & substa

Corporation Counsel

APPENDIX C

THIS ASSIGNMENT AND ASSUMPTION OF TAX ABATEMENT AGREEMENT (the "Agreement") is executed this _____ day of _____, 2011 among Unico J.C. Housing Inc., a nonprofit corporation existing under the laws of the State of New Jersey (the "Assignor"), 500 Manila Ave., LLC, a limited liability company existing under the laws of the State of New Jersey (the "Assignee"), and the City of Jersey City, a Municipal Corporation of the State of New Jersey (the "City").

Reference is made to an agreement, executed in 1973 (the "Tax Abatement Agreement"), attached hereto as Exhibit "A", between the Assignor and the City pursuant to which the City granted an exemption from taxation of certain parcels of real estate and the improvements thereon (the "Project") in consideration of the Assignor's paying to the City an annual service charge for municipal services provided to the Project.

The Assignor is transferring to the Assignee all of its right, title and interest in and to the Project and, in connection therewith, is transferring all of the Assignor's right, title and interest in and to the Tax Abatement Agreement to the Assignee, pursuant to the approval of the City Council of the City.

NOW, THEREFORE, the parties hereto do hereby agree as follows:

1. In consideration of One Dollar ($1.00) and other good and valuable consideration, the Assignor hereby transfers to the Assignee all of the Assignor's right, title, interest and benefit in and to the Tax Abatement Agreement.

2. The Assignee hereby accepts the transfer of the Tax Abatement Agreement and assumes all of the obligations of the Assignor thereunder.

3. The City hereby approves the assignment of the Tax Abatement Agreement by the Assignor to the Assignee.

4. The term "Sponsor" in the Tax Abatement Agreement shall hereafter refer to the Assignee.

   The address of the "Sponsor" under Section 10(a) of the Tax Abatement Agreement shall be as follows: c/o Low Income Housing Corporation, 217 Commercial Street, Suite 300, Portland, ME 04101 with a copy similarly given to New Jersey Housing and Mortgage Finance Agency, 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085. The Assignee shall have the right to designate a different address for notices in the manner provided in Section 10 of the Tax Abatement Agreement.

6. Anything in this Agreement or in the Tax Abatement Agreement to the contrary notwithstanding, none of the members (whether now or hereafter admitted to 500 Manila Ave., LCC) shall be deemed to have assumed any personal liability under this Agreement or with respect to the Tax Abatement Agreement, and in the event of any default under the terms of the Tax Abatement Agreement or this Agreement, the City shall take no action against any such member personally.

7. This Agreement embodies the entire agreement and understanding among the parties relating to the subject matter hereof.

8. The execution and delivery of this Agreement has been duly authorized by all necessary action of each of the parties hereto and represents the valid and binding act and obligation of each of them, enforceable against each of them in accordance with its terms. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. None of the terms or provisions hereof may be waived, modified or amended, except by an instrument in writing executed by the party to be charged therewith.

9. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement and it shall not be necessary in making proof of this Agreement to produce or account for more than a sufficient number of counterparts to evidence the execution of this Agreement by each party hereto.

IN WITNESS WHEREOF, the Assignor, Assignee and City have executed this Agreement as of the day and year first above written.

WITNESS:	Unico J.C. Housing Inc.
_____	By:_____
WITNESS:	500 Manila Ave., LLC
_____	By:_____
WITNESS:	City of Jersey City
_____	By:_____

APPENDIX D

UNICO JERSEY CITY HOUSING, INC.

Schedules of Payment in Lieu of Real Estate Taxes

Years Ended March 31, 2010 and 2009

Computation of Payment Due	2010	2009
Rent Roll	$ 2,451,432	$ 2,383,014
Add: Retained excess income	732	636
Less: Vacancy loss	(150,052)	(118,939)
Rent fee unit - superintendent	(12,540)	(12,190)
Collection loss - rent	(1,739)	(3,304)
	2,287,833	2,249,217
Less: Utilities		
Water	39,351	40,178
Sewer	35,139	32,616
Electricity	204,489	198,025
Gas	2,463	3,694
Fuel	207,394	185,906
	488,836	460,419
Gross shelter rents	$ 1,798,997	$ 1,788,798
Payment Due @ 15%	$ 269,850	$ 268,320

Payment in Lieu of Real Estate Taxes Expense		
Payments made during the year	$ 311,826	$ 256,621
Less: Amount paid for prior year	(51,646)	(39,947)
Estimated payments for current year	260,180	216,674
Add: Amount accrued for current year	9,670	51,646
	$ 269,850	$ 268,320

See independent auditor's report on supplementary information.

Appendix E

CERTIFICATION REGARDING TAX ABATEMENT APPLICATION FOR UNICO TOWERS

On this 31st day of May, 2011, the undersigned manager/member of 500 Manila Ave., LLC (Developer) submits this Certification in connection with the application to obtain an assignment of the existing Tax Abatement Agreement between the City of Jersey City and UNICO Jersey City Housing, Inc (Owner/Assignor) for that low and moderate income housing project located at 500 Manila Avenue, Jersey City, New Jersey known as Unico Towers. Developer certifies that it has made diligent inquiry to confirm the accuracy of all information contained in the application and that the information is true and correct to the best of the Developer's knowledge.

Signed and Sworn to before me on

this 31st day of May, 2011

Notary Public

KIMBERLY J. SPENCER
Notary Public, Maine
My Commission Expires April 6, 2013

500 Manila Ave., LLC
By: LP Solutions, LLC
Manager/Member

Charles P. Gendron, President

APPLICATION FOR FIVE YEAR TAX EXEMPTION OF THE WARREN @ YORK URBAN RENEWAL, LLC

In compliance with City Ordinances 05-060 and 07-146 of the 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	:	The Warren @ York Urban Renewal, L.L.C. 16 Microlab Road Suite A Livingston, New Jersey 07039
Project	:	The Warren @ York 254-258 Warren Street, 120-124 York Street, and 106-118 York Street Block 102, Lot 76 (formerly known as Lots T, V.1, V.2, 72, 73) and Lot X Jersey City, New Jersey
Applicant's General Contractor	:	Millenium Homes, LLC 16 Microlab Road Suite A Livingston, New Jersey 07039
Applicant's Architect	:	Minno & Wasko
Applicant's Engineer	:	Dresdner Robin 371 Warren Street Jersey City, New Jersey 07302
Applicant's Attorney	:	Connell Foley LLP Harborside Financial Center 2510 Plaza Five Jersey City, NJ 07311 (201) 521-1000 Attn: Nancy A. Skidmore, Esq.
Loan Advisor and/or Consultants	:	None

APPLICATION

1. **Identification of the Property:**

The land upon which the Project is located is Block 102, Lot 76 (formerly known as Lots T, V.1, V.2, 72, 73) and Lot X on the Tax Map of the City of Jersey City commonly known as 254-258 Warren Street, 120-124 York Street, and 106-118 York Street, Jersey City, New Jersey. The metes and bounds description of the property where the Project is located is attached hereto as Exhibit A-1.

2. **Abatement Requested**:

The applicant, the Warren @ York Urban Renewal, L.L.C. ("Applicant"), seeks a five-year tax exemption pursuant to N.J.S.A. 40A:21-1 et. seq. (the Five Year Exemption and Abatement Law). The Applicant requests that the tax agreement be based upon the following formula, in accordance with the Five Year Exemption and Abatement Law:

Project Taxes During Term of Exemption:

Year One:	$104,180 (land tax only)
Year Two:	$366,385 (land tax plus 39% of real estate taxes on improvements)
Year Three:	$500,849 (land tax plus 59% of real estate taxes on improvements)
Year Four:	$635,314 (land tax plus 79% of real estate taxes on improvements)
Year Five:	$642,037 (land tax plus 80% of real estate taxes on 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 upon 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 $2,248,765 during the term of the abatement.

3. **History of Tax Exemption and Type of Amended Exemption Requested:**

By way of background, on November 30, 2007, the Applicant filed an application for approval of a long term tax exemption with the City of Jersey City for a mixed-use condominium development to be located on Block 102, Lot 76 (formerly known as Lots T, V.1, V.2, 72, and 73), also known as 254-258 Warren Street and 120-124 York Street, consisting of a twelve (12) story building with fifty (50) residential condominium units, one retail condominium unit, and a parking garage containing approximately fifty (50) parking spaces (the "Warren Street Project").

On February 13, 2008, with the adoption of City Ordinance 08-011, the Municipal Council of the City of Jersey City approved a long term tax exemption for the Warren Street Project based upon the 16% annual gross revenue formula for the residential condominiums and retail condominium. A financial agreement and prepayment agreement between the Applicant and the City for the Warren Street Project were executed as of March 4, 2008. In accordance with the financial agreement and

prepayment agreement, the Applicant made an affordable housing contribution to the City in the total amount of $77,100 and a prepayment to the City in the amount of $460,458.

On June 1, 2007, the neighboring property owner, 106 York Street Urban Renewal, LLC ("106 York Street") filed an application for approval of a long term tax exemption with the City for a mixed-use condominium development to be located on Block 102, Lot X, also known as 106-118 York Street, consisting of a ten (10) story building with sixty (60) residential condominium units, one commercial condominium unit, and a parking garage containing approximately sixty-two (62) parking spaces (the "York Street Project").

On August 22, 2007, with the adoption of City Ordinance 07-149, the Municipal Council approved a long term tax exemption for the York Street Project based upon the 16% of annual gross revenue formula for the residential condominiums and commercial condominium. A financial agreement between 106 York Street and the City for the York Street Project was never fully executed.

Since approval of the tax exemptions for the Warren Street Project and the York Street Project, market conditions for residential condominium developments have substantially deteriorated. Due to the contraction of the residential condominium market, the Applicant and 106 York Street have partnered to develop the separate projects as a single rental development, which will consist of an eleven (11) story building containing one hundred thirty nine (139) residential rental units, ground floor commercial unit(s) containing approximately 6,080 square feet of retail space, and an on-site parking garage containing one hundred four (104) parking spaces (the "Project").

Consequently, the Applicant now seeks a five-year tax exemption pursuant the Five Year Exemption and Abatement Law for the Project. In the event that the Municipal Council approves this application, the Applicant and 106 York Street will voluntarily relinquish their respective long term tax abatements for the Warren Street Project and the York Street Project.

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

The Project is a mixed-use rental project, to be called "The Warren @ York" located within the Paulus Hook Historic Zoning District and the OR, Office/Residential Zone. The Project consists of a mixed-use development in an eleven (11) story building with one hundred thirty nine (139) residential rental units, commercial rental unit(s) containing approximately 6,080 square feet of retail space, and a parking garage containing approximately one hundred four (104) parking spaces. The Project is entirely new construction and is located within the Jersey City Urban Enterprise Zone.

5. **Term of Exemption:**

The Applicant requests that the term of exemption be for five (5) years beginning on the first day of the first calendar year following substantial completion of the Project (the "Exemption Commencement Date") and ending on the date that is one day prior to the fifth anniversary of the Exemption Commencement Date.

6. **Improvements to be Constructed:**

The site consists of approximately twenty five thousand eighty two square feet (25,082 sq. ft.), or .576 acres of land on Block 102, Lot 76 (formerly known as Lots T, V.1, V.2, 72, 73) and Lot X on the Tax Map of the City of Jersey City, New Jersey. The property currently contains a parking lot

and a vacant building, which was formerly used as a restaurant. Those existing improvements will be demolished.

The improvements to be constructed will consist of the following:

The Project will consist of an eleven (11) story building at the corner of Warren Street and York Street in Jersey City. The building will contain a total of one hundred thirty nine (139) residential rental units, ground floor commercial unit(s) containing approximately 6,080 square feet of retail space, and approximately one hundred four (104) on-site parking spaces.

The building's residential units will be distributed as follows: approximately six (6) studios, which will average approximately five hundred fifty (550) square feet; approximately sixty eight (68) one bedrooms, which will average approximately seven hundred thirty three (733) square feet; approximately sixty (60) two bedrooms, which will average approximately one thousand one hundred twenty (1120) square feet; and approximately five (5) three bedrooms, which will average approximately one thousand four hundred ninety nine (1499) square feet. Each residential rental unit will have living, dining, and kitchen areas. The building's retail unit(s) will total approximately six thousand eighty (6,080) square feet. Of the one hundred four (104) on-site parking spaces, one hundred two (102) spaces have been allocated for the use of the residents and the retail space customers, and two (2) parking spaces are proposed to be reserved to secure a contract with "Zip Car" or a comparable business that will be available to the general public (if the parking contract is not obtainable, these two spaces shall revert to use solely by the residents of the building.)

Substantial "green elements" are a hallmark of this Project. Specifically, the Applicant will develop the building with a 12,500 square foot self-sustaining true green roof, which will be the first green roof of its kind in the City of Jersey City. The green roof will provide numerous benefits to the building and community, including:

1. Mitigation of the urban "heat island" effect common to urban areas, because the roof is not covered by a typical asphalt waterproofing membrane, where concrete and asphalt absorb the heat all day and then radiate the heat back out at night;

2. Provision of a natural habitat for animals such as birds, butterflies and insects;

3. Reduction of dust and smog levels in the area;

4. Reduction of the building's cooling costs by adding to the insulation value of the building;

5. Increasing the life expectancy of the roof waterproofing by at least double the warranty (i.e., the green roof protects the roof from the harsh ultraviolet rays and it does not expose the roof to extreme hot and cold temperature cycles, where the material will expand and contract);

6. Providing aesthetic benefits;

7. Reduction of the required capacity of the storm water management system necessary for the building (in this instance, by approximately 25 percent);

8. Reduction in the annual amount of stormwater runoff from the site (in this case, by approximately 32 percent); and

9. Providing for LEED credits in the event that the Applicant chooses to apply for LEED Certification.

In addition to the green roof, the Applicant is incorporating and committing to numerous green measures as part of the construction of the project (e.g., use of recycled and local products) and final finishes of the project (e.g., tankless hot water heaters and low E windows). The Environmental Benefits Breakdown, attached hereto as Exhibit A-2, contains a summary of the additional green elements that will be a part of the building. Additionally, the Applicant is providing for the storage of one hundred (100) bicycles within the garage area.

Block 102, Lot 76 (formerly known as Lots T, V.1, V.2, 72, and 73) is owned by the Applicant and Block 102, Lot X is owned by the Applicant's affiliate, 106 York Street. Prior to development, title to Block 102, Lot X will be consolidated with the Applicant. Upon consolidation of title, the Applicant will own the Property and will construct the Project.

7. **Estimate of Construction Cost:**

The construction cost of the Project, as set forth in Exhibit B, is estimated to be $30,140,000. The construction cost has been calculated in accordance with the provisions of N.J.S.A. 40A:21-3(j). Construction costs have been estimated based upon information compiled by the Applicant.

8. **Financing Structure**:

The Project will be financed through private capital, traditional construction financing, and a permanent mortgage from an institutional lender.

9. **Construction Schedule**:

The construction of the Project is scheduled to commence in approximately July 2011 and will be completed within approximately 18 months thereafter.

10. **Zoning Information/Municipal Land Use Approvals**:

The Project received Preliminary and Final Site Plan Approval with Variances from the Jersey City Zoning Board of Adjustment by Resolution adopted on August 19, 2010. The Project is located within the boundaries of the Paulus Hook Historic Zoning District and the OR, Office/Residential Zone, and apart from the approved variances complies with the zoning requirements therein and the Master Plan of the City of Jersey City. See Resolution attached as Exhibit D.

11. **Land Value of Property:**

The total Real Estate Tax Assessment for the Property upon which the Project is to be located valued the land at $1,509,200 for the year 2010.

12. **Current Real Estate Taxes**:

The 2010 Real Estate Taxes for the land were approximately $104,180.

13. **Status of Municipal Taxes and Other Charges:**

The Applicant owns Block 102, Lot 76 (formerly known as Lots T, V.1, V.2, 72, and 73). Prior to development, title to Block 102, Lot X will be consolidated with the Applicant. To the best of 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 all real estate taxes or other assessments due on the Property to be paid prior to the consolidation of title to Block 102, Lot X with the Applicant.

14. **Disclosure Statement:**

The Applicant is a limited liability company organized under the laws of the State of New Jersey. The membership of the interests of those persons and entities with an ownership interest in the Applicant and the Project of at least 10% is set forth in Exhibit E.

15. **Projected Job Creation:**

The Applicant estimates that construction of the Project will generate 110 jobs over the construction period. Following the construction period, approximately 6 permanent full time jobs will be created. The Applicant intends to enter into a Project Employment Agreement with the City of Jersey City.

16. **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, the Paulus Hook Historic Zoning District and the OR, Office/Residential Zone is attached hereto as Exhibit F.

17. **Diligent Inquiry Certification:**

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 is attached hereto as Exhibit G.

18. **Certificate of Formation:**

A copy of the Applicant's Certificate of Formation is attached hereto as Exhibit H.

19. **Financial Agreement:**

The proposed draft Tax Agreement is attached hereto as Exhibit I.

20. **Fee:**

The Application fee in the amount of $10,000 was paid to the City of Jersey City simultaneously with the submission of this Application.

21. **List of Exhibits:**

A-1 Description of Property;
A-2 Environmental Benefits Breakdown

B. Estimated Cost of Project Construction
C. Fiscal Plan and Estimated Tax Computation;
D. Copy of Approval of Site Plan;
E. Disclosure Statement;
F. Compliance with State & Local Laws Certification;
G. Diligent Inquiry Certification;
H. Certificate of Formation;
I. Proposed Tax Agreement.

EXHIBIT A-1

THE WARREN @ YORK URBAN RENEWAL, L.L.C.

Description of the Property

Address:	The Warren @ York 254-258 Warren Street, 120-124 York Street, and 106-118 York Street, Jersey City, New Jersey Block 102, Lot 76 (formerly known as Lots T, V.1, V.2, 72, 73) and Lot X

See metes and bounds description attached.

EXHIBIT A-2

THE WARREN @ YORK URBAN RENEWAL, L.L.C.

Environmental Benefits Breakdown

SEE ATTACHED

P-2

Warren @ York

Environmental Breakdown

7/12/10

Construction Phase

1) The use of recycled materials. By using recycled materials we can minimize the amount of virgin resources required for the building. Additionally by using locally provided recycled materials we can further reduce the carbon footprint of the construction process. We can commit to having 70% of the structural steel used in the building be recycled material.
2) The use of materials from existing site. By using materials already onsite we can reduce the amount of virgin materials harvested for this project and eliminate the carbon emissions related to their delivery. We can commit to reusing a portion of the existing building brick façade and the existing structural timbers as decorative finishes in the new building.
3) Local Products. By using local products we can reduce the amount of carbon emissions required to transport goods. We could commit to purchasing up to 30% of the project materials from within 500 miles of the project site.
4) Pre-engineering materials and factory produced panelization. By manufacturing prefabricated panelized system for the structure we can -
    a. Reduce the amount of waste produced onsite
    b. Increase the efficiency of the delivery process
    c. Reduce construction time – reducing the resources used
5) Recycling and separating project refuse will keep recyclable materials out of the area landfills. We can commit to having a 75% diversion of construction waste from landfills.
6) By installing tankless hot water systems we can reduce the amount of energy required to provide hot water to each unit
7) By installing a green roof over 12,500 sf of the roof we can reduce the storm water runoff of the project, due to the ability of the roof to hold 14,700 gallons of water in a saturated condition, provide better insulation of the roof and reduce the heat island effect common to large flat roofs.

End User Reduced resources.

1) By providing Low E windows we can reduce the cooling requirement for each user.
2) By providing light and window efficient layouts we can reduce the amount of electric lighting required. By providing open layouts we can provide natural light to more of the home. We can commit to installing at least three energy star fixtures in each unit.
3) By providing operable windows we can help end users reduce the amount of heating and cooling they require and provide them with additional fresh air.

EXHIBIT B

THE WARREN @ YORK URBAN RENEWAL, L.L.C.

Estimated Cost of Project Construction

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

"Cost" per Definition:*

Direct Labor & Materials (includes Contractor's Fees)	$ 29,600,000
Architectural	$ 315,000
Engineering	$ 225,000
Estimated Cost:	$ 30,140,000

*Pursuant to N.J.S.A. 40A:21-3(j), estimated "cost" does not include land costs, soft costs (other than architectural and engineering costs), and financing costs. This estimated "cost" differs from the total project cost calculation required under the Long Term Tax Exemption Law, pursuant to N.J.S.A 40A:20-3(h).

EXHIBIT C

THE WARREN @ YORK URBAN RENEWAL, L.L.C.

FISCAL PLAN
and
ESTIMATED TAX COMPUTATION FOR YEAR 2011

Equalization Ratio	29.43%	
Tax Rate (per thousand)	$69.03	
Potential Residential Income	Total	Avg Per Unit/ Per Year
(6) Studio Units	$112,860	$18,810
(68) One Bedroom Units	$1,720,944	$25,308
(60) Two Bedroom Units	$2,318,412	$38,640
(5) Three Bedroom Units	$258,036	$51,607
Total Potential Residential Income	$4,410,252	
Retail Rent	$243,360	
Other Rent (Amenity Fees, etc.)	$82,006	
Parking Income	$280,800	
Total Gross Income	$5,016,418	
Vacancy (5%)	$(250,820)	
Effective Gross Income:	$ 4,765,598	
Operating Expenses:		
Management	$140,445	
Repairs &Maintenance	$115,000	
Insurance	$60,000	
Utilities	$125,100	
Labor	$333,740	
Payroll Taxes & Benefits	$73,260	
Reserves	$20,850	
Advertising/Marketing	$35,000	
Miscellaneous Operating Expense	$40,000	
Total Operating Expenses	$ 943,395	

Projected Net Operating Income	$ 3,822,203
Cap Rate	10%
Market Value	$38,222,030
Assessment	$11,248,743
Estimated Annual Real Estate Taxes for 2011 based upon rate and ratio	$776,501

Exhibit C – Continued

CURRENT ESTIMATED TAX PAYMENTS FOR FIVE YEAR TERM OF EXEMPTION
Based on 2011 Tax Rate and Equalization Ratio

Year	1	2	3	4	5	Total
Projected Tax Rate	$69.03	$69.03	$69.03	$69.03	$69.03	
Total Tax	$776,501	$776,501	$776,501	$776,501	$776,501	$3,882,505
Land Tax	$104,180	$104,180	$104,180	$104,180	$104,180	$520,900
Tax on Improvements	$672,321	$672,321	$672,321	$672,321	$672,321	$3,361,605
Statutory Phase –In	0%	39%	59%	79%	80%	
Exempted Tax	$672,321	$410,116	$275,652	$141,187	$134,464	$1,633,740
Total Taxes Payable	$104,180	$366,385	$500,849	$635,314	$642,037	$2,248,765

EXHIBIT D

THE WARREN @ YORK URBAN RENEWAL, L.L.C.

Copy of Approval of Site Plan

Prepared by: CHARLES J. HARRINGTON, III, ESQ.

RESOLUTION OF THE ZONING BOARD OF ADJUSTMENT OF THE CITY OF JERSEY CITY

APPLICANT: **WARREN @ YORK URBAN RENEWAL, LLC**

FOR: **PRELIMINARY AND FINAL MAJOR SITE PLAN APPROVAL WITH "C" AND "D" VARIANCES 254 WARREN STREET, 120-124 YORK STREET, AND 106-118 YORK STREET JERSEY CITY, NEW JERSEY BLOCK 102, LOTS 76 (FORMERLY KNOWN AS LOTS T, V.1, V.2, 72 and 73) AND X.**

CASE NO.: **Z10-013**

WHEREAS, the Applicant, **WARREN @ YORK URBAN RENEWAL, LLC, (the Applicant),** per **Connell Foley, LLC,** (Charles J. Harrington, III, Esq., appearing) made application to the Zoning Board of Adjustment of the City of Jersey City, County of Hudson and State of New Jersey for Preliminary and Final Major Site Plan with variances pursuant to N.J.S.A 40:55D-70(d) (density and height) and N.J.S.A 40:55D-70(c) (rear yard setbacks; side yard setbacks; maximum building coverage; maximum lot coverage; and minimum drive aisle width), to wit: Calendar No. Z10-013, to construct a mixed-use, eleven (11) story, 120 feet 9 inches tall, high-rise building with 139 dwelling units, approximately 6,080 square feet of ground floor commercial space, and 104 on-site garage parking spaces on the property located at 254-258 Warren Street, 120-124 York Street, and 106-118 York Street, Jersey City, New Jersey, and is identified on the Jersey City Tax Maps as Block 102, Lots 76 (formerly known as T, V.1, V.2, 72 and 73) and X; and

WHEREAS, due notice of a hearing before the Zoning Board of Adjustment of the City of Jersey City, on July 15, 2010 at 6:00 p.m., was duly published as prescribed in the Zoning Ordinance of the City of Jersey City; and

WHEREAS, the Applicant has submitted proof that it has complied with the applicable procedural requirements including the payment of fees and public notices; and

WHEREAS, all testimony having been formally heard for this application; and

WHEREAS, after consideration of the application, the testimony presented at the meeting on behalf of the Applicant by Jeffrey Reeves, P.E.; Mark Vizzini, C.L.A. Architect and LEED AP; Dave Minno, R.A.; and Ed Kolling, PP; all of whom were accepted as experts in their respective fields; the oral and written comments and recommendations of the Division of Planning professional staff; and questions and comments from neighboring property owners; the Zoning Board of Adjustment has made the following findings of fact:

RECORD & RETURN TO:

CHARLES J. HARRINGTON, III, ESQ.
CONNELL FOLEY, LLP
HARBORSIDE FINANCIAL CENTER
2510 PLAZA FIVE
JERSEY CITY, NEW JERSEY 07311

2395491-01

FINDINGS OF FACT:

1. The Applicant, Warren at York Urban Renewal, LLC, has applied for Preliminary and Final Major Site Plan with variances pursuant to N.J.S.A 40:55D-70(d) (density and height) and N.J.S.A 40:55D-70(c) (rear yard setbacks; side yard setbacks; maximum building coverage; maximum lot coverage; and minimum drive aisle width) to construct a mixed-use, eleven (11) story, 120 feet 9 inches tall, high-rise building with 139 dwelling units, approximately 6,080 square feet of ground floor commercial space, and 104 on-site garage parking spaces. The property is located at 254-258 Warren Street, 120-124 York Street, and 106-118 York Street, Jersey City, New Jersey, and is identified on the Jersey City Tax Maps as Block 102, Lots 76 (formerly known as T, V.1, V.2, 72 and 73) and X (the lots together referred to as the "property" and/or "site").

2. The property is located in the Paulus Hook Historic District. However, this particular tax block and one other within the Paulus Hook Historic District are also regulated by the use and bulk standards of the OR, Office/Residential Zone.

3. Approximately three-quarters of the site consists of an existing mid block parking lot, and the remaining approximate twenty-five percent is a corner lot that was used as a separate parking lot together with a one story building formerly used as a restaurant. The proposed development includes the demolition of the one story building (previously approved by the Historic Preservation Commission), and termination of the parking lot uses.

4. The respective lots were previously approved for separate developments, both approvals which are valid as of the hearing date pursuant to the Permit Extension Act (N.J.S.A. 40:55d-136.1, et seq.). Lot 76 (the "corner lot") was previously granted approval by the Zoning Board of Adjustment for Preliminary and Final Major Site Plan Approval with variances pursuant to N.J.S.A. 40:555D-70(d)(density and height) and N.J.S.A. 40:55D-70(c)(rear yard setback; side yard setbacks; maximum lot coverage; building coverage; minimum drive aisle width and parking stall dimensions) for the development of eleven (11) story, 119 feet tall, mixed use high rise building (later amended to 12 stories and 134 feet tall including an enclosed rooftop amenity space) with fifty (50) residential units, approximately 1,350 square feet of ground floor space, and forty-eight (48) on-site parking spaces (Z06-035 and Z06-035.1). Lot X (the "larger parking lot area") was previously granted approval by the Planning Board for Preliminary and Final Major Site Plan Approval with variances pursuant to N.J.S.A. 40:55D-70(c)(rear yard setback; side yard setbacks; maximum lot coverage; maximum building coverage; drive aisle width and parking stall dimensions) for the development of a ten (10) story, 110 feet tall high rise building with sixty (60) residential units and sixty-two parking spaces (P05-121).

5. The property is located on the east side of Warren Street and the north side of York Street; the corner of the property at the intersection of Warren and York Streets is currently the low elevation point in the area. The site currently has 100% impervious surface with one inlet in the middle of the entire site. The existing utilities for the property are along York Street and Warren Street, and the utilities that currently go into the existing one story building will be removed and capped in accordance with Jersey City standards.

6. There is a full range of existing utilities on Warren and/or York Street and new sanitary sewer, water, gas and electric lines for the proposed project will connect to the existing utilities. In addition, there will be several upgrades to laterals and to the meters in order to comply with the Jersey City Municipal Utilities Authority standards.

7. A new streetscape will be constructed adjacent to the property including new curbs and sidewalks with street lighting; new decorative street lighting; decorative shade trees evenly spaced along the roadway; new crosswalks at the intersections of Warren Street and York Street with new handicap-accessible ramps; and upgrades to the existing drainage system on the inlets along the street.

8. The building will have a three level parking garage with a single driveway to be located on York Street. There will be 104 parking spaces in the garage in accordance with the Historic District parking standard of a minimum of .5 parking spaces per dwelling unit and a maximum of one parking space per dwelling unit. The parking spaces will include 74 standard spaces; 27 compact spaces, and three handicap spaces; two of the 104 spaces are proposed to be made available for "Zip" cars, or a similar company.

9. The site currently has 100 percent impervious coverage with the majority of the stormwater for the site running off the property over the sidewalk along and onto York Street. This existing condition will be fully mitigated by this project. In order to offset the normal runoff from the site, the application is proposing a true "green roof" covering a 12,500 square foot area, a substantial portion of all roof-top surfaces. In addition, an underground detention basin will be constructed inside the building under the garage to accommodate any runoff that may not be fully addressed by the green roof in all instances. Through the combination of the green roof and the underground detention basin, the storm runoff for the two-, ten- and 100-year storms will be significantly reduced, and a substantially better runoff condition will result than currently exists.

10. The proposed green roof is not required by the Zoning Ordinance, or any other municipal regulation, and this is the first true green roof proposed in Jersey City. The plantings will primarily consist of sedum plants, which can tolerate harsh conditions, are very urban tolerant and suitable for rooftops, and need very little irrigation if any.

11. In addition to mitigating stormwater run off, a green roof offers other benefits, some of which are listed as follows:

a. It helps to mitigate the "heat island" effect common to urban areas because the roof is not covered by a typical asphalt waterproofing membrane where concrete and asphalt absorb the heat all day and then radiate the heat back out at night;

b. It helps to cool and humidify the surrounding air adjacent to the green roof;

c. It provides a natural habitat for birds, butterflies, and insects;

d. It reduces dust and smog levels in the area;

e. It reduces the building's cooling costs by adding to the insulation value of the building;

f. It increases the life expectancy of the waterproofing of the roof by at least double the warranty (the green roof protects the roof from the harsh ultraviolet rays and it does not expose the roof to extreme hot and cold temperature cycles where the material will expand and contract);

g. It provides aesthetic benefits;

h. It can reduce the required capacity of the stormwater management system (in this instance, by 25 percent);

i. On an annual basis, it will reduce the amount of stormwater runoff from the site (in this case by approximately thirty-two (32) percent);

j. It will provide for LEED credits in the event the Applicant chooses to apply for a LEED Certification.

12. In addition to the dwelling units and retail use, there will be approximately 2,470 square feet of interior common and recreational fitness area on the third level of the building for use by the building residents, as well as a common area roof garden at that level and some private patios. None of the third level garden area or patio space is being counted in the proposed 12,500 square foot green roof.

13. The development will have substantial bicycle storage (not required by the zoning ordinance or otherwise) as follows: 30 bicycles in a bicycle storage room and 70 additional bicycle spaces to be located on the walls of the garage for a total of one hundred (100) bicycle storage spaces on the interior of the project. In addition, there will be eight (8) public bike rack spaces installed on the sidewalks along both York and Warren Streets.

14. The main retail frontage will be on Warren Street with its primary entrance on the corner of Warren and York Street. The amount of retail frontage on Warren Street is substantially greater for this project than for the originally approved smaller project due to the greater efficiencies gained from the use of the larger site.

15. There will be only one automobile entry that will be located along York Street at a considerable distance from the Warren and York Street intersection. In accordance with the testimony by the applicant's traffic engineer, this represents a substantial improvement over the two garage entries for the prior approvals at this site, and the garage location further from the intersection is also an improvement. In addition, the developer has agreed to seek a contract with "Zip Cars" or a comparable company in order to provide two shared parking spaces for the general public that will reduce both on-site and street parking demand in the area.

16. At the ninth floor, the building will begin to step back at the east side, which will result in an open terrace on that side; the building will step back again on the tenth floor, providing the first portion of green roof; the next level is the penthouse level occupying only about a third of the total roof area below; and the remainder of the roof outside the penthouse, as well as the penthouse roof itself, will be green roof area. There will be access to the green roof space at the penthouse level through an outdoor walkway that can be accessed by the residents by a fire stair and elevator.

17. The height of the proposed building, based on the standard in the Jersey City Land Development Ordinance ("JC LDO"), is 120 feet 9 inches, which includes the three levels of parking, the main core (lobby area), the double height retail level along the street level, and all residential floors. However, this building height of 120 feet, 9 inches only occurs at the highest part of the building that runs from the corner of Warren and York Streets about a third of the building length along York Street. The building then steps down as it moves east (consistent with the above description), and at its eastern end is not higher than the maximum permitted height of 110 feet.

18. As a result of the several step downs as well as the efficiencies in design achieved through the use of the larger building site, the overall massing and volume of the proposed project is actually less than the total massing and volume of the two original projects previously approved for each of the lots and the stepping down of the building helps to better align the building with adjacent development along York Street.

19. The property is not located within the heart of the Paulus Hook Historic District, but at the northwestern end of the Paulus Hook Historic District, across the street from the St. Peter's Preparatory School and gym (to the south) and the Gotham building (in a redevelopment plan area to the west).

20. Given its specific location, the Applicant's architect gave credible testimony that the intent of the building design is not to specifically create an historic looking building, but instead, to create a new modern building that will fit into the context of and be compatible with the historic district as follows: the horizontal bands of the two level base design along Warren Street and York Street relate to the cornice lines of the other lower buildings in the area; the use of a light color at the top of the building reduces the height impact and allows the building to start blending into the sky; and the materials and colors have created a design consistent with the intent of architectural compatibility.

21. Additionally, the north elevation, which is adjacent to and rises above a small existing retail building on Warren Street and will be highly visible from the Montgomery Street right-of-way and from the rear residential windows at adjacent properties along Montgomery Street was designed to mimic windows that were "bricked" in. Most of this north wall is on the property line where windows are not permitted pursuant to the building code. However, the addition of this architectural design element for that façade eliminates the "blank wall" effect and substantially reduces the negative impact on the area and adjacent properties.

22. In accordance with the architect's testimony, the proposed development will have only the elevator overrides at the top of the roof, which are set further back from the edge of the building, and not visible from any of the surrounding streets. And although the defined roof height of the proposed development as calculated under the JC LDO will be slightly higher at the corner than the prior approval for Lot 76, the new building (including cornice and penthouse elements) is actually visually lower than the prior approval for the same corner lot 76. Therefore, the effective building height for this project at this location will actually be lower than the approved height for the prior approved development, and there will actually be less detriment with regard to light or air issues than with the previously approved project. Moreover, the prior approval included a cornice element that was higher than the height of the currently proposed building in this same corner location.

23. Along with the proposed green roof, the Applicant is proposing numerous "green"/environmentally friendly and "sustainable" elements as part of the design and construction of the building, which were outlined by the Applicant's architect as follows (and as further outlined in detail in the document entitled "Environmental Breakdown" and marked into Evidence as Exhibit B-2) and incorporated herein by reference.

24. The project site is located in close proximity to multiple mass transit services, including the Hudson-Bergen Light Rail, PATH, multiple bus lines and ferry service to New York City. Based on the analysis of the submitted traffic report and testimony of the Applicant's traffic engineering expert, this development will rely on mass transportation substantially more than the average high rise building in a suburban or even ordinary urban setting.

25. A "level of service" analysis to determine the impact of the potential project generated traffic on these streets concluded that, although the development will be adding traffic to the street, the streets have the capability of accepting that traffic, and the current level of service at the intersection of Washington Street and York Street will be unaffected by this project.

26. The lots were both previously used for many years as parking lots with multiple curb cuts, and the proposed project will restore substantial curb length for street parking (a public benefit) while reducing the number of curb cuts to one. The development

proposal will increase the number of units to one hundred thirty-nine (139) units, but the new parking facility, while meeting the ordinance standard, will have only one hundred-four (104) spaces. Therefore, the traffic associated with the proposed development is similar to what would have been generated by the previously approved projects, and there will not be a significant negative impact on the area.

27. The Applicant is requesting variances for the proposed development pursuant to N.J.S.A. 40:55D-70(d)(5) for relief from the permitted density and pursuant to N.J.S.A. 40:55D-70(d)(6) for relief from the permitted height. The Applicant is also requesting variances pursuant to N.J.S.A. 40:55D-70(c) for relief from the zoning standards for the rear yard setback; side yard setbacks; maximum lot coverage; maximum building coverage; and minimum drive aisle width.

28. With regard to the height of the building, building height is defined in the JC LDO "as the highest point of the roof from the mean elevation of the finished grade from all exterior walls." The elevation of this property at grade slopes down from the east side to the west side of the property. As noted earlier, the highest point of the proposed building is 120 feet 9 inches, which only occurs at the far west portion of the building near Warren Street (the penthouse level). The rest of the building is below 110 feet, and steps down as the building moves towards the east as follows: 11th story (penthouse level) – 120'9"; 10th story – 108'9"; 9th story – 98'1"; and the 8th story – 87' 5". Accordingly, the height variance is only necessary for the western end of the building at the corner of Warren Street and York Street, and the deviation is generated in part by the slope of the land and the need to design level floors across the entire building (including ground floor commercial space with higher floor to ceiling heights than the garage and residential floors), and in part by the green roof design that requires a thicker membrane and substrate than an ordinary roof as well as a few inches of additional height for each floor.

29. There are several substantial benefits to allowing the proposed deviation from the 110 foot height limit, because it allows for higher floor-to-ceiling heights of the commercial space on the ground floor, which is consistent with good urban design; allows for higher residential floor to ceiling heights, which is also good urban design; and allows for the structural system that is required to incorporate and support the "green roof." Furthermore, the stepping down of the building as it moves from west to east, in effect, transfers some of the maximum permitted height from the eastern side of the building to the western corner of the building to facilitate the building design. Therefore, the granting of the height variance also facilitates the beneficial urban step-down design, creating a more interesting streetscape and overall roofline that is more consistent with the character of the neighborhood than the two prior approvals at this site.

30. The proposed height of the building will also be consistent with the height of the other buildings in the immediate area. Directly across the street to the west is "The Gotham", which is a 22-story building; also directly across along Montgomery Street (1/2 block from the project site), there are 20-story buildings in what was formerly called Gregory Park, and is now called "Metropolis Towers", along with several other older and taller high-rise buildings. Therefore, the proposed height of the new building is consistent with the heights of immediately adjacent and nearby buildings.

31. The purpose of the OR district is to encourage the development of high-rise office-residential and mixed-use structures, which is consistent with the proposed development. Therefore, the proposed high rise, mixed-use development promotes the purposes of the zone.

32. Accordingly, with respect to the positive criteria, the height variance can be granted because there are significant benefits that accrue in terms of the "green" aspects of the building; it allows for a more interesting roof line, and better urban design; the uppermost height is consistent with that of other near-by buildings and the character of the area while stepping down to be more consistent with some of the lower buildings on York Street and more compatible with the surrounding historic neighborhood. Moreover, the building height is consistent with and promotes the purposes of zoning to create a high rise development.

33. The proposed development will be provide for adequate light and air through the shape and setbacks of the building; and will provide substantial architectural relief from the "blank wall" effect on its northern elevation. Therefore, the height variance can be granted without any substantial detriment to the public good and without substantial impairment to the intent and purpose of the zoning plan and zoning ordinance.

34. The site is also well suited to accommodate the requested higher density, because the site is now a little over 25,000 square feet, or two and a half times the minimum lot size in the OR Zone of 10,000 square feet, and with a larger site (combined from the two previously proposed smaller sites), there will be greater efficiencies. The zoning presumes that a 10,000 square foot site can accommodate 150 units an acre, but the much larger site results in the units being laid out more efficiently, and consequently the site can accommodate a greater density than on a standard lot. Therefore, the additional density can be accommodated without any substantial detrimental impacts to the public good or to the intent and purpose of the zone plan or zoning ordinance.

35. The application meets the positive criteria for the density variance because the development provides for an appropriate population density, in accordance with the purposes of the Municipal Land Use Law, as a result of the substantial mitigating environmental/green/sustainable elements incorporated into the development proposal (as per Exhibit B-2, Environmental Breakdown) that will create benefits not only for this development, but also for the immediate neighborhood and the general population as a whole. As a result of the substantial environmental elements that are part of the project, the increased density will not substantially impair the intent and the purpose of the zone plan and zoning ordinance, and therefore, the overall benefits of the environmental, green and sustainable elements to be provided as part of this development, including but not limited to the true green roof, not only offset and outweigh any substantial detriments from the requested increased density, but promote the general welfare to a significant degree.

36. The Applicant is also requesting several bulk variances; specifically, relief from the required rear yard setback; side yard setbacks; maximum lot coverage; maximum building coverage; and minimum drive aisle width. The OR Zone requires a thirty (30) foot rear yard setback; ten (10) foot side yard setbacks; a maximum lot coverage of seventy-five (75%) percent; a maximum building coverage of sixty-five (65%) percent; and the JC LDO provides for a minimum drive aisle space of twenty four (24) feet. These are all variances that were also previously granted to one degree or another, for each of the previously approved projects for the respective lots.

37. By definition of the JC LDO, the "front yard" of the development is located along Warren Street, which results in the "rear yard" being located at the eastern end of Lot X along York Street. However, as testified to by the Applicant's planner, due to the corner lot configuration, there is no traditional rear yard and it is not desirable to have a large open yard space along York Street, nor would it be desirable to have a large open area along Warren Street. Consequently, the development essentially has two side yards; one

that is perpendicular to Warren Street and one that is perpendicular to York Street, and it is both reasonable and desirable to apply the Historic District side yard standard (of building to the lot line) at both ends of the project, rather than applying the 10 feet required by the OR zoning.

38. A zero setback at both ends of the building is also appropriate here because it results in a design that is consistent with the character of the area and the other buildings in this tax block inasmuch as all of these buildings presently have zero side yards. Therefore, the proposed variance relief from the rear yard and side yard requirements will be beneficial in that the design will be consistent with the design and setbacks of the existing buildings in this area and tax block, will facilitate better urban design, and will be a benefit to the overall efficiency of the building.

39. Notwithstanding the proposed zero side yards at the front of the building, the Applicant will not be extending the zero side yard the full extent of the building. The building is an L-shaped building and extends back from Warren Street to a depth of approximately 79 feet at the third level; and then approximately 60 feet from the fourth level and higher. The building then steps in from the side yard parallel to York Street, which will create a de facto rear yard space that will create adequate light and air consistent with the intent of the setback zoning standards. There will also be a significant amount of green space on the "rear" terraces and in the common area between the building and the rear of the properties fronting Montgomery Street, as well as a dog run on the ground level. Consequently, in conjunction with the providing of adequate light and air, the design of the building meets the intent of the setback standards and the zoning ordinance, and the benefits of granting the variances for the rear yard and side yard setbacks, outweigh any substantial detriments.

40. With respect to the requested variances from maximum permitted building and lot coverage, both of these lots have been used as parking lots for decades (along with the small commercial building on site), which has resulted in an existing condition of 100 percent coverage. While still exceeding the maximum permitted under the JC LDO, the proposed development will reduce the lot and building coverage from its current 100% to approximately 94 percent. However, the 94 percent building coverage only occurs at the lower levels (two levels of parking, lobby and retail level) with several stepbacks from the third level up that decrease building mass and serve to increase light and air for the surrounding properties, thereby mitigating the impacts of the excessive coverage at the lower levels. The excess building and lot coverage is necessary to create a platform for the parking garage, and will allow the development to provide adequate parking, as per the intent of the JC LDO, at a ratio of .75 space per unit (midway between the minimum requirement of .5 spaces per unit, and a maximum allowance of 1 space per unit). Moreover, the development meets the intent of the JC LDO coverage requirements with respect to stormwater absorption by providing for a 12,500 square foot green roof area, along with several landscaped terraces. The green roof at the top level of the building will create more pervious surface for stormwater absorption than could possibly be provided if the Applicant was to comply with the coverage requirements of the JC LDO (almost 100% of the roof area will be a storm water collection area). Therefore, the benefits of the requested variances for the lot and building coverages substantially outweigh any detriments and can be granted as per N.J.S.A. 40:55D-70.c(2).

41. With respect to variance relief from the minimum drive aisle widths within the garage, drive aisle widths will vary, from those that are in excess of the requirement of 24 feet, those that meet the minimum required 24 feet, to a few that are between 23 feet and 21.5 feet. However, the undersized drive aisle areas only occur on a ramp area where there is no parking, or adjacent to compact car parking stalls. Compact cars

require less maneuvering area, and 21 feet is more than adequate for flow of traffic. Accordingly, the benefits of creating more parking spaces (albeit for smaller cars) substantially outweigh any detriments that may result from the slightly reduced drive aisle widths and the variance can also be granted pursuant to N.S.J.A. 40:55D-70.c.(2).

42. In addition to the foregoing findings, there are also several other efficiencies and benefits that result from the consolidation of these lots for the development of a single project that include:

a. a more centralized and efficient parking layout that can accommodate at least 100 on-site bike storage spaces;
b. a reduction in the required stormwater and sanitary piping;
c. a more cohesive facade design;
d. the ability to rely on one fire department access and command center;
e. the opportunity for an extensive true green roof.

43. The granting of the requested variances do not result in substantial detriment to the intent of the zone plan or the master plan, and there will be no substantial detriment to the public good or the general welfare because the development is compatible with the character of the area; and the Applicant has satisfied the statutory criteria for the granting of the variances.

44. Claire Davis, Supervising Planner for the City of Jersey City, recommended approval of the application along with the requested variances, subject to stated conditions to address the positive and negative criteria associated with the variances.

NOW, THEREFORE, BE IT RESOLVED that the Zoning Board of Adjustment of the City of Jersey City, County of Hudson and State of New Jersey, for the foregoing reasons, approves the within application for Preliminary and Final Major Site Plan Approval with variances pursuant to N.J.S.A 40:55D-70(d) (density and height) and N.J.S.A 40:55D-70(c) (rear yard setbacks; side yard setbacks; maximum building coverage; maximum lot coverage; and minimum drive aisle width), to wit: Calendar No. Z10-013, for approval to construct a mixed-use, eleven (11) story, 120 feet 9 inch, high-rise building, with 139 dwelling units, approximately 6,080 square feet of ground floor commercial space, and 104 on-site garage parking spaces on the property located at 254-258 Warren Street, 120-124 York Street, and 106-118 York Street, Jersey City, New Jersey, and identified on the Jersey City Tax Maps as Block 102, Lots 76 (formerly known as T, V.1, V.2, 72 and 73) and X, and same is hereby given in accordance with the plans and testimony submitted to the Zoning Board of Adjustment 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 as if fully set forth at length, subject to the following conditions:

1. The Applicant shall address the review agents' comments, from the Jersey City Engineering Department and the Jersey City Municipal Utilities Authority ("JCMUA") in their final plans prior to construction permits.

2. Installation of a true "green roof" system over a minimum roof area of 12,500 sq.ft. is required prior to application for a Final Certificate of Occupancy.

3. In addition to the green roof, final plans shall indicate that all plantings for landscaped areas shall be of a drought resistant variety to the maximum extent feasible, and compliant planting varieties shall be reflected on the planting schedule for the landscaping plan.

4. All commitments by the developer to sustainable development as represented on the Environmental Breakdown dated 7/12/10 shall be incorporated into the approval.

5. Manufacturer's specifications shall be submitted to planning staff prior to use and/or installation for items 1) & 6) of the construction phase and items 1), 3), 4), 5), 7) & 8) of the End User phase listed on the Environmental Breakdown. Where applicable as determined by the Planning staff, specifications for these items shall be noted on the final plans.

6. A bi-monthly "buy-out" report listing venders to date, address product is to be delivered from, % of recycled materials purchased from and % of locally produced materials to be provided by each vendor.

7. A copy of an executed contract for the recycling and separation of project refuse during the construction phase shall be submitted to planning staff as close to the start of construction as possible.

8. A complete color/material Board shall be submitted to the Division of City Planning prior to application for construction permits, and all materials and color selections shall be shown on Final Plans. No change to the facade and site design, including materials as well as any changes that may be required by the Office of Construction Code, shall be permitted without consultation with and approval by planning staff.

9. In the event of condominium conversion, all on-site parking provided by this project shall be incorporated into the Master Deed as a limited common element to be reserved for the exclusive use of the owners and residents of the building; should the project be developed as a rental (i.e., without condominium conversion), then all parking spaces shall be for the exclusive use of project tenants, and a parking space for up to 102 of the units shall be included in the leasehold.

10. The developer shall make every effort to secure a contract with "Zip Car" or a comparable business to utilize two of the 104 parking spaces shown on the submitted plan for "shared parking" available to the general public. If the shared parking contract is not obtainable, the two spaces shall revert to use solely by the residents of the building in accordance with Condition #9.

11. Except as may be provided for in a special contract covering two spaces to be reserved for the use discussed in Condition 9 above, no hourly, daily, weekly, or monthly leasing of parking spaces is permitted at the subject premises.

12. The Applicant shall follow the Paulus Hook Construction principles, marked into evidence as A-5.

13. The memorialized resolution shall be filed with the County Register's office and documentation of such filing shall be submitted to the Planning staff prior to application for construction permits. In the event of condominium conversion, this resolution, including the conditions contained herein, shall be incorporated into the Master Deed.

APPLICANT:	**WARREN @ YORK URBAN RENEWAL, LLC**
FOR:	**PRELIMINARY AND FINAL MAJOR SITE PLAN APPROVAL WITH "C" AND "D" VARIANCES 254 WARREN STREET, 120-124 YORK STREET, AND 106-118 YORK STREET JERSEY CITY, NEW JERSEY BLOCK 102, LOTS 76 (FORMERLY KNOWN AS LOTS T, V.1, V.2, 72 and 73) AND X.**
CASE NO.:	**Z10-013**
VOTE:	**7 - 0**

COMMISSIONER:	YES	NO	ABSTAIN
Chairman Joseph Kealy	X		
Commissioner Tuesday Umphries	X		
Commissioner Louis Greco	X		
Commissioner Aneesah Abdullah	X		
Commissioner Kate Donnelly	X		
Commissioner Consuelo Evans	X		
Commissioner Barbara Gordon	X		

JOSEPH KEALY, CHAIRMAN
ZONING BOARD OF ADJUSTMENT
OF THE CITY OF JERSEY CITY

CLAIRE DAVIS, SECRETARY
ZONING BOARD OF ADJUSTMENT
OF THE CITY OF JERSEY CITY

VINCENT LAPAGLIA, ESQ.
Approved as to Legal Form

DATE OF HEARING: July 15, 2010

DATE OF MEMORIALIZATION: August 19, 2010

2393496-01

EXHIBIT F

THE WARREN @ YORK URBAN RENEWAL, L.L.C.

COMPLIANCE WITH STATE & LOCAL LAWS CERTIFICATION

Certification

The Applicant being the developer of the Project hereby certifies that:

1. The Project meets the requirements of the laws of the State of New Jersey for consideration for a tax exemption because it is located within the Jersey City Urban Enterprise Zone.

2. The Project complies with the requirements of the Paulus Hook Historic Zoning District, the OR, Office/Residential Zone and the Master Plan for Jersey City apart from the approved variances, and the Project received Preliminary and Final Site Plan Approval with Variances from the Jersey City Zoning Board of Adjustment by Resolution adopted on August 19, 2010.

The foregoing statements made by me on this 1 day of June 2011 are true to the best of my knowledge and after it has made diligent inquiry to confirm the accuracy of all information.

THE WARREN @ YORK URBAN RENEWAL, L.L.C.

By:_____

Name: Jonathan Schwartz

EXHIBIT G

THE WARREN @ YORK URBAN RENEWAL, L.L.C.

DILIGENT INQUIRY CERTIFICATION

The Applicant being the developer of the Project hereby certifies to the City of Jersey City that all information contained in this Application is true and correct to the best of the Applicant's knowledge, after it has made diligent inquiry to confirm the accuracy of all information.

Dated: 6-1-11

THE WARREN @ YORK URBAN RENEWAL, L.L.C.

By: _____

Name: Jonathan Schwartz

EXHIBIT H

THE WARREN @ YORK URBAN RENEWAL, L.L.C.

CERTIFICATE OF FORMATION

(SEE ATTACHED)

State of New Jersey
DEPARTMENT OF COMMUNITY AFFAIRS
101 SOUTH BROAD STREET
PO Box 800
TRENTON, NJ 08625-0800

FILED
OCT 18 2007
STATE TREASURER

JON S. CORZINE
GOVERNOR

JOSEPH V. DORIA, JR.
ACTING COMMISSIONER

DEPARTMENT OF COMMUNITY AFFAIRS

TO: State Treasurer
RE: THE WARREN @ YORK URBAN RENEWAL, L.L.C.
(formerly The Warren @ York, L.L.C.)
File # 890
An Urban Renewal Entity

This is to certify that the attached AMENDED AND RESTATED CERTIFICATE OF FORMATION 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 10TH day of OCTOBER 2007 at Trenton, New Jersey.

DEPARTMENT OF COMMUNITY AFFAIRS

BY Cynthia A. Wilk
Cynthia A. Wilk, Director
Division of Codes and Standards

FILED
OCT 18 2007
STATE TREASURER

AMENDED AND RESTATED CERTIFICATE OF FORMATION

FOR

THE WARREN @ YORK, L.L.C.

1. Name of Limited Liability Company ("Company"): From and after the effective date of this Certificate, the name of the Company shall be:

   THE WARREN @ YORK URBAN RENEWAL, L.L.C.

2. The purpose for which this 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. Effective Date: The date upon which this Amended and Restated Certificate of Formation is filed in the office of the Department of Treasury of New Jersey.

4. Registered Office: 16 Microlab Road
   Suite A
   Livingston, NJ 07309

5. Registered Agent Name & Address: Larry Pantirer
   16 Microlab Road
   Suite A
   Livingston, NJ 07039

6. Dissolution date: Perpetual existence.

   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.

This Amended and Restated Certificate of Formation supersedes and replaces the Certificate of Formation dated July 5, 2007 and filed on July 6, 2007 in the Office of the

New Jersey State Treasurer and the Certificate of Correction dated July 18, 2007 and filed July 18, 2007 in the Office of the New Jersey State Treasurer.

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.

Dated: September 12, 2007

By: _____
Larry Panfirer

1866921-01

EXHIBIT I

THE WARREN @ YORK URBAN RENEWAL, L.L.C.

PROPOSED TAX AGREEMENT

(SEE ATTACHED)

The Warren @ York Urban Renewal, LLC

2-08-11

TAX AGREEMENT
FIVE YEAR/NEW CONSTRUCTION

THIS AGREEMENT made on this _____day of _____,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, ~~Jersey City Episcopal Community Development Corporation~~ [Applicant], whose principal place of business is ~~514 Newark Avenue, Jersey City, NJ 07306.~~ 16 Microlab Road, Suite A, Livingston, NJ 07039

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 ~~167-169 Monticello Avenue,~~ 254-258 Warren Street, 120-124 York Street, and 116-118 York Street in the City of Jersey City, County of Hudson and State of New Jersey, designated as Block ~~1920, Lot 111, Unit C-000C (formerly known as a portion of Lot 90)~~ 92, Lot 76 and Lot X, on the Tax Assessor's Map, more commonly known by the street address of ~~167-169 Monticello Avenue,~~ and more particularly described in the metes and bounds description attached hereto as Exhibit A [Property];

WHEREAS, on ~~November 10th, 2010~~, the Applicant ~~filed an application to tax exempt the newly constructed three (3) story commercial space building, which contains 1,376 square feet of street level retail space, and seven (7) residential affordable condominium units~~ applied for a five year tax exemption to construct an eleven (12) story building containing one hundred thirty nine (139) residential rental units, six thousand eighty (6080) square feet of retail space, and 104 parking spaces [Improvements] pursuant to N.J.S.A. 40A:21-1 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_____on _____.

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

ARTICLE I: APPROVAL OF TAX EXEMPTION

The City hereby agrees to a tax exemption for the ~~newly constructed three (3) story commercial space building, which contains 1,376 square feet of street level retail space, and seven (7) residential affordable condominium units~~ construction of a new 11 story building containing 139 residential rental units, 6080 square feet of retail space and 104 parking spaces [Improvements] on the Property, as further described in the Application, attached hereto as Exhibit B, pursuant to the provisions of N.J.S.A. 40A:21-1 et seq. and Ordinance_____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 new Improvements, (separate and apart from taxes on the land and existing improvements which shall continue to be subject to conventional assessment and taxation and 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 full calendar year ~~of 2011~~ 2013 following the date of Substantial Completion, estimated to be; no payment in lieu of taxes;
2. For the full calendar year ~~of 2012, twenty (40%)~~ 2014 39 percent of the actual taxes otherwise due, currently estimated to be the sum of ~~$1,201~~ $262,205;
3. For the full calendar year ~~of 2013, forty (40%)~~ 2015 59 percent of the actual taxes otherwise due, currently estimated to be the sum of ~~$2,395~~ $396,669;
4. For the full calendar year ~~of 2014~~ 2016, seventy-nine ~~(60%)~~ 79 percent of the actual taxes otherwise due, currently estimated to be the sum of ~~$3,596~~ $531,134; and
5. For the full calendar year ~~of 2015~~ 2017 eighty (80%) percent of the actual taxes otherwise due, currently estimated to be the sum of ~~$4,790~~ $537,857.

In the event a City-wide revaluation results in an increase in the amount of taxes otherwise due, payment shall be the higher of either the taxes estimated above or the amount of actual taxes as increased after the City-wide revaluation.

ARTICLE III: APPLICATION FEE

The Applicant has paid the sum of ~~$1,500~~ $10,000 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 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 Agreement shall remain in full force and effect.

ARTICLE VIII: TERMINATION/ELIGIBILITY FOR ADDITIONAL TAX EXEMPTION

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

In order to provide City residents and businesses with employment and other economic opportunities, the Applicant agrees to comply with the terms and conditions of the Project Employment Agreement which is attached hereto as Exhibit C.

ARTICLE X: NOTICES

All notices to be given with respect to this Agreement shall be in writing. Each notice shall be sent by 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
City Hall, 280 Grove Street
Jersey City, New Jersey 07302

Notice to Applicant: ~~Jersey City Episcopal Community Development Corporation~~
~~514 Newark Avenue~~
~~Jersey City, NJ 07306~~

The Warren @ York Urban Renewal, LLC
16 Microlab Road, Suite A
Livingston, NJ 07039
and

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 an 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 instrument.

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

WITNESS:

THE WARREN @ YORK URBAN RENEWAL, LLC
~~JERSEY CITY EPISCOPAL COMMUNITY DEVELOPMENT CORPORATION~~

_____

BY:_____

ATTEST:

CITY OF JERSEY CITY

_____

BY:_____

Robert Byrne
City Clerk

John Kelly
Business Administrator

Nancy A. Skidmore, Esq.
Connell Foley, LLP
Harborside Financial Center, 2510 Plaza Five
Jersey City, NJ 07311