

APPLICATION FOR EXEMPTION AND/OR ABATEMENT FOR THE IMPROVEMENT, CONVERSION OR CONSTRUCTION OF PROPERTY PURSUANT TO P.L. 1991, C.441 (N.J.S.A. 40A:21-1 et seq.) AND AUTHORIZED BY MUNICIPAL ORDINANCE. (Italicized words are defined in law excerpts on reverse side)

Municipality City of Jersey City County Hudson
This application must be filed with the assessor within 30 days following completion of the improvement, conversion or conversion alteration, or construction.

I. I/we, Jack Pires, Mgr Member: Capital Development Realty Group LLC, residing/having offices at 81-83 Vesey Street (Name of Applicant) (Address)

in the Municipality of City of Newark in the County of Essex
hereby make claim for a tax exemption and/or abatement of taxes, pursuant to P.L. 1991, Chapter 441, and the authorizing municipal ordinance, for premises located at 302-306 Communipaw Avenue and 5 Monitor Street
which is further described as Block 2050, Lot 29 on the Tax Map of the municipality.

II. COMPLETE THE APPLICABLE SECTION "A" OR "B"
The following statements are made in support of this claim:
A. The subject property is a one or two family dwelling upon which claimant has completed:
New construction;
Conversion or conversion alteration of a building or structure into a dwelling;
Improvement of an existing dwelling.
B. The subject property is a multiple dwelling, commercial or industrial structure:
Improvement to a multiple dwelling;
Conversion or conversion alteration of building or structure to a multiple dwelling;
Improvement to a commercial or industrial building or structure;
Construction of multiple dwelling under tax agreement;
Construction of commercial or industrial structure under tax agreement.

III. ALL APPLICANTS MUST COMPLETE THIS SECTION
A. Date of completion of new construction, conversion, or improvement No CofO issued, 19
B. Total cost of project \$ 2,879,482.00 [See note]
C. Brief description of the nature and type of construction, conversion, or improvement.
15 residential rental unity (2-low income; 1-mod income and 2-workforce eligible; remainder market rate units), one commercial/retail unit and 15 on-site parking spaces. Currently owned by bank through foreclosure. Under contract.

IV. Prior exemptions and/or abatement granted under P.L. 1991, c.441 amount to \$ 0.00;
(State "none" if no prior exemptions have been granted on subject premises.)
Attached hereto is proof of all matters required (Assessor may require copy of ordinance, evidence of governing body's approval of categories of improvements or specific project improvements, and such additional proof as may be required to establish eligibility.)
Attached hereto is a copy of the tax agreement, if applicable, executed between the municipality and claimant.
There are no delinquent or unpaid property taxes or penalties for non-payment of taxes due on the property.

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

Date 7/22/2011

Signature [Handwritten Signature]
Title (if any) Jack Pires, Managing Member
(Assessor)

Date [] Approved
[] Disapproved

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

III (B) Note: Includes \$2,650,000.00 purchase price.

APPLICATION FOR TAX EXEMPTION
FOR
CAPITAL DEVELOPMENT REALTY GROUP, LLC

In compliance with Executive Orders of the Mayor of the City (as updated) of Jersey City, Capital Development Realty Group, LLC (the "Applicant") hereby submits the following information in support of its application for a Five (5) Year Tax Exemption under and pursuant to the New Jersey Housing and Mortgage Finance Agency Law (N.J.S.A. 40A:21-1, et seq.).

Applicant: Capital Development Realty Group, LLC
81-83 Vesey Street
Newark, N.J. 07105-1297
Tel: (973) 491-0403

Property: 302-306 Communipaw Avenue and 5 Monitor Street
Block 2050 Lot 29 (f/k/a 25.A, 26.A and P)
Jersey City, N.J.

Project: Fifteen (15) residential units, commercial/retail units on
ground floor and fifteen (15) on-site parking spaces

Applicant's General Contractor: Highland Port Development
81-83 Vesey Street
Newark, N.J. 07105-1024
Tel: (973) 491-0403

Applicant's Architect: John Jay Boylan, R.A.
125 Magnolia Avenue
Jersey City, N.J. 07306
Tel: (201) 798-8888
Fax: (201) 798-3399

Applicant's Attorney: Miles M. Hunter, Esq.
The Law Firm of Miles M. Hunter
81-83 Vesey Street
Newark, N.J. 07105-1297
Tel: (973) 589-8578
Fax: (973) 589-8579

LIST OF EXHIBITS

Exhibit:

- A. Description of the Property (Survey)
- B. Deed (Deed-in-lieu of foreclosure) and Contract of Sale
- C. Site Plan
- D. Total Project Costs (Acquisition Costs)
- E. Funding Sources (Acquisition Only, as deed-in-lieu to mortgagee and acquiring from mortgagee)
- F. Description of Leases (Residential Leases and Good Faith Estimate of Initial Rents)
- G. Projected Statement of Property Operations
- H. Planning Board Resolution
- I. Current Tax Assessment
- J. Current Tax Payment Status
- K. Certificate of Formation, Disclosure Statement and Operating Agreement for Applicant

APPLICATION

1. Identification of the Property:

The land upon which the Project is located is Block 2050, Lot 29 (f/k/a 25.A, 26.A and P) on the Official Tax Maps of the City of Jersey City and more commonly known as 302-306 Communipaw Avenue and 5 Monitor Street, Jersey City, N.J. The metes and bounds description of the land that constitutes the Property is attached hereto as Exhibit A.

2. Type of Project:

The Property and the improvements thereon were acquired by the construction lender by way of foreclosure or deed-in-lieu of foreclosure. The Applicant has proposed to use the Project to provide a project (the "Project") that consists of mixed-income residential units and commercial space, supported by financing from various governmental programs along with a private sector lender. This Project will consist of fifteen (15) residential apartments (the "Apartments") and commercial/retail space (the "Commercial Space") on the ground floor, which are in the building located on the Property. The project will also contain fifteen (15) on-site parking spaces.

The configuration of the Apartments will be as follows:

- Two (2) units will be provided for eligible workforce households
- Two (2) unit will be provided for low income households
- One (1) unit will be provided for moderate income households
- Ten (10) units will be provided at the market rate. The low and moderate income units are collectively referred to as "Affordable Units".

Each of the apartments will be equipped with a washing machine and dryer.

The number, size and anticipated rent for the Affordable Units, workforce and market rate units will be as follows and as set forth on Exhibit B:

Number of Apartments/Type	Number of Bedrooms/Bathrooms	Square Footage	Anticipated Monthly Rent – Gross/Net of Utility Allowance
One (1) Workforce	1Bd/1bath	658sq/ft*	\$1052.00/\$948.00*
One (1) Workforce	2Bd/1bath	861sq/ft*	\$1227.00/\$1097.00*
One (1) Moderate	2Bd/1bath	861sq/ft*	\$1227.00/1097.00*
Two (2) Low	2Bd/1bath	861sq/ft*	\$800.00/\$670.00*
Two (2) Market	1Bd/1bath	658sq/ft*	\$1454.00/\$1350*
Five (5) Market	2Bd/1bath	861sq/ft*	\$1680.00/\$1550.00*
Three (3) Market	2Bd/2bath	861 sq/ft*	\$1680.00/\$1550.00*

* The exact square footage and rents could vary. The above represents the average square footage and rent for each type of unit.

The Affordable Units will be available only to those who qualify under the relevant federal and state guidelines which are as follows: Low-Income persons/families must have a combined income of less than 50.0% of the area’s median annual income Moderate-Income persons/families must have a combined income of less than 80.0% of the area’s median annual income. Workforce persons/families must have a combined income of less than 120% of the area’s median annual income. The actual dollar amount for the income limitation will be adjusted in accordance with the applicable governmental index.

The Applicant will retain Madison Property Management, LLC (the “Manager”) and the Manager will be responsible for the screening, qualification and selection of all tenants who would prospectively occupy Affordable Units and the Workforce units in the Project.

The following resident services will be available to residential tenants: None.

3. Financing/Type of Abatement Requested:

- a. Major financing for the Project will be provided by the following:
 - (i) Magyar Bank loan: \$2,098,000.00
 - (ii) Home Investment Partnership Program (“HOME”) funds: \$281,482.00; and
 - (iii) Neighborhood Stabilization Program (“NSP”) funds: \$500,000.00.
- b. Five (5) Year Tax Exemption

In light of the above, the Applicant seeks a five (5) year tax exemption under and pursuant to the N.J.S.A. 40A:21-1, et seq. and City of Jersey City Ordinance 02-048 (as amended) as follows:

Year	Percentage (%) Tax on Improvement	Estimated Amount
1 st	0.00%	\$0.00
2 nd	39%	\$13,647.00
3 rd	59%	\$20,645.00
4 th	79%	\$27,643.00
5 th	80%	\$27,993.00
Total	n/a	\$89,928.00
6 th	100%	\$34,991.00

The foregoing is based on the land assessed value of \$70,200.00, improvement assessed value of \$506,857.00 and a purchase price of \$2,650,000.00. The Proposed Statement of Property Operations is set forth on Exhibit G.

4. Term of Abatement:

The term of the tax exemption being requested by the Applicant is (a) five (5) years from the date of the adoption of the ordinance granting the tax abatement or (b) five (5) years from the date of the issuance of a certificate of occupancy (whichever later occurs).

5. Description of the Project:

The Project sits on a lot that is 7,800 sq/ft or approximately .18 acres on Communipaw Avenue at Monitor Street. The Project is situated in an area that is a mix of residential and commercial properties. The Project is being/has been acquired by the Applicant from the construction lender, which lender acquired title to the property and the improvements thereon by foreclosure or deed-in-lieu of foreclosure.

This Project will consist of fifteen (15) residential apartments and approximately 2,440 sq/ft commercial/retail space on the ground level, together with fifteen (15) parking spaces.

6. Estimate Total Cost of the Project:

The Total Project Cost from the Applicant's perspective, as set forth in Exhibit D, is estimated to be \$2,831,482.00. The actual construction costs have paid by the construction lender conveying the Property to Applicant. The Applicant's costs are based on the acquisition price and related expenses.

7. Annual Gross Revenue and Expenses:

A Projected Statement of Operations is attached hereto as Exhibit G.

8. Construction Schedule:

Construction of the Project has been substantially completed. Completion of construction, with the issuance of the final certificate of occupancy, is anticipated to be completed in approximately one (1) month. This schedule is subject to change based upon time necessary to obtain governmental approvals (if applicable).

9. Real Estate Tax Assessment (2011):

a. Land:	\$57,700.00
b. Improvements:	\$0.00
c. Total:	\$57,700.00

10. Real Estate Tax Information:

The real estate taxes assessed against the Property are as follows:

2010 Tax Year:	\$3,983.03
1 st /2 nd Quarter 2011:	\$1,991.52

11. Certificate as to Commencement of the Project:

Construction of the Project has commenced but has not been completed and no certificate of occupancy has been issued.

12. Estimated Job to be Created:

It is projected that the Project generated approximately thirty-four (34) full time equivalent construction jobs during the term of construction. The Project will generate one (1) part time job for property management of the Project. The Project will not likely generate any direct full time permanent employment opportunities upon the commencement of operations of the Project as the same relates to the Apartments. The commercial/retail space can be expected to generate jobs; however, the same cannot be estimated as it depends on the ultimate use of the tenant(s). This Project has resulted in additional low/moderate and workforce housing and prevents the building from becoming abandoned or otherwise underutilized by remaining vacant. The Project will not cause any loss or displacement of current employment opportunities or displace any tenants or homeowners.

13. Compliance with State and Local Redevelopment Laws:

The Project will comply with all applicable redevelopment laws, including those for the Morris Canal Redevelopment Area where the Property is located.



14. Compliance with State and Local Law:

The Project meets the requirements of the laws of the State of New Jersey and the City of Jersey to qualify for a tax exemption. As an existing residential and commercial use building, the Project conforms to zoning regulations as of right, as an existing non-conforming use or otherwise pursuant to an approval granted by the Planning Board on February 28, 2006 attached hereto as Exhibit H.

15. Form of Financial Agreement:

Proposed draft attached.

16. Project Employment Agreement and Project Labor Agreement: N/A.

The improvements at the Property are nearly substantially complete and the Applicant is purchasing the same from the construction lender that acquired the Property by deed-in-lieu of foreclosure.

17. Certificate of Formation:

The applicant is a limited liability company formed pursuant to the laws of the State of New Jersey and is in good standing and qualified to do business in the State of New Jersey.

Attached hereto as Exhibit K is the certificate of formation, disclosure statement and operating agreement for Applicant's owners/members.

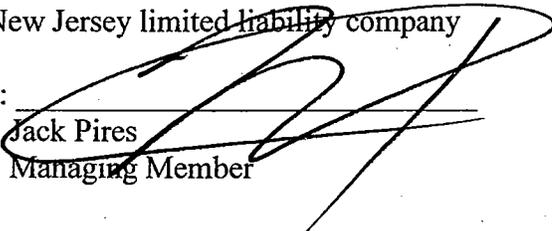
18. Fees: \$3,000.00 tax exemption application fee paid by the Applicant.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the Applicant hereby certifies that it has made a diligent inquiry to confirm the accuracy of all the information contained in the Application and that the information set forth in this Application is true and complete to the best of its knowledge. This Application was revised and re-submitted July 22, 2011.

CAPITAL DEVELOPMENT REALTY GROUP, LLC
a New Jersey limited liability company

By: _____


Jack Pires
Managing Member

*Sworn to before me on this
22th day of July, 2011*

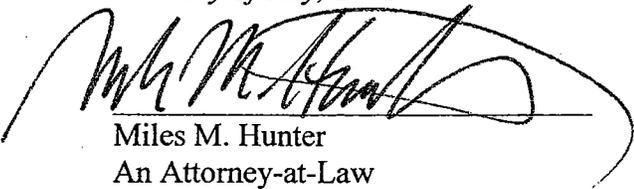
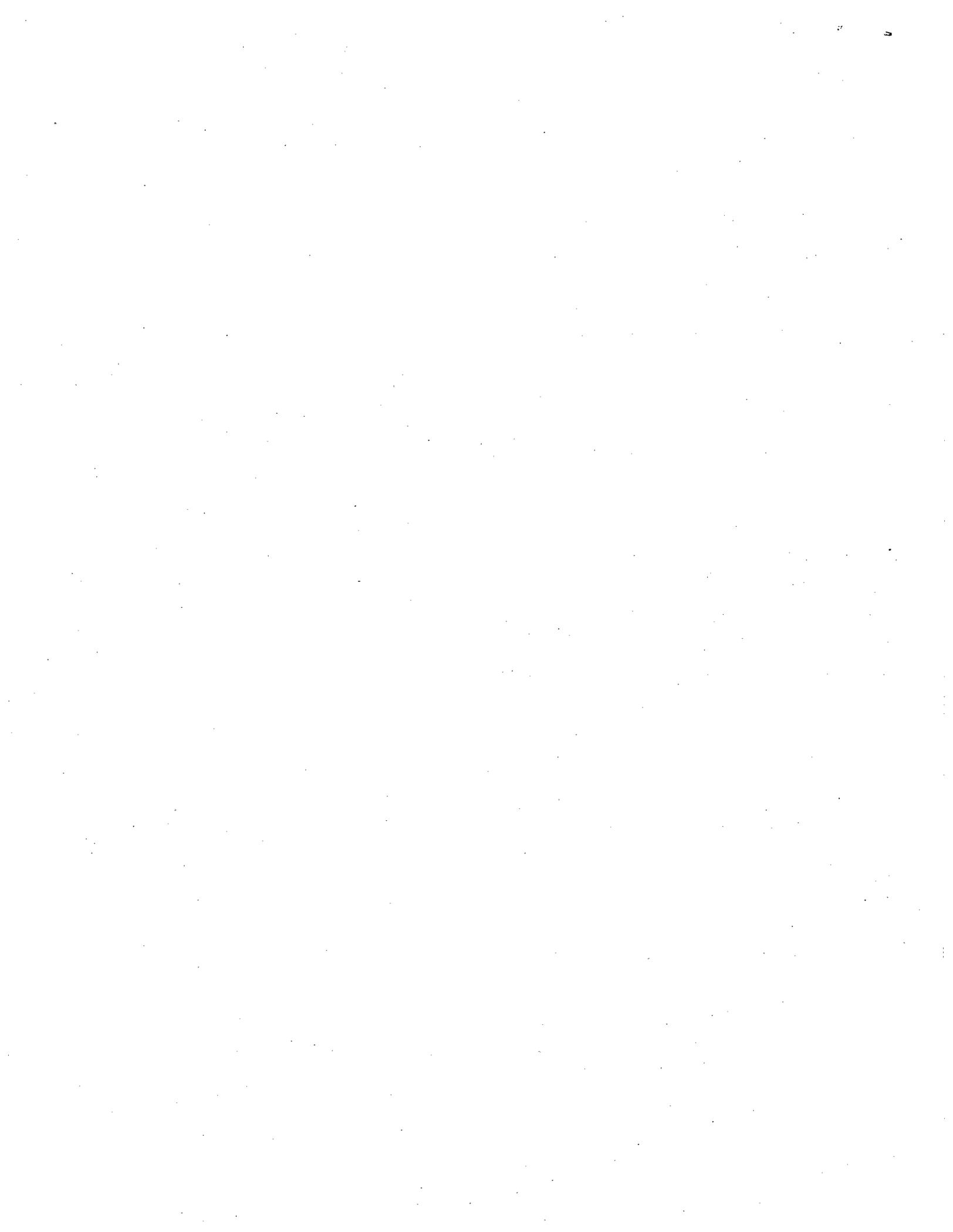

Miles M. Hunter
An Attorney-at-Law
of New Jersey

Exhibit A
Legal Description/Survey



ALTA LOAN POLICY

SCHEDULE C
LEGAL DESCRIPTION

File No. 15545

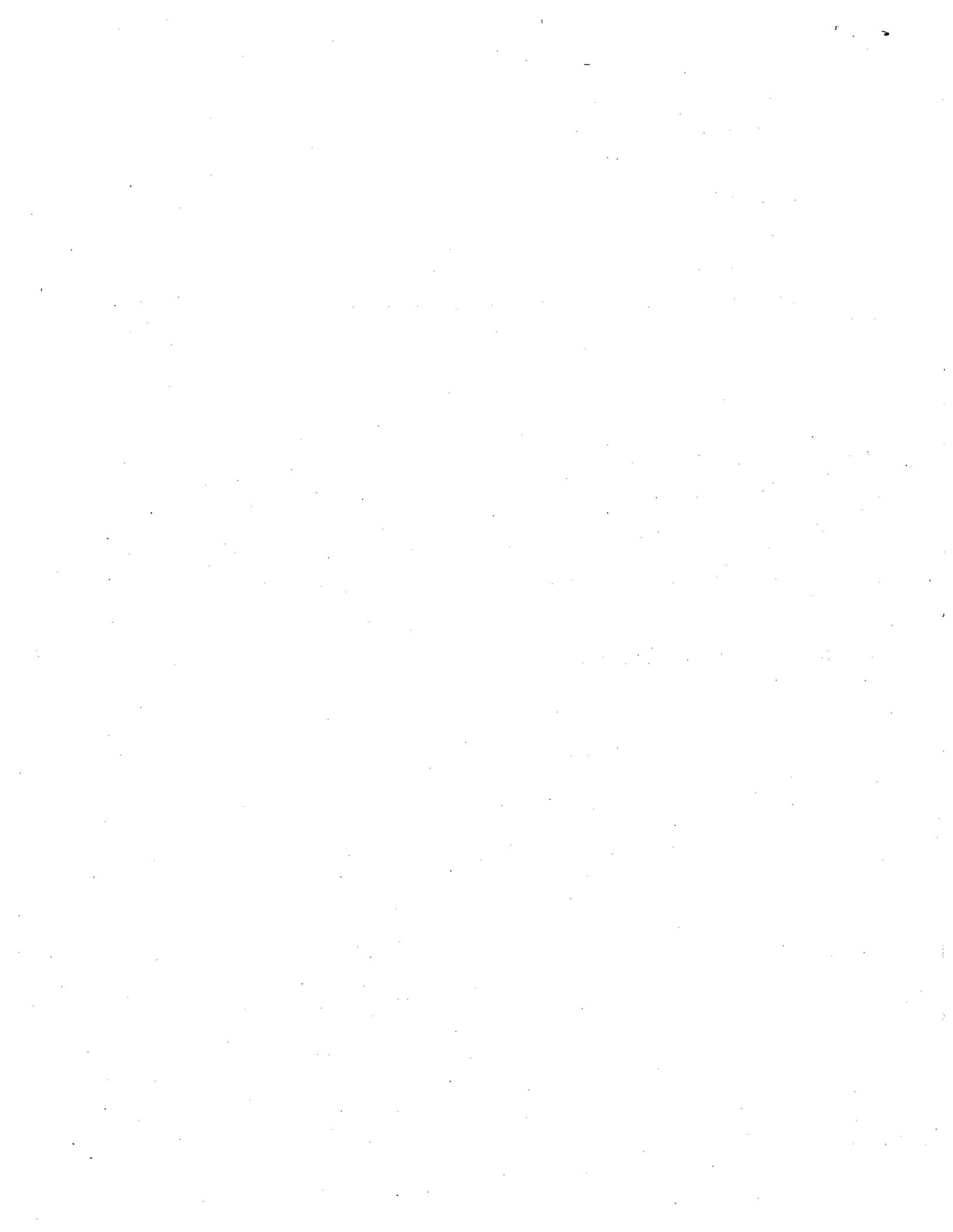
Policy No.

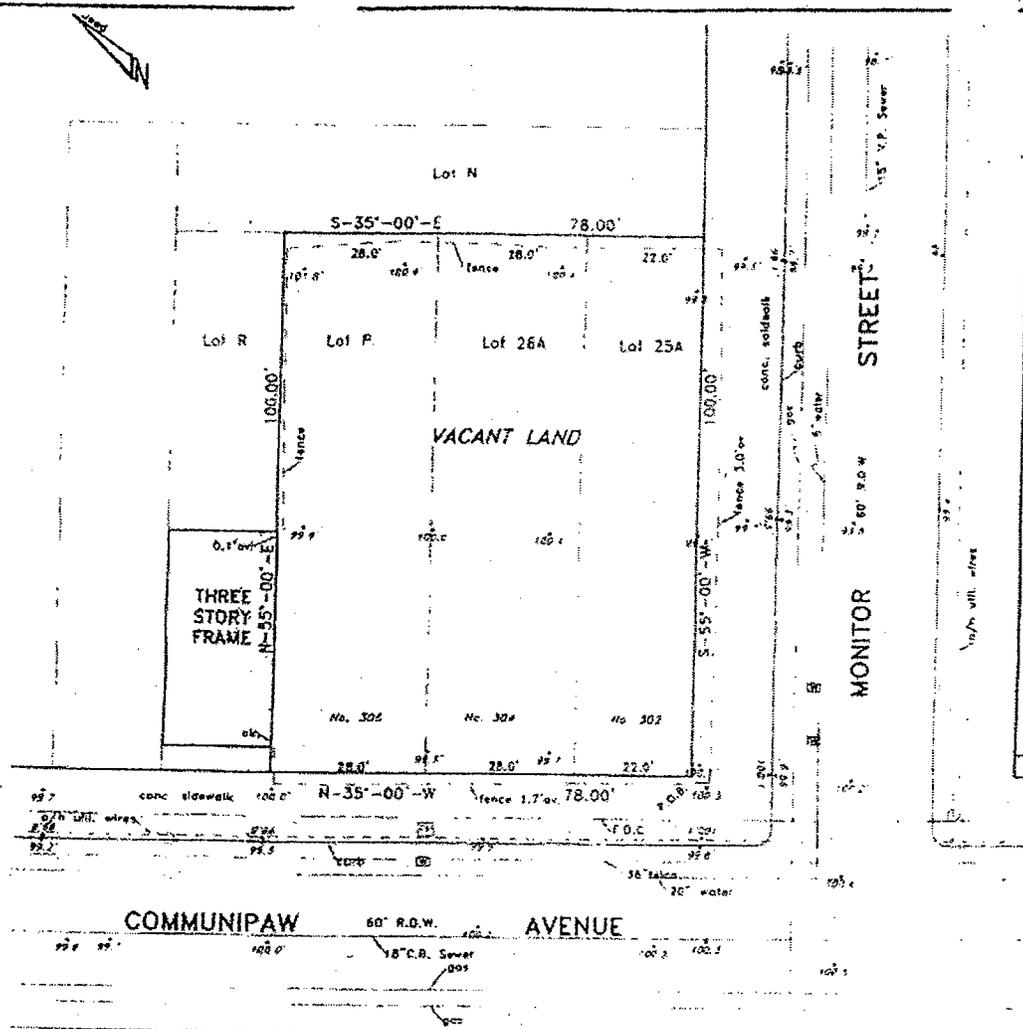
ALL that certain lot, parcel or tract of land, situate and lying in the City of Jersey City, County of Hudson, State of New Jersey, and being more particularly described as follows:

BEGINNING at a corner formed by the intersection of the northeasterly line of Communipaw Avenue and the northwesterly line of Monitor Street and running thence;

- (1) North 35 degrees 00 minutes west 78.00 feet; thence
- (2) North 55 degrees 00 minutes east 100.00 feet; thence
- (3) South 35 degrees 00 minutes east 78.00 feet; thence
- (4) South 55 degrees 00 minutes west 100.00 feet to the point or place of **BEGINNING**.

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 25.A; 26.A & P in Block 2050 on the City of Jersey City Tax Map.





② SURVEY PLAN

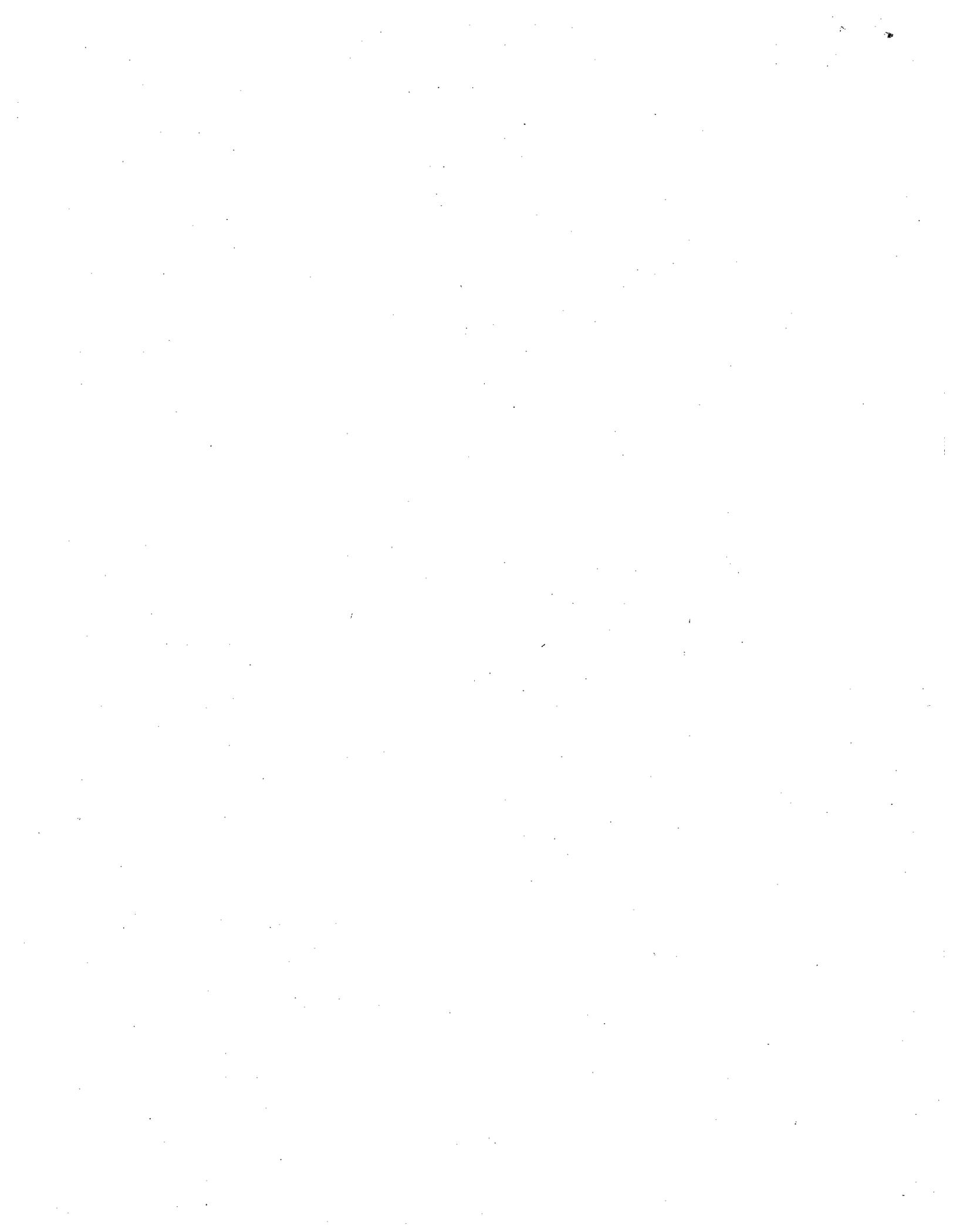


Exhibit B

Deed

Contract of Sale

20100331010023660 1/5
03/31/2010 09:58:51 AM DEED
Bk: 8728 Pg: 107
Willie L. Flood
Hudson County, Register of Deeds
Receipt No. 308656

A COPY
HAS BEEN SENT TO ADDRESSEE'S OFFICE

Prepared by:
[Signature]
Thomas DeCosta Loko: Esq.

DEED IN LIEU OF FORECLOSURE

This Deed is made on February 22, 2010, by 302 COMMUNIPAW AVENUE LLC, a New Jersey limited liability company, having a mailing address c/o Paramount Funding Corp., 25 Route 22 East, Springfield, New Jersey 07081, referred to as the Grantor, to MB COM AVE., L.L.C., whose address is 400 Somerset Street, New Brunswick, NJ 08901, referred to as the Grantee.

The words "Grantor" and "Grantee" shall mean all Grantors and all Grantees listed above.

"Transfer of Ownership". The Grantor grants and conveys (transfers ownership of) the property described below to the Grantee. This transfer is made for the sum of Ten Dollars (\$10.00). The Grantor acknowledges receipt of this money.

Tax Map Reference. (N.J.S.A. 46:15-2.1) Municipality of Jersey City

Block No. 2050 Lot Nos. 25.A, 26.A and P

No Property tax identification number is available on the date hereof. (Check box if applicable).

Property. The property consists of the land and all the buildings and structures on the land in the City of Jersey City, County of Hudson and State of New Jersey. The legal description is:

See Schedule A attached hereto and made a part hereof.

Being the same premises conveyed to Grantor herein by Deed from Anthony Sanchez dated February 7, 2005, and recorded in the Office of the Hudson County Clerk/Register on February 14, 2005, in Deed Book 7470 at page 159.

This conveyance is made subject to any and all covenants, easements and restrictions of record affecting said premises, subsurface conditions, all governmental laws, ordinances and regulations regarding the use of said premises, and any state of facts which an accurate survey might show.

Promises by Grantor. The Grantor promises that the Grantor has done no act to encumber the property. This is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that the Grantor has not allowed anyone else to obtain any legal rights which affect the property (such as by making a mortgage or allowing a judgment to be entered against the Grantor).

The foregoing EXCEPT AND SUBJECT TO that certain Construction Mortgage and Security Agreement ("Mortgage") dated April 9, 2007, and recorded April 10, 2007, in the Hudson County Register's Office in Mortgage Book 15702, page 167.

GRANTOR AND GRANTEE HEREIN DO NOT INTEND ACCEPTANCE OF THIS DEED IN LIEU OF FORECLOSURE TO BE DEEMED TO CONSTITUTE A MERGER OF THE MORTGAGE REFERRED TO IN THE PRECEDING PARAGRAPH WITH THE FEE CONVEYED HEREBY.

ME1 9378247v.1

20100331010023660
3/31/2010 9:58:00 AM
Consideration \$1.00
Exempt Code: Exempt
County: \$.00 State: \$.00
NJAHTF \$.00 PHPF: \$.00
EPA: \$.00 General: \$.00
Buyer's Fee: \$.00
Total RTF: \$.00

L-2
5-3
5 Pgs. PA - 80
+ 3.00 M.T.F.

SCHEDULE A

A COPY OF THIS DEED
WAS BEING SENT TO ASSESSOR'S OFFICE

PROPERTY DESCRIPTION

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

BEGINNING at a corner formed by the intersection of the northeasterly line of Communipaw Avenue and the northwesterly line of Monitor Street and running thence;

- (1) North 35 degrees 00 minutes west 78.00 feet; thence
- (2) North 55 degrees 00 minutes east 100.00 feet; thence
- (3) South 35 degrees 00 minutes east 78.00 feet; thence
- (4) South 55 degrees 00 minutes west 100.00 feet to the point or place of **BEGINNING**.

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 25.A; 26.A & P in Block 2050 on the City of Jersey City Tax Map.

Signature. The Grantor signs this Deed as of the date at the top of the first page.

Witnessed by:

Mulla Malon
Name:

302 COMMUNIPAW AVENUE LLC

By: [Signature]
Name: Member Member
Title: Member

STATE OF NEW JERSEY, COUNTY OF Bergen, SS.:

BE IT REMEMBERED, that on this 10th day of February, 2010, before me, the subscriber, personally appeared Joe Lina + Francisco Pizarro who acknowledged under oath, to my satisfaction, that this person (or if more than one, each person): (a) is a member or manager of 302 COMMUNIPAW AVENUE LLC, the limited liability company named in the within instrument and is authorized to sign the within instrument on behalf of the limited liability company; and (b) as such member or manager, signed, sealed and delivered this instrument as the voluntary act and deed of the limited liability company, made by virtue of authority from all of its members.

[Signature]
Notary Public

WJ ANY# 00737-2006

Record and Return to:
Thomas DaCosta Lobo, Esq.
McCarter & English, LLP
Four Gateway Center
100 Mulberry Street
Newark, New Jersey 07102



State of New Jersey
SELLER'S RESIDENCY CERTIFICATION/EXEMPTION
 (C.S. PL. 2004)

GTRREP-3
 (10-09)

(Please Print or Type)

SELLER'S INFORMATION (See Instructions, Page 2)

Name(s)
 302 Communipaw Avenue LLC
 Current Mailing Address:
 Street of Permanent Funding Corp., 25 Route 22 East State Zip Code
 City, Town, Post Office NJ 07061

PROPERTY TO BE TRANSFERRED (Property Description)
 Block(s) LA(N) Qualifier
 2080 25A, 26A and P
 Street Address:
 302 - 306 Communipaw Avenue State Zip Code
 City, Town, Post Office NJ
 Jersey City Consideration Closing Date
 Seller's Percentage of Ownership \$10,000 2/22/2010
 100%

SELLER'S RESIDENCY CERTIFICATION (See Instructions, Page 2)

1. I am a resident (taxpayer, individual, estate, or trust) of the State of New Jersey pursuant to N.J.S.A. 54A:1-1 et seq. and will file a resident gross income tax return and pay any applicable taxes on any gain or income from the disposition of this property.
2. The real property being sold or transferred is used exclusively as my principal residence within the meaning of section 121 of the federal Internal Revenue Code of 1986, 26 U.S.C. s. 121.
3. I am a mortgagee conveying the mortgaged property to a mortgagee in foreclosure or in a transfer in lieu of foreclosure with no additional consideration.
4. Seller, transferor or transferee is an agency or authority of the United States of America, an agency or authority of the State of New Jersey, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or a private mortgage insurance company.
5. Seller is not an individual, estate or trust and as such not required to make an estimated payment pursuant to N.J.S.A. 54A:1-1 et seq.
6. The total consideration for the property is \$1,000 or less and as such, the seller is not required to make an estimated payment pursuant to N.J.S.A. 54A:1-1 et seq.
7. The gain from the sale will not be recognized for Federal income tax purposes under I.R.C. Section 721, 1031, 1033 or in a currency plot. (CIRCLE THE APPLICABLE SECTION). If such section does not ultimately apply to this transaction, the seller acknowledges the obligation to file a New Jersey income tax return for the year of the sale (see instructions).
8. No non-like kind property received.
9. Transfer by an executor or administrator of a decedent to a devisee or heir to effect distribution of the decedent's estate in accordance with the provisions of the decedent's will or the intestate laws of this state.

SELLER'S DECLARATION
 The undersigned understands that this declaration and its contents may be disclosed or divulged to the New Jersey Division of Taxation and that any false statement contained herein could be punished by law, imprisonment or both. I hereby declare that I have signed this declaration and, to the best of my knowledge and belief, it is true, correct and complete.

2-22-2010 Date
 Signature
 Please indicate if Power of Attorney or Attorney in Fact
 Signature
 Please indicate if Power of Attorney or Attorney in Fact

RTF-1 (Rev. 7/09)
MUST SUBMIT IN DUPLICATE

STATE OF NEW JERSEY

AFFIDAVIT OF CONSIDERATION FOR USE BY SELLER

(Chapter 49, P.L. 1998, as amended through Chapter 33, P.L. 2006) (N.J.S.A. 45:15-5 et seq.)

BEFORE COMPLETING THIS AFFIDAVIT, PLEASE READ THE INSTRUCTIONS ON THE REVERSE SIDE OF THIS FORM.

STATE OF NEW JERSEY

FOR RECORDER'S USE ONLY	
Consideration	\$
RTF paid by seller	\$
Date	3/26/10 By [Signature]

COUNTY Bergen } SE. County Municipal Code 0606
MUNICIPALITY OF PROPERTY LOCATION Jersey City

*Use symbol "C" to indicate that fee is exclusively for county use.

(1) PARTY OR LEGAL REPRESENTATIVE (See instructions #3 and #4 on reverse side)

Deponent Paul J. Perovics, Esq. being duly sworn according to law upon his/her oath, deposes and says that he/she is the Legal Representative of Grantor in a deed dated 2-22-2010 transferring (Grantor, Legal Representative, Corporate Officer, Officer of This Company, Lending Institution, etc.) real property identified as Block number 2050 Lot number 25.A and 26A and P located at 302 - 306 Communipaw Avenue, Jersey City and annexed thereto. (Block Address, Town)

(2) CONSIDERATION \$ 10.00 (See instructions #1 and #5 on reverse side)

(3) Property transferred in Class 4A 4B 4C (circle one). If property transferred in Class 4A, calculation in Section 3A below is required.

(A) REQUIRED CALCULATION OF EQUALIZED VALUATION FOR ALL CLASS 4A COMMERCIAL PROPERTY TRANSACTIONS: (See instructions #5A and #7 on reverse side)

Total Assessed Valuation + Director's Ratio = Equalized Assessed Valuation

\$ _____ + _____ % = \$ _____

If Director's Ratio is less than 100%, the equalized valuation will be an amount greater than the assessed value. If Director's Ratio is equal to or in excess of 100%, the assessed value will be equal to the equalized valuation.

(4) FULL EXEMPTION FROM FEE (See instruction #8 on reverse side)
Deponent states that this deed transaction is fully exempt from the Realty Transfer Fee imposed by C. 49, P.L. 1995, as amended through C. 49, P.L. 2004, for the following reason(s). More references to exemption symbol is insufficient. Explain in detail.
Consideration of less than \$100.00

(5) PARTIAL EXEMPTION FROM FEE (See instruction #9 on reverse side)
NOTE: All boxes below apply to grantor(s) only. ALL BOXES IN APPROPRIATE CATEGORY MUST BE CHECKED. Failure to do so will void claim for partial exemption. Deponent claims that this deed transaction is exempt from State portions of the Basic Fee, Supplemental Fee, and General Purpose Fee, as applicable, imposed by C. 170, P.L. 1975, C. 113, P.L. 2004, and C. 65, P.L. 2004 for the following reason(s):

A. SENIOR CITIZEN Grantor(s) 62 years of age or over. * (See instruction #9 on reverse side for A or B)
B. BLIND PERSON Grantor(s) legally blind or;
DISABLED PERSON Grantor(s) permanently and totally disabled Receiving disability payments Not gainfully employed*
Senior citizens, blind persons, or disabled persons must also meet all of the following criteria:
 Owned and occupied by grantor(s) at time of sale. Resident of State of New Jersey.
 One or two-family residential premises. Owners as joint tenants must all qualify.

*IN THE CASE OF HUSBAND AND WIFE, PARTNERS IN A CIVIL UNION COUPLE, ONLY ONE GRANTOR NEEDS TO QUALIFY IF TENANTS BY THE ENTIRETY.

C. LOW AND MODERATE INCOME HOUSING (See instruction #9 on reverse side)
 Affordable according to H.U.D. standards. Reserved for occupancy.
 Meets income requirements of region. Subject to resale controls.

(6) NEW CONSTRUCTION (See instructions #2, #10 and #12 on reverse side)
 Entirely new improvement. Not previously occupied.
 Not previously used for any purpose. "NEW CONSTRUCTION" printed clearly at the top of the first page of the deed.

(7) Deponent makes this Affidavit to induce county clerk to register of deeds to record the deed and accept the fee submitted herewith in accordance with the provisions of Chapter 49, P.L. 1998, as amended through Chapter 33, P.L. 2006.

Subscribed and sworn to before me this 27th day of February, 2010.
Signature of Deponent: [Signature] 302 Communipaw Avenue LLC
25 Rt 22 E, Springfield, NJ 07001 Grantor Name
Deponent Address: 25 Rt. 22 E, Springfield, NJ 07001 Grantor Address at Time of Sale

ADDI HANSEN
A Notary Public of New Jersey
My Commission Expires May 16, 2012

Let 3 digits in Grantor's Social Security Number Name/Company of Seller/Officer

FOR OFFICIAL USE ONLY	
Instrument Number	County <u>Bergen</u>
Deed Number	Book _____ Page _____
Deed Date	Date Recorded _____

County Recording Officers shall forward one copy of each Affidavit of Consideration for Use by Seller when Section 3A is completed.

STATE OF NEW JERSEY, DIVISION OF TAXATION

TRENTON, NJ 08646-0251

ATTENTION: REALTY TRANSFER FEE UNIT

The Director of the Division of Taxation in the Department of the Treasury has prescribed this form as required by law, and may not be altered or amended without prior approval of the Director. For information on the Realty Transfer Fee or to print a copy of this Affidavit, visit the Division of Taxation website at www.state.nj.us/treasury/taxation/rtf1deedtax.shtml.

REC-10/18/09 IV.1

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03/31/2010 09:58:31 AM
DEED
NUMBER OF PAGES : 5
JWALLER

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement"), made this 25 day of August, 2010, between **MB COM AVE., LLC**, having an address of 400 Somerset Street, New Brunswick, New Jersey 08901 (the "Seller"), and **CAPITAL DEVELOPMENT REALTY GROUP, LLC**, having an address of 81-83 Vesey Street, Newark, New Jersey 07105 (the "Purchaser").

Preliminary Statement

WHEREAS, the Seller owns certain property (as hereinafter described) located at 302 Communipaw Avenue, Jersey City, New Jersey, and known as Lots 25.A, 26.A & P in Block 2050 on the Tax Map of the City of Jersey City; and

WHEREAS, the Seller desires to sell such property to the Purchaser, and the Purchaser desires to purchase such property, all on the terms and conditions hereinafter provided.

NOW, THEREFORE, in consideration of the covenants and mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Seller and the Purchaser hereby agree as follows:

1. **Sale and Purchase.** On the terms and conditions hereinafter provided, the Seller shall sell and convey to the Purchaser, and the Purchaser shall purchase, the Property (as such term is hereinafter defined).
2. **Property.** As used herein, the term "Property" means that property situated in the City of Jersey City, County of Hudson and State of New Jersey, which is more particularly described on Exhibit A attached hereto; together with all buildings and improvements thereon and fixtures attached thereto; together with all rights, privileges, tenements, hereditaments, rights of way, easements, appendages and appurtenances of such land.
3. **Price.** The purchase price for the Property shall be Two Million Six Hundred Fifty Thousand and 00/100 Dollars (\$2,650,000.00) (the "Purchase Price"). The Purchase Price shall be payable at closing, by confirmed fund, subject to closing adjustments as aforesaid.
4. **Closing.** The closing of title shall occur no later than ten (10) days after the later to occur of (a) expiration of the Inspection Period (as defined below) (b) issuance of a certificate of occupancy for the Property, at the offices of McCarter & English, LLP, Four Gateway Center, 100 Mulberry Street, Newark, New Jersey 07102, provided however, if a certificate of occupancy is not issued for the Property on or before November 1, 2010, either party may terminate this Agreement by written notice to the other in which event neither party shall have any further obligation to the other except such obligations that expressly survive termination of this Agreement.

5. Title. (A) Title to the Property conveyed shall be good and marketable, subject however to the following:

- (i) the state of facts shown on an accurate survey of the Property;
- (ii) zoning regulations, and municipal building restrictions, and all other laws, ordinances, regulations and restrictions of any duly constituted public authority enacted prior to the closing date;
- (iii) other covenants, easements and restrictions which do not materially and adversely affect the use of the Property as permitted by zoning and related ordinances and laws on the date hereof, as well as grants to utility and/or power companies, the rights of the public in sidewalks and abutting public rights-of-way, and easements given to the public for water course maintenance, slope rights or sight rights;
- (iv) the lien of current taxes due and payable;
- (v) standard exceptions set forth in the form of title insurance policy of the title insurance company selected by the Purchaser; and
- (vi) any other matter which would constitute an Objection (as hereinafter defined) that the Purchaser does not waive pursuant to the following subsection of this Agreement, provided that a title insurance company authorized to do business in New Jersey agrees (either at normal rates to be paid by the purchaser or at a special rate to be paid by the Seller) that it will insure title free of such Objection or with affirmative insurance against the enforcement of such Objection against the Property.

(B) The term "Objection" shall mean any title defect or encumbrance (including any lien), and the matters referred to in subsection (A) above, which renders title to the Property unmarketable.

(C) Not later than three (3) business days after the date of this Agreement, the Purchaser shall order, at the Purchaser's expense, a title report or title commitment from a title insurance company authorized to do business in New Jersey and a survey. Within the later of three (3) business days after its receipt of such title report or title commitment and survey or the expiration of the Inspection Period, the Purchaser shall give written notice of any Objections to the Seller. The Purchaser shall be deemed to have waived any Objection not specified in such notice that is either set forth in such report or commitment, on the survey or is otherwise known to the Purchaser.

(D) The Seller shall have no obligation to bring any action or proceeding or otherwise to incur any expense or liability (contingent or otherwise) to remedy an Objection. If

the Seller is unable to convey title in accordance with this Agreement or does not elect to remedy any Objection, the Purchaser may elect either (i) to accept such title as the Seller is able to convey on the closing date, without any reduction of the Purchase Price or any credit or allowance on account thereof or any other claim against the Seller, or (ii) to rescind this Agreement. Such election shall be made by the Purchaser within three (3) days of written notice by the Seller to the Purchaser to the effect that the Seller is unable to convey title in accordance with this Agreement or does not elect to remedy an Objection.

(E) Although it is not obligated to do so, the Seller shall have the right to remedy any Objection. For the purpose of remedying Objections, the Seller shall have the right to one or more adjournments of the closing date for an aggregate period not exceeding one hundred and twenty (120) days. If the Seller fails to remedy the Objections prior to the adjourned closing date, the provisions of subsection (D) above shall be applicable, and the Seller shall be deemed to have elected not to remedy the Objections.

6. Inspections; Mortgage Contingency; Tax Abatement; Affordable Housing Funding. (A) During the thirty (30) day period following the Effective Date (the "Inspection Period") and thereafter for so long as this Agreement is in effect, Seller agrees to allow Purchaser or Purchaser's agents or representatives reasonable access to the Property for purposes of surveying the Property and to conduct any non-intrusive physical and environmental inspection of the Property. "Effective Date" shall mean the date when Purchaser is in receipt of this Agreement executed by both the Purchaser and the Seller. Purchaser shall not conduct or allow any physically intrusive testing of, on or under the Property without first obtaining Seller's written consent as to the timing and scope of work to be performed and, upon request of Seller, entering into an access agreement mutually acceptable to Purchaser and Seller. Purchaser may terminate this Agreement at any time during the Inspection Period in Purchaser's sole discretion, for any reason or no reason, by delivering written notice thereof to Seller prior to the expiration of the Inspection Period. If this Agreement terminates pursuant to this Paragraph (A), the parties shall be relieved of any further obligations hereunder, except such obligations that expressly survive termination.

(B) Purchaser agrees that, in making any inspections of, or conducting any testing of, on or under the Property, Purchaser or Purchaser's agents will carry adequate liability insurance and, upon request of Seller, will provide Seller with written evidence of same, will not reveal to any third party not approved by Seller the results of its inspections or tests, and will restore promptly any physical damage caused by the inspections or tests. Purchaser shall give Seller reasonable prior notice of its intention to conduct any inspections or tests, and Seller reserves the right to have a representative present. Purchaser agrees to provide Seller with a copy of any inspection or test report upon Seller's written request. Purchaser agrees (which agreement shall survive closing or termination of this Agreement) to indemnify, defend, and hold Seller free and harmless from any loss, injury, damage, claim, lien, cost or expense, including attorney's fees and costs, arising out of a breach of the forgoing agreements by Purchaser in connection with the inspection and testing of the Property. Any inspections and testing shall be at Purchaser's sole expense.

(C) During the Inspection Period, Purchaser shall apply for a loan commitment (the "Loan Commitment") from Magyar Bank ("Bank"). Purchaser's obligation to proceed with the purchase shall be subject to receipt by Purchaser of the Loan Commitment from Bank providing for a loan to Purchaser on the following terms and conditions:

(i) Loan Amount: \$2,050,000.

(ii) Loan term: Thirty (30) years.

(iii) Interest Rate: Bank's Prime Rate plus 1.25% for the first eighteen (18) months. Interest rate shall adjust to 5.5% for the next eight and one-half (8 1/2) years. Interest rate shall adjust as of the commencement of the eleventh (11th) and twenty-first (21st) years to a rate equal to the ten (10) year Federal Home Loan Bank amortizing rate plus three percent (3%); the interest rate shall be subject to a floor and cap as Bank may determine subject to the Bank's underwriting.

(iv) Payments: Payments of interest only for the first eighteen (18) months. Thereafter, (a) for the first eight and one-half (8 1/2) years, payments of principal and interest based on a twenty eight (28) year six (6) month amortizing loan, (b) for the next ten (10) years, payment of principal and interest based on a twenty (20) year amortizing loan, and (c) for the next ten (10) years, payment of principal and interest based on a ten (10) year amortizing loan. The Loan may be prepaid in whole or in part without penalty, subject to customary terms and conditions.

(v) Collateral: First mortgage on the Property and an absolute assignment of leases and rents.

(vi) Guarantors: Jack Pires and Americo Seabra, jointly and severally. The nature and scope of the guaranty shall be as determined by Bank as part of the Bank's underwriting.

(vii) Appraised Value: Not less than \$2,676,500.

(viii) Debt Service Coverage Ratio: Not less than 1.2 to 1.

(ix) Completion of Construction: A certificate of occupancy has been issued by the City of Jersey City with respect to the building(s) constructed on the Property.

(x) Certified financial statements of borrower and guarantors showing sufficient liquidity to pay all debt service due during the first year of the loan.

(xi) Such other terms and conditions customarily included in loan commitments for commercial loans of this type.

Within five (5) days of the Effective Date, Purchase shall submit to Bank a loan application. Thereafter, Purchaser shall timely provide to Bank any documentation reasonably requested by Bank to underwrite the loan. If Bank does not issue the Loan Commitment within forty-five (45) days of the Effective Date, either party may terminate this Agreement by written notice to the other. If this Agreement terminates pursuant to this Paragraph (C), the parties shall be relieved of any further obligations hereunder, except such obligations that expressly survive termination.

(D) During the Inspection Period, Purchaser shall apply to the City of Jersey City for a long-term tax abatement (the "Tax Abatement") and shall make application for funds from the Neighborhood Stabilization Program and the Affordable Housing Trust (the "Funds"). Provided Purchaser has filed such applications during the Inspection Period and is using commercially reasonable diligent efforts to obtain the Tax Abatement and the Funds, Purchaser's obligation to proceed with the purchase shall be subject to receipt by Purchaser of the Tax Abatement and the Funds, provided however, if the Tax Abatement and a binding commitment for the Funds are not received by the Purchaser on or before November 1, 2010, either party may terminate this Agreement on written notice to the other in which event neither party shall have any further obligation under this Agreement except such obligations as expressly survive termination.

7. Condition of Property; Inspections. The Purchaser acknowledges and confirms that the Purchaser is not relying on any representation or inducement which was or may have been made or implied by the Seller or any other party acting on behalf of the Seller with respect to the Property or any circumstances or conditions affecting the Property (including, without limitation, matters relating to approvals and requirements of governmental authorities and utility companies). The Purchaser is purchasing the Property in an "AS IS, WHERE IS" condition and with "ALL FAULTS" as of the date of this Agreement. Except as specifically set forth in this Agreement, no representations or warranties have been made or are made and no responsibility has been or is assumed by Seller or by any employee, officer, person, firm, agent or representative acting or purporting to act on behalf of Seller as to the condition or repair of the Property or the value, expense of operation, developability or income potential thereof or as to any other fact or condition which has or might affect the Property or the condition, repair, value, expense of operation, developability or income potential of the Property or any portion thereof. The parties agree that all understandings and agreements heretofore made between them or their respective agents or representatives are merged in this Agreement, which alone fully and completely expresses their agreement, and that this Agreement has been entered into after full investigation, neither party relying upon any statement or representation by the other unless such statement or representation is specifically embodied in this Agreement. To the extent that Seller has provided to Purchaser information from any inspection, engineering or environmental reports or copies of any documents relating to the Property, Seller makes no representations or warranties with respect to the accuracy or completeness of same or otherwise concerning the contents of such reports or documents relating to the Property. Purchaser acknowledges that Seller has requested Purchaser to inspect fully the Property and all portions thereof and to rely solely upon the results of Purchaser's own inspections or other information obtained or otherwise

available to Purchaser, rather than any information that may have been provided by Seller to Purchaser. All current or future notices of violations of federal, state or municipal laws, statutes, regulations, ordinances, orders or requirements, whether or not noted or issued by any governmental authorities having jurisdiction of any type or character whatsoever, against or affecting the Property or any part thereof shall be the sole responsibility of Purchaser, who expressly undertakes the duty and obligation to investigate the existence of any such violations, and Seller shall have no responsibility therefor. This provision shall survive the Closing.

8. Certificate of Occupancy. If required by municipal ordinance, Purchaser shall make application with the municipality in which the Property is located for the issuance of any governmental approvals necessary for the transfer of the Property and shall obtain such approvals prior to Closing. Purchaser shall be responsible for any filing or application fees, repairs, alterations, or improvements necessary in connection with obtaining the certificate of occupancy or any required governmental approvals.

9. Documents to be Delivered by Seller at Closing. At the closing, the Seller shall deliver to the Purchaser:

(A) the customary New Jersey form of bargain and sale deed with covenant against grantor's acts, duly executed by the Seller in form for recordation;

(B) an affidavit of title, duly executed by the Seller;

(C) Certified true, correct and complete copies of the Seller's operating agreement and any required member consent;

(D) To the extent in Seller's possession, originals or copies of leases, service agreements (to the extent the same are not terminated at Closing by Seller and assumable by Purchaser), warranties, permits, approvals and estoppel certificates from existing tenants at the Property; and

(E) a closing statement showing the applicable closing adjustments, duly executed by the Seller.

10. Documents to be Delivered by Purchaser at Closing. At closing, the Purchaser shall deliver to the Seller:

(A) the purchase price for the Property as adjusted pursuant to Section 11; and

(B) a closing statement showing the applicable closing adjustments, duly executed by the Purchaser.

11. Adjustments.

(A) Real estate taxes and annual municipal or special district assessments shall be apportioned on and as of the Closing Date. If the relevant tax bill for such real estate tax year has not been issued on or before the date of the Closing, the apportionment of taxes shall be computed based upon the most recent ascertainable tax amounts for the Property and subject to final adjustment upon the issuance of the final tax bills. If, on the Closing Date, bills for real estate taxes or assessments imposed upon the Property for the current real estate tax year have been issued but shall not have been paid, such taxes shall be prorated and paid at the time of Closing.

(B) The present insurance coverage and public utility service on the Property in the name of Seller shall be terminated as of the Closing Date, and there shall be no proration of insurance premiums or public utility bills. Seller shall be entitled to receive any rebates related to the present insurance coverage and any utility deposit held by or for the benefit of Seller in connection with any such utility service.

(C) Except as provided in Paragraphs (A) and (B) above, all normal and customarily proratable items, including, without limitation, rents, shall be prorated as of the Closing Date, Seller being charged and credited for all of the same attributable to the period up to the Closing Date (and credited for any amounts paid by Seller attributable to the Closing Date and the period thereafter) and Purchaser being responsible for, and credited or charged, as the case may be, for all of same attributable to the Closing Date and the period thereafter. If any of the foregoing cannot be determined finally as of the Closing Date, such item will be prorated on the best available information. If any of the items subject to proration under this Paragraph (C) is prorated based on estimated amounts determined from then available information, then such item shall be reapportioned as soon as practicable after the Closing Date and the proper party promptly reimbursed. The provisions of this Paragraph (C) shall survive Closing.

(D) Notwithstanding the foregoing, Rents delinquent as of Closing (for purposes of this Agreement, Rents due for the month in which the Closing occurs shall not be deemed delinquent unless such Rents are delinquent for the preceding month(s) also) will not be prorated. Rents collected after Closing by Purchaser shall be applied as follows: (i) first, to Rents attributable to the period after the Closing Date which are due, until all of such Rents have been collected, and (ii) second, to Rents attributable to the period before the month during which Closing occurs ("Delinquent Rents"). Seller shall have the right to initiate the collection of Delinquent Rents for a period of six (6) months after Closing and thereafter pursue such collection without prejudice to Seller's rights or Purchaser's obligations hereunder. Purchaser shall remit to Seller any sums received by Purchaser to which Seller is entitled within ten (10) business days after receipt thereof less reasonable costs and expenses of collection, including reasonable attorneys' fees, court costs and disbursements. If Seller receives any amounts after the Closing Date which are attributable, in whole or in part, to the period on and after the Closing Date, Seller shall remit to Purchaser that portion of the monies so received by Seller to which Purchaser is entitled within ten (10) business days after receipt thereof less reasonable costs and expenses of collection, including reasonable attorneys' fees, court costs and disbursements. The provisions of this Paragraph (D) shall survive Closing.

(E) Purchaser will be entitled to a credit at Closing for all deposits under any leases actually in the possession of Seller and advance payments of Rent for months after the month in which the Closing occurs and Seller shall retain said amounts.

12. Default; Remedies. If the Seller materially breaches this Agreement, Purchaser may elect to either (a) terminate this Agreement, in which event this Agreement shall be terminated, and neither party shall have any further liability to the other except as may be expressly provided for in this Agreement, or (b) commence an action for specific performance, provided such action is commenced within sixty (60) days of the occurrence of Seller's breach. If the Purchaser materially breaches this Agreement, the Seller shall be entitled to pursue such remedies for breach of contract as allowed at law or in equity.

13. Fire and Casualty Loss. The Seller is responsible for any damage to the Property, other than normal wear and tear, until the Closing. In the event that prior to the Closing, any portion of the Property is destroyed by fire, the elements or other causes beyond the control of the Seller, Purchaser or Seller may, by written notice to the other within fifteen (15) days of such destruction, elect to terminate this Agreement. In the event that either party shall so elect, this Agreement shall be null and void and of no effect and there shall be no further liability on the part of either party to the other. Unless this Agreement is so terminated, it shall remain in full force and effect and Seller shall repair or restore the Property and the date fixed for closing shall be extended for such reasonable period to enable Seller to so repair and restore.

14. Brokerage. The Seller and the Purchaser each represents and warrants to the other that it has not dealt with any broker, finder or similar agent in connection with the transaction contemplated by this Agreement that would result in any broker's, finder's or other fee or commission being due or payable to any other party in connection with the transaction contemplated hereby. Each of the Seller and the Purchaser shall indemnify and hold harmless the other against any and all liability, loss, cost and expense (including reasonable attorney's fees) resulting from a breach of said representation and warranty of the indemnifying party. The provisions of this Section shall survive the closing.

15. Expenses. The Seller shall pay the realty transfer fee in connection with the conveyance of the Property and the Purchaser shall pay the mansion tax, if applicable. All charges, if any, for the Purchaser's title insurance policy and survey shall be paid at or before closing by Purchaser. Each party shall bear all other fees, charges and expenses incurred by it, without contribution from the other.

16. Notices. All communications under this Agreement shall be in writing, and shall be deemed to be sufficiently given when presented personally (including by Federal Express or other recognized courier for which receipt is given:) or two (2) days after having been mailed by certified mail, return receipt requested, to a party at the following addresses, or to such other address as such party may designate to the other party in writing:

To the Seller: MB COM Ave., LLC
c/o Magyar Bank
400 Somerset Street
New Brunswick, New Jersey 08901
Attn: Brian Stanley

With a copy to: Edward J. Butler, Jr., Esq.
McCarter & English, LLP
Four Gateway Center
100 Mulberry Street
Newark, New Jersey 07101-0652

To the Purchaser: Capital Development Realty Group, LLC
c/o Highland Port Development Corp.
81-83 Vesey Street
Newark, New Jersey 07105
Attn: Jack Pires

With a copy to: Miles M. Hunter, Esq.
81-83 Vesey Street
Newark, New Jersey 07105-1024

17. No Survival. Except as expressly provided herein, none of the provisions of this Agreement shall survive the delivery of the deed.

18. Further Assurances. From time to time at the request of either the Seller or the Purchaser (whether before, at or after closing), the other party shall execute, acknowledge and deliver such other and further documents as the requesting party may reasonably request to better effectuate the provisions of this Agreement.

19. Entire Agreement; Merger Clause. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous representations, agreements and understandings, whether written or oral.

20. Miscellaneous.

(A) No provision of this Agreement may be changed or waived orally, but only by an instrument in writing signed by the party to be charged therewith.

(B) This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, without giving effect to the principles of conflicts of law.

(C) This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same Agreement.

(D) As used herein, the term "including" shall be deemed to mean "including without limitation."

(E) Neither this Agreement, nor a memorandum thereof, shall be recorded in any place of public record by the Purchaser, and any such recording shall be deemed a default by Purchaser hereunder.

(F) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Purchaser shall not assign any or all of its right, title and interest in and to this Agreement without the consent of Seller except that Seller's consent shall not be required for the assignment to an entity controlled by Purchaser.

(G) If the time period by which any right, option or election provided under this Agreement must be exercised, or by which any act required hereunder must be performed, or by which the Closing must be held, expires on a Saturday, Sunday or legal or bank holiday, then such time period shall be automatically extended through the close of business on the next business day.

(H) Seller and Purchaser shall each provide such tax information to Seller's and/or Purchaser's respective counsel promptly upon request therefor as Seller's and/or Purchaser's counsel may deem to be reasonably necessary in order to effect compliance with any reporting requirements of the Internal Revenue Code of 1986, as amended, which obligation shall survive the Closing.

(I) The parties to this Agreement hereby voluntarily, knowingly and irrevocably waive any constitutional or other right each may have to a trial by jury in the event of litigation related to or concerning this Agreement.

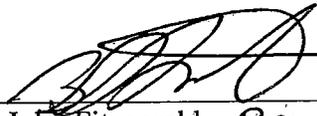
(J) The parties hereto agree that the terms and language of this Agreement were the result of negotiations between the parties and, as a result, there shall be no presumption that any ambiguities in this Agreement shall be resolved against either party. Any controversy over the construction of this Agreement shall be decided neutrally and without regard to events of authorship or negotiation.

(Remainder of Page Left Intentionally Blank - Signature Page to Follow)

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

SELLER:

MB COM AVE., LLC

By: 

Name: ~~John Fitzgerald~~ Brian Stanley

Title: Authorized Signatory

PURCHASER:

CAPITAL DEVELOPMENT REALTY GROUP,
LLC

By: 

Name: Jack Pires

Title: Authorized Signatory

Purchaser's SS#: n/a

EXHIBIT A

Legal Description

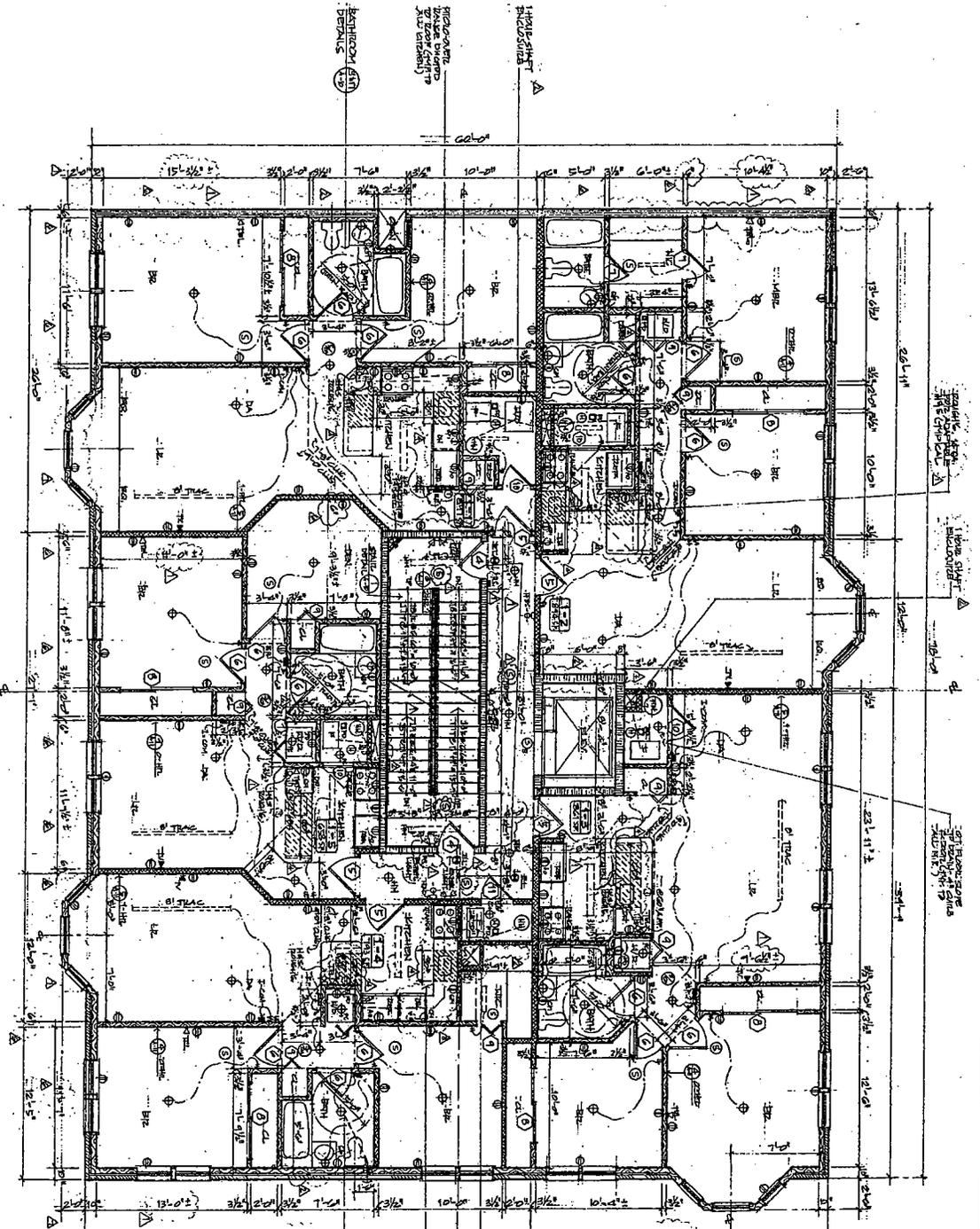
ALL that certain lot, parcel or tract of land, situate and lying in the City of Jersey City, County of Hudson, State of New Jersey, and being more particularly described as follows:

BEGINNING at a corner formed by the intersection of the northeasterly line of Communipaw Avenue and the northwesterly line of Monitor Street and running thence;

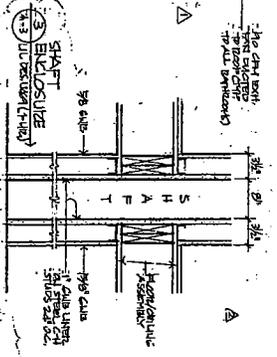
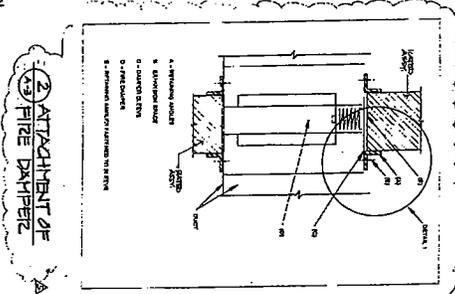
- (1) North 35 degrees 00 minutes west 78.00 feet; thence
- (2) North 55 degrees 00 minutes east 100.00 feet; thence
- (3) South 35 degrees 00 minutes east 78.00 feet; thence
- (4) South 55 degrees 00 minutes west 100.00 feet to the point or place of BEGINNING.

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 25.A 26.A & P in Block 2050 on the City of Jersey City Tax Map.

Exhibit C
Site Plan

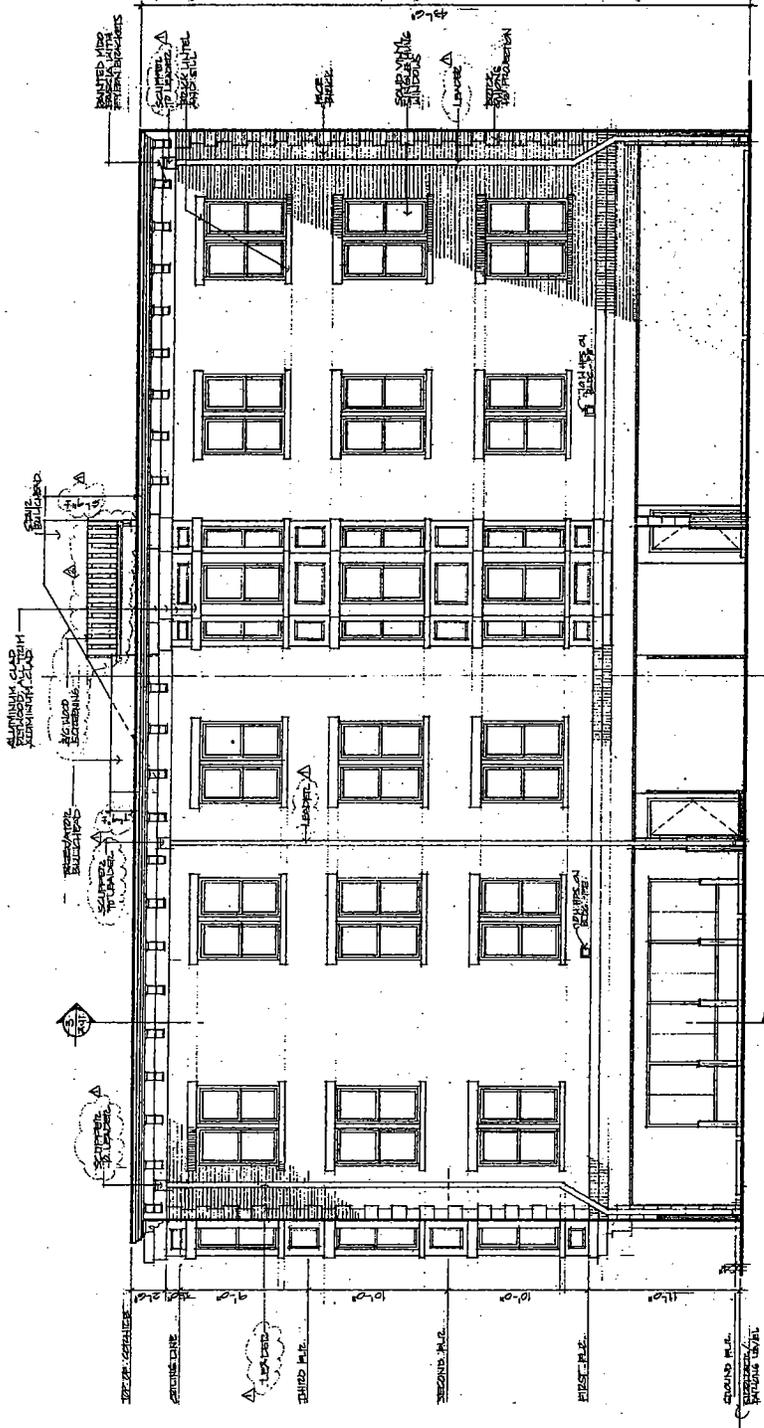


① FIRST FLOOR BEAM (1/8 TO 3/4 F.L.)
(ONE HOUR CEILING)



NO.	DESCRIPTION	DATE
1	INITIAL DESIGN	12-1-67
2	REVISED DESIGN	12-15-67
3	REVISED DESIGN	12-15-67
4	REVISED DESIGN	12-15-67
5	REVISED DESIGN	12-15-67
6	REVISED DESIGN	12-15-67
7	REVISED DESIGN	12-15-67
8	REVISED DESIGN	12-15-67
9	REVISED DESIGN	12-15-67
10	REVISED DESIGN	12-15-67
11	REVISED DESIGN	12-15-67
12	REVISED DESIGN	12-15-67
13	REVISED DESIGN	12-15-67
14	REVISED DESIGN	12-15-67
15	REVISED DESIGN	12-15-67
16	REVISED DESIGN	12-15-67
17	REVISED DESIGN	12-15-67
18	REVISED DESIGN	12-15-67
19	REVISED DESIGN	12-15-67
20	REVISED DESIGN	12-15-67

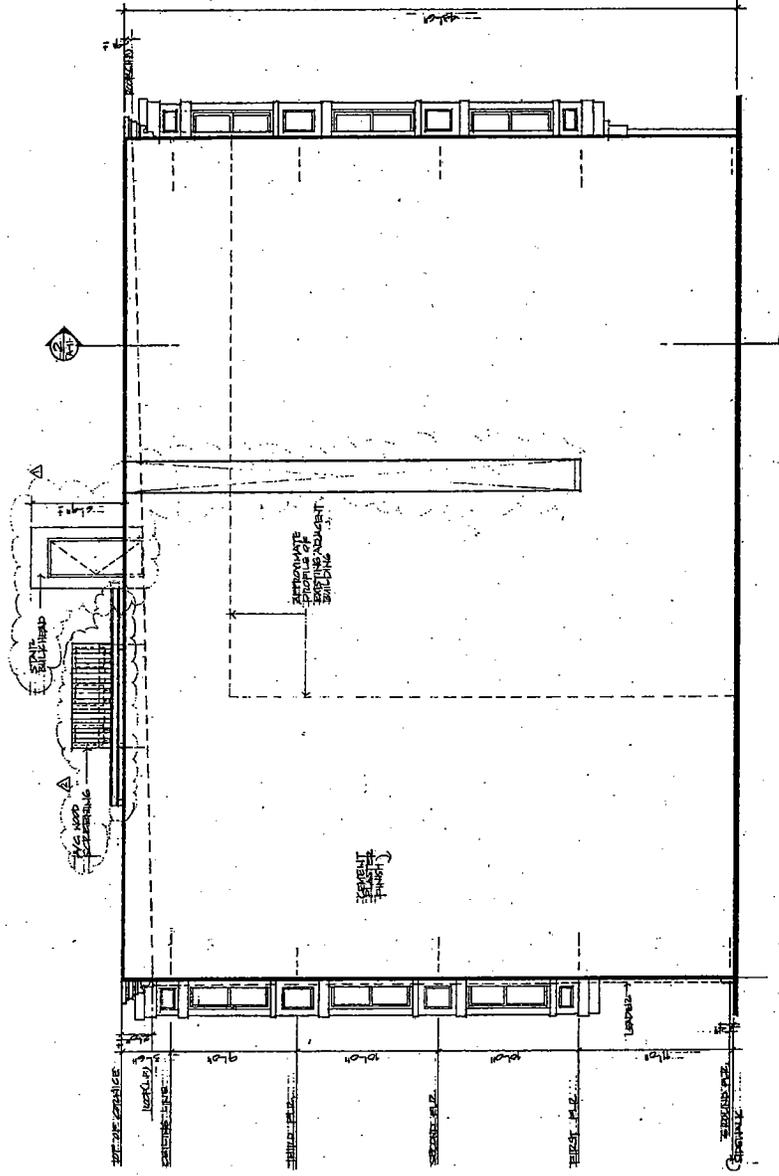
JOHN JAY BOYLAN, R.A.
PROFESSIONAL ARCHITECT
NEW JERSEY
11/11/67



1-1 BUILDING ELEVATION (SEE PARING STRIP)
1/4" = 1'-0"

PROJECT NO.	2-19-79
DATE	7-15-79
PROJECT NAME	NEW PROPOSED MEDICAL CLINIC
ADDRESS	302-306 COMMUNIFAN AVE.
CITY	NEW JERSEY
STATE	N.J.
ZIP	07102
DESIGNER	JOHN JAY BOYLAN, R.A.
PROFESSIONAL PLANNER	NEW JERSEY
PHONE	201 798-0888
FAX	201 798-0877

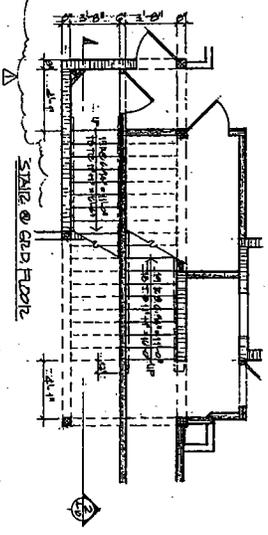
A-7



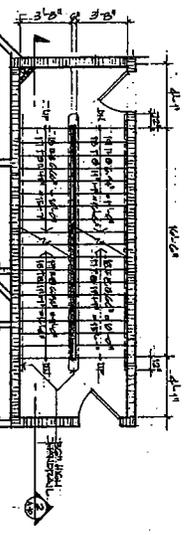
BUILDING ELEVATION

NO. 1000 SCREENING	2-8-08
DATE	2-5-08
PROJECT: MILLARD HALL, DRAFT	DATE
DESCRIPTION	NY RA 0078
RESIDENTIAL / COMMERCIAL BLDG.	FL 0A 0078
322-326 COMMUNIPAW AVE.	NY PP 85
NEWARK CITY	NEW JERSEY
DATE	11/18/07
DRAWN BY	JTB
CHECKED BY	
JOHN JAY BOYLAN, R.A. REGISTERED ARCHITECT 100 WASHINGTON STREET, SUITE 200 NEWARK, NJ 07102	
A-3	

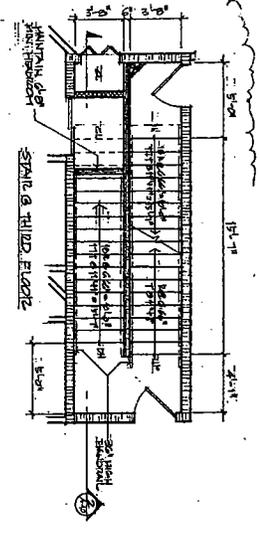
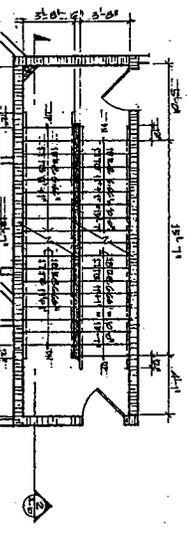
1 STAIR PLAN/DETAIL



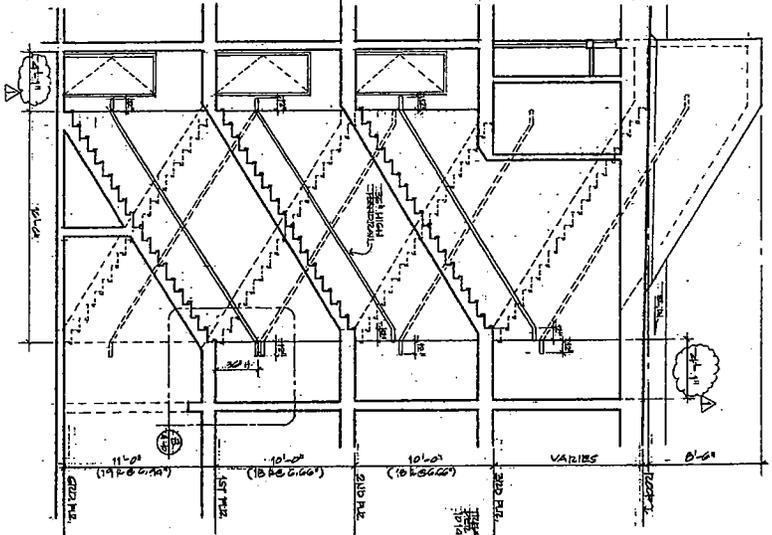
2 STAIR @ FIRST FLOOR



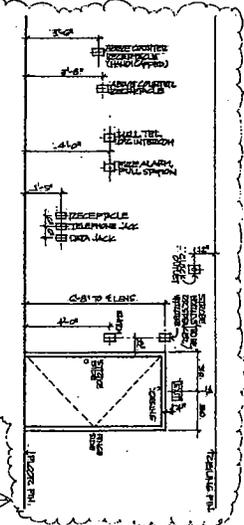
3 STAIR @ THIRD FLOOR



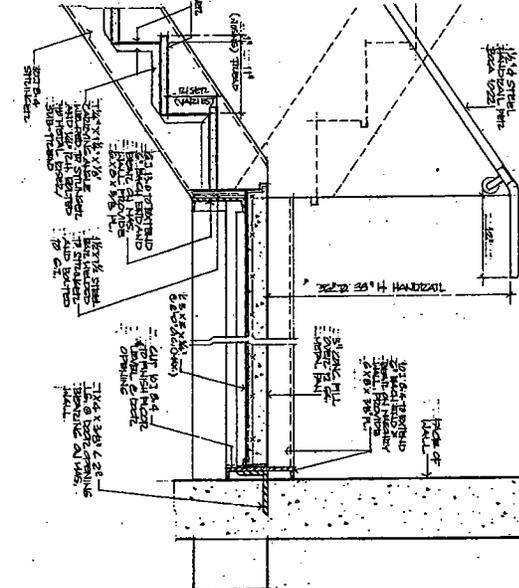
4 STAIR SECTION DETAIL



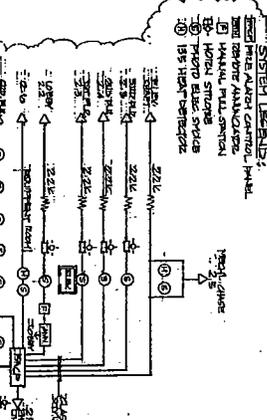
5 TYPICAL DEVICE LOCATION ELEVATIONS



6 TYPICAL LANDING AND TRADY RISE DETAIL



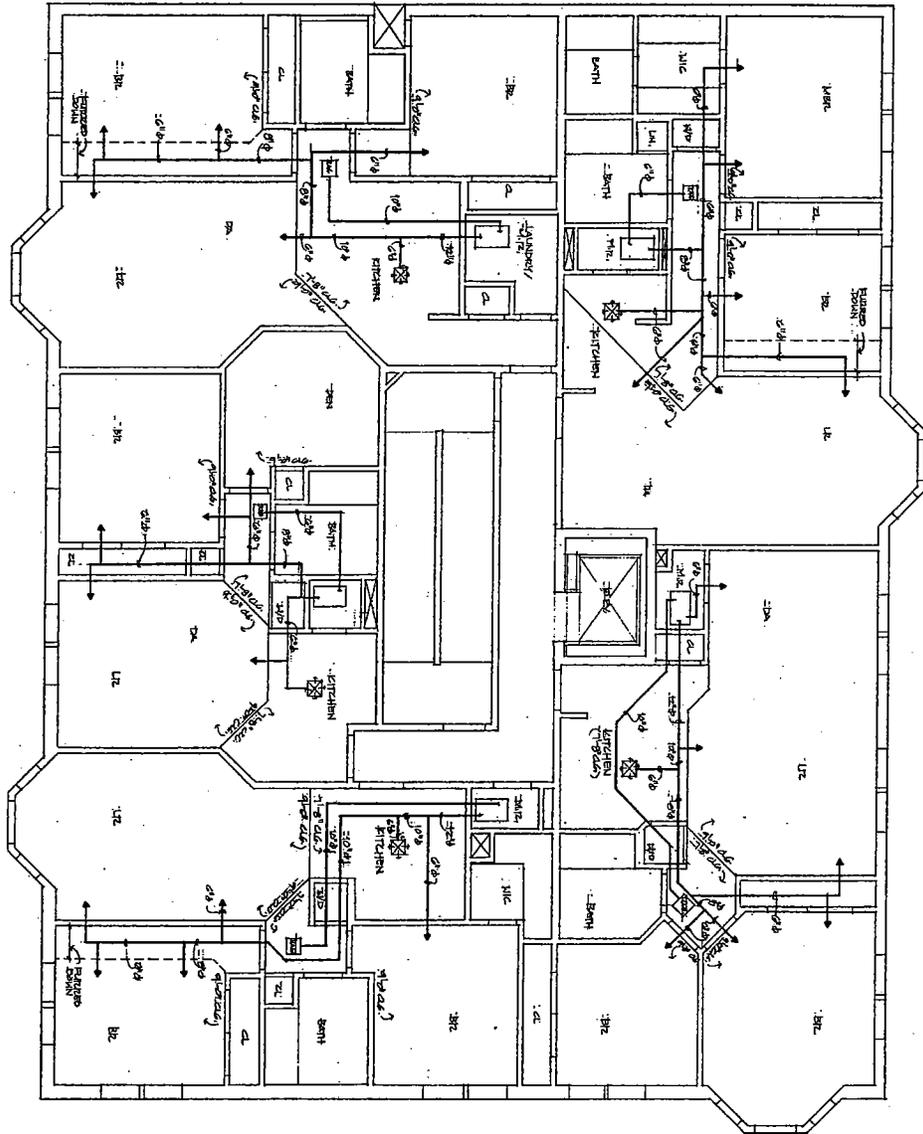
7 FIVE ALARM RISE



GENERAL NOTES:

1. FIVE ALARM RISES SHOWN LOCATED IN THE NORTHWEST CORNER OF THE BUILDING.
2. FIVE ALARM RISES SHALL BE INSTALLED IN ACCORDANCE WITH THE FOLLOWING:
3. FIVE ALARM RISES SHALL BE INSTALLED IN ACCORDANCE WITH THE FOLLOWING:
4. FIVE ALARM RISES SHALL BE INSTALLED IN ACCORDANCE WITH THE FOLLOWING:
5. FIVE ALARM RISES SHALL BE INSTALLED IN ACCORDANCE WITH THE FOLLOWING:
6. FIVE ALARM RISES SHALL BE INSTALLED IN ACCORDANCE WITH THE FOLLOWING:

PROJECT NO.	302-306 COMMUNIPAM AVE.	DATE	11/14/17
CLIENT	NEAL JERSEY	DESIGNED BY	NEAL JERSEY
ARCHITECT	NEAL JERSEY	DRAWN BY	NEAL JERSEY
PROJECT NAME	NEAL JERSEY COMMERCIAL BLDG.	CHECKED BY	NEAL JERSEY
PROJECT ADDRESS	302-306 COMMUNIPAM AVE.	DATE	11/14/17
PROJECT CITY	NEAL JERSEY	PROJECT NO.	11-17-17
PROJECT STATE	NEAL JERSEY	PROJECT NO.	11-17-17
PROJECT ZIP	NEAL JERSEY	PROJECT NO.	11-17-17



1 REELECTED CEILING PLAN (TOP SIDE PLAN)

NOTE: UNLESS OTHERWISE NOTED, ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.

JOHN JAY BOYLAN, R.A. PROFESSIONAL ENGINEER 100 N. W. 10th St., Miami, Florida 33136		JOHN JAY BOYLAN, R.A. PROFESSIONAL ENGINEER 100 N. W. 10th St., Miami, Florida 33136	
100 N. W. 10th St. Miami, Florida 33136	100 N. W. 10th St. Miami, Florida 33136	100 N. W. 10th St. Miami, Florida 33136	100 N. W. 10th St. Miami, Florida 33136

A-91

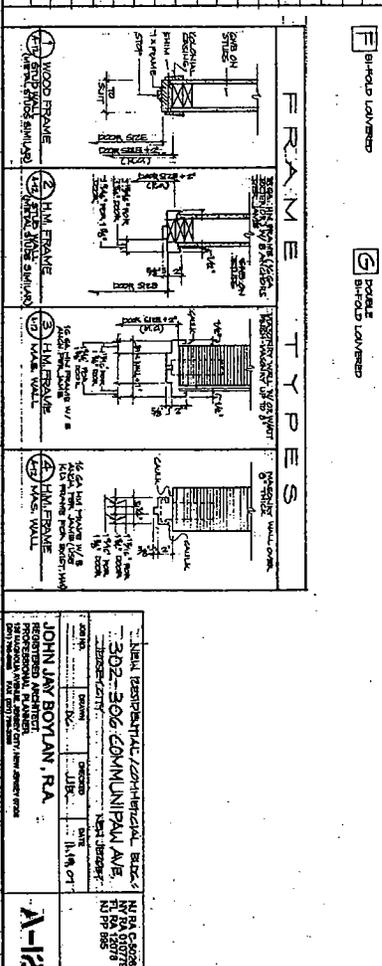
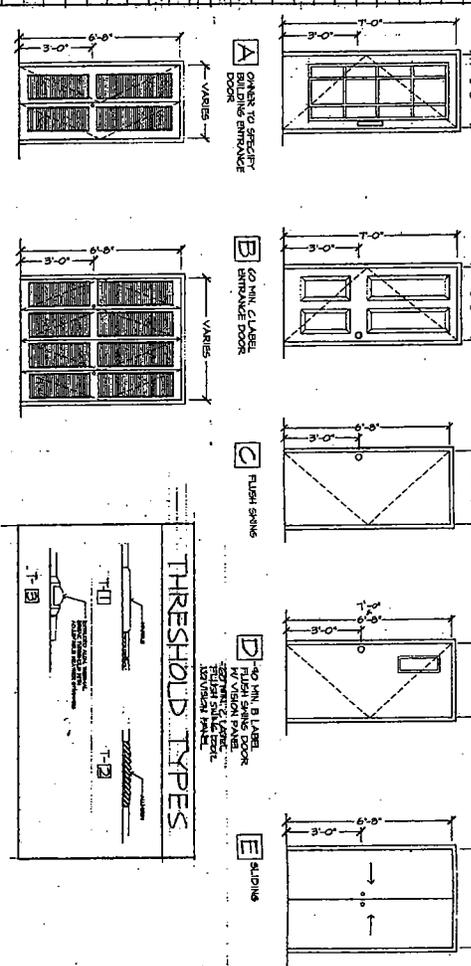
FINISH SCHEDULE

NO.	DESCRIPTION	FINISH	PAINTS				REMARKS
			PRIMER	BASE	FINISH	GLAZE	
1	BRICK AND ROOF						
2	STAIRCASE	WOOD	PAINT	PAINT	PAINT	PAINT	
	WALLS	WOOD	PAINT	PAINT	PAINT	PAINT	
	CEILING	WOOD	PAINT	PAINT	PAINT	PAINT	
	DOOR	WOOD	PAINT	PAINT	PAINT	PAINT	
	WINDOW	WOOD	PAINT	PAINT	PAINT	PAINT	
	WALL	WOOD	PAINT	PAINT	PAINT	PAINT	
	CEILING	WOOD	PAINT	PAINT	PAINT	PAINT	
	DOOR	WOOD	PAINT	PAINT	PAINT	PAINT	
	WINDOW	WOOD	PAINT	PAINT	PAINT	PAINT	
	WALL	WOOD	PAINT	PAINT	PAINT	PAINT	
3	STAIRCASE	WOOD	PAINT	PAINT	PAINT	PAINT	
	WALLS	WOOD	PAINT	PAINT	PAINT	PAINT	
	CEILING	WOOD	PAINT	PAINT	PAINT	PAINT	
	DOOR	WOOD	PAINT	PAINT	PAINT	PAINT	
	WINDOW	WOOD	PAINT	PAINT	PAINT	PAINT	
	WALL	WOOD	PAINT	PAINT	PAINT	PAINT	
	CEILING	WOOD	PAINT	PAINT	PAINT	PAINT	
	DOOR	WOOD	PAINT	PAINT	PAINT	PAINT	
	WINDOW	WOOD	PAINT	PAINT	PAINT	PAINT	
	WALL	WOOD	PAINT	PAINT	PAINT	PAINT	
4	STAIRCASE	WOOD	PAINT	PAINT	PAINT	PAINT	
	WALLS	WOOD	PAINT	PAINT	PAINT	PAINT	
	CEILING	WOOD	PAINT	PAINT	PAINT	PAINT	
	DOOR	WOOD	PAINT	PAINT	PAINT	PAINT	
	WINDOW	WOOD	PAINT	PAINT	PAINT	PAINT	
	WALL	WOOD	PAINT	PAINT	PAINT	PAINT	
	CEILING	WOOD	PAINT	PAINT	PAINT	PAINT	
	DOOR	WOOD	PAINT	PAINT	PAINT	PAINT	
	WINDOW	WOOD	PAINT	PAINT	PAINT	PAINT	
	WALL	WOOD	PAINT	PAINT	PAINT	PAINT	

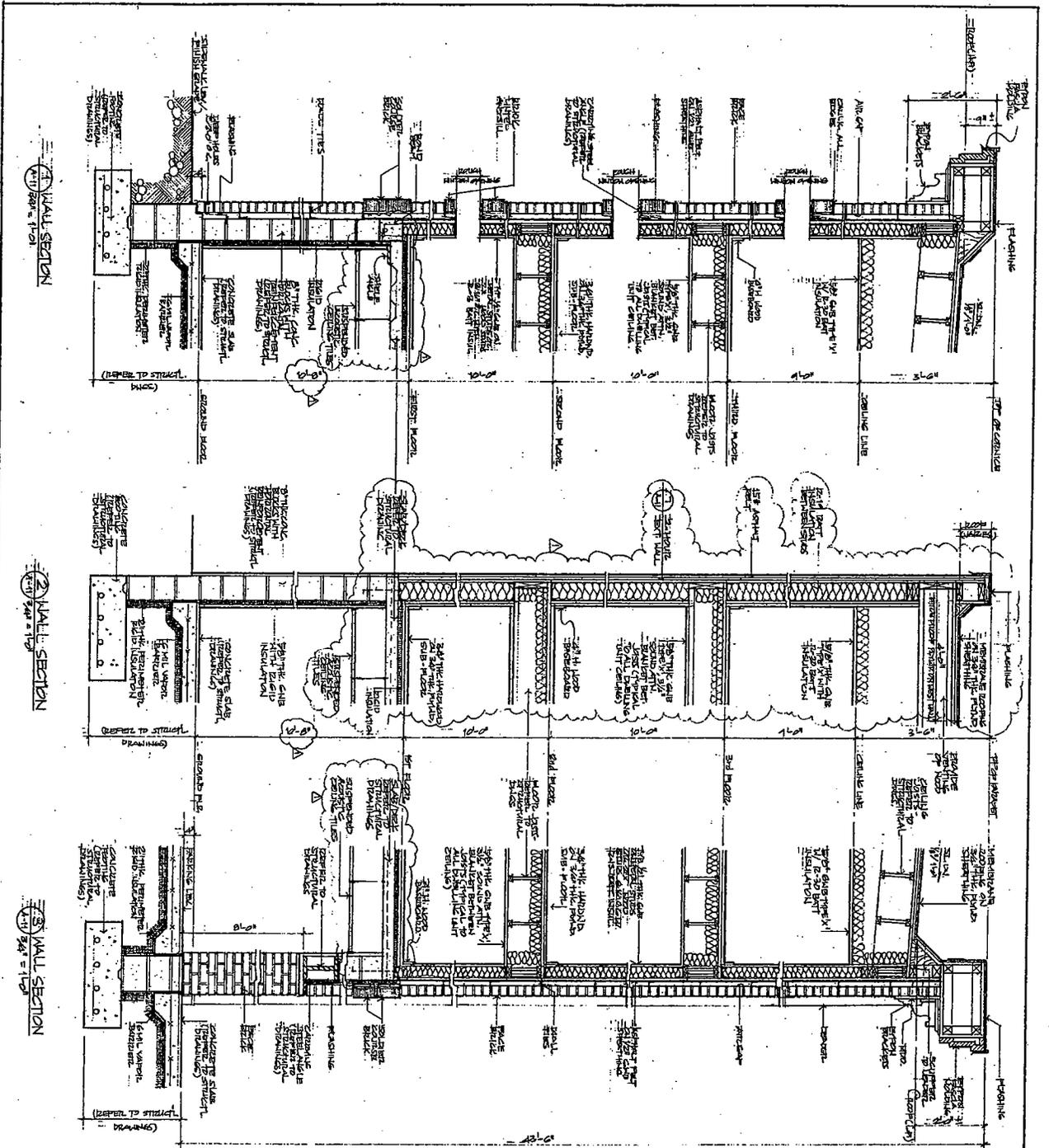
DOOR SCHEDULE

DOOR NUMBER	STYLE	MATERIAL	HEIGHT	THICK	WHT	DATE	LAW	WHT	JAMB	HEAD	THICK	TYPE	MATERIAL	REMARKS
1
2
3
4
5
6
7
8
9
10

DOOR TYPES



JOHN JAY BOYLAN, P.E.
PROFESSIONAL ENGINEER
REGISTERED PROFESSIONAL ENGINEER
NO. 1111111111
STATE OF NEW YORK
EXPIRES 12/31/2025



1 WALL SECTION
1/4" = 1'-0"

2 WALL SECTION
1/4" = 1'-0"

3 WALL SECTION
1/4" = 1'-0"

1/2" HOUR PARTITION
 GYP. BOARD THE NO. 485
 STOPS SUITABLE FOR WALL
 BEYOND IN WOOD.

1/2" HOUR EXTERIOR WALL
 SCALE 3/8" = 1'-0"

1/2" HOUR PARTITION
 GYP. BOARD THE NO. 485
 STOPS SUITABLE FOR WALL
 BEYOND IN WOOD.

1/2" HOUR EXTERIOR WALL
 SCALE 3/8" = 1'-0"

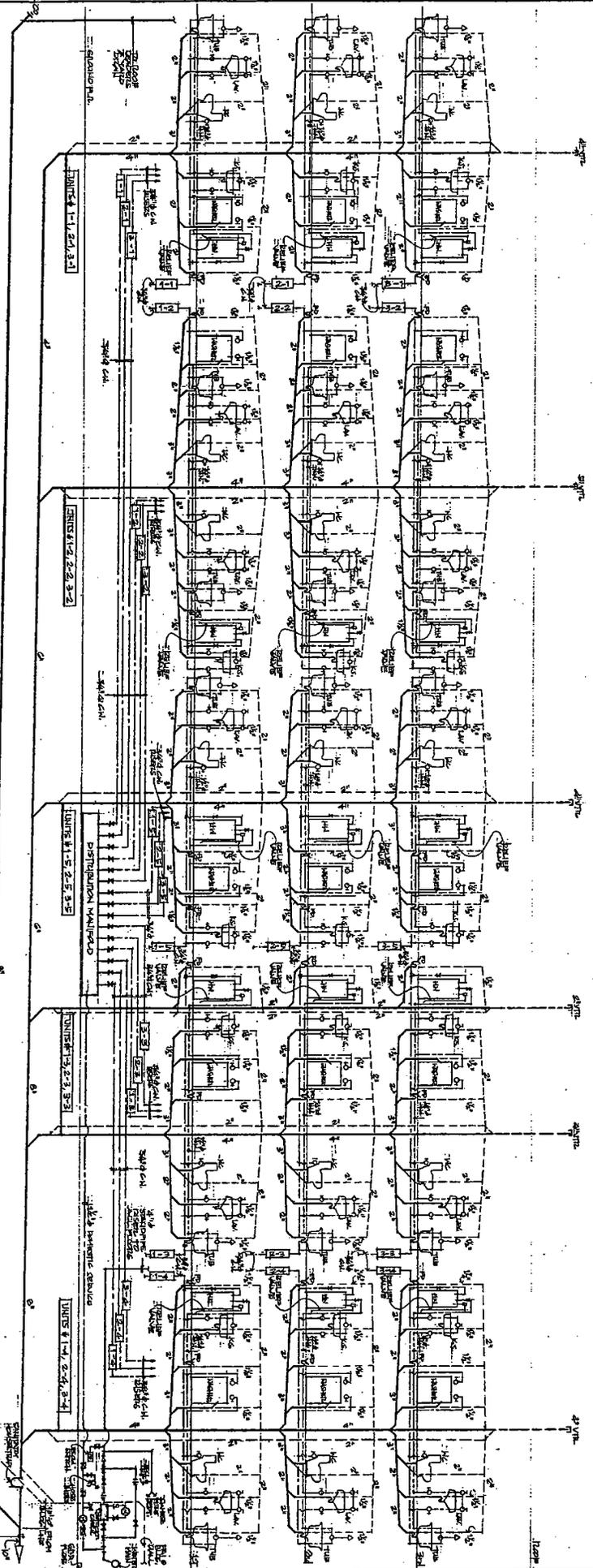
1/2" HOUR PARTITION
 SCALE 3/8" = 1'-0"

1/2" HOUR PARTITION
 SCALE 3/8" = 1'-0"

NO.	DESCRIPTION	QUANTITY	UNIT	PRICE	TOTAL
1	1/2" HOUR WALL				
2	1/2" HOUR PARTITION				
3	1/2" HOUR EXTERIOR WALL				
JOHN JAY BOTLAN, R.A. ARCHITECT 1000 N. W. 10th St. MIAMI, FL 33136 TEL: 305-375-1111 FAX: 305-375-1112 E-MAIL: JJBOTLAN@AOL.COM					

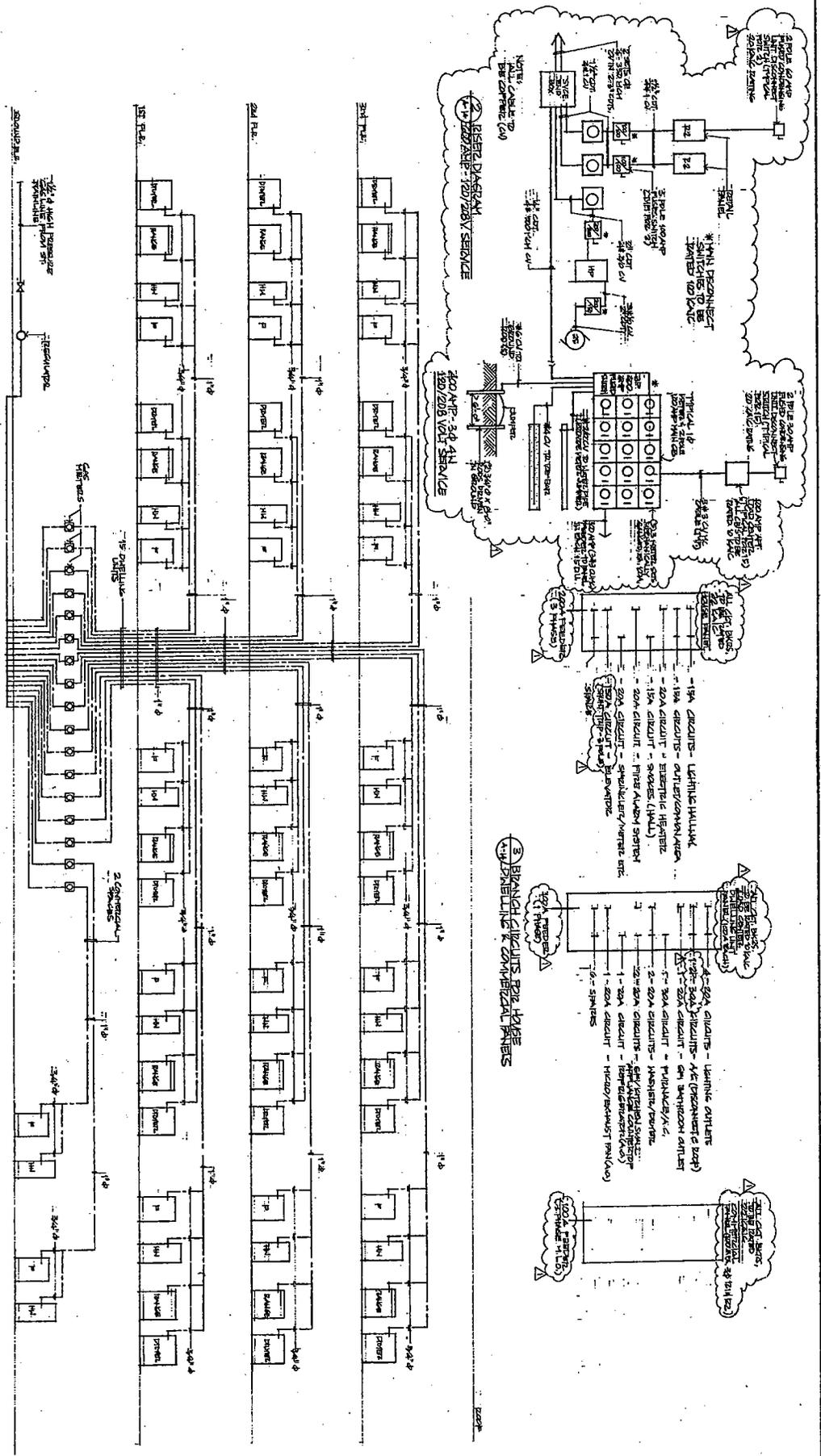
PLUMBING SCHEDULE

DESCRIPTION	NUMBER		CONNECTIONS	
	UNITS	STANDARD	1/2"	3/4"
HANGER CLOSET	3	4	2"	1/2"
LAVATORY	2	1	1/2"	1/2"
WASHLET	3	2	1/2"	1/2"
STANDARD SINK W/ DRAINAGE	3	1	1/2"	1/2"
CATHERINE WASHIN	4	3	1/2"	1/2"
FLOOR DRAIN	3	2	1/2"	1/2"



PLUMBING AND DOMESTIC
WATER TREATMENT SYSTEMS

JOHN LAY BOYLAN, R.A.
 REGISTERED ARCHITECT
 302-302 COMMUNIPAM AVE.
 JEROME CITY, NED JEROME
 11/19/17
 JOHN LAY BOYLAN, R.A.
 302-302 COMMUNIPAM AVE.
 JEROME CITY, NED JEROME
 11/19/17
A-13



RESERVE DIAGRAM

DATE	1-18-67		
BY	JOHN J. BOYLAN, R.A.		
PROJECT	302-206 COMMUNIPAL AVE.		
OWNER	COMMUNIPAL AVE. PROJECT		
SCALE	AS SHOWN		
REVISIONS			
NO.	DATE	BY	DESCRIPTION
1	1-18-67	JJB	AS SHOWN
JOHN J. BOYLAN, R.A. COMMUNIPAL AVE. PROJECT PROFESSIONAL ENGINEER LICENSE NO. 10000 200 N. 10TH ST. PHOENIX, ARIZONA			
A-14		IN RA C-5008 N 179 855 N 179 855	



Exhibit D
Total Project Cost

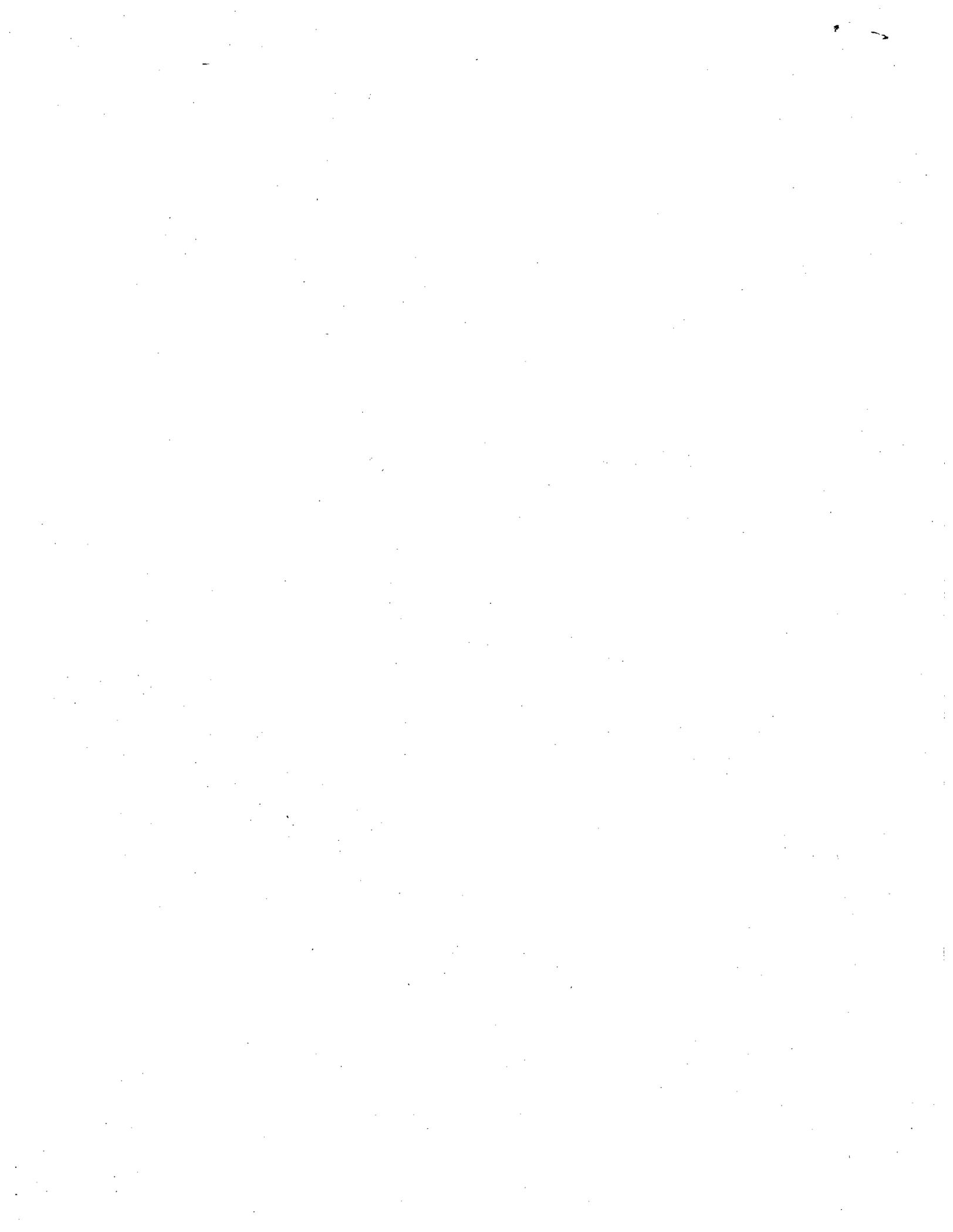


Exhibit D : Total Project Cost

DEVELOPMENT COST	
	COST
1. Land	\$ 238,532
2. Existing Structures	2,411,468
B. Site Work (if not in construction contract)	
C. Construction/Rehabilitation	
1. Site Work	-
2. New Building / Appliances	48,000
3. Rehabilitation	-
4. General Conditions	-
5. Contractor Overhead and Profit	-
6. Construction Contingency	-
Note: Projects consisting of 12 or more HOME assisted units must meet Davis - Bacon wage requirements.	
D. Architectural and Engineering Fees	
1. Architect Fee - Design	-
2. Architect Fee - Supervision	-
3. Consultant Fee (provide description of consultant activities)	-
4. Engineering Fees	-
E. Other Owner Costs	
1. Appraisal	5,400
2. Performance Bond (Survey Fees)	-
3. Building Permits	-
4. Tap Fees	-
5. Soil Boring/Environmental Survey	-
6. Legal Fees	4,000
7. Title and Recording	10,000
8. Accounting/Cost Certification	2,500
F. Interim Costs	
1. Construction Insurance	-
2. Construction Interest	-
3. Construction Loan Origination Fee	-
G. Permanent Financing Fees and Expenses	\$ 39,750
H. Developer's Fee	\$ -
I. Tenant Relocation / Lease-up Reserve (Year one)	\$ 92,250
J. Affirmative Marketing and Marketing	\$ 27,582
K. Total Uses (Development)	\$ 2,879,482

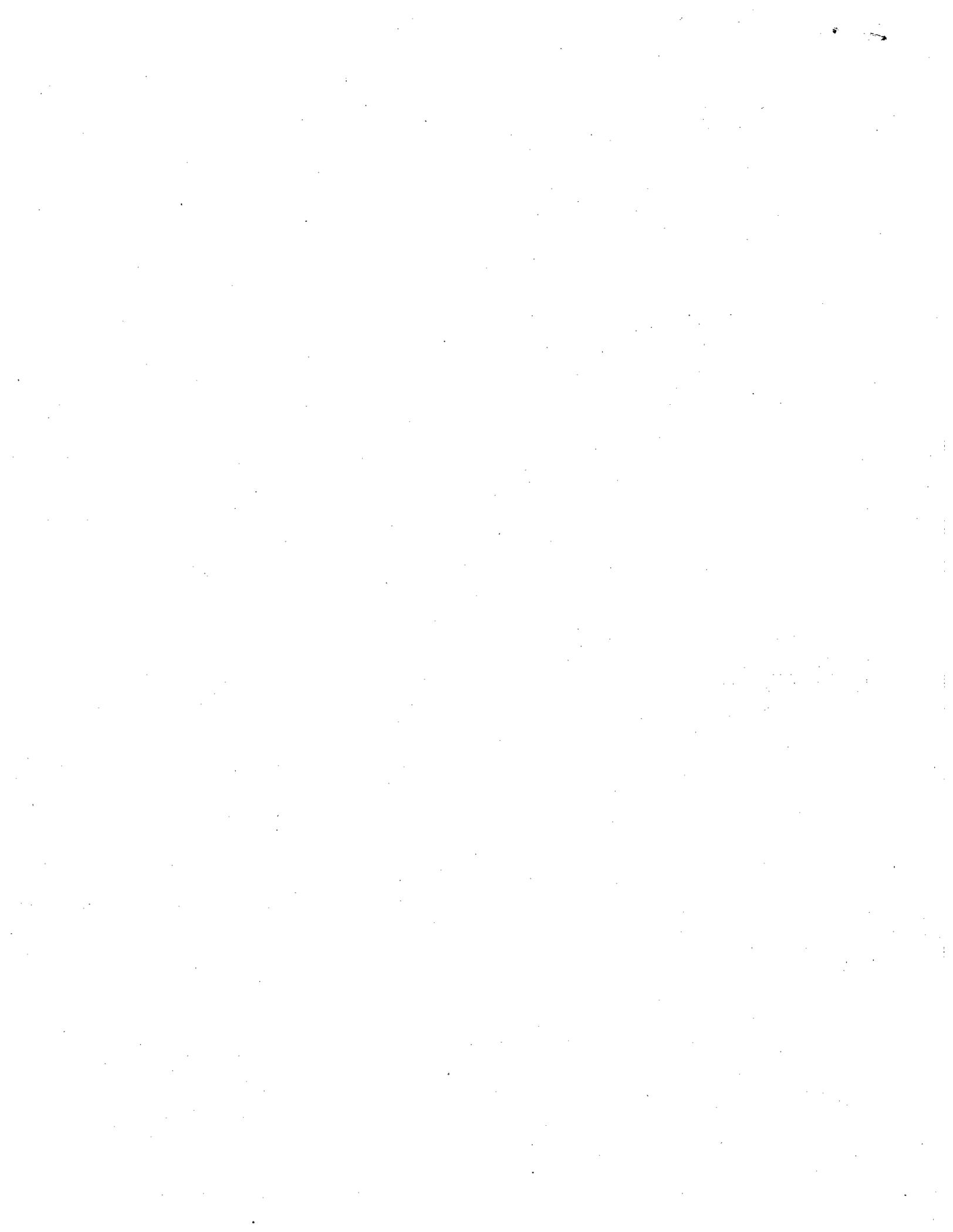


Exhibit E
Funding Sources

Magyar Bank loan: \$2,098,000.00

Home Investment Partnership Program ("HOME") funds: \$281,482.00

Neighborhood Stabilization Program ("NSP") funds: \$500,000.00

Exhibit F
Description of Leases



Description of Residential Leases
 Good Faith Estimate of Initial Rents

Date of Income Limits Chart Used: 05/11/2010
 Date of Utility Chart Used: N/A

ANTICIPATED GROSS RENTS:

No. of Bedrooms	No. of Units	Target ** Occupancy	Gross Rent	Allowance for Tenant Paid Utilities***	Net Rent	Monthly	Annual	Square Feet of Individual Units
1	1	120% / Moderate / FMR *	1,052	104	948	948	11,376	658
1	2	Market	1,454	104	1,350	2,700	32,400	658
2	1	120% / Moderate / FMR *	1,227	30	1,097	1,097	13,164	861
2	1	80% / Moderate Income / FMR *	1,227	30	1,097	1,097	13,164	861
2	2	80% / Moderate Income / FMR *	1,800	30	670	1,340	16,080	861
2	2	50% / Low Income / Market	1,680	30	1,550	12,400	148,800	861
* Adjusted to the lower Fair Market Rent's / FMR								
Market Units have no restrictions								
TOTALS	15					19,582	234,984	

EQUIPMENT AND SERVICES

Equipment:	
Ranges	X
Refrigerator	X
Air Conditioning	X
Laundry Facilities	X
Disposal	X
Dishwasher	X
Carpet	X
Swimming Pool	X
Tennis Court	X
Other:	

Anticipated Monthly Gross Rents: 19,582
 Anticipated Annual Gross Rents: 234,984

Services:	Gas, Electric or Oil	Paid by Tenant
Heat		X
Hot Water		X
Cooking		X
Air Conditioning		X
Household Electric		X
Water		X
Sewer		X
Parking		X
Other:		
Other:		

COMMERCIAL SPACE
 (Include all utility costs associated with the commercial space in your description)
 Commercial space totals approx: 2,340 - 2,139 SF at \$1.33 per SF or \$3,112 per month / \$37,344 Annual



Exhibit G
Projected Statement of Property Operations



Exhibit E : Projected Statement of Property Operations

Project Cash Flow Analysis, Including 5 Year Tax Exemption

302 - 306 Communipaw Ave.
 Project Cash Flow Analysis, Including 5 Year
 Tax Exemption For Tax Exemption

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
PROJECTIONS															
RENTAL INCOME	\$234,984	\$234,984	\$240,859	\$246,880	\$253,052	\$259,378	\$265,863	\$272,509	\$279,322	\$286,305	\$293,463	\$300,799	\$308,319	\$316,027	\$323,928
Apartment Rents	58,746	23,498	12,043	12,344	12,653	12,969	13,293	13,625	13,965	14,315	14,673	15,040	15,416	15,801	16,195
Less Vacancy/Loss	5.00%	25.00%													
NET APT. RENTS	\$176,238	\$211,486	\$228,816	\$234,536	\$240,399	\$246,409	\$252,570	\$258,884	\$265,356	\$271,990	\$278,790	\$285,759	\$292,903	\$299,226	\$307,732
Commercial Income	\$37,346	\$37,346	\$37,346	\$37,346	\$37,346	\$37,346	\$37,346	\$37,346	\$37,346	\$37,346	\$37,346	\$37,346	\$37,346	\$37,346	\$37,346
Add: Expense Pass-Throughs	11,212	11,492	11,779	12,074	12,375	12,685	13,002	13,327	13,660	14,002	14,352	14,711	15,078	15,455	15,842
Less Commercial Vacancy	-9,332	-3,735	-3,735	-3,735	-3,828	-3,924	-4,022	-4,122	-4,225	-4,331	-4,439	-4,550	-4,664	-4,781	-4,900
NET COMMERCIAL RENTALS	\$38,221	\$45,104	\$45,391	\$45,685	\$46,828	\$47,998	\$49,198	\$50,428	\$51,689	\$52,981	\$54,306	\$55,663	\$57,055	\$58,481	\$59,943
TOTAL RENTAL INCOME:	\$215,459	\$256,589	\$274,207	\$280,221	\$287,227	\$294,408	\$301,768	\$309,312	\$317,045	\$324,971	\$333,095	\$341,423	\$349,958	\$358,707	\$367,675
TOTAL REVENUE	\$215,459	\$256,589	\$274,207	\$280,221	\$287,227	\$294,408	\$301,768	\$309,312	\$317,045	\$324,971	\$333,095	\$341,423	\$349,958	\$358,707	\$367,675
OPERATING EXPENSES															
Administrative / Controllable Cost	\$3,253	\$477	\$2,793	\$4,894	\$7,090	\$9,374	\$11,749	\$14,219	\$16,787	\$19,459	\$22,237	\$25,127	\$28,132	\$31,257	\$34,507
Management Fee	3.50%	7,149	8,578	9,185	9,820	10,486	11,187	11,924	12,696	13,504	14,348	15,228	16,144	17,097	18,087
Tax on Land	1.72%	4,846	4,846	4,846	4,846	4,846	4,846	4,846	4,846	4,846	4,846	4,846	4,846	4,846	4,846
Insurance	\$793	\$1,900	\$2,376	\$2,871	\$3,386	\$3,921	\$4,478	\$5,057	\$5,658	\$6,281	\$6,926	\$7,593	\$8,281	\$8,991	\$9,724
Replacement Reserves	\$283	\$4,250	\$4,250	\$4,250	\$4,250	\$4,250	\$4,250	\$4,250	\$4,250	\$4,250	\$4,250	\$4,250	\$4,250	\$4,250	\$4,250
Other Expenses	\$1,185	\$17,774	\$18,485	\$19,224	\$19,993	\$20,793	\$21,624	\$22,489	\$23,389	\$24,325	\$25,298	\$26,309	\$27,362	\$28,456	\$29,595
Tax on Building	12.42%	\$0	\$13,647	\$20,645	\$27,643	\$34,991	\$42,768	\$50,986	\$59,652	\$68,774	\$78,351	\$88,384	\$98,874	\$109,821	\$121,234
TOTAL EXPENSES	\$94,719	\$112,934	\$123,804	\$134,397	\$138,513	\$149,424	\$154,384	\$159,485	\$164,794	\$170,297	\$176,003	\$181,918	\$188,051	\$194,409	\$201,002
Total Per Unit Cost	6,315	7,529	8,254	8,960	9,234	9,962	10,291	10,632	10,986	11,353	11,734	12,128	12,537	12,961	13,400
Expense/Income Ratio	0.44	0.44	0.45	0.48	0.48	0.51	0.51	0.52	0.52	0.52	0.53	0.53	0.54	0.54	0.55
INCOME AVAIL. FOR DEBT	\$120,740	\$143,655	\$150,403	\$145,824	\$148,714	\$144,984	\$147,404	\$149,827	\$152,251	\$154,673	\$157,092	\$159,505	\$161,907	\$164,298	\$166,672

Project Cash Flow Analysis, Including 5 Year Tax Exemption with 2% Tax Rate Increases

Exhibit E - Projected Statement of Property Operations

302 - 306 Communipaw Ave.

Project Cash Flow Analysis, Including 5 Year Tax Exemption For Tax Exemption

	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
PROJECTIONS															
RENTAL INCOME															
Apartment Rents	\$332,026	\$340,327	\$348,835	\$357,556	\$366,495	\$375,657	\$385,049	\$394,675	\$404,542	\$414,655	\$425,022	\$435,647	\$446,538	\$457,702	\$469,144
Less Vacancy Loss	16,501	17,016	17,442	17,878	18,325	18,783	19,252	19,734	20,227	20,733	21,251	21,782	22,327	22,885	23,457
NET APT. RENTS	\$315,425	\$323,311	\$331,393	\$339,678	\$348,170	\$356,874	\$365,796	\$374,941	\$384,315	\$393,923	\$403,771	\$413,865	\$424,211	\$434,817	\$445,687
	5.00%														
	25.00%														
	Yr 1 & 2														
Commercial Income	\$50,227	\$51,482	\$52,769	\$54,089	\$55,441	\$56,827	\$58,248	\$59,704	\$61,196	\$62,726	\$64,294	\$65,902	\$67,549	\$69,238	\$70,969
Add: Expense Pass-Throughs	16,238	16,644	17,060	17,486	17,923	18,371	18,831	19,302	19,784	20,279	20,786	21,305	21,838	22,384	22,943
Less Commercial Vacancy	-5,023	-5,148	-5,277	-5,409	-5,544	-5,683	-5,825	-5,970	-6,120	-6,273	-6,429	-6,590	-6,755	-6,924	-7,097
NET COMMERCIAL RENTALS	\$61,442	\$62,978	\$64,552	\$66,166	\$67,820	\$69,516	\$71,254	\$73,035	\$74,861	\$76,732	\$78,651	\$80,617	\$82,632	\$84,698	\$86,816
TOTAL RENTAL INCOME:	\$376,867	\$386,288	\$395,946	\$405,844	\$415,990	\$426,390	\$437,050	\$447,976	\$459,175	\$470,655	\$482,421	\$494,482	\$506,844	\$519,515	\$532,503
TOTAL REVENUE	\$376,867	\$386,288	\$395,946	\$405,844	\$415,990	\$426,390	\$437,050	\$447,976	\$459,175	\$470,655	\$482,421	\$494,482	\$506,844	\$519,515	\$532,503
OPERATING EXPENSES:															
Administrative / Controllable Cost	\$7,888	\$9,403	\$9,059	\$9,862	\$10,816	\$10,929	\$11,206	\$11,654	\$12,080	\$12,591	\$13,095	\$13,599	\$14,071	\$14,639	\$15,219
Management Fee	\$477	\$477	\$477	\$477	\$477	\$477	\$477	\$477	\$477	\$477	\$477	\$477	\$477	\$477	\$477
Tax on Land	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$323	\$323
Insurance	\$793	\$793	\$793	\$793	\$793	\$793	\$793	\$793	\$793	\$793	\$793	\$793	\$793	\$793	\$793
Replacement Reserves	\$283	\$283	\$283	\$283	\$283	\$283	\$283	\$283	\$283	\$283	\$283	\$283	\$283	\$283	\$283
Other Expenses	\$1,185	\$1,185	\$1,185	\$1,185	\$1,185	\$1,185	\$1,185	\$1,185	\$1,185	\$1,185	\$1,185	\$1,185	\$1,185	\$1,185	\$1,185
Tax on Building	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	12.42%														
TOTAL EXPENSES	\$207,838	\$214,927	\$222,277	\$229,899	\$237,804	\$246,002	\$254,504	\$263,321	\$272,467	\$281,952	\$291,791	\$301,986	\$312,562	\$323,564	\$334,955
Total Per Unit Cost	13,856	14,328	14,818	15,327	15,854	16,400	16,967	17,555	18,164	18,797	19,453	20,133	20,839	21,571	22,330
Expense/Income Ratio	0.55	0.56	0.56	0.57	0.57	0.58	0.58	0.59	0.59	0.60	0.60	0.61	0.62	0.62	0.63
INCOME AVAILABLE FOR DEBT	\$169,029	\$171,362	\$173,669	\$175,945	\$178,186	\$180,388	\$182,546	\$184,655	\$186,709	\$188,703	\$190,630	\$192,486	\$194,262	\$196,951	\$199,548

Exhibit H
Planning Board Resolution

JERSEY CITY

DEPARTMENT OF HOUSING, ECONOMIC DEVELOPMENT & COMMERCE
DIVISION OF CITY PLANNING



ROBERT D. COTTER, PP, AICP
PLANNING DIRECTOR

JERRAMIAH T. HEALY, MAYOR
CARL S. CZAPLICKI, DIRECTOR

July 8, 2011

Miles M. Hunter
81-83 Vesey Street
Newark, NJ 07105

Re: Certification of attached Resolution for 302-306 Communipaw Avenue

Dear Mr. Hunter,

I hereby certify, as the Secretary of the Jersey City Planning Board, the attached Resolution of the Planning Board relating to Case # P06-009, approved on February 28, 2006 and memorialized on March 14, 2006, is a true copy of the document from the files maintained in the Office of City Planning.

Please feel free to contact me if there are any questions or concerns.

Sincerely,



Robert D. Cotter, PP, AICP

c. file

RESOLUTION OF THE PLANNING BOARD OF THE CITY OF JERSEY CITY

APPLICANT: 302 – 306 COMMUNIPAW AVENUE, LLC
FOR: PRELIMINARY ^{Major KMR} ~~AND FINAL~~ SITE PLAN APPROVAL
WITH DEVIATIONS
302 – 306 COMMUNIPAW AVENUE
JERSEY CITY, NEW JERSEY
BLOCK 2050, LOTS 25A, 26A AND P
CASE NO.: P06-009

WHEREAS, the applicant, 302-306 COMMUNIPAW AVENUE, LLC, (the "Applicant"), per CONNELL FOLEY, LLC (Charles J. Harrington, III, Esq., appearing) made application to the Planning Board of the City of Jersey City, County of Hudson and State of New Jersey, for Preliminary and Final Site Plan Approval with deviations pursuant to N.J.S.A. 40:55D-70(c), to wit: Calendar No. P06-009, to develop the lots with a mixed use residential and commercial development that will consist of a four (4) story building with fifteen (15) residential units, and commercial/retail units on the ground floor with sixteen (16) on-site parking spaces, on the property located at 385 – 387 Communipaw Avenue, Jersey City, New Jersey, Block 2042, Lots 25A, 26A, and P; and

WHEREAS, due notice of a hearing on the above said application before the Planning Board of the City of Jersey City, on February 28, 2006 at 5:30 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

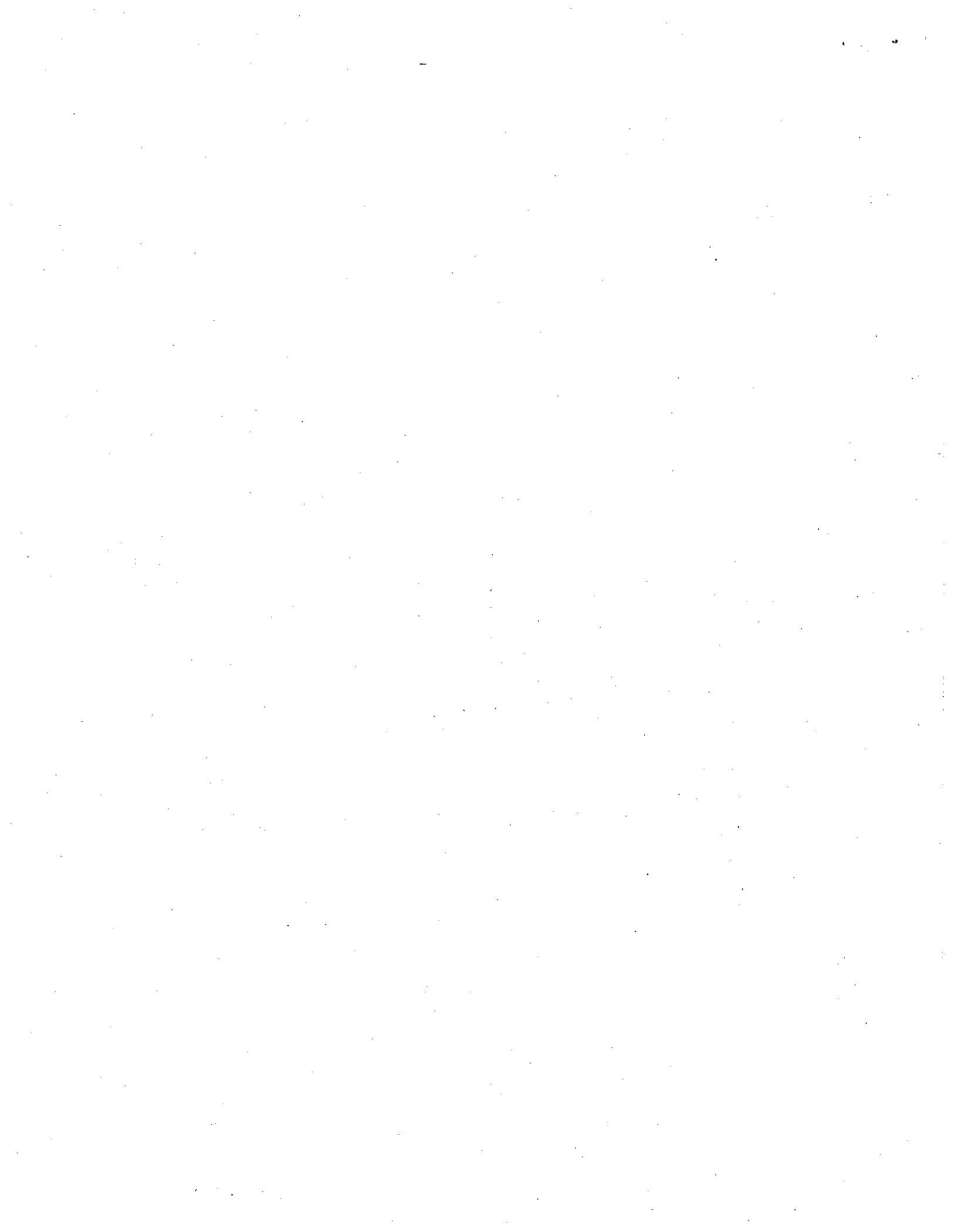
WHEREAS, after consideration of the application and the testimony presented at the meeting, the Planning Board has made the following findings of fact:



FINDINGS OF FACT

1. The Applicant, 302-306 Communipaw Avenue, LLC, has filed an application for Preliminary and Final Site Plan Approval with deviations pursuant to N.J.S.A. 40:55D-70(c). The purpose of the application is to develop the lots with a mixed use residential and commercial development that will consist of a four (4) story building with fifteen (15) residential units and commercial/retail units on the ground floor and sixteen (16) on-site parking spaces. The property is currently vacant. The property is located within the Morris Canal Redevelopment Area and the Applicant is seeking a deviation from Section XI.D.4 c to permit relief from the maximum height requirements and to permit relief from the landscaping requirements in the parking area.
2. The property is located in the Morris Canal Redevelopment Area.
3. The Applicant is also seeking a deviation from the landscaping requirements within the parking area.
4. As set forth in the Morris Canal Redevelopment Plan, goals of the Plan include providing "opportunities for the growth of neighborhood level retail, services and community facilities for the Lafayette neighborhood," and encouraging "the acquisition of vacant land...for purposes of...construction of new homes...for use and occupancy by residents of Lafayette." The proposed development will provide for a permitted use consistent with the Redevelopment Plan, and the use is compatible with the existing neighborhood development. The requested deviations will promote the purposes of the Redevelopment Plan.
5. The proposed additional height will primarily permit the floor to ceiling heights to increase for the ground floor commercial/retail space, which will create more attractive and desirable retail space. The height of the building is consistent with the surrounding buildings and the request for the variance is minimal.
6. Although on-site parking is not required for the development, the development is proposing sixteen (16) on-site parking spaces, fifteen (15) of which will be dedicated to the residential use. A request has been made for relief from the landscaping requirements within the parking area.
7. The development is proposing substantial landscaping and the additional required trees/landscaping in the parking area would be a detriment to the proposed layout.
8. The proposed development and requested deviations are appropriate for the development of the property and will benefit the immediate neighborhood and will promote the general welfare. The development will also promote a desirable visual environment by developing an appropriate in-fill development and a mixed use appropriate for the neighborhood. The proposed use is an appropriate use of the land, and the proposed use will not affect any permitted uses in the neighborhood.





9. Lastly, the proposed deviations will not cause a substantial detriment to the public good, or impairment to the intent and purpose of the Redevelopment Plan.

NOW, THEREFORE, BE IT RESOLVED that the Planning Board of the City of Jersey City, County of Hudson and State of New Jersey, for the foregoing reasons, approves the within application for Preliminary Site Plan Approval with deviations pursuant to N.J.S.A. 40:55D-70(c), to wit: Calendar No. No. P06-009, to develop the lots with a mixed use residential and commercial development that will consist of a four story building with fifteen residential units and commercial/retail units on the ground floor, and sixteen (16) on-site parking spaces, on property located at 302 – 306 Communipaw Avenue, Jersey City, and known on the Jersey City Tax Maps as Block 2050, Lots 25A, 26A and P, in accordance with the plans and testimony submitted to the Planning Board of the City of Jersey City, subject to the following conditions:

1. The Applicant/Developer shall keep a copy of the development plans on site.
2. The Applicant/Developer shall be required to apply for a Saturday permit for any work to be done on Saturdays.
3. The Applicant/Developer shall comply with and/or address all Jersey City Review Agents' comments.
4. If required by the Jersey City Building Code, there shall be two means of egress for each commercial space, depending on how many commercial spaces there are.
5. The Applicant shall provide proof that all real estate taxes are paid to date.
6. The Applicant shall use aluminum clad windows instead of vinyl.
7. The Applicant shall obtain the consent of the Jersey City Planners regarding the color of the stucco.
8. The proposed signage for the retail uses shall be submitted to the Division of Planning for review and approval.



APPLICANT: 302-306 COMMUNIPAW AVENUE, LLC
FOR: ^{Major RR} PRELIMINARY ~~AND FINAL~~ SITE PLAN APPROVAL
WITH DEVIATIONS
302 - 206 COMMUNIPAW AVENUE
BLOCK 2050, LOTS 25A, 26A and P
CASE NO.: P06-009
VOTE: 6 - 0

COMMISSIONER:	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
John Cardwell, Chairman	X			
Leon Yost, Commissioner	X			
Jeni L. Branum, Commissioner	X			
Larry Eccleston, Commissioner	X			
Roseanna Petruzzelli, Commissioner	X			
Frank Desanto, Commissioner	X			

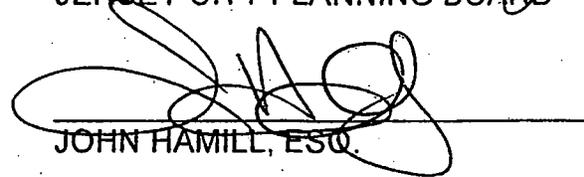


JOHN CARDWELL, CHAIRMAN
JERSEY CITY PLANNING BOARD



ROBERT COTTER, SECRETARY
JERSEY CITY PLANNING BOARD

APPROVED AS TO LEGAL FORM:



JOHN HAMILL, ESQ.

DATE OF HEARING:

February 28, 2006

DATE OF MEMORIALIZATION:

March 14, 2006





Exhibit I
Current Tax Assessment

Property Detail

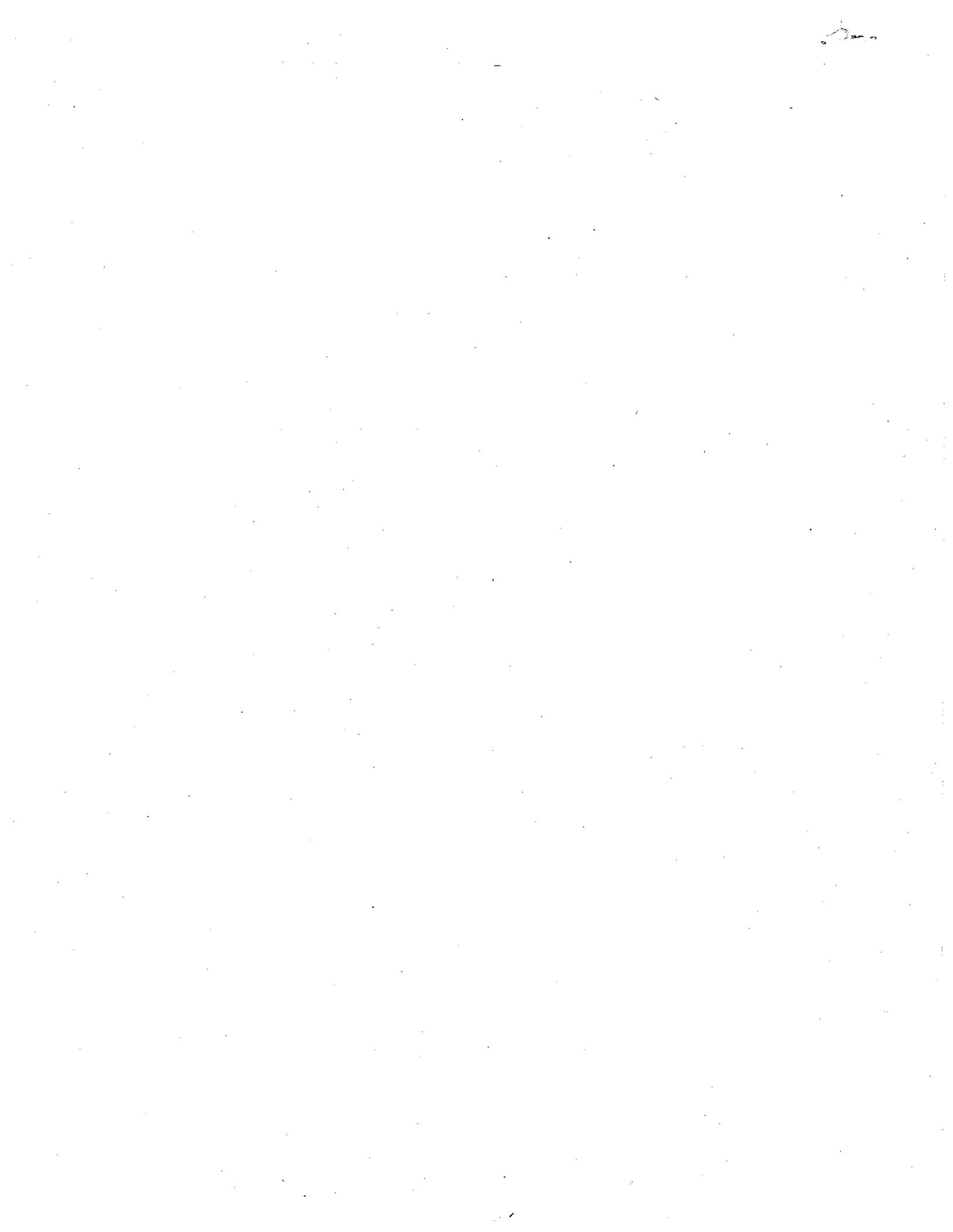
Block: 2050	Prop Loc: 5 MONITOR ST.	Owner: MB COM AVE., LLC	Square Ft: 0
Lot: 29	District: 0906 JERSEY CITY	Street: 400 SOMERSET ST.	Year Built:
Qual:	Class: 1	City State: NEW BRUNSWICK, NJ 08901	Style:
		Additional Information	
Prior Block:	Acct Num: 00607045	Add Lots:	EPL Code: 0 0 0
Prior Lot:	Mtg Acct:	Land Desc: 100X78	Statute:
Prior Qual:	Bank Code: 0	Bldg Desc: VACANT LAND	Initial: 000000 Further: 000000
Updated: 04/16/10	Tax Codes:	Class4Cd: 0	Desc:
Zone:	Map Page: 1205	Acreage: 0.1791	Taxes: 3983.03 / 0.00

Sale Date: 02/21/00	Book: 8723	Page: 107	Price: 10	NU#: 3
Sr1a	Date	Book	Page	Price
				NU#
				Ratio
				Grantee

TAX-LIST-HISTORY

Year	Owner Information	Land/Imp/Tot	Exemption	Assessed
2011	MB COM AVE., LLC 400 SOMERSET ST. NEW BRUNSWICK, NJ 08901	57700	0	57700
2010	302 COMMUNIPAW AVENUE, L.L.C. 25 ROUTE 22 EAST SPRINGFIELD, N.J. 07081	57700	0	57700
2009	302 COMMUNIPAW AVENUE, L.L.C. 25 ROUTE 22 EAST SPRINGFIELD, N.J. 07081	57700	0	57700
2008	302 COMMUNIPAW AVENUE, L.L.C. 25 ROUTE 22 EAST SPRINGFIELD, N.J. 07081	57700	0	57700

Exhibit J
Current Tax Payment Status



City Of Jersey City Online Tax Inquiry

Account: 607045 Block/Lot: 02050 / 00029
 Owner: MB COM AVE., LLC
 Name: 400 SOMERSET ST.
 City/St/Zip: NEW BRUNSWICK, NJ 08901
 Pr. Location: 5 MONITOR ST.

Principal: .00
 Interest: .00
 Total Due: .00

Payment Amount
 1034.99

* Please Allow 24-48 Hours for payments to be applied to your account

**THERE WILL BE A CONVENIENCE FEE DEPENDING ON THE TYPE OF TRANSACTION YOU SELECT

Certificate	Sale Date	Amount	Sub Chgs.	Type	Status	Lien Holder
2008-1438	06-26-2008	1,859.82		Outside	Cancelled	PLYMOUTH PARK TAX SERVICES
2009-1478	07-07-2009	1,915.91	3,428.66	Outside	Cancelled	U.S. BANK-CUST/SASSMUNI VI DTR

Bank Code: 0
 Int. Date: 07-03-2011
 Date: 04-13-2011

Account # Block Lot Qualifier Interest Date (MM/DD/YYYY) / /

<input type="checkbox"/>	<input type="checkbox"/>								
Year	Bill Tr. / Due Qtr Date	Description	Billed	Paid / Adj.	Open Bal.	Days	Int. Due.	Paid By	Payment Adj.
2011	3 08-01-2011	TAXES BILL	1,034.99		1,034.99				
2011	2 05-01-2011	TAXES BILL	995.76						
2011	2 04-13-2011	TAXES PAYMENT		-995.76					
2011	1 02-01-2011	TAXES BILL	995.76						
2011	1 02-01-2011	TAXES PAYMENT		-995.76					
2010	4 11-01-2010	TAXES BILL	990.78						
2010	4 11-08-2010	TAXES PAYMENT		-990.78				LOCKBOX	
2010	3 08-01-2010	TAXES BILL	990.79						
2010	3 08-30-2010	TAXES PAYMENT		-990.79					
2010	2 05-01-2010	TAXES BILL	978.16						
2010	2 05-12-2010	TAXES PAYMENT		-978.16				LOCKBOX	
2010	1 02-01-2010	TAXES BILL	1,023.30						
2010	1 03-05-2010	TAXES INTEREST		-68.09				U.S. BANK-CUST/SASSMUNI V	
2010	1 03-05-2010	TAXES PAYMENT		-1,023.30				U.S. BANK-CUST/SASSMUNI V	
2009	4 01-04-2010	RED. STATEMENT PAYMENT		-20.00					
2009	4 01-12-2010	WRITTEN RESP. PAYMENT		-10.00					
2009	4 11-01-2009	TAXES BILL	817.65						
2009	4 03-05-2010	TAXES PAYMENT		-817.65				U.S. BANK-CUST/SASSMUNI V	
2009	3 09-15-2009	TAX ADV CHARGE PAYMENT		-15.00					
2009	3 08-01-2009	TAXES BILL	817.66						
2009	3 08-25-2009	TAXES INTEREST		-9.81				U.S. BANK-CUST/SASSMUNI V	
2009	3 08-25-2009	TAXES PAYMENT		-817.66				U.S. BANK-CUST/SASSMUNI V	
2009	2 06-30-2009	TAX ADV CHARGE PAYMENT		-37.57				TAXSALE PAYMENT	
2009	2 05-01-2009	TAXES BILL	913.68						
2009	2 06-30-2009	TAXES INTEREST		-51.07				TAXSALE PAYMENT	
2009	2 06-30-2009	TAXES PAYMENT		-913.68				TAXSALE PAYMENT	
2009	1 02-01-2009	TAXES BILL	913.59						
2009	1 06-30-2009	TAXES PAYMENT		-913.59				TAXSALE PAYMENT	
2008	4 11-01-2008	TAXES BILL	711.89						
2008	4 12-12-2008	TAXES INTEREST		-14.20				CREDIT CARD	
2008	4 08-21-2008	TAXES PAYMENT		-19.29					
2008	4 12-12-2008	TAXES PAYMENT		-692.60				CREDIT CARD	
2008	3 09-19-2008	RED. STATEMENT PAYMENT		-20.00					
2008	3 08-01-2008	TAXES BILL	711.89						
2008	3 08-21-2008	TAXES INTEREST		-7.12					
2008	3 08-21-2008	TAXES PAYMENT		-711.89					
2008	2 06-26-2008	TAX ADV CHARGE PAYMENT		-36.47				TAXSALE PAYMENT	
2008	2 05-01-2008	TAXES BILL	899.65						
2008	2 06-26-2008	TAXES INTEREST		43.63				TAXSALE PAYMENT	
2008	2 06-26-2008	TAXES PAYMENT		-899.65				TAXSALE PAYMENT	
2008	1 02-01-2008	TAXES BILL	880.07						
2008	1 06-26-2008	TAXES PAYMENT		-880.07				TAXSALE PAYMENT	

Exhibit K
Certificate of Formation
Disclosure Statement for Applicant
Operating Agreement

CERTIFICATE OF FORMATION

CAPITAL DEVELOPMENT REALTY GROUP LLC

0400250195

The above-named DOMESTIC LIMITED LIABILITY COMPANY was duly filed in accordance with New Jersey state law on 09/17/2008 and was assigned identification number 0400250195. Following are the articles that constitute its original certificate.

1. Name:

CAPITAL DEVELOPMENT REALTY GROUP LLC

2. Registered Agent:

FERNANDO PINEIRO

3. Registered Office:

220 OLD TURNPIKE ROAD
CALIFON, NJ 07830

4. Business Purpose:

Building

5. The date upon the LCC will be dissolved:

12/31/2099

6. Members/Managers:

FERNANDO PINEIRO
220 OLD TURNPIKE ROAD
CALIFON, NJ 07830

JACK D. PIRES
1168 SHERLIN DRIVE
BRIDGEWATER, NJ 08807

7. Main Business Address:

81-83 VESEY STREET
NEWARK, NJ 07105 1024

Signatures:

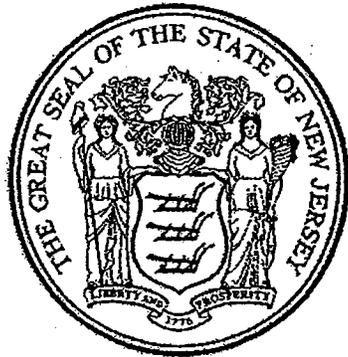
MILES M. HUNTER, ESQ.
AUTHORIZED REPRESENTATIVE

NEW JERSEY DEPARTMENT OF TREASURY
DIVISION OF REVENUE

CERTIFICATE OF FORMATION

CAPITAL DEVELOPMENT REALTY GROUP LLC

0400250195



*IN TESTIMONY WHEREOF, I have
hereunto set my hand and affixed my
Official Seal at Trenton, this
17th day of September, 2008*

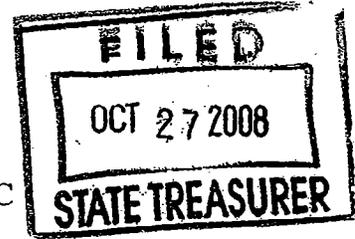
*R. David Rousseau
State Treasurer*

Certification# 112623722

Verify this certificate at

https://www1.state.nj.us/TYTR_StandingCert/ISP/Verify_Cert.jsp

AMENDMENT
OF
CERTIFICATE OF FORMATION
OF
CAPITAL DEVELOPMENT REALTY GROUP LLC



1. The name of the limited liability company is:

CAPITAL DEVELOPMENT REALTY GROUP LLC

2. The identification number is:

0400250195

3. The original Certificate of Formation we filed on September 17, 2008.

4. The effective date is the date this Amendment is filed.

5. The Certificate of Amendment is amended as follows:

Article 2 Registered Agent is deleted in its entirety and replaced with the following:

Registered Agent:
Jack D. Pires

Article 3 Registered Office is deleted in its entirety and replaced with the following:

Registered Office:
81-83 Vesey Street
Newark, N.J. 07105

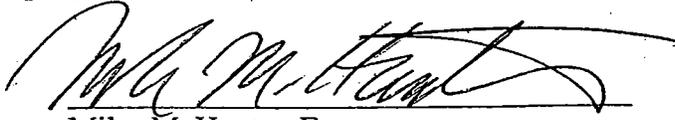
Article 6 Members/Managers is deleted in its entirety and replaced with the following:

Members/Managers:

Jack D. Pires
1168 Sherlin Drive
Bridgewater, N.J. 08807

Americo Seabra
10 Birchwood Lane
Watchung, N.J. 07069

The undersigned represents that this filing complies with State law as detailed in N.J.S.A. 42 and that he is authorized to sign this form behalf of the limited liability company named herein.

A handwritten signature in black ink, appearing to read "Miles M. Hunter", written over a horizontal line.

Miles M. Hunter, Esq.
Authorized Representative
October 22, 2008

DEPARTMENT OF TREASURY
Division of Revenue
Business Support Services, Commercial Recording
P.O. Box 308
Trenton, NJ 08646

Acknowledgement Printed: 11/13/2008

SHIP TO:

LAW FIRM OF MILES M HUNTER
56 BOSTON STREET
NEWARK, NJ 07103 3434

Thank you for your recent work request. The following information summarizes all work requests processed and the associated fees.

If your work was rejected, it is imperative that you include this form or a copy when resubmitting corrected documents or if you are requesting a refund. This will assist us in verifying payment and the original date the work request was submitted. Call us at (609) 292-9292 if you have any questions regarding this notice.

1. Customer Number: 589124
2. Account Number:
3. Session Number: 2079313
4. User ID: 35
5. Comments On Work Request:
6. Number of Rejected Jobs: 0

Method of Payment: Check

Check No: 1766

Amount: \$100.00

Job 1:

Job Completion Status: C CLOSED (JOB OR SESSION)

Session Number: 2079313

Work Description: AMENDA AMENDMENT/RENEWAL/ALL OTHERS

Job Number: 3840436

Filing Number: 400250195

Processed Date: 13-NOV-08

Entity Name: CAPITAL DEVELOPMENT REALTY GRO

Comments On Job:

FEE CODE	FEE DESCRIPTION	FEE	QTY	TOTAL
AMENDB	AMENDMENT LLC/LLP	100.00	1	\$100.00
JOB TOTAL:				\$100.00

COMPLETED JOB TOTAL: \$100.00

OFFICIAL RECEIPT *** THIS IS NOT A BILL ***

* Please retain a copy for your records to verify check and credit card billing.

OPERATING AGREEMENT

OF

CAPITAL DEVELOPMENT REALTY GROUP, LLC

This Operating Agreement of Capital Development Realty, LLC (“Agreement”), is dated as of November 5, 2008 is made by Americo Seabra and Jack D. Pires, each of whom is sometimes referred to herein as a “Member” and who, collectively, are sometimes referred to herein as “Members”.

RECITALS

WHEREAS, the Company, as hereinafter defined, has been formed by the Members to engage in any activity within the purposes of which a limited liability company may be organized under the laws of the State of New Jersey, including, without limitation, acquiring, owning, developing, improving, altering, maintaining, leasing, mortgaging, encumbering, operating, selling, and/or otherwise dealing with all or part of certain parcels of real property, as well as any improvements and fixtures thereon, as more particularly described in Exhibit A attached hereto, located in the City of Jersey City, New Jersey (collectively and as may be amended, the “Property”); and to conduct such other activities reasonably incident to any of the foregoing.

NOW THEREFORE, in order to carry out their intent as expressed above and in consideration of the mutual agreements and covenants hereinafter contained, the Members hereby covenant and agree as follows:

ARTICLE I

DEFINITIONS

“Act” means the New Jersey Limited Liability Company Act.

“Agreement” is defined in the first paragraph above.

“Annual Tax Distribution” is defined in Section 4.03.

“Applicable Tax Rate” is defined in Section 4.03(e).

“Bankruptcy” when used with reference to any Member, shall be deemed to occur (i) when the Member (a) makes an assignment for the benefit of creditors, or (b) files a voluntary petition in bankruptcy, or (c) is adjudged a bankrupt or insolvent, or has entered against him an order for relief in any bankruptcy or insolvency proceeding, or (d) seeks, consents to or acquiesces in the appointment of the trustee, receiver or liquidator of all or any substantial part of such Member’s property, or (ii) 90 days after the appointment without the Member’s consent or acquiescence of a trustee or liquidator of the Member or of all or any substantial part of his properties, if the appointment is not vacated or stayed, or within 90 days after the expiration of any such stay, if the appointment is not vacated.

“Capital Account” is defined in Section 3.02.

“Capital Contribution” for each Member means the aggregate of sums contributed by such Member pursuant to Article III hereof.

“Cause” is defined in Section 6.05(b).

“Certification” or “Certificate of Formation” means the Certificate of Formation of the Company, as the same may be amended or restated as provided herein or required by law, which has been duly filed in accordance with (and which, in all respects, is sufficient in form and substance under) the laws of the State of New Jersey, and was recorded with the Treasurer of the State of New Jersey on September 17, 2008.

“Code” or “Internal Revenue Code” means the Internal Revenue Code of 1986, as amended.

“Company” means Capital Development Realty Group, LLC, a limited liability company of the State of New Jersey.

“Company Minimum Gain” means the minimum amount of gain that would be recognized by the Company for federal income tax purposes if the Company disposed of property subject to non-recourse liabilities (that is, liabilities for which no Member bears the economic risk of loss pursuant to Treasury Regulation 1.752-1(a)(2)) in full satisfaction and for the amount thereof, computed in accordance with Treasury Regulation Section 1.704-2(d).

“Cumulative Net Tax Liability” is defined in Section 4.03(d)

“Current Tax Liability” is defined in Section 4.03(d).

“Current Tax Benefit” is defined in Section 4.03(d).

“Effective Date” means the first date that this Agreement is signed by all the Members.

“Fiscal Year” is the Company’s fiscal year for all accounting, tax and financial reporting purposes, which shall be the calendar year (i.e., January 1 through December 31).

“Gross Asset Value” is defined in Section 4.01(a).

“Initial Period” is defined in Section 3.01(b)(ii).

“Managing Member(s)” means those Members responsible for managing the day-to-day business and affairs of the Company subject to the terms and provisions of Article 6 below (each such Member may be individually referred to herein as the “Managing Member”). The Company’s initial Managing Member shall be Jack D. Pires.

“Majority-In-Interest of Members” means those Members whose Percentage Interests, in the aggregate, are in excess of fifty percent (50%) of the total Percentage Interests of all Members.

“Member Nonrecourse Debt” has the same meaning as “partnership nonrecourse debt” as set forth in Section 1.704-2(b)(4) of the Regulations.

“Member Nonrecourse Debt Minimum Gain” means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Section 1.704-2(i)(3) of the Regulations.

“Member Nonrecourse Deductions” has the same meaning as “partnership nonrecourse deductions” as set forth in Sections 1.704-2(i)(1) and 1.704-2(i)(2) of the Regulations.

“Members” means the initial Members of the Company identified above and any additional Members admitted to the Company as Members (but excluding any Person who merely has rights as an assignee of a Member under the Act) in accordance with Section 7.04 and Article IX hereof.

“Net Income” is defined in Section 4.01(b).

“Net Loss” is defined in Section 4.01(b).

“Nonrecourse Deductions” is defined in Section 1.704-2(b)(1) of the Regulations.

“Nonrecourse Liability” is defined in Section 1.704-2(b)(3) of the Regulations.

“Non-Receiving Members” means all Members other than the Receiving Member.

“Percentage Interest” means a Member’s interest in Net Income and Net Loss of the Company, adjusted as provided in Section 3.01(b) and Section 7.04. Each Member’s Percentage Interest as of the Effective Date is reflected on Exhibit B, attached hereto.

“Person” means any individual, limited liability company, partnership, corporation, trust or other entity.

“Property” is defined in the RECITALS on page on of this Agreement.

“Receiving Member” is defined in Section 9.02(c).

“Regulations” or “Treasury Regulations” means the United States Treasury Regulations promulgated by the Internal Revenue Service.

“Supermajority-In-Interest of Members” means those Members whose Percentage Interests, in the aggregate, are in excess of seventy-five percent (75%) of the total Percentage Interests of all Members.

ARTICLE II

THE COMPANY

2.01. Formation of Limited Liability Company. The Members hereby form a limited liability company (the “Company”) pursuant to the provisions of the laws of the State of New Jersey. The terms and provisions hereof will be construed and interpreted in accordance with the terms and provisions of such laws.

2.02. Name of Company. The name of the Company will be “Capital Development Realty Group, LLC”. A Majority-In-Interest of Members shall have the power to change the name of the Company at any time.

2.03. Purpose of Company.

(a) The purposes of the Company’s business are: (i) to acquire, own, develop, improve, alter, maintain, lease, mortgage, encumber, manage, and otherwise operate and deal with part or all of the Property, including, without limitation, to obtain financing and refinancing for the above purposes, to sell exchange, transfer, or otherwise dispose of all or any part of the Property and to invest and reinvest any funds held in reserve pursuant to the terms of this Agreement; (ii) to engage in any activity within the purposes for which a limited liability company may be organized under the laws of the State of New Jersey; and (iii) to conduct such other activities as may be necessary, appropriate and incidental to the foregoing purposes in connection therewith

(b) The Company shall have the power to do any and all acts necessary, appropriate, proper, advisable, incidental or convenient to or in furtherance of the purposes of the Company as set forth above and shall have without limitation, any and all powers that may be exercised on behalf of the Company by the Members pursuant to Articles VI and VII of this Agreement.

2.04. Principal and Registered Office.

- (a) The principal office of the Company shall be at 81-83 Vesey Street, Newark, N.J. 07105-1024.
- (b) The registered office of the Company shall be at 81-83 Vesey Street, Newark, N.J. 07105-1024.
- (c) The name of the registered agent at such address is Jack D. Pires.
- (d) The Managing Members may elect to change the Company’s registered agent and the Company’s registered and principal.

offices by complying with the relevant requirements of New Jersey law.

2.05. Duration of Company. The duration of the Company is perpetual, unless sooner terminated pursuant to any provisions of this Agreement or as otherwise provided by law.

2.06. Further Assurances. The parties hereto have executed and will hereafter execute whatever certificates and documents, and will file, record and publish such certificates and documents, which are required to form and operation a limited liability company under the laws of New Jersey. The parties hereto will also execute and file, record and publish such certificates and documents as they, upon advice of counsel, may deem necessary or appropriate to comply with other applicable laws governing the formation and operation of a limited liability company.

2.07. Expenses of Formation and Syndication.

(a) Each Member shall bear his own expenses in connection with his consideration of an investment in the Company and his acquisition of a membership interest in the Company, including without limitation, the fees of any attorney, financial advisor, or other consultant, except as this Agreement may otherwise expressly provide.

(b) The Company shall pay for all other expenses of formation of every nature and description including, without limitation, filing, recording and qualifying fees, taxes and costs of legal publication, expenses of registration, qualification or obtaining any necessary exemptions under any federal or state securities laws.

ARTICLE III

CAPITAL CONTRIBUTIONS

3.01. Capital Contributions of the Members.

(a) The Members of the Company have made or will, upon execution of this Agreement, make Capital Contributions to the Company of cash, cash equivalents, property or the assumption of debt and/or liabilities as set forth on Exhibit B hereto. The amount of cash contributed by each Member shall be credited to such Member's Capital Account, pursuant to Section 3.02.

(b) Additional Contributions.

(i) Unless otherwise determined by a Supermajority-In-Interest of Members, no Member shall be required to make any additional Capital Contributions to the Company in excess of the contributions described in Section 3.01(a) and Section 3.01(b)(ii) of this Agreement.

(ii) The Members agree and acknowledge that during each year of the three-year period beginning on the date first above written (the "Initial Period"), a Majority-In-Interest of Members may require each Member to make an additional Capital

Contribution of \$500.00, up to an aggregate additional Capital Contribution of \$1,000.00 per Member during the Initial Period. After the Initial Period, the Members acknowledge that a Supermajority-In-Interest of Members may require the Members to make additional Capital Contributions to the extent that the Company shall reasonably require additional funds to carry out its business purposes. After the Initial Period, any additional Capital Contributions required by a Supermajority-In-Interest of Members shall be made by the Members in accordance with each Member's Percentage Interest.

(iii) The failure by one or more Members to honor any capital call made in accordance with this Section 3.01(b) within thirty (30) days of such capital call shall result in the immediate adjustment of each Member's Percentage Interest in Company Net Income and Net Loss (but not in Company capital) to equal to percentage obtained by dividing each Member's adjusted Capital Account by the aggregate adjusted Capital Accounts of all Members immediately after all Members that elect to honor any call or calls for additional Capital Contributions have made such contributions. If any Member fails to honor a total of three (3) capital calls made in accordance with this Agreement, such Member's interest in the Company shall become immediately redeemable by the Company, or, if the Company lacks the necessary funds, shall become subject to equal purchase options held by the other Members, in either case, for a purchase price equal to such Member's adjusted Capital Account balance at the time of any such redemption or purchase.

(iv) The Members acknowledge that Company has an outstanding loan (the "Loan") from Magyar Bank ("Magyar") which is secured by the Property. Each of the Members may be obligated to execute and deliver to Magyar guaranty or other instruments in connection with the Loan, as members of the Company, and hereby agree to execute and deliver the same.

3.02. Capital Account. A "Capital Account" shall be established for each Member. The Capital Account will be credited with (i) the Capital Contributions of such member (net of liabilities relating to any contributed property that the Company is considered to assume or take subject to under Section 752 of the Code), (ii) such Member's distributive share of Net Income, as hereinafter defined, and (iii) any items of income or gain that are taken into account in determining capital accounts under Treasury Regulations Section 1.704-1(b)(2)(iv)(m) on account of any adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Section 743(b). The Capital Account will be debited by (i) such Member's distributive share of Net Loss, as hereinafter defined, (ii) any items of loss that are taken into account in determining capital accounts under Treasury Regulations Section 1.704-1(b)(2)(iv)(m) on account of any Code Section 734(b) or Section 734(b) adjustments to the tax basis of Company assets, and (iii) the amount of cash and the Gross Asset Value of other Company property distributed to such Member (net of any liabilities relating to such distributed property that the Member is considered to assume or take subject to under Code Section 752). In the event the Gross Asset Value of Company assets is adjusted under Section 4.01 of this Agreement, the Capital Accounts of the Members shall be adjusted to reflect the aggregate net adjustment as if the Company recognized gain or loss equal to the amount of such aggregate net adjustment and such gain or loss were allocated to the Members pursuant to Section 4.02 of this

Agreement. The foregoing provisions relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulations Section 1.704-1(b) et seq. and shall be applied in a manner consistent with such Regulations.

3.03. Return of Contributions. Except as otherwise expressly provided herein, none of the Members shall be entitled to withdraw or demand a refund or return of any Capital Contributions, or any interest thereon.

3.04. Loans to the Company by Members. Any Member may from time to time, with the consent of a Supermajority-In-Interest of Members, advance money to the Company by loan. The amount of any permitted loan made to the Company by a Member shall not be considered an increase in such member's Capital Contribution or otherwise constitute a contribution to the Company, nor shall the making of such loan entitle such Member to an increased share of the profits, losses or distributions to be made pursuant to the provisions of this Agreement. Loans made to the Company shall bear such reasonable rate of interest and shall feature such other terms as shall be agreed upon by a Supermajority-In-Interest of Members and the Member making such loan.

3.05. Loans to the Company by Third Parties. The Members recognize that the Company may require third-party financing for its purposes and acknowledge that a lender may require personal guarantees of any loan provided to the Company. In the event any third-party lender requires Members guarantees of Company debt, each Member agrees to personally guaranty a portion of such debt equal to his Percentage Interest in the Company. Each of the Members agrees to indemnify and hold harmless the other Members from and against all losses arising under or in connection with the portion of any Company debt for which the indemnifying Member has offered a personal guaranty. If any member refuses to provide the necessary personal guarantees of Company debt that may be required by a third-party lender in accordance with this Section 3.05, such Member's interest in the Company shall become immediately redeemable by the Company, or, if the Company lacks the necessary funds, shall become subject to equal purchase options held by the other Members, in accordance with the terms of the last sentence of Section 3.01(b)(iii) of this Agreement.

ARTICLE IV

ALLOCATION OF NET INCOME, NET LOSS AND DISTRIBUTIONS TO MEMBERS

4.01. Gross Asset Value and Net Income and Net Loss.

(a) "Gross Asset Value" means, with respect to any asset of the Company, the asset's adjusted basis for Federal income tax purposes; provided, however, that (i) the Gross Asset Value of any asset contributed by a Member to the Company as a Capital Contribution or distributed to a member by the Company shall be the gross fair market value of such asset (without taking into account Section 7701(g) of the Code) as reasonably determined by the Managing Members as of the date of the contribution or distribution, as the case may be; and (ii) the Gross Asset Value of all Company assets shall be adjusted to equal their respective gross fair market values (taking into account Code Section 7701(g)), as reasonably determined by the Managing Members as of (A) the date of the acquisition of an additional interest in the

Company by any new or existing Member in exchange for more than a de minimis Capital Contribution to the Company, or (B) upon the distribution by the Company to a retiring or continuing Member of more than a de minimis amount of Company property or money.

(b) “Net Income” and “Net Loss” respectively shall mean the net taxable income or loss (*i.e.*, the aggregate amount of all income and gain reduced by the aggregate amount of all loss and deduction) of the Company as determined annually in accordance with the method of accounting followed by the Company for Federal income tax purposes and determined in accordance with Section 703(a) of the Code (for this purposes, all items of income, gain, loss and deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss); provided, however, for purposes of computing such taxable income or loss: (i) any deductions for depreciation, cost recovery or amortization attributable to any assets of the Company shall be determined in accordance with the Code, except that if the Gross Asset Value of an asset differs from its adjusted tax basis for Federal income tax purposes at any time during such fiscal year, the deductions for depreciation, cost recovery or amortization attributable to such asset from and after the date during such year in which such difference first occurs shall bear the same ratio to the Gross Asset Value as of such date as the Federal income tax depreciation, amortization or other cost recovery deduction for such year from and after such date bears to the adjusted tax basis as of such date; (ii) any gain or loss attributable to the taxable disposition of any Company property shall be determined by the Company as if the adjusted tax basis of such property as of such date of such disposition were such Gross Asset Value reduced by all amortization, depreciation and cost recovery deductions (determined in accordance with clause (i) above) which are attributable to the property; (iii) the computation of all items of income, gain, loss and deduction shall be made without regard to any basis adjustment under Code Section 743, which may be made by the Company; (iv) any receipts of the Company that are exempt from Federal income tax and are not otherwise included in taxable income or loss shall be added to such taxable income or loss; (v) any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as expenditures described in Section 705(a)(2)(B) of the Code pursuant to Treasury Regulation Section 1.704-1(b) shall be subtracted from such taxable income or loss.

4.02. Allocations.

(a) Each Member shall have allocated to him the portion of the Net Income or Net Loss of the Company that is equal to such Member’s Percentage Interest. For example, if a Member’s Percentage Interest is 10%, 10% of the Net Income or Net Loss of the Company will be allocated to that Member on an annual basis.

(b) Calculations and allocations of Net Income and Net Loss shall be made by the accountants regularly employed by the Company or such other person who may keep the books and records of the Company as requested by the Managing Members, but at least annually and in conformity with the current requirements of the Internal Revenue Code.

(c) Net Income and Net Loss and items of income, gain, loss, deduction or credit for any year in which a Member transfers his interest in the Company shall be divided between the transferring Member and his transferee as necessary to reflect the interests of each as a member during such year.

4.03. Distributions.

(a) Subject to Section 4.03(b) of this Agreement, to the extent Company funds are available, all distributions of cash and property shall be made at such times and in such amounts as shall be agreed to by a Supermajority-In-Interest of Members and all such distributions to Members shall be made in accordance with the Members' Percentage Interest, unless otherwise provided.

(b) Notwithstanding the foregoing Section 4.03(a), each Fiscal Year the Company shall distribute to each member the "Annual Tax Distribution" computed for each Member in accordance with Section 4.03(c), below.

(c) For purposes of Section 4.03(b), above, the "Annual Tax Distribution" shall be determined in the following manner. The Annual Tax Distribution payable to a Member with respect to any Fiscal Year (the "Current Fiscal Year") shall equal the lesser of (i) the excess, if any, of the "Cumulative Net Tax Liability" (as hereinafter defined) allocable to such Member for all Fiscal Years of the Company through and including the Current Fiscal Year, over the aggregate Annual Tax Distributions paid to such Member under Section 4.03(b) with respect to all Fiscal Years of the Company excluding the Current Fiscal Year; or (ii) the "Current Tax Liability" (as hereinafter defined) allocable to such member for the Current Fiscal Year.

(d) The "Cumulative Net Tax Liability" of a Member as of the end of any Fiscal Year shall equal the amount determined by first computing the "Current Tax Liability" or "Current Tax Benefit" of such Member from the Company on a year-by-year basis in accordance with this Section 4.03(d), and then adding such liabilities and subtracting such benefits to arrive at the Cumulative Net Tax Liability, if any. Use of money considerations shall not be taken into account in this process. The "Current Tax Liability" or "Current Tax Benefit" for each Fiscal Year shall be deemed equal to the product of (i) the "Applicable Tax Rate" (as hereinafter defined), multiplied by (ii) an amount equal to the portion of the taxable income or tax loss, as the case may be, allocable to such Member for such Fiscal Year in accordance with Section 4.09 of this Agreement.

(e) For purposes of this Section 4.03, the "Applicable Tax Rate" for any Fiscal Year shall equal the highest combined effective federal and state income or franchise tax rate to which any Member (or any indirect partner or member in any member which is treated as a partnership for tax purposes) is subject for the year. Such rate shall be determined by taking into account (i) the federal tax benefit of any deduction for state income or franchise taxes, and (ii) state apportionment factors, credits for taxes paid to other states and other provisions which have the effect of reducing multiple state taxation of the same income. Once the Applicable Tax Rate is determined for a Fiscal Year, such rate shall be used in determining the Annual Tax Distributions payable by the Company to all Members with respect to such Fiscal Year (even though some Members may be in lower effective brackets for such year).

4.04. Contingency Reserves. A Majority-In-Interest of Members shall have the right to set aside reasonable Company funds in such reserves as it determines to be prudent for the operation of the Company's business, including sums it deems necessary to reserve for the future payment or reduction of any Company obligations.

4.05. Regulatory Allocations. Notwithstanding anything to the contrary in this Agreement, the following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(f) of the Regulations, notwithstanding any other provision of this Article IV, if there is a net decrease in Company Minimum Gain during any Company taxable year, each Member shall be specially allocated items of Company income and gain for such taxable year (and, if necessary, subsequent year) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each member pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(f)(6) and 1.704-2(j)(2) of the Regulations. This Sections 4.05(a) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(f) of the Regulations and shall be interpreted consistently therewith.

(b) Member Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(i)(4) of the Regulations, notwithstanding any other provisions of this Article IV, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Company taxable year, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(5) of the Regulations, shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(i)(4) and 1.704-2(j)(2) of the Regulations. The Section 4.05(b) in intended to comply with the minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Regulations and shall be interpreted consistently therewith.

(c) Qualified Income Offset. In the event any Member which is not obligated to fully restore a deficit balance in his Capital Account upon liquidation unexpectedly receives any adjustments, allocations or distributions described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), Regulations Section 1.704-1(b)(2)(ii)(d)(5), or Regulations Section 1.704-1(b)(2)(ii)(d)(6), then items of Company income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the deficit balance in the Capital Account of such Member as quickly as possible, provided that an allocation pursuant to this Section 4.05(c) shall be made if and only to the extent that such Member would have a deficit in its Capital Account after all other allocations provided for in this Article IV have been tentatively made as if this Section 4.05(c) were not in the Agreement. This Section 4.05(c) is intended to constitute a qualified income offset within the meaning of Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(d) Member Nonrecourse Deduction. Any Member Nonrecourse Deductions for any taxable year shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(1).

4.06. Additional Allocation Rules.

(a) Notwithstanding the foregoing, in the event any Member's Percentage Interest in the Company changes during a Fiscal Year for any reason, including without limitation, the transfer of any interest in the Company, the allocation of taxable income or loss described above shall be adjusted as necessary to reflect the varying interests of the Members during such year.

(b) Notwithstanding the foregoing, (i) in the event Code Section 704(c) or Code Section 704(c) principles applicable under Treasury Regulations §1.704-1(b)(2)(iv) require allocations of income or loss of the Company in a manner different than that set forth above, the provisions of Section 704(c) and the regulations thereunder shall control such allocations among the Members, and (ii) all deductions of the Company that are attributable to a liability of the Company for which a Member (or a person related to such Member under Treasury Regulations §1.752-4(b)) bears the economic risk of loss (within the meaning of Treasury Regulations §1.752-2(b)(1)) shall be allocated to such Member.

(c) Subject to the provisions of Section 3.05 hereof, no Member shall enter into (or permit any person related to the Member to enter into) any arrangement with respect to any liability of the Company that would result in such Member (or a person related to such Member under Treasury Regulations §1.752-4(b)) bearing the economic risk of loss (within the meaning of Treasury Regulations §1.752-2(b)(1)) with respect to such liability unless such arrangement has been approved by the Supermajority-In-Interest of Members. To the extent Members guarantee the repayment of any Company indebtedness under this Agreement, each of the Members shall guarantee such indebtedness in proportion to their respective Percentage Interests.

4.07. Negative Balance. No Member with a negative balance in his Capital Account shall be obligated to the Company, another Member or any third party to restore the amount of such negative balance.

4.08. Limitation of Liability. Nothing contained in this Article IV shall be construed to make any Member liable for any actual cash losses of the Company.

4.09. Standards/Tax Allocations. Each Member expressly consents to the method for making distributions and allocations set forth in this Article IV for book purposes. For Federal tax purposes, subject to and consistent with Code Section 704(c), Treasury Regulation 1.704-1(b)(2)(iv), and Code Sections 734 and 743, each item of income, gain, loss and deduction of the Company shall be allocated among the Members in the same manner as its correlative item of "book" income, gain, loss or deduction has been allocated pursuant to this Article IV.

ARTICLE V

DEPOSIT AND USE OF COMPANY FUNDS

Upon formation of the Company, all Capital Contributions shall be transferred to a separate Company account or accounts in such banks or other financial institutions as may be selected by the Managing Members. Such account or accounts shall be maintained in the name of or for the benefit of the Company. Thereafter, all revenues, bank loans, proceeds and other receipts will be deposited and maintained in such account or accounts, which may or may not bear interest, and all expenses, costs and similar items payable by the Company will be paid from such accounts. The Company's funds, including but not limited to the Members' Capital Contributions, Company revenue and the proceeds of any borrowing by the Company, may be invested as the Managing Members deem advisable. Any interest or other income generated by such deposits or investments will be considered part of the Company's account. Company funds from any of the various sources mentioned above may be commingled with other Company funds, but no with the separate funds of the Members or any other person, partnership or entity, and may be withdrawn, expended and distributed only as authorized by the terms and provisions of this Agreement.

ARTICLE VI

MANAGEMENT OF THE COMPANY

6.01. Management. Subject to the provisions of Section 6.09 and 6.10 of this Agreement, the day-to-day business and affairs of the Company shall be managed by the Managing Member(s) (as the case may be). Except for situations in which the approval of the Majority-In-Interest of Members or a Supermajority-In-Interest of Members is expressly required by this Agreement or by non-waivable provisions of the Act, the Managing Member(s) shall have full and complete authority, power and discretion to manage and control the Company and all matters related to the Company in its day-to-day business, affairs and property. Any action pursuant to any provision of this Agreement that is within the specific authority of the "Managing Member(s)" or that requires the consent of the "Managing Member(s)" shall be taken only with the consent of all of the Managing Member(s). The Managing Member(s) shall not be required to devote their full or exclusive time to the Company and Managing Member(s) shall not be entitled to a fee for their services to the Company as Managing Member(s).

6.02. Specific Authority Granted to the Managing Member(s). Subject to the provisions of Sections 6.09 and 6.10 of this Agreement, the Managing Member(s) shall have the power and authority on behalf of the Company (and without the approval of any Member in this capacity as a Member) to exercise the following powers in addition to any other powers granted to the Managing Member(s) pursuant to this Agreement (without limiting their other powers):

(a) Subject to the terms of this Agreement, to enter into any contract or agreement of any nature or to authorize expenditures, which are necessary to, desirable for, or in furtherance of the purposes of the Company, provided the aggregate value of any such contract, agreement or expenditure does not exceed \$10,000.00 on an annual basis;

(b) Subject to Section 6.02(a) and the other provisions of this Agreement, to operate and manage the Company's day-to-day business affairs relating to the Property;

(c) Subject to Section 6.02(a) and the provisions of this Agreement, to make reasonable expenditures in connection with the Property and the Company's business operations related thereto;

(d) To open and maintain bank accounts;

(e) To receive and receipt for and otherwise deposit of all checks, monies and securities of the Company;

(f) To maintain for the conduct of Company affairs one or more offices and do such other acts as the Managing Member(s) may deem necessary or advisable in connection with the maintenance or administration of such office or offices including, without limitation, purchasing supplies and maintaining the books and records of the Company, subject to the terms of this Agreement;

(g) To engage independent attorneys, accountants, consultants, or other such persons as may be deemed necessary or advisable in the conduct of the day-to-day business operations of the Company;

(h) To advertise to otherwise promote the activities of the Company;

(i) To invest funds of the Company from time to time in such short-term securities, money market funds, certificates of deposit or other liquid assets as the Managing Member(s) deem appropriate in the best interest of the Company;

(j) To have the Company follow any accounting procedures or practices as to maintenance of capital accounts, allocations, or distributions which do not conflict with any other Section of this Agreement;

(k) To change the Company's registered agent or the Company's registered and principal offices;

(l) To effectuate any and all actions on behalf of the Company which have been approved by a Majority-In-Interest of Members or a Supermajority-In-Interest of members pursuant to any provision of this Agreement requiring such approval; and

(m) To do any and all of the foregoing upon such terms and conditions as the Managing Member(s) may deem proper, and to execute, acknowledge and deliver any and all instruments in connection with any or all of the foregoing and to take such further action as the Managing Member(s) may deem necessary or advisable in connection with the conduct of the affairs of the Company, subject to the terms of this Agreement.

6.03. Liability of Managing Member(s). The Managing Member(s) shall not be liable to the Company or any member for any loss or damage sustained by the Company or any

Member unless the loss or damage is determined by final judgment of a court of competent jurisdiction to have been the result of bad faith, gross negligence or willful misconduct of the Managing Member(s). Without limiting the generality of the preceding sentence, the Managing Member(s) do not in any way guaranty the return of any Capital Contribution to a Member or a profit for the Members from the operations of the Company. Subject to the foregoing provisions of this Section 6.03, the Company shall indemnify and hold harmless the Managing Member(s) from and against all claims and demands to the maximum extent permitted under law and in the same manner as provided pursuant to Section 7.02 of this Agreement.

6.04. Designation of Managing Members. The Managing Member(s) shall be elected annually by a Majority-In-Interest of Members. Initially, the Managing Member(s) are as set forth in the Definitions section hereof. If any of the Managing Members resign, is no longer able to serve the Company in such capacity, or is removed for cause (as provided in Section 6.05), then a successor(s) shall be selected by a Majority-In-Interest of Members.

6.05. Removal for Cause.

(a) Any of the Managing Members may be removed for "Cause" (as defined in Section 6.05(b)) in accordance with the provisions of this Section 6.05(a). If a Majority-In-Interest of Members determines that a Managing Member should be removed for Cause, such Majority-In-Interest of Members, shall, by their written consent, instruct one of the other Managing Members to give written notice to the Managing Member facing removal and to all other Members (a "Removal Notice") which specifies the Cause with particularity. Such Member shall be removed as a Managing Member of the Company effective as of the date which is thirty (30) days after (i) the date such Removal Notice is given with respect to a Cause described in clause (i) of Section 6.05(b); or (ii) the date the misconduct described in clause (ii) of Section 6.05(b) is deemed to constitute a Cause, after giving effect to the applicable cure period.

(b) For purposes of this Section 6.05, "Cause" shall mean: (i) the conviction of a Managing Member for an act involving fraud, embezzlement or financial dishonesty against the Company; or (ii) willful and deliberate misconduct on the part of a Managing Member which remains uncured (in the reasonable opinion of a Majority-In-Interest of Members) for a period of thirty (30) days after written notice of such misconduct (provided, however, that if the misconduct is of the type that cannot reasonably be cured within a 30-day period, such misconduct will not constitute "Cause" if such Managing Member (in the reasonable opinion of a Majority-In-Interest of Members) commences to effect such cure within the 30-day period and diligently prosecutes such cure through completion, and provided further, however, that if such Managing Members disputes whether its conduct constitutes misconduct, then after it has been determined that such Managing Member has engaged in such misconduct by a Majority-In-Interest of Members, such Managing Member shall be entitled to cure the same in accordance with the foregoing provisions). Notwithstanding the foregoing, a Managing Member shall not be entitled to the benefit of the cure periods provided in clause (ii) of this Section 6.05(b) after the second time such Managing Member cures its willful and deliberate misconduct after written notice of such misconduct.

6.06. Resignation of Manager. A Managing Member may resign at any time by giving written notice to the Company. The resignation of a Managing Member shall take effect upon delivery of such notice or at such later time as shall be specified in such notice; and, unless otherwise specified in the notice, the acceptance of such resignation shall not be necessary to make it effective. If a Managing Member also holds a membership interest (either directly or indirectly through another Person), the resignation of such Managing Member shall not affect the Managing Member's rights with respect to such membership interest and shall not constitute the Manager's resignation as a Member or as the holder of an interest in another Person which may hold a membership interest in the Company.

6.07. Officers. The Managing Members may designate one or more individuals to be officers of the Company, and any officers so designated shall have such title, authorities and duties as the Managing Members may delegate to them, but in no event to exceed the authority granted to the Managing Members pursuant to this Agreement. Any officer may be removed as such at any time by the Managing Members. The initial officers of the Company are as follows:

Jack D. Pires, President & Director of New Development Projects
Americo Seabra, Vice President & Director of Operations and Construction

6.08. Limitation on Power to Manage. Unless authorized to do so pursuant to this Agreement, no Member, employee or agent of the Company shall have any power or authority to bind the Company in any way, to pledge the Company's credit, to render the Company liable for any obligations or to confess judgment against the Company.

6.09. Majority-In-Interest of Members Approval Required. In addition to any other provisions in this Agreement which expressly require the approval of a Majority-In-Interest of Members for a particular action and subject to Section 6.10 of this Agreement, the Company shall not take action concerning any of the following matters without the approval of a Majority-In-Interest of Members:

(a) Subject to the terms of this Agreement, entering into any contract or agreement of any nature or authorizing expenditures, which are necessary to, desirable for, or in furtherance of the purposes of the Company, provided the aggregate value of any such contract, agreement, or expenditure is in excess of \$10,000.00 but not in excess of \$1,000,000.00;

(b) Setting-up, and from time to time adjusting such reserves for Company expenses, losses, liabilities, and future requirements as may be reasonable or necessary, as provided in Section 4.04 of this Agreement;

(c) Electing the Managing Members on an annual basis or, from time to time, appointing successor Managing Members pursuant to Section 6.04 of this Agreement;

(d) Changing the name of the Company pursuant to Section 2.02 of this Agreement;

(e) Purchasing, at the expense of the Company, such liability and other insurance reasonably necessary to protect the Property and the Company's other assets and business;

(f) Organizing any other subsidiary entity in which the Company will have any voting or other interest or transferring all or substantially all of the asset of the Company to such entity;

(g) Placing record title to, or the right to use, Company assets in the name or names of a nominee or nominees for any purpose; and

(h) Making any other decision or action, which by the provisions of this Agreement is required to be approved by the Majority-In-Interest of Members.

6.10. Supermajority-In-Interest of Members Approval Required. In addition to any other provision in this Agreement which expressly requires the consent of a Supermajority-In-Interest of Members for a particular action, the Company shall not take action concerning any of the following matters without the consent of a Supermajority-In-Interest of Members.

(a) Subject to the terms of this Agreement, entering into any contract or agreement of any nature or authorizing expenditures, which are necessary to, desirable for, or in furtherance of the purposes of the Company, provided the aggregate value of any such contract, agreement, or expenditure is in excess of \$1,000,000.00;

(b) Admitting additional Members of the Company, subject to the terms of this Agreement and/or on any other terms;

(c) Making a capital call for additional Capital Contributions, pursuant to Section 3.01(b)(i) of this Agreement;

(d) Borrowing funds for the Company in an amount in excess of \$1,000,000.00 or securing such borrowings with any of the Company's assets or properties;

(e) Making distributions to Members in accordance with Section 4.03 of this Agreement;

(f) Doing any act in contravention of this Agreement;

(g) Filing or consenting to the filing of a petition under the Federal or any state bankruptcy, insolvency or reorganization act with respect to the Company;

(h) Selling, exchanging, mortgaging, pledging, hypothecating or otherwise disposing of, dealing with or encumbering the Property or all or substantially all of the assets of the Company, except as may be specifically permitted in Sections 6.02 and 6.09 of this Agreement;

(i) Amending, revising or restating the Company's Certificate of Formation;

- (j) Changing or reorganizing the Company into any other legal form;
- (k) Dissolving the Company, consolidating or merging the Company with another entity, or acquiring substantially all of the assets of any other entity;
- (l) Amending, revising or restating this Agreement;
- (m) Adjusting, compromising, settling or referring to arbitration, any claim against or in favor of the Company or any nominee of the Company, or instituting, prosecuting or defending any legal proceedings relating to the Property and the business of the Company;
- (n) Causing the Company to enter into any contractual arrangements with Members or any of their affiliate, pursuant to Section 7.05 of this Agreement;
- (o) Approving a Member's transfer of all or any portion of his interest in accordance with Article IX of this Agreement; and
- (p) Consenting to any other decision or action which by the provisions of this Agreement expressly requires the consent of a Supermajority-In-Interest of Members; or which materially affects the Company or the assets or operations thereof.

ARTICLE VII

MEMBERS

7.01. Liability. No Member shall be personally liable for any debts, liabilities, or obligations of the Company beyond such Member's Capital Contribution, except as otherwise expressly provided in this Agreement or as required by the Act.

7.02. Exculpation and Indemnification of Members

(a) Except as specifically provided in this Agreement or as otherwise required by applicable law, no Member (including any Managing Member) shall be liable to the Company or to the other Members for any loss, claim, damage or liability arising from, related to, or in connection with this Agreement, except for any loss, claim, damage or liability determined by final judgment of a court of competent jurisdiction to have resulted from such Member's (i) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law or (ii) gross negligence.

(b) The Company shall, to the fullest extent permitted by applicable law indemnify and hold harmless each Member (including each Managing Member) (each an "Indemnified Person") against any and all losses, claims, damages, or liabilities to which such Indemnified Person may become subject in connection with any matter arising from, related to, or in connection with, this Agreement or the Company's business or affairs, except for such losses, claims, damages or liabilities as are determined by final judgment of a court of competent jurisdiction to have resulted from such Indemnified Person's bad faith, gross negligence or willful misconduct (collectively, "Indemnification Losses"). The Company shall, from time to

time, reimburse or advance to any Indemnified Person the funds necessary for payment of reasonable expenses, including attorneys' fees, incurred in connection with any action, suit or proceeding, upon receipt of a written undertaking by or on behalf of such Indemnified Person to repay such amount(s) if a judgment or other final adjudication adverse to the Indemnified Person establishes that his acts or omissions (i) were in bad faith or involved willful misconduct, (ii) constituted gross negligence, or (iii) were otherwise of such a character that New Jersey law would require that such amount(s) be repaid. The Company may purchase insurance for the benefit of Indemnified Persons regarding the subject matter of this Section 7.02(b). The Company shall not be liable to any Indemnified Person or third party for amounts due under any settlement effected by an Indemnified Person without the consent of the Supermajority-In-Interest of Members.

(c) Each Member (including each Managing Member) who becomes personally liable or assumes personal liability under or with respect to any agreements, guarantees or indemnities made, given or issued under or with respect to any investments made or project undertaken directly or indirectly by the Company (including but not limited to any loans or other obligations guaranteed by the Members) shall (subject to the provisions of Section 7.01(b)) be indemnified and held harmless by the Company against such personal liability and all other Indemnification Losses of such Member in connection with any such personal liability or alleged personal liability or any guarantees or agreements related thereto or any claims or any proceeding concerning any of the foregoing.

(d) The provisions of this Section 7.02 shall survive any termination of this Agreement or the dissolution of the Company.

(e) Notwithstanding anything else contained in this Agreement, the indemnification obligations of the Company under this Section 7.02 shall:

- (i) be in addition to any liability that the Company may otherwise have;
- (ii) extend upon the same terms and conditions to the employees, agents and representatives of each Indemnified Person;
- (iii) be binding upon and inure to the benefit of any assigns, heirs and personal representatives of each Indemnified Person and any such Indemnified Persons; and
- (iv) be limited to the assets of the Company.

7.03. No Priority on Return of Capital Contribution or Distributions. Except as otherwise provided in this Agreement, no Member or assignee (as defined under the Act) shall have priority over any other Member or assignee as to the return of its Capital Contribution or as to distributions.

7.04. Admission of New Members. With the approval required in Section 6.10(b), the Members may admit additional Persons as Members of the Company, enabling such

Persons to participate in the Net Income, Net Losses, distributions, allocations and Capital Contributions of the Company in accordance with the terms of this Agreement. If additional Members are admitted as Members of the Company, they shall have such Percentage Interests as shall be agreed upon by a Supermajority-In-Interest of members, and the Percentage Interests of the other Members shall then be modified as shall be agreed upon by a Supermajority-In-Interest of Members. Upon admission, a new Member shall agree, in writing, to be bound by this Agreement.

7.05. Company's Dealings With Members and Related Parties. Subject to the terms of this Agreement, the Members shall have the right to deal with and enter into any type of agreement and arrangement with the Company, provided the terms of such arrangement are fully disclosed to the other Members and approved by a Supermajority-In-Interest of Members. The Members hereto acknowledge and agree that the Company shall have the right to enter into construction and construction management agreements with Highland Port Development or Viridian Construction or other entity owned or controlled by Jack D. Pires.

7.06. Expenses. Except as otherwise provided in this Agreement, the Company shall pay all ordinary and necessary expenses related to its business activities. Such expenses, whether billed directly to the Company or reimbursed to the Members, may include, but are not limited to: (i) all costs of or related to borrowing money and the establishment and use of credit facilities, including, without limitation, any commitment or other fees charged by lenders or finders, (ii) legal, auditing, accounting, consulting, brokerage and other fees and (iii) other out-of-pocket costs of the Company. The Company shall also be responsible for costs incurred in connection with any litigation relating to the business of the Company, including, without limitation, examinations, investigations or other proceedings conducted by any regulatory agency, legal and accounting fees incurred in connection therewith and any judgments, fines, penalties, damages, and amounts paid in settlement payable as a result thereof.

ARTICLE VIII

OTHER BUSINESS AND CONFLICTS OF INTEREST

Any Member may engage in, or possess an interest in, other business ventures of every nature and description, independently or with others, whether or not such other enterprises shall be in competition with or operating the same or similar businesses as the Company. This Agreement shall not, however, confer upon the Company or the other Members any right or opportunity to participate in such independent ventures or any right to the income or profits derived therefrom.

ARTICLE IX

WITHDRAWAL OR REMOVAL OF MEMBERS; TRANSFERABILITY OF COMPANY INTERESTS

9.01. Members.

(a) Bankruptcy of Members. A Member shall cease to be a Member of the Company upon his Bankruptcy.

(b) Payment to Former Member. If a Member ceases to be a Member pursuant to Section 9.01(a), the Company shall pay the former Member for the value of his membership interest in the Company (as determined below) in five (5) equal annual installments without interest beginning six (6) months after the event causing the Member to terminate his membership interest in the Company, provided, however, that the Company may, in its sole discretion, prepay such installments at any time without penalty. All payments to former Member made pursuant to this Section shall be in accordance with Treasury Regulations Section 1.704-1(b)(2)(ii)(b)(2). A former Member's interest in the Company shall for all purposes be deemed canceled and no longer outstanding as of the day of the event giving rise to the termination of such interest.

The value of the Member's interest for purposes of this Section 9.01 shall be determined by multiplying the Member's Percentage Interest by the fair market value of the Company as of the close of the month preceding the month in which the Member's interest is terminated, which fair market value shall be established by an appraisal prepared by an appraiser selected by the Managing Members.

(c) Withdrawal. A Member is prohibited from resigning or withdrawing from the Company without the consent of a Supermajority-In-Interest of Members. Any attempted withdrawal in violation of this Section 9.01(c) shall be null and void for all purposes.

9.02. Transfer of Member's Interest.

(a) Except as otherwise provided in this Agreement, a Member's membership interest in the Company is non-transferable without the consent of a Supermajority-In-Interest of Members, which consent may be withheld for any reason whatsoever. Notwithstanding the foregoing, a Member may transfer any portion of his membership interest to another Member without such consent and the transferring as well as the transferee Members' Percentage Interests in the Company shall then be adjusted accordingly. In addition, a Member may transfer any portion of his membership interest to his wife and/or children (if any) without the consent of a Supermajority-In-Interest of Members; however, upon such a transfer, unless a Supermajority-In-Interest of Members agree otherwise, the transferee shall not become a Member of the Company but instead shall only have rights as an assignee of the transferring Member under the Act (i.e., shall possess no management or voting rights of any kind). Any transfer or attempted transfer of all or any part of a Member's interest in the Company except as expressly permitted in this Agreement shall be null and void for all purposes. If a Member is permitted to transfer his membership interest pursuant to the approval of a Supermajority-In-Interest of Members, the transferee shall be admitted as a Member of the Company once he, she or it agrees, in writing, to be bound by the provisions of this Agreement and upon satisfying such other conditions of transfer as the Members approving such transfer shall require.

(b) Upon the death or incompetency of any Member, the Company shall have to option, exercisable within sixty (60) days of such death or incompetency, to

purchase all (but not less than all) of such Member's interest in the Company at such time for a price determined using the valuation mechanism described in Section 9.01(b) above. If the Company does not exercise the option described in the immediately preceding sentence, each remaining Member shall have the option, exercisable within thirty (30) days after the expiration of the Company's option period, to purchase such Member's Interest in the Company. If more than one remaining Member exercises his option to purchase such Member's interest in the Company, then each remaining Member exercising such option shall purchase that percentage of such Member's interest in the Company obtained by dividing each participating remaining Members' respective Percentage Interest by the aggregate Percentage Interest of all remaining Members exercising their right to purchase such Member's interest in the Company. If neither the Company nor the remaining Members exercise their options to purchase such Member's interest, such Member's interest shall be transferred to the designated beneficiary and, unless a Supermajority-In-Interest of Members agrees otherwise, such beneficiary shall not become a Member of the Company but instead shall only have rights as an assignee of such Member under the Act.

(c) Sales of Company Interests to Third Parties. Notwithstanding Section 9.02(a) to the contrary, if any Member receives from a single third party (the "Offeror") a bona fide offer (the "Offer"), in writing, signed by the Offeror setting forth all the material terms of an Offer to purchase all or any portion of such Member's interest in the Company, then the Member who shall have received such Offer (the "Receiving Member") shall, if he wishes to accept the Offer, forward a true copy thereof to the Company and each of the Non-Receiving Members, together with reasonable information as to the identity of the Offeror (e.g., its partners or directors, officers and controlling shareholders) and the terms of the Offer.

(i) In such event, the Company shall have thirty (30) days after receipt of a copy of the Offer from the Receiving Member to either:

(1) notify the Receiving Member and each other Non-Receiving Member of its intent to purchase all (but not less than all) of the Receiving Member's interest offered for sale upon the same terms and conditions contained in the Offer except as to date, hour, place of closing, and purchase price. Notice of election to purchase shall be addressed to the Receiving Member and shall provide for the consummation of the transaction on the date set forth in the notice of acceptance, which date shall be not more than ninety (90) days after the conclusion of the thirty (30) day period referenced in the Section 9.02(c)(i). Such notice shall also set forth the hour and place of closing. The purchase price to be paid by the Company for such interest shall equal the lesser of (i) the purchase price stated in the Offer or (i) eighty five percent (85%) of the price determined using the valuation mechanism described in Section 9.01(b) above; or

(2) notify the Receiving Member and each other Non-Receiving Member that it does not elect to purchase all (but no less than all) of the Receiving Member's interest offered for sale. If the Company does not give notice to the Receiving Member within the option period referenced in Section 9.02(c)(i)(1), the Company shall be deemed to have given notice that it does not elect to purchase all of the Receiving Member's interest.

(ii) If the Company does not elect to purchase all of the Receiving Member's interest pursuant to Section 9.02(c)(i), then each Non-Receiving Member (other than the Company) shall within ten (10) days after receiving notice (or having been deemed to receive notice pursuant to Section 9.02(c)(i)(2) of this Agreement) shall either:

(1) notify the Receiving Member of his intent to purchase all (but not less than all) of the Receiving Member's interest offered for sale upon the same terms and conditions contained in the Offer except as to date, hour, place of closing, and purchase price. Notice of election to purchase shall be addressed to the Receiving Member and shall provide for the consummation of the transaction on the date set forth in the notice of acceptance, which date shall be not more than ninety (90) days after the conclusion of the ten (10) day period referenced in this Section 9.02(c)(ii). Such notice shall also set forth the hour and place of closing. The purchase price to be paid by such Non-Receiving Member(s) shall equal the lesser of (i) the purchase price stated in the Offer or (ii) eighty five percent (85%) of the price determined using the valuation mechanism described in Section 9.01(b) above; or

(2) notify the Receiving Member that he does not elect to purchase all (but not less than all) of the Receiving Member's interest offered for sale. If any Non-Receiving Member does not give notice to the Receiving Member within the option period referenced in the Section 9.02(c)(ii), such Non-Receiving Member shall be deemed to have given notice that it does not elect to purchase all of the Receiving Member's interest.

(iii) If any Non-Receiving Member elects, within his option period, to purchase all of the Receiving Member's interest offered for sale in accordance with Section 9.02(c)(i) or Section 9.02(c)(ii), then the Receiving Member shall be obligated to sell and transfer all of his interest offered for sale to the relevant Non-Receiving Members as set forth in Section 9.02(c)(i) or Section 9.02(c)(ii). If more than one (1) Non-Receiving Member (other than the Company) elects to purchase all of the Receiving Member's interest offered for sale, then each Non-Receiving Member shall purchase a percentage of the Receiving Member's interest described by the fraction, the numerator of which is the respective Non-Receiving Member's Percentage Interest and the denominator of which is the aggregate Percentage Interests of all Non-Receiving Members (other than the Company) electing to purchase all of the Receiving Member's interest offered for sale.

(iv) If the Company and/or the Non-Receiving Members do not close on the purchase of all of the Receiving Member's interest by the date set forth in the notice of acceptance, then the Receiving Member shall have the right and option (to be exercised by written notice to the Non-Receiving Members to such effect within sixty (60) days after such failure to close) to sell his interest to the Offeror upon the terms submitted in the Offer. Upon the sale of the Receiving Member's interest to the Offeror, the Offeror shall be admitted as a Member of the Company in place of the Receiving Member which shall have sold his interest. As a condition precedent to the foregoing, the Offeror shall execute and deliver an instrument, in substance and form satisfactory to the Supermajority-In-Interest of Members (excluding the Receiving Member), assuming and agreeing to the terms and conditions of this Agreement.

(v) If the Non-Receiving Members do not exercise their rights to purchase all of the Receiving Member's interest under Section 9.02(c)(i) or 9.02(c)(ii), then,

upon the sale of the Receiving Member's interest to the Offeror, the Offeror shall similarly be admitted as a Member of the Company in place of the Receiving Member which shall have sold his interest. As a condition precedent to the foregoing, the Offeror shall execute and deliver an instrument, in substance and form satisfactory to a Supermajority-In-Interest of Members (excluding the Receiving Member), assuming and agreeing to the terms and conditions of this Agreement.

(vi) Whether any transaction contemplated by the foregoing provisions of this Section 9.02(c) is consummated pursuant to the provisions of this Section 9.02(c), all the provisions of this Section 9.02(c) shall apply to any subsequent offer or offers made to purchase a Member's interest.

(d) If a Member is permitted to transfer his interest pursuant to approval of a Supermajority-In-Interest of Members, as provided in this Agreement, the transferee shall be admitted as a Member of the Company once he, she or it agrees, in writing, to be bound by the provisions of this Agreement and upon the transferee's satisfaction of such other conditions of transfer as the Members shall require.

9.03. Optional Adjustment to Basis of Company Property. In the event of the transfer of any interest of a Member in the Company pursuant to the death, incompetency or Bankruptcy of a Member, the Managing Members may cause the Company to make an election as provided in Section 754 of the Code (if such an election is not already in effect for the Company) and cause the Company to make the adjustments to the basis of the property of the Company (with regard to the transferee Member only) as provided in Section 754 of the Code.

ARTICLE X

DISSOLUTION AND LIQUIDATION

10.01. Dissolution.

(a) The Company shall be dissolved and its business terminated upon the happening of the earliest of the following:

- (i) The occurrence of any event which causes a dissolution under the laws of New Jersey; or
- (ii) The consent of the Supermajority-In-Interest of Members; or
- (iii) Ninety days after the date on which the Company no longer has at least one Member, unless at least one new Member is admitted within that ninety day period.

(b) The Bankruptcy, death, expulsion, or incapacity of any Member will not cause the dissolution of the Company.

(c) Upon any dissolution of the Company, the accountants then retained by the Company shall prepare a statement setting forth the assets and liabilities of the Company as of the date of dissolution, and such statements shall be furnished to all Members.

10.02. Liquidation.

(a) In the event of the dissolution of the Company, which dissolution (if applicable) is not followed by an election of the remaining Members to reconstitute the Company, the assets of the Company shall be sold or distributed as promptly as possible, but in an orderly and businesslike manner, as the Managing Members shall determine. All assets of the Company which are sold shall be sold at such price and upon such terms as the Managing members may deem advisable. Any Member may purchase the assets of the Company at such sale. If for any reason the Managing Members cannot take charge of the liquidation, the Members shall select a Person to do so in their place by the consent of a Majority-In-Interest of Members.

(b) The proceeds of any sale described in Section 10.02(a), in addition to the cash and securities on hand, shall be applied and distributed in the following order of priority:

(i) to the payment of debts and liabilities of the Company, including, without limitation, loans payable to Members; then

(ii) to the setting up of such reserves as a Majority-In-Interest of Members may deem necessary for any contingent liabilities or obligations of the Company, provided that any such reserves shall be paid over to an independent escrow agent, to be held by such agent or his successor for such period as such Person shall deem advisable for the purpose of applying such reserves to the payment of such liabilities or obligations and, at the expiration of such period, the balance of such reserves, if any, shall be distributed as hereinafter provided; then

(iii) to the Members, in proportion to the positive balances of their respective Capital Accounts after all Net Income and Net Loss resulting from the liquidation and/or distribution of all assets of the Company have been allocated.

(c) The liquidator of the Company (if not the Managing Members) may in his discretion distribute any or all of the Company's assets in kind and in varying amounts (including a percentage of one or more such assets which exceeds the percentage in which a Member shares in distributions from the Company) to the Members.

10.03. Return of Capital Contribution. The return of all or any part of the Capital Contribution of the Members shall be made solely from Company assets and the Members shall have no right to demand either cash or property other than cash.

10.04. No Release. No dissolution of the Company shall release any Member from his obligations under this Agreement.

ARTICLE XI

ANNUAL ACCOUNTING PERIOD; RECORDS; TAX RETURNS

11.01. Annual Accounting Period. The annual accounting period of the Company shall be the Fiscal Year.

11.02. Records.

(a) The Managing Members shall maintain, or cause to be maintained, the Certificate and all amendments thereto, this Agreement and all amendments hereto, complete and accurate records of all transactions of the Company, copies of the Company's tax returns, and full and true books of account in accordance with the accounting method followed by the Company for Federal income tax purposes.

(b) All of such books and records shall, at all times, be kept at the principal office of the Company and, during regular business hours, shall be opened upon reasonable notice for inspection, examination and copying by a Member or the Member's authorized representative(s).

11.03. Income Tax Returns.

(a) The Managing Members are hereby designated as the "tax matters members" under the Code.

(b) With respect to the preparation of Federal, state and local income tax returns of the Company, the tax matters member shall see to the preparation and filing of all such returns in a timely manner and shall make, in his sole discretion, unless otherwise provided herein, such elections or determinations as may be desirable and available under current provisions of the Code. In the event that the Internal Revenue Service audits the return of any Member with respect to his participation in the Company, the Company shall have the right, but not the obligation, to participate at its own expense in such audit in matters affecting the Company's tax return. The Members shall take such steps and execute such instruments as may be required to accomplish this, including without limitation the execution of powers of attorney. In the event of an income tax audit of any Company tax return, to the extent the Company is treated as an entity for purposes of the audit, including administrative settlement and judicial review, the tax matters member shall be authorized to act for, and his decisions shall be final and binding upon, the Company and the Members. The tax matters member shall keep the other Members apprised of the status of any income tax audit.

ARTICLE XII

STATEMENTS AND INFORMATION

12.01. In addition to maintaining the information referenced in Section 11.02(b) hereof, the tax matters member shall deliver (or have delivered) to the Members the following:

(a) By March 31st of each year, a statement which shall include, as of the end of and for the previous Fiscal Year, the following:

(i) A balance sheet and the related statements of cash receipts, disbursements, and changes in Members' capital;

(ii) The then current balances in the Capital Accounts of the Members; and

(iii) Such other information as, in the opinion of the tax matters member, shall reasonably be necessary for the Members to be currently aware of the operating and business results of the Company.

(b) Any information reasonably necessary for the preparation by any Member of his Federal, state and local income or other tax returns.

ARTICLE XIII

AMENDMENTS

This Agreement may not be amended except by the consent of the Supermajority-In-Interest of Members. All amendments made in accordance with this Article XIII shall be evidenced by a writing executed by the Members and a copy of such written amendments shall be kept at the office of the Company. Notwithstanding the foregoing, the Managing Members shall amend this Agreement from time to time in each and every manner to comply with the then existing requirements of the Code, Treasury Regulations and rulings of the Internal Revenue Service affecting the status of the Company as a "partnership" for Federal income tax purposes, and no amendment will be approved which shall directly or indirectly affect or jeopardize the status of the Company as a "partnership" for Federal income tax purposes.

ARTICLE XIV

MISCELLANEOUS

14.01. Notices. Any offer, acceptance, election, approval, consent, request, waiver, notice or other document required or permitted to be given pursuant to any provision of this Agreement shall be deemed duly given only when in writing, signed by or on behalf of the person giving same, and either personally delivered (with receipt acknowledged by the recipient) or deposited in a designated United States mail depository, registered or certified mail, return receipt requested, postage prepaid, addressed to the person or persons to who such offer, acceptance, election, approval, consent, request, waiver or notice is to be given at their respective addresses indicated herein, or at such other address as shall have been set forth in a notice sent pursuant to the provisions of this Section 14.01.

14.02. Binding Effect. Subject in all respects to the limitations concerning the transferability of interests in the Company contained herein and except as otherwise herein expressly provided, the provisions of this Agreement shall be binding upon and inure to the

benefit of the parties hereto, their respective personal representatives, heirs and permitted assigns.

14.03. Counterparts. This Agreement may be executed in any number of counterparts and by facsimile machine transmission. Each such counterpart and/or facsimile machine transmission shall, for all purposes, constitute one agreement which is binding on all of the parties hereto.

14.04. Paragraph Headings. Paragraph titles or captions contained in this Agreement are inserted as a matter of convenience and for reference only, and shall not be construed in any way to define, limit, extend or describe the scope of this Agreement or the intention of the provisions thereof.

14.05. Exhibits. All exhibits and schedules annexed hereto are expressly made a part of this Agreement, as fully as though completely set forth herein, and all references to this Agreement herein or in any of such exhibits or schedules shall be deemed to refer to and include all such exhibits or schedules.

14.06. Variation in Pronouns. All pronouns and variations thereof shall be deemed to refer to masculine, feminine, neuter, singular or plural, as the identity of the person or persons may require.

14.07. Severability. Each provision hereof is intended to be severable and the invalidity or illegality of any portion of this Agreement shall not affect the validity or legality of the remainder.

14.08. Qualification in Other States. In the event the business of the Company is carried on or conducted in states in addition to New Jersey, then the Members agree that the Company shall exist under the laws of each state in which business is actually conducted by the Company, and they severally agree to execute such other and further documents as may be required or requested in order that the Members legally may qualify the Company in such states to the extent possible. A Company office or principal place of business in any state may be designated from time to time by the Members.

14.09. Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto with respect to the matters set forth herein and supersedes any prior understanding or agreement, oral or written.

14.10. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

14.11. Forum. Any action by one or more Members against the Company or by the Company against one or more Members which arises under or in any way relates to this Agreement, actions taken or failed to be taken or determinations made or failed to be made by the Members or relating to the Company including, without limitation, transactions permitted hereunder or otherwise related in any way to the Company, may be brought only in the state courts of the State of New Jersey or the United States District Court for the District of New

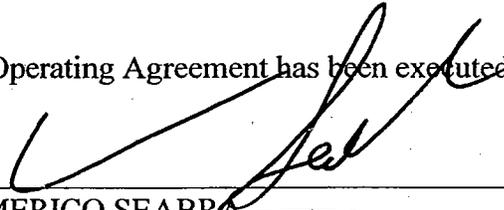
Jersey. Each Member hereby consents to the jurisdiction of such courts to decide any and all such actions and to such venue.

14.12. Attorney Review. The Members represent and agree that:

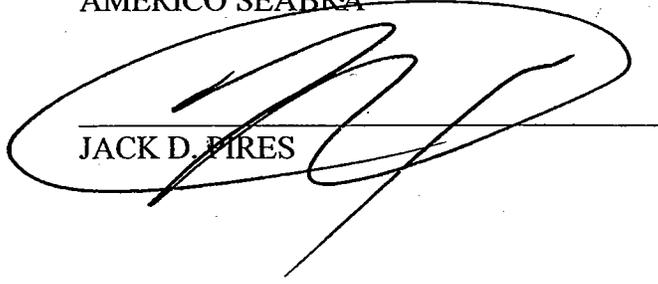
- (a) each Member fully understands his right to discuss all aspects of this Agreement with his private attorney;
- (b) to the extent each Member desires, he has availed himself of this right;
- (c) each Member has read carefully and understands fully all of the provisions of this Agreement; and
- (d) each Member is voluntarily entering into this Agreement.

[remainder of this page intentionally blank]

IN WITNESS WHEREOF, this Operating Agreement has been executed on the date first written above.



AMERICO SEABRA



JACK D. FIRES

EXHIBIT A

Description of Property

1. 385-387 Communipaw Avenue, Block 2042 Lots 1 and 2, Jersey City, N.J.

EXHIBIT B

Initial Percentage Interests

Americo Seabra	50.0%
Jack D. Pires	<u>50.0%</u>
<i>Total Membership Interest</i>	100.00%

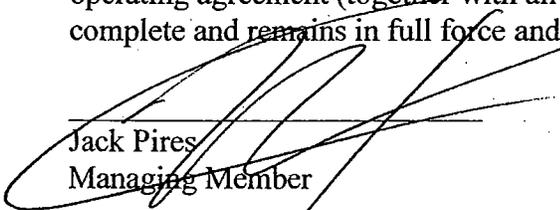
DISCLOSURE STATEMENT
OF CAPITAL DEVELOPMENT REALTY GROUP, LLC

Entity: Capital Development Realty Group, LLC,
a New Jersey limited liability company

Members:

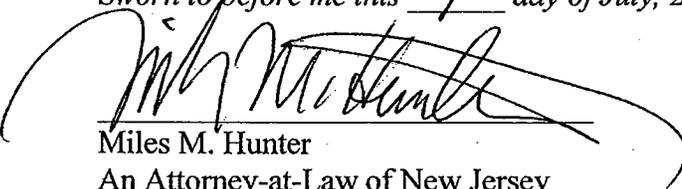
Member	Percentage Interest
Americo Seabra 10 Birchwood Lane Watchung, N.J. 07069	50.0%
Jack Pires (Manager) 1168 Sherlin Drive Bridgewater, N.J. 08807	50.0%

I hereby certify that the foregoing list represents all of the members owning a ten percent (10.0%) or greater interest in Capital Development Realty Group, LLC. The operating agreement (together with all amendments) of the Applicant is true, correct and complete and remains in full force and effect.

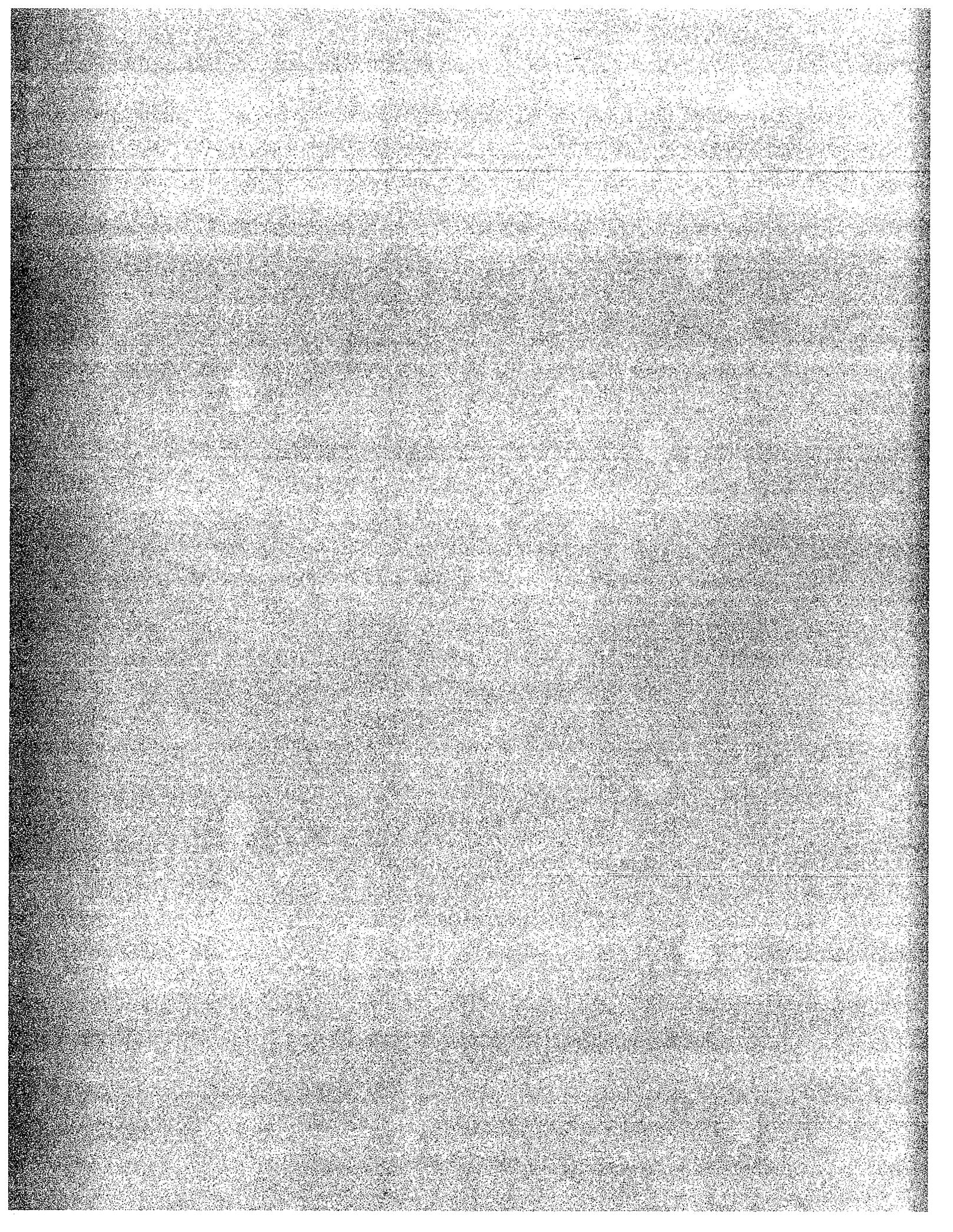


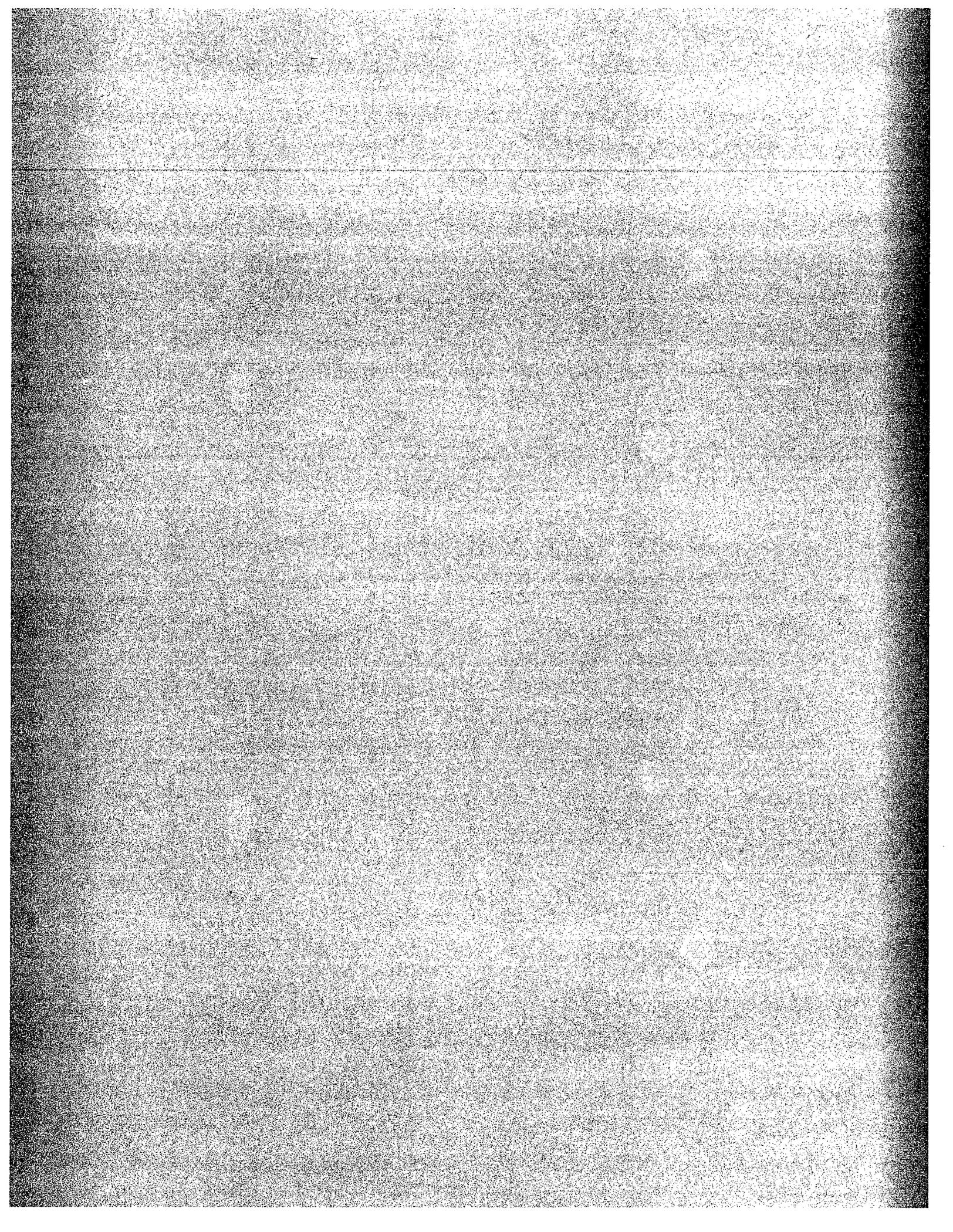
Jack Pires
Managing Member

Sworn to before me this 7th day of July, 2011.



Miles M. Hunter
An Attorney-at-Law of New Jersey





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, **CAPITAL DEVELOPMENT REALTY GROUP, LLC**, [Applicant], whose principal place of business is 81-83 Vesey Street, Newark, New Jersey 07105.

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 5 Monitor Street, a/k/a 302-306 Communipaw Avenue, in the City of Jersey City, County of Hudson and State of New Jersey, designated as Block 2050, Lot 29 on the Tax Assessor's Map, more commonly known by the street address of 302-306 Communipaw Avenue and more particularly described in the metes and bounds description attached hereto as Exhibit A [Property];

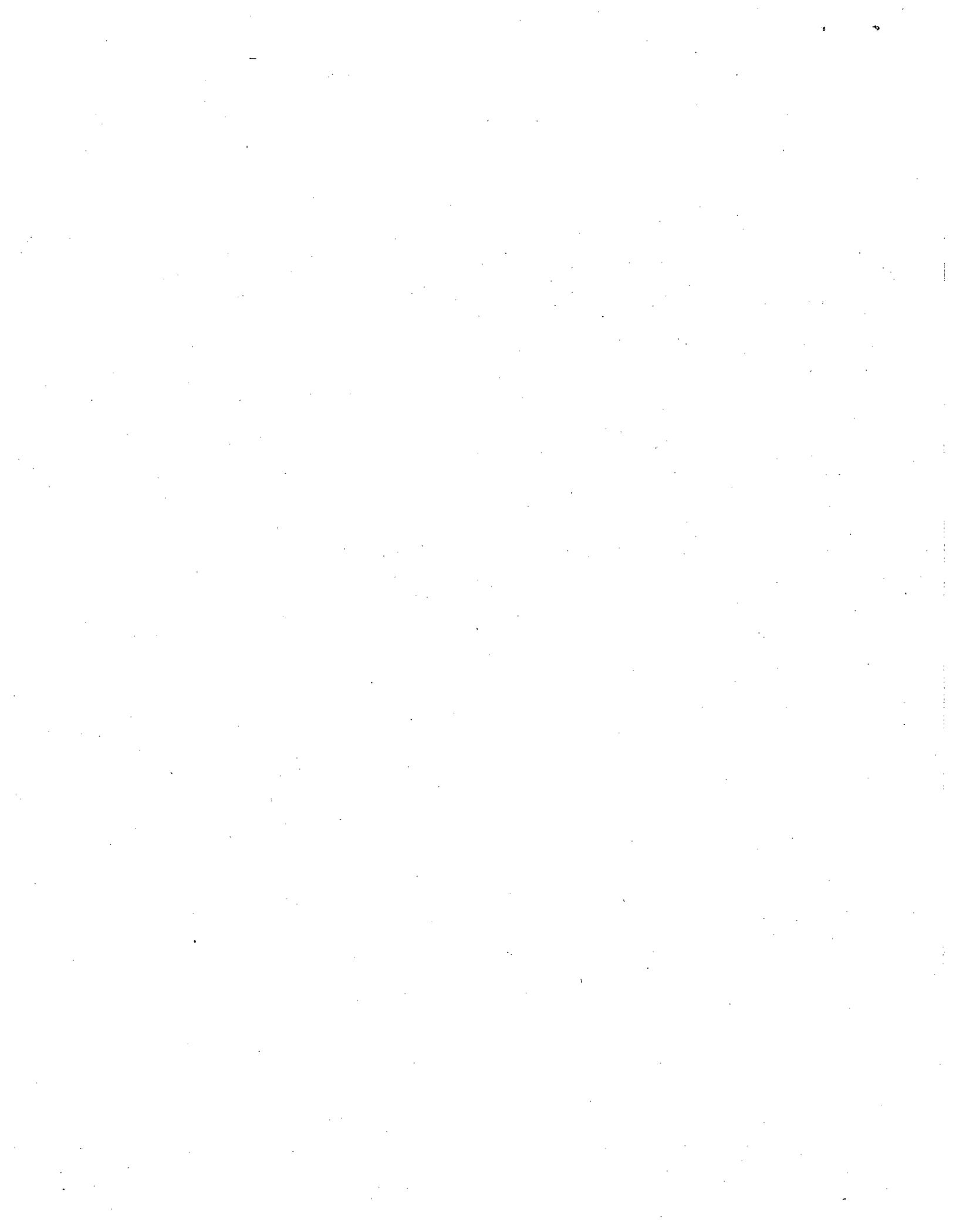
WHEREAS, on or about July 8, 2011, the Applicant applied for a five year tax exemption for a new Mixed-Use Residential/Commercial Building, four (4) story building on the Property with 15 apartment units, a commercial unit on the ground floor and 15 on-site parking spaces [Improvements] pursuant to N.J.S.A. 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 _____, 2011.

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 construction of a new [Commercial or Industrial Structure OR Multiple Dwelling] [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 , 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 2012, no payment in lieu of taxes;
2. For the full calendar year of 2013, thirty-nine (39%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$13,647.00;
3. For the full calendar year of 2014, fifty-nine (59%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$20,645.00;
4. For the full calendar year of 2015, seventy-nine (79%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$27,643.00; and
5. For the full calendar year of 2016 eighty (80%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$27,993.00.

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

ARTICLE III: APPLICATION FEE

The Applicant agrees to pay the sum of **\$3,000.00** 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: REVALUE

The applicant has agreed that in the event the revalue results in a decrease in the amount of actual taxes otherwise due for purposes of calculating a tax payment hereunder and for the five (5) year period, the amount shall be calculated on the higher of the amount estimated hereunder or the actual taxes.

ARTICLE VII: 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.

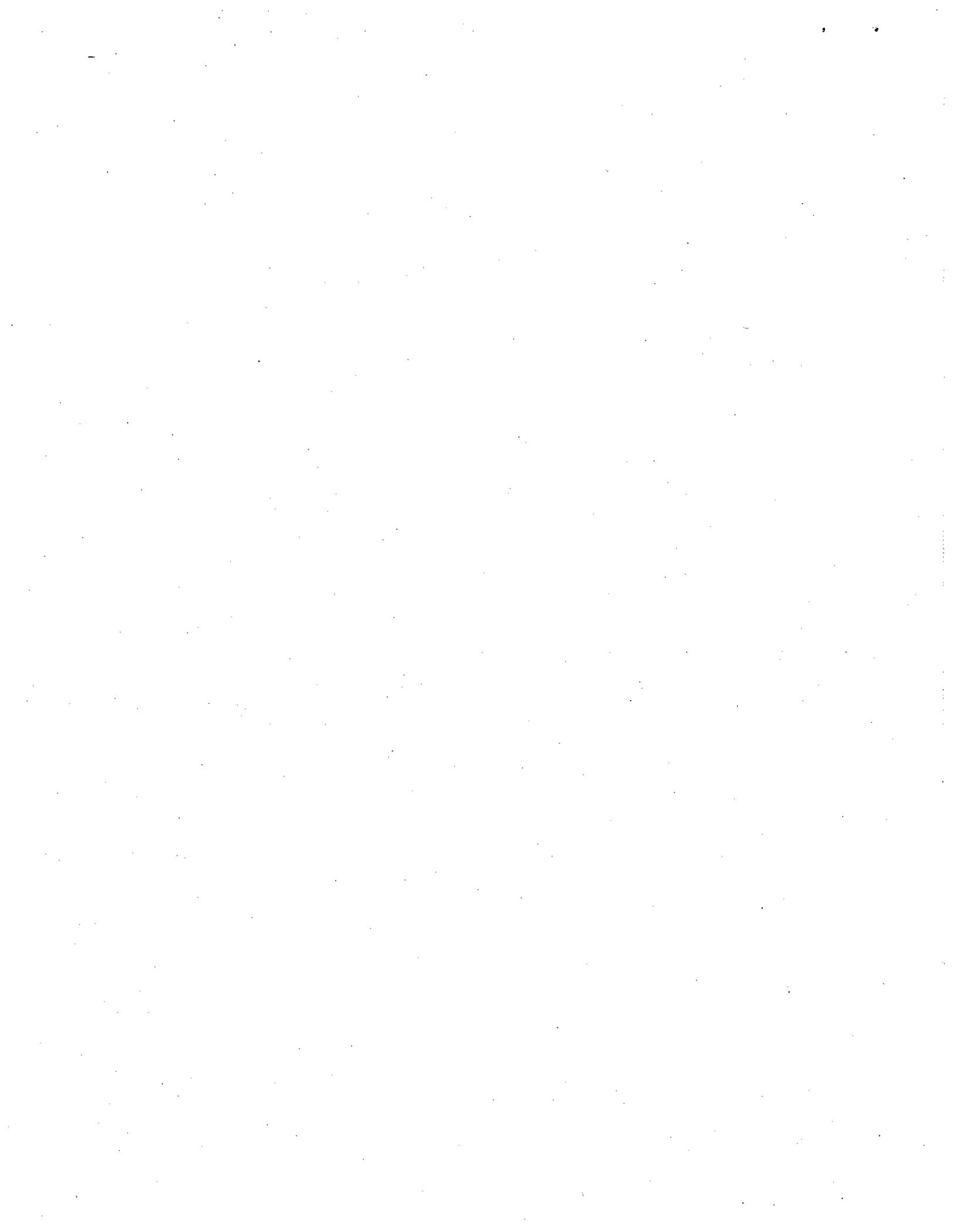
ARTICLE VIII: OPERATION OR DISPOSITION OF PROPERTY

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 IX: 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.

In the event the owner elects to terminate this tax abatement after the revalue, the owner shall pay the City the difference of 100% of the full amount of the taxes otherwise due from 2012 to the date of termination.

ARTICLE X: 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 XI: 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:

Capital Development Realty
Group, LLC
81-83 Vesey Street
Newark, New Jersey 07105

ARTICLE XII: 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.



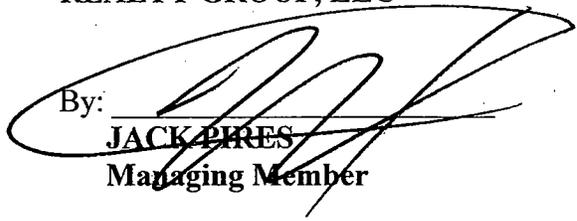
IN WITNESS WHEREOF, the City and the Applicant have caused this Agreement to be executed on the date and year first above written.

WITNESS:



Name: Miles M. Hunter

CAPITAL DEVELOPMENT
REALTY GROUP, LLC

By: 

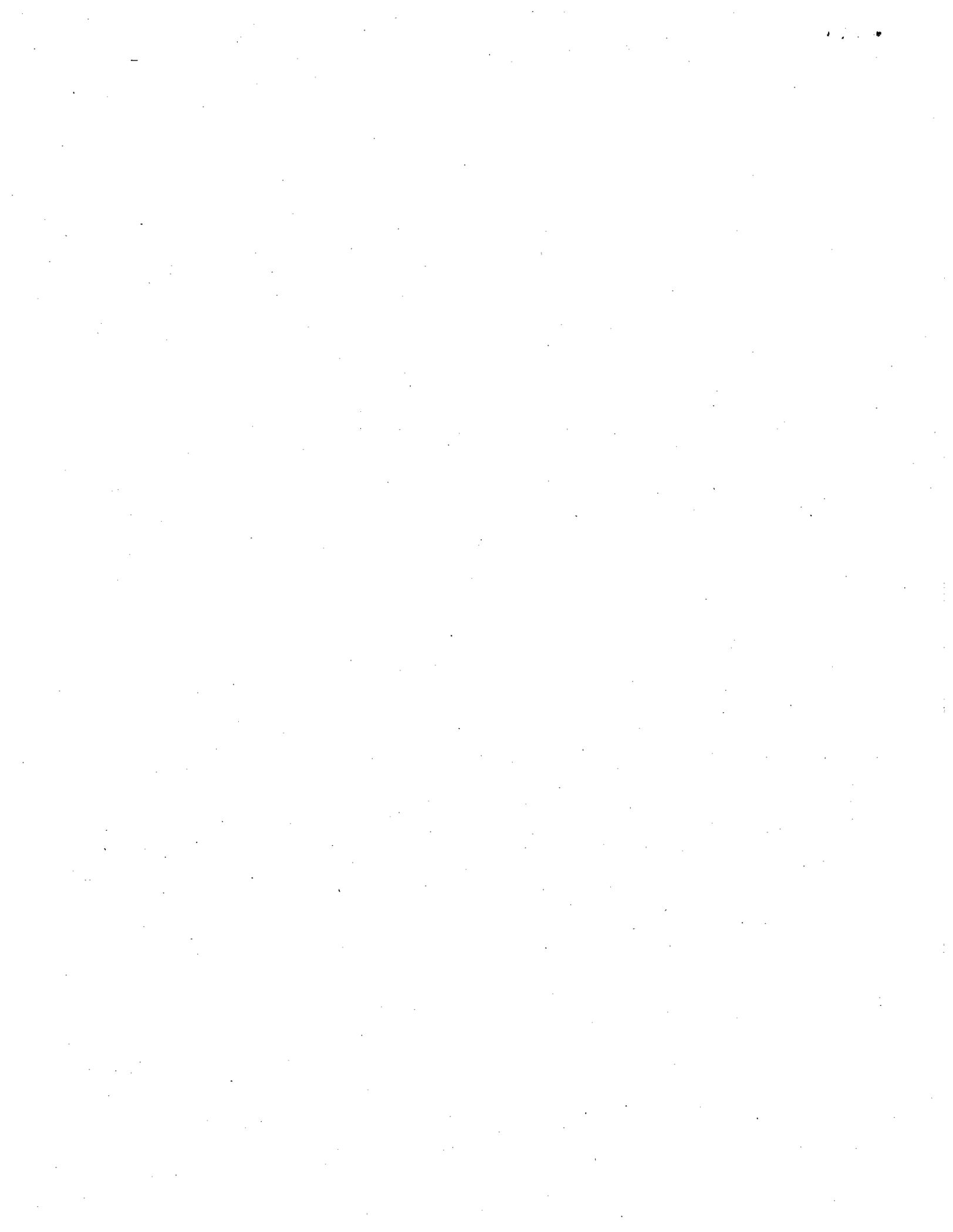
JACK PIRES
Managing Member

ATTEST:

CITY OF JERSEY CITY

Robert Byrne
City Clerk

By: _____
John Kelly
Business Administrator



APPLICATION

1. **Identification of the Property: Block 1999, Lots 12.E and 34** as shown on the Official Assessment map of the City of Jersey City, and more commonly known referred to as 742-748 Ocean Avenue.

2. **Type of Exemption Required:**

The Applicant seeks a long term tax exemption under and pursuant to N.J.S.A. 55:14K-1 et. seq. (HMFA law) for a residential multi-family housing project. The applicant seeks abatement based on 10 percent of project revenues.

3. **General Statement of the nature of the Project:**

Development of a 44 unit residential building consisting of (44) one bedroom rental units (one non rent-paying superintendent's unit) and off street parking spaces affordable to very low income renters. Five (5) of the units will be rented to Special Needs residents. The rental from the Special Needs units will be limited to 30% of tenant income.

4. **Term of Abatement:**

The term of the tax exemption being requested by the Applicant is 30 years from the date of substantial completion of the Project.

5. **Improvements to be Constructed:**

The site consists of approximately 18,293 square feet of land in Jersey City, NJ. The Project will be the construction of residential rental complex containing 44 units with off street parking spaces. The building will be 5 stories high. The residential units will be located in the building and distributed as follows:

44 One Bedroom (one unit will be reserved for the superintendent)

Each residential apartment unit will contain all new utilities and appliances for heating, air conditioning, plumbing and electric. The building will be of steel and wood frame construction. The Building will be located on Ocean Avenue. The driveway entering and exiting the parking lot will be located on Ocean Avenue.

The Property currently owned by the Ocean Green, LLC. The Applicant has signed a contract to purchase the Project from its current owner for \$700,000.00. The Applicant will take title to the property upon award of the 9% LIHTC. The Applicant will construct the project. The Applicant plans to lease the residential units and parking spaces to seniors and 5 special needs residents. The standard form lease will require the tenant to pay the following rents:

Rentals (Including utilities)		
\$600	1 Bedroom	38 units
\$0	1 Bedroom	1 unit (Super)
\$0-\$600	1 Bedroom	5 units (Special Needs)

A general description of the lease is attached as Exhibit B.

6. **Estimated Total Cost of the Project:**

The total cost of the project as set forth in Exhibit D and D1 is estimated to be \$10,348,176. The Total Project Cost has been calculated in accordance with the provisions of New Jersey Housing and Mortgage Finance Agency's Low Income Housing Tax Credit's Breakdown of Cost and Basis. Construction costs have been estimated based upon information compiled by the Applicant. The breakdown of the Total Project Cost is attached as Exhibit D.

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

A Schedule of Annual Gross Revenue and Expenses for the Project is attached hereto as Exhibit C. A Projected Statement of Operations is attached hereto as Exhibit E.

8. **Construction Schedule:**

The Construction of the Project is scheduled to commence within 90 days of the date of execution of the Financial Agreement will be completed within approximate 18 months thereafter.

9. **Municipal Land Use Approvals:**

The Applicant has applied for approval for the Project from the Jersey City Board of Adjustment as attached hereto as Exhibit F.

10. **Real Estate Tax Assessments:**

The tax assessment information for the property upon which the Project is to be located is attached hereto as Exhibit G.

11. **Real Estate Taxes Levied:**

The total payments for the municipal real estate taxes were paid by the Seller as set forth in Exhibit G-1.

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

The Applicant is a contract purchaser of the property. 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 pay or cause all real estate taxes or other assessments due on the property to be paid prior to the execution of the Financial Agreement.

13. **Disclosure Statement:**

The Disclosure Statement is attached hereto as Exhibit H-1. The Applicant is a limited partnership in formation being organized under the laws of the State of

New Jersey including . A copy of the Certificate of Formation is attached hereto as part of Exhibit H.

14. **Certification of Construction Commencement:**

The Certification of Construction Commencement is attached hereto as Exhibit I.

15. **Estimate Jobs Created:**

The Applicant estimates that construction of the Project will generate 80 jobs over the construction period. Approximately 4 permanent full time real estate rental, management, clerical and service positions will be created.

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 and the City of Jersey City is attached hereto as Exhibit J.

17. **Certification of Truthfulness and Diligent Inquiry:**

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

18. **Financial Agreement:**

The proposed Financial Agreement is attached hereto as Exhibit L.

19. **Fee:**

Ocean Green Senior Apartments

Narrative Description

Ocean Green Senior Apartments, L.P. proposes to develop a new construction, five-story, 44-unit apartment building at 742-748 Ocean Avenue, in the Bergen-Lafayette section of Jersey City, for low-income Seniors and Special Needs households. All units will be one-bedroom, and all rents will be affordable to households earning 50% or less of the Area Median Income (AMI). There will be one non-rent paying Super's unit.

Ocean Green Senior Apartments will be EPA Energy Star-certified and New Jersey Green Future Program compliant, with twenty-three (23) parking spaces, a ground floor community room and laundry area, and a second floor green-roof common terrace. The site is conveniently located within walking distance of a supermarket, a U.S. Post Office, retail shops and banks, the Maureen Collier Senior Center, and a Light Rail station offering access to the Newport Shopping Mall and to PATH trains which connect to additional local and regional transportation.

Ocean Green Senior will provide Seniors the opportunity to age with dignity in the community in which they live. The Jersey City Office on Aging and other providers will furnish affordable and appropriate social services to building residents at the on-site Community Room. The Visiting Homemaker Service of Hudson County will provide services to Frail Elderly residents, while the Jersey City Medical Center will deliver social services to residents of five (5) Special Needs housing units.

There is a severe need for affordable Special Needs and Senior apartments in New Jersey, and that need is even more acute in Jersey City, where rents have risen unabated for more than ten years. Ocean Green Senior Apartments will build on positive public, retail and residential developments in the Bergen-Lafayette section in recent years, while also putting a vacant piece of land to productive use and allowing long-time community residents the chance to not be priced out of their neighborhood.

Comfortably-sized apartments, an on-site security guard, a security intercom system, the community room, laundry facilities, landscaped outdoor seating areas and secure, covered garage parking will all make Ocean Green Senior Apartments a valuable asset to the community and to the City of Jersey City.

STEWART TITLE GUARANTY COMPANY COMMITMENT

BEING further described as follows:

BEGINNING at a point in the Southeasterly right-of-way line of Ocean Avenue (70' Wide), where the same is intersected by the line dividing Block 1999 Lot 12C and Block 1999 Lot 12E and from thence; running

1. North 21 degrees 58 minutes 46 seconds East, along said southeasterly right-of-way line of Ocean Avenue, and the northwesterly line of Block 1999 Lots 12E and 34, distant 127.14 feet to a point and the southwesterly line of Block 1788 Lot A; thence
2. South 72 degrees 18 minutes 06 seconds East, along said southwesterly line of Block 1788 lot A, distant 140.39 feet to a point and the northwesterly corner of Block 1999 Lot G1; thence
3. South 21 degrees 58 minutes 46 seconds West, along the northwesterly line of Block 1999 Lots G1, F1, E1, D1, 18A and 18B, distant 121.62 feet to a point and the northeasterly line of Block 1999 Lot 19C; thence
4. North 68 degrees 01 minutes 14 seconds West, along the northeasterly line of Block 1999 Lot 19C, distant 15.00 feet to a point and the northwesterly corner of Block 1999 Lot 19C; thence
5. South 21 degrees 58 minutes 46 seconds West, along the northwesterly line of Block 1999 Lot 19C, distant 16.00 feet to a point and the northeasterly line of Block 1999 Lot 12F; thence
6. North 68 degrees 01 minutes 14 seconds West, along said northeasterly line of Block 1999 Lots 12F and 12C, distant 125.00 feet to the above described point or place of BEGINNING.

The above description was drawn in accordance with a survey made by Dresdner Robin dated October 7, 2005 and revised September 28, 2006.

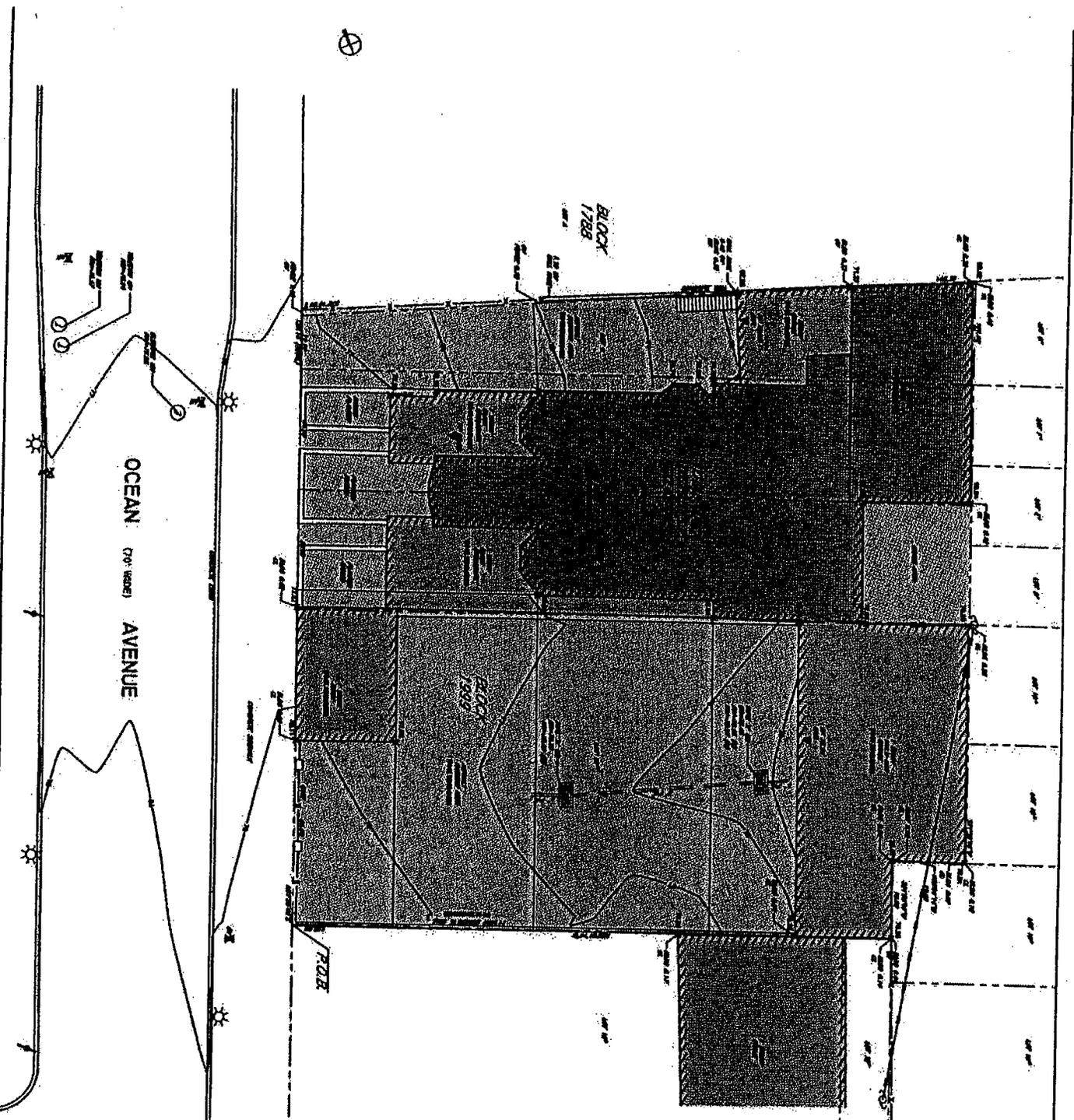
FOR INFORMATION ONLY:

Commonly known as:
742-748 Ocean Avenue
Jersey City, New Jersey

End of Schedule A - Description

BK:08040 PG:00188

SITE SURVEY



1

EXISTING SITE SURVEY

SP-1

DATE	10/1/2010
BY	DR
CHECKED	DR
SCALE	AS SHOWN
PROJECT	EXISTING SITE SURVEY
CLIENT	DR
LOCATION	DR
DESCRIPTION	DR

DRESDNER ROBIN
 ENGINEERING, SURVEYING & ENVIRONMENTAL
 271 Hudson Street, Jersey City, NJ 07310
 (201) 217-2000 (201) 217-2007
 www.dreidner.com

JOHN MONG ARCHITECT
 771 BROOKLINE STREET, CAMBRIDGE MA 02140
 617.578.8888 617.578.7200
 info@johnmong.com www.johnmong-ja.com

OCEAN GREEN
 742-748 Ocean Avenue
 Jersey City, New Jersey
 Landmark Developers: 400 Garden Avenue, Jersey City, NJ 07310
 The OGD Group, LLC: 26 Park Street, 8th Floor, Newark, NJ 07102

Contract for Sale of Real Estate

This Contract for Sale is made on June 15, 2011

BETWEEN

Ocean Green, LLC

(Include Soc. Sec. No.)

whose address is 675 Garfield Avenue
Jersey City, NJ 07305

referred to as the "Seller,"

AND

Ocean Green Senior Apartments, L P

(Include Soc. Sec. No.)

whose address is 853 Summit Avenue
Jersey City, NJ 07307

referred to as the "Buyer."

The words "Buyer" and "Seller" include all Buyers and all Sellers listed above.

1. **Purchase Agreement.** The Seller agrees to sell and the Buyer agrees to buy the Property (called the "Property") described in this Contract.
2. **Property.** The Property to be sold consists of: (a) the land and all of the buildings, other improvements and fixtures on the land; (b) all of the Seller's rights relating to the land; and (c) all personal property specifically included in this Contract. The real Property to be sold is commonly known as 742-748 Ocean Avenue

in the City of Jersey City in the County of Hudson

and State of New Jersey. It is shown on the municipal tax map as lot 12.E and 34 in block 1999.

This Property is more fully described in the attached Schedule A.

3. **Purchase Price.** The purchase price is

4. **Payment of Purchase Price.** The Buyer will pay the purchase price as follows:

Previously paid by the Buyer (initial deposit)

\$ 700,000.00

Upon signing of this Contract (balance of deposit)

\$ 100.00

Balance to be paid at closing of title, in cash or by certified or bank cashier's check or attorney's trust account check (subject to adjustment at closing).

\$ 699,900.00

5. **Time and Place of Closing.** The closing date cannot be made final at this time. The Buyer and Seller agree to make 3/15/12, the estimated date for the closing. Both parties will fully cooperate so the closing can take place on or before the estimated date. The closing will be held at Law Office of Eugene P O'Connell, 853 Summit Avenue, Jersey City, NJ 07307

\$ 0.00

6. **Transfer of Ownership.** At the closing, the Seller will transfer ownership of the Property to the Buyer. This transfer of ownership will be free of all claims and rights of others except as provided in other parts of this Contract. The Seller will give the Buyer a properly executed deed and an adequate Affidavit of Title. If the Seller is a corporation, it will also deliver a corporate resolution authorizing the sale.

7. **Type of Deed.** A deed is a written document used to transfer ownership of Property. In this sale, the Seller agrees to provide and the Buyer agrees to accept a deed known as bargain and sale with covenants against grantors' acts.

8. **Physical Condition of the Property.** This Property is being sold "As Is," except for paragraph 10 as required by Federal Regulation. The Seller does not make any claims or promises about the condition or value of any of the Property included in this sale. The Buyer has inspected the Property and relies on this inspection and any rights which may be provided for in other parts of this Contract.

9. **Risk of Loss.** The Seller is responsible for any damage to the Property, except for normal wear and tear, until the closing.

10. **Lead Paint.** The Buyer acknowledges that:
- The Seller has provided the Buyer with an EPA-approved lead hazard information pamphlet.
 - The Seller has attached to this Contract a Lead Warning Statement (see ALL-STATE form NC132).
 - The Seller has disclosed the presence of known lead-based paint and/or lead-based paint hazards and has provided additional information concerning the known lead-based paint and/or lead-based paint hazards, or has indicated no knowledge of the presence of lead-based paint and/or lead-based paint hazards.
 - The Seller has provided the Buyer with a list of any records or reports available to the Seller pertaining to lead-based paint and/or lead-based paint hazards or Seller has indicated that no such records or reports are available.

11. **Lead Paint Sale Contingency.** This Contract is contingent upon a risk assessment or inspection of the Property for the presence of lead-based paint and/or lead-based paint hazards at the Buyer's expense until 9 p.m. on the tenth calendar-day after the signing of this Contract by all parties for housing built before 1978. [Intact lead-based paint that is in good condition is not necessarily a hazard. See the EPA pamphlet, "Protect Your Family from Lead in Your Home," for more information.] This contingency will terminate at the above predetermined deadline unless the Buyer (or Buyer's agent) delivers to the Seller (or Seller's agent) a written Contract addendum listing the specific existing deficiencies and corrections needed, together with a copy of the inspection and/or risk assessment report. The Seller may, at the Seller's option, within _____ days after delivery of the addendum, elect in writing whether to correct the condition(s) prior to settlement. If the Seller will correct the condition, the Seller shall furnish the Buyer with certification from a risk assessor or inspector demonstrating that the condition has been remedied before the date of the settlement. If the Seller does not elect to make the repairs, or if the Seller makes a counter-offer, the Buyer shall have _____ days to respond to the counter-offer or remove this contingency and take the Property in "As Is" condition or this Contract shall become void. The Buyer may remove this contingency at any time without cause. (42 U.S.C. 4852d) (61FR 9064).

12. **Private Well Testing Act (N.J.S.A. 58:12A-26 et seq.)**
 (a) **Applicability:** If the property (i) has a potable water supply furnished by a private well located on the property, or (ii) the potable water supply is furnished by a well that has fewer than 15 service connections or that does not regularly service an average of at least 25 individuals daily at least 60 days out of the year, then the water supply must be tested as a condition of the sale.
 (b) **Testing Parameters:** The water test must conform with the parameters established in the Private Well Testing Act and any additional parameters as required by the Department of Environmental Protection.
 (c) **Disclosure:** Closing of title shall not occur unless both the Buyer and the Seller have received and reviewed a copy of the water test results. At closing, the Buyer and Seller shall certify in writing that they have received and reviewed the water test results.

13. If this Contract is for the sale of a new residential property, a Notification Regarding Off-Site Conditions MUST be attached to notify the purchaser regarding off-site conditions which may affect the value of this property. New Residential Construction Off-Site Conditions Disclosure Act, P.L. 1995, c. 253 (C. 46:3C-1 et seq.) (see ALL-STATE form No. 132).

14. **Complete Agreement.** This Contract is the entire and only agreement between the Buyer and the Seller. This Contract replaces and cancels any previous agreements between the Buyer and the Seller. This Contract can only be changed by an agreement in writing signed by both Buyer and Seller. The Seller also promises that she/he has not made any other Contract to sell the Property to anyone else.

15. **Parties Liable.** This Contract is binding upon all parties who sign it and all who succeed to their rights and responsibilities.

SIGNED AND AGREED TO BY:

Witnessed or Attested by:

Date Signed:

6.15.11


 Buyer Ocean Green Senior Apartments, L P

As to Buyer(s)

Buyer

6.15.11


 Seller Ocean Green, LLC

As to Seller(s)

Seller

Exhibit B

(Description of Leases/Sample Lease)

THE PARTIES, LANDLORD AND TENANT, IN CONSIDERATION FOR THE MUTUAL PROMISES IN THIS AGREEMENT (referred to as "Lease") UNDERSTAND AND AGREE TO THE FOLLOWING:

1) PARTIES AND DWELLING UNIT

The parties to this Lease are MADISON TURNER L.P., (OWNER) AND REALTY MANAGEMENT ASSOCIATES, INC., AGENT, referred to as Landlord, and Kelly M. Williams referred to as Tenant. The Tenant understands and agrees that the term "Landlord" shall include Landlord's successors, assigns, and agents. A Managing Agent may act as agent for landlord. If more than one Tenant is a party to this lease, the Tenants understand and agree that they are liable individually and as a group. Landlord leases to Tenant unit number 2F, located at 11-25 Madison Avenue, Newark, New Jersey in the Development known as DONALD C. BRADLEY APARTMENTS.

Only the following persons will reside in the unit as part of the Tenant's household/family:
Kelly M. Williams

Any changes in Tenant's household/family must be immediately reported to Landlord. The Tenant recognizes that this building was developed under the Federal Low-Income Housing Tax Credit Program administered by New Jersey Housing and Mortgage Finance Agency, The New Jersey Department of Community Affairs, Balanced Housing Program, and the Newark HOME Fund. The foregoing agencies, hereafter will be collectively referred to as "Agency". The Tenant understands and agrees to comply with any applicable directives, policies, procedures, rules, regulations and guidelines, as established and amended from time to time by the Agency and/or any Federal, State or local governmental entity having regulatory functions with respect to the Housing Development.

2) TERMS OF LEASE

The initial Lease term shall begin on 12/01/04 and end on 11/30/05
(See Section #21 regarding renewals).

3) RENT

Tenant agrees to pay a rental charge in the sum of \$ \$467.00 per month unless changed as herein provided. This sum consists of \$ \$467.00 for base Tenant rent per month, plus charges for utilities and other services (Refer to Section 4 of this Lease) of \$ _____ per month and a surcharge, if applicable, of \$ _____ Per month (Refer to Section 18 and 19) all of which shall be considered rent. The rent is due at the office of the building or with the Agent, REALTY MANAGEMENT ASSOCIATES, INC., 400 Irvine Turner Blvd., Rental Office, Newark, New Jersey 07108. For part of a month, Tenant agrees to pay \$ N/A in advance for the partial month, beginning _____ and ending on _____
200

Landlord does not lose his right to any remedy by accepting either full or partial payment of rent, charges for utilities and other services or surcharges.

4) CHARGES FOR UTILITIES AND OTHER SERVICES

Tenant is responsible for paying electricity and gas for his/her unit. That includes electricity for lighting, and air conditioning, and gas for cooking and heating. Tenant understands that if utilities are turned off, by the supplier, for non-payment of bills, tenant is in violation of the lease. This situation must be corrected within three (3) days, or tenant may be evicted.

The Tenant understands and agrees that the Landlord does not provide security protection for the tenant, his car or property within the parking area.

5) ADDITIONAL RENT

The Tenant understands that the Landlord may charge the Tenant for expenses incurred as additional rent. Expenses include late fees, return check fees (refer to Paragraph 7), damages (refer to Section 14) reasonable attorney fees and other associated cost will be construed as additional rent and will be due and payable in accordance with the monthly rental charge as described in Section 3. If the Tenant fails to pay the additional rent, the Landlord will have the same right as if the Tenant failed to pay the rental charge.

6) ADJUSTMENTS IN TENANT'S RENT

Tenant understands and agrees that upon Agency approval, the Landlord may make adjustments or adjustments to the Tenant's rent at any time during the term of this Lease without first terminating the Lease. If a rent adjustment is approved it will become effective on the first day of the month following one full calendar month after written notice of the approved adjustment is given.

Tenant acknowledges that the housing development has received below market rate financing from the Agency as the result of the Agency's ability to raise funds by issuing Low Income Housing Tax Credits, (LIHTC), and if applicable, has received other forms of subsidy. The Agency operating pursuant to State law, must assure that enough rents are received to pay the development's operating expenses, other costs required by law and debt service on the Agency loan. Therefore, rent adjustments in the form of increases or decreases must be available as necessary. This means the tenant will not receive a termination of lease notice each time there is a rent adjustment, nor will rent adjustments take place only at the end of the lease term.

If the Agency approves implementation of a rent adjustment during the term of this Lease the Tenant has the option of canceling the Lease and vacating the apartment within sixty (60) days. All rent for each apartment must be paid. The Tenant must provide Landlord with thirty (30) days written notice of intent to move as required by Section 21.

If the Tenant vacates the unit before the end of the first Lease term because of a rent increase, the Tenant is not responsible for paying the Landlord the pro rata share of repainting the unit as described in Section 21.

7) CHARGES FOR LATE PAYMENTS, RETURNED CHECKS AND LEGAL FEES

Tenant understands and agrees to pay, in accordance with Paragraph 5, an extra charge for late rent payments and returned checks as follows:

- A. Late payment - Rent shall be payable in advance on or before the first day of each month. Tenant will pay rent plus all fees, charges and surcharges by money order or personal check only. If Tenant does not pay the full amount by the close of business of the 5th day of the month, Tenant will be delinquent and agrees to pay additional rent of \$25.00.
- B. Additional Items
 - 1. No partial payments will be accepted.
 - 2. If payment is late, it will not be accepted without late charges.
 - 3. If mailed, payment must be postmarked by the 4th day of the month.
 - 4. If the 5th falls on Sunday, the payment is due the next business day.
- C. Returned checks - Tenant will pay a fee equal to the bank charge, plus an administrative fee of \$30.00 any time a check is not honored for payment.
- D. Legal fees - Tenant shall be responsible for paying legal fees in the event of court referral for nonpayment of rent, or any other reasons.

8) SECURITY DEPOSITS

Tenant has deposited \$ \$467.00 as a security deposit with the Landlord. Landlord will hold this security deposit for the period the Tenant occupies the unit in accordance with the NJ "SECURITY DEPOSIT LAW", as amended. Landlord has put the deposit in an interest-bearing account in the name of Madison Arms Apartments at Wachovia/Rent Security Control Center, located at 100 Fidelity Plaza, North Brunswick, New Jersey 08905.

Tenant acknowledges that this lease constitutes notice of where the Landlord has deposited the security.

After Tenant has moved from the unit, Landlord will determine whether Tenant is eligible for a refund of any or all of the security deposit. The amount of the refund will be determined in accordance with the following conditions and procedures:

- A. Tenant must provide landlord with thirty (30) days written notice of intent to move otherwise be liable as provided in Section 22.
- B. After Tenant has moved from the unit, Landlord will inspect unit for damage. Landlord will permit Tenant to participate in the inspection if Tenant so requests.
- C. Landlord will refund to Tenant the amount of security deposit together with interest, less: 1) unpaid rent; 2) any administrative fees permitted by State

law; 3) damages that are not due to normal wear and tear and are not listed on the initial Unit Inspection Report; 4) pro rata share of repainting the apartment as described in paragraph 21; 5) any uncollected damages pursuant to Section 14; 6) charges for late payment of rent and returned checks as described in Section 7; 7) charges for returned keys as described in Section 11; and 8) any other unpaid charges due Landlord. Landlord will give Tenant a written list of charges that were deducted from the deposit.

D. Landlord agrees to refund the amount computed according to Paragraph 8c within thirty (30) days after Tenant has permanently moved out of the unit. The refund shall be made by registered or certified mail or by personal delivery. Tenant is to advise Landlord in writing of the address to which the refund should be sent.

E. If the unit is rented by more than one person, Tenants agree that they will work out the details dividing any refund among them. Landlord may pay the refund to any Tenant identified in Section 1 of the Lease and be released from further obligation.

Tenant understands and agrees the security deposit is not to be considered by Tenant as payment of the last month's rent.

9) OCCUPANCY OF RENTAL UNIT

Tenant will occupy the unit exclusively as a private dwelling for Tenant and family and for no other purpose. This provision does not exclude reasonable accommodation to Tenant's guest or visitors for a period not exceeding a total of two (2) weeks. Tenants shall not assign this Lease, sublet, or transfer possession of the premises, or give accommodations to boarders or lodgers, whether paying or not, without written consent of Landlord. Tenants shall comply with all laws affecting the occupancy of the premises and with all applicable property rules and regulations.

Pets - Tenant agrees not to bring any pets into the dwelling unit, either to be owned by Tenant, or by guest of the Tenant.

10) CONDITIONS OF DWELLING UNIT

By signing this Agreement, Tenant acknowledges that the unit is in safe, clean, sanitary and good condition and agrees to maintain unit in safe clean, sanitary and good condition during the term of this lease. Tenant agrees that all appliances and equipment are in working order, except as described on the Unit Inspection Report, which is Attachment No. 2 to this lease. Tenant also agrees that Landlord has made no promises to decorate, alter, repair, or improve the unit, except as listed on the Unit Inspection Report.

11) KEYS AND LOCKS

Tenants agree not to install additional or different locks or gates on any doors or windows of the unit without the written consent of Landlord. If Landlord approves Tenant's request,

Tenant agrees to provide Landlord with a key to each lock. When this Lease ends, Tenant agrees to give all keys to the unit to Landlord. Landlord may charge Tenant a \$25.00 lock change fee if any key is not returned.

12) OBLIGATION OF LANDLORD

A. Landlord will:

1. Not unlawfully discriminate on the basis of race, color, religion, creed, national origin, sex, handicap or membership in a legally protected class;
2. Comply with all applicable codes;
3. Make necessary repairs and ensure that the development is habitable;
4. Keep all common areas clean;
5. Provide and maintain garbage receptacles;
6. Respond in reasonable time to service calls by the Tenant

All of the Landlord's obligations are dependent upon Tenant's obligation to notify Landlord promptly of any condition requiring Landlord's attention.

B. Landlord is not responsible for the following:

1. Damage or loss of Tenant property resulting from fire, wind, water, theft, utility outage or sewer backup or otherwise (Tenant understands that it is the Tenant's obligation to obtain insurance covering personal household possessions);
2. Damage or loss of Tenant's property entrusted to Landlord's employees;
3. The acts of other Tenants;
4. The failure of the elevators; and
5. Property remaining in the unit after the Lease or tenancy ends. Such property shall be considered to be abandoned and Landlord can either keep such property or have it removed at Tenant's expense.

13) RESTRICTION ON ALTERATIONS

The Tenant understands and agrees not to do any of the following without first obtaining written permission from the Landlord:

- A. Change or move any part of the appliances, fixtures or equipment;
- B. Paint or install wallpaper or contact paper in the unit;
- C. Attach awnings or window guards to the unit;
- D. Attach or place any fixture, signs or fences on the building(s), the common areas, or the project grounds;
- E. Attach any shelves, screen doors, or other permanent improvement in the unit;
- F. Fans, heaters or air conditioners in the unit; or

- G. Place any aerials, antennas, satellite dishes, washing machines, dryers, dishwashers or other electrical connections on the unit.

Any alterations on the apartment, without written Landlord approval, shall be removed by Tenant at Tenant's expense, on demand from Landlord.

Any alterations made with written Landlord approval shall become the property of the Landlord when completed and paid for by the Tenant. Such alterations shall remain as part of the apartment at the end of the Lease term unless Landlord demands the Tenant remove them. The Tenant shall pay promptly all costs for any alterations. The Tenant shall not allow any mechanic's lien or other claim to be filed against the Development. If any lien or claim is filed against the Development, the Tenant shall have it promptly removed.

14) DAMAGES

Whenever damage (reasonable wear and tear excepted) is caused by carelessness, misuse, or neglect on the part of Tenant, his/her family, visitors or employees, Tenant agrees to pay as additional rent:

- A. Reasonable charges for all damages to the premises of the Development or unit (including equipment and/or appliances supplied to the unit). Charges for such damages are to be made according to the current Schedule of Maintenance charges, as applicable, posted in the Management office. If damages do not appear on the schedule, Tenant will be charged for actual cost of the repairs. Tenant agrees that payment of all such charges shall be made within thirty (30) days of the date charges are billed: damage charges are considered additional rent (Refer to Section 5)
- B. Rent for the period the unit is damaged, whether or not the unit is habitable.
- C. However, where a tenant is willfully, or through gross negligence, causing or allowing damage to the premises, the Landlord reserves the right to bring an action to evict the Tenant. The Landlord specifically reserves the legal right of re-entry in such circumstances.

15) FIRE AND OTHER DISASTERS

If the unit is greatly damaged by fire, wind or water, to the extent that the unit cannot be lived in and the damage is not caused or made worse by Tenant, Tenant will be responsible for rent only up to the date of the damage. Tenant shall immediately leave the unit and must within fourteen (14) days notify Landlord in writing of Tenant's desire to continue Lease/tenancy or end Lease/tenancy.

If the unit can be lived in and if continued occupancy is lawful, Tenant's rent will be reduced in proportion to the damaged part of the unit until such time as repairs are made.

16) DEVELOPMENT'S RULES AND REGULATIONS

Tenant agrees to obey reasonable rules and regulations of the Development as set forth in Attachment No. 3 to the Lease and which are made a part of this Lease. Tenant agrees to accept in writing and obey additional and or changed rules and regulations established after the effective date of this Lease. The Tenant will receive written notice of the proposed rules and regulations at least thirty (30) days before the rules and regulations are enforced.

This Lease shall govern when there is a conflict between the Development's rules and regulations.

17) TENANT'S LIABILITIES UPON TERMINATION

In the event that this Lease ends because of legal action by Landlord, Tenant shall pay Landlord rent owed, including and in addition thereto, attorney's fees, court cost and any expenses incurred in repairing damages under Paragraph 14, and expenses for repainting under Section 22.

18) RECERTIFICATION

Under the Agency's regulations and Federal law, Tenants are required to be qualified for occupancy and are required to report information to the Landlord on income, family composition and any other matter needed to determine the Tenant's eligibility for housing. Re-certifications are to be done in accordance with various laws and regulations, as may be amended from time to time. Attachment No. 1 to this Lease is a copy of the form to be used in re-certifications, which form may be amended from time to time by the Agency or Landlord.

The Tenant agrees to provide complete information when asked to re-certify every year as may be required by regulations or Landlord Agency policy. Failure to re-certify in accordance with the regulations will subject the Tenant to the following: 1) the Tenant will be required to pay a surcharge equaling thirty percent (30%) of the rent of the unit and 2) the Tenant may be required to vacate the unit. (This referenced surcharge will be due and payable the first of each month starting with the date of the "new" lease period and will continue to be in effect until the Tenant has submitted the required Re-certification information to the Landlord).

The Landlord reserves the right to re-entry for failure to re-certify or failure to pay the surcharge. The Tenant agrees that violation or non-compliance with the terms of this paragraph are reasonable and shall be grounds for eviction.

19) SURCHARGE

The Tenant agrees to pay a surcharge each month if the Tenant does not re-certify. The Tenant agrees to pay a surcharge equaling thirty percent (30%) of the rent of the unit, as discussed in Section 18.

20) ACCESS TO PREMISES

- A. The Landlord shall be allowed immediate access to the apartment in emergency situations. If the Tenant is not present, the Landlord may enter the unit by a master key. The Landlord will attempt to notify the Tenant of any entry twenty-four (24) hours in advance.
- B. The Tenant will let the Landlord enter the unit at reasonable times to perform routine maintenance services.
- C. The Tenant agrees to allow the Landlord to inspect the unit on an annual basis. The Landlord will give the Tenant at least seventy-two (72) hours in advance of any inspection.
- D. Periodically, the Agency may conduct apartment inspections. The Tenant agrees to allow such inspections. The Tenant will be notified at least seventy-two (72) hours in advance of any inspection.
- E. During the thirty (30) day period prior to the end of the tenancy or lease the Tenant will allow the Landlord to enter the unit at reasonable hours to show the apartment to possible new tenants.
- F. If the Tenant moves before the Lease ends, the Landlord may enter the unit to decorate, remodel, alter or otherwise prepare the unit for re-occupancy.

21) TENANT'S OPTION TO RENEW

The Tenant will give the Landlord written notice thirty (30) days prior to the end of the Lease as to whether the Tenant intends to renew the Lease or to vacate the unit. In the absence of notice to the contrary, the Lease will be deemed automatically renewed by the Landlord and the Tenant for another one (1) year term, subject to the increased rent established by the Landlord, which new rent shall not be greater than that permitted under the Federal Low Income Housing Tax Credit Program or other law, if any.

If the Tenant is vacating the unit within the thirty (30) days prior to the expiration of the Lease term and does not give the Landlord the full thirty (30) days notice, the Tenant will be liable for the monthly rent until such time as the unit is re-rented.

If the Tenant vacates the unit before the end of the first one-year term, the Tenant is responsible for paying the Landlord the pro rata share of repainting the unit based on the current Schedule of Maintenance Charges as posted in the Management Office. The pro-rata share is determined as follows:

Actual cost of painting x time unit was occupied/12 = Tenant Repainting Charge

Any changes in the terms and conditions of the Lease, excluding rent, charges, fees and surcharges, will be provided to the Tenant as least ninety (90) days prior to the end of the Lease term. Such changes will become effective with the new Lease term.

22) TERMINATION OF TENANCY BY THE LANDLORD

The Landlord may terminate this lease/tenancy for any lawful reason or good cause. A general right of re-entry is reserved for violations of any Lease provision.

In addition the Tenant acknowledges and agrees that the following are reasonable Lease terms for which the Landlord reserves a right of re-entry and the violation of which shall be grounds for eviction:

- A. Material non-compliance with the terms of this Lease, including, but not limited to: non-payment of rent, including additional rent and surcharges beyond any grace period available under State law; failure to reimburse the Landlord within thirty (30) days for repairs made under Section 14; repeated late payment of rent; permitting unauthorized persons to live in the unit; serious or repeated damage to the unit or common areas; creation of physical hazards; serious or repeated interference with the rights of other tenants; allowing liens to be placed against the property; making unauthorized alterations to the unit; refusing inspection/access per Sections 20 and 26; failure to meet re-certification requirements; and giving the Landlord false information regarding income or other factors considered in determining the Tenant's rent, surcharge and eligibility for a unit;
- B. The Tenant's actions that endanger the health, safety or welfare of other tenants residing in the Development;
- C. The Tenant's material failure to carry out obligations under applicable State statute, Agency regulations, directives, policies, procedures or guidelines and local laws and ordinances;
- D. The Tenant's failure to maintain the unit in a habitable condition;
- E. The Tenant is not able to maintain the unit in a habitable condition because of his/her physical needs, and in addition, the Tenant fails to make suitable arrangements for someone to aid him/her in maintaining the premises in a habitable condition or in caring for his/her physical needs;
- F. Holding over beyond the term without agreeing to a new Lease, including the Tenant's refusal to accept a reasonable change to this Lease;
- G. Material violation of the Development's rules and regulations;
- H. Foreclosure, or similar proceedings against the Landlord, in which the party's foreclosing requires the vacating of the unit and the same, is granted by a court of law or equity; and
- I. Allowing the premises to be used for the possession, use, sale or distribution of illegal drugs, or illegal drug paraphernalia by the Tenant, family members, guests or employees.

The Tenant understands and agrees that the above are grounds for eviction and that the violation or promises in this Lease, including those above, are grounds for his/her removal in an eviction proceeding. The Landlord specifically reserves the legal right of re-entry in such circumstances.

23) NOTICES

- A. The Landlord's notice is given when handed to the Tenant, mailed to the Tenant or left at the Tenant's apartment.
- B. The Tenant's notice to the Landlord is given when sent by certified mail or hand delivered to the Landlord at the address at the end of this Lease. The Landlord shall notify the Tenant of any change of this address in writing.
- C. All Lease/tenancy termination notices will specify that the Lease/tenancy termination notices will specify the date that the Lease/tenancy will be terminated and the reason for the termination.
- D. All rent adjustment notices will state the new amount the Tenant is required to pay, the date the new amount is effective and the reasons for the change in rent. The Landlord is to notify the Tenant in writing as least one full calendar month prior to the effective date for a rent adjustment.

24) LEASE

The Lease and its Attachments, as may be amended, make up the entire agreement between the Tenant and the Landlord. Any change to this Lease must be in writing and executed by both the Tenant and the Landlord, unless provided herein. If any court declares any provisions of the Lease invalid, all other terms of the Lease will remain in effect. The Landlord's or the Tenant's failure to enforce a provision of this Lease does not prevent future enforcement of that provision. In the event of the sale or lease of the Development, the new Landlord will assume the obligations under this Lease, as required by the Agency.

This Lease is subordinate to all underlying Leases and to all mortgages of the Development and is subject to the effects of any modification in such underlying Leases and mortgages. This means that if those underlying leases or mortgages on the Development are changed, or foreclosure, or other proceedings based upon them are brought against the property or the Landlord, the rights of the parties holding such leases or mortgages are greater than the Tenant's rights.

In the event that any provision of this lease shall be deemed to be in conflict with the Agency statutes or regulations, said statutes and regulations shall take precedence.

25) MAJOR REHABILITATION

Should the Landlord undertake a major rehabilitation of the unit or the Development, the Tenant agrees to temporarily relocate during the rehabilitation period to permit the work to be completed.

26) ATTACHMENTS

The checked Attachments are attached to and made a part of this Lease. Receipt of a copy of this lease with Attachments is hereby acknowledged.

- (X) 1. Applicable Form-Certification and Re-certification of Income
- (X) 2. Unit Inspection Report
- (X) 3. Rules and Regulations of the Development
- (X) 4. Truth in Renting Statement pursuant to N.J.S.A. 46:843 through 49. (Note: Not all provisions contained in this statement are applicable to this housing development)
- (X) 5. Notification of Federal Crime Insurance pursuant to N.J.S.A. 46:838 through 42.

IN WITNESS WHEREOF, the parties have signed this lease.

Kelly M. Williams
Kelly M. Williams, Tenant

Tenant

11-30-04
Date

Date

LANDLORD: MADISON TURNER, L.P., DONALD C. BRADLEY APARTMENTS,
Agent: REALTY MANAGEMENT ASSOCIATES, INC.

Property Manager
Title

Date

Exhibit C

(Annual Gross Revenue Computation)

Ocean Green Senior Apartments, L.P.

Net Annual Income

Year 1: \$274,930.00

Taxes Abated to:

10%

=

Tax Revenue (Year 1): \$27,493.00

Exhibit D

(Breakdown of Cost & Basis)

Exhibit D-1

(Total Project Cost Certification)

BREAKDOWN OF COSTS & BASIS - 2011

Reviewer: _____
 Stage: _____

Print Date: **13-May-11**

Project Name: Ocean Senior (Green)
 Municipality: Jersey City
 County: Hudson

QCT N (Y or N)
 DDA Y (Y or N)
 Special Needs N (Y or N)
 Scattered Site Single/Duplex N (Y or N)
 Davis Bacon Wages N (Y or N)

	Development Cost	Non-Degractable Costs	Non-Eligible Costs	Eligible Basis for Rehab / NC	Eligible Basis for Acquisition
ACQUISITION					
Building					
Relocation					
Other:					
CONSTRUCTION					
Demolition					
Off-Site Improvements					
Residential Structures	\$6,500,000			\$6,500,000	
Environmental Clearances					
Surety & Bonding					
Building Permits					
Community Service Facility					
Garage Parking					
Fire Suppression System					
Green Features	\$50,000			\$50,000	
Other:					
CONTRACTOR FEE					
Contractor Overhead & Profit	\$600,000			\$600,000	
General Requirements					
CONTINGENCY					
Hard Contingency	4.99%	\$357,000		\$357,000	
Soft Contingency	3.24%	\$35,948		\$35,948	
PROFESSIONAL SERVICES					
Appraiser & Market Study		\$24,000		\$24,000	
Architect		\$110,000		\$110,000	
Attorney		\$145,000		\$145,000	
Cost Certification / Audit		\$20,000		\$20,000	
Engineering		\$50,000		\$50,000	
Environmental Consultant		\$7,500		\$7,500	
Historical Consultant		\$8,000		\$8,000	
Professional Planner					
Soil Investigation		\$10,000		\$10,000	
Surveyor		\$25,000		\$25,000	
CARRYING & FINANCING					
Interest		\$115,000		\$115,000	
Points & Bank Fees		\$76,000		\$76,000	
R.E. Taxes		\$90,000		\$90,000	
Insurance		\$90,000		\$90,000	
Title Insurance & Recording		\$52,000		\$52,000	
Utility Connection Fees		\$56,000		\$56,000	
Other Impact Fees					
Tax Credit Fees		\$210,000	\$210,000		
Neg. Arb. Cost of Issuance		\$20,000	\$20,000		
Other:					
SUB-TOTAL		\$8,651,448	\$230,000	\$8,421,448	
DEVELOPER FEE	8.09%	\$700,000		\$700,000	
LAND		\$700,000	\$700,000		
ORGANIZATIONAL COSTS					
SYNDICATION EXPENSES					
MARKETING EXP & HAS FEE		\$155,000	\$155,000		
ESCROWS:					
Working Capital		\$5,028	\$5,028		
Replacement Reserves		\$18,700	\$18,700		
Operating Deficit Escrow		\$116,000	\$116,000		
Debt & Insurance					
Tax					
Other:					
TOTAL		\$10,346,176	\$1,224,728	\$9,121,448	

Eligible Basis Limit	\$8,592,841
Lesser of Total or Limit	\$8,592,841
x QCT / DDA Adjustment	130%
= Basis as Adjusted	\$11,170,693
x Applicable Fraction	100.00%
= Qualified Basis	\$11,170,693
x Tax Credit Percentage	9.00%
Tax Credits based on Qualified Basis	\$1,005,362
Total Maximum LIHTC	\$1,005,362

<PERMANENT PHASE NEEDS ANALYSIS>			
FUNDING SOURCE	INTEREST RATE	AMORTIZATION	AMOUNT
HMFA 1st Mortgage, NOTE 1	7.00%	360	\$200,000
BH/HMFA Subsidy			\$500,000
SNHTF			\$500,000
JC HOME			\$600,000
JC AHTF			
INVESTOR PROCEEDS NEEDED FROM LOW INC HSG TAX CREDITS			\$8,546,176
SYNDICATOR	TBD		
LP or Non-Voting Member %	99.99%		
PRICING	\$0.8500		
FEDERAL LOW INCOME HOUSING TAX CREDITS NEEDED			\$1,005,533
Funding Gap			\$1,454

Carryover Test	\$991,966
Development Cost / Unit	\$235,140
Construction Cost / Unit	\$170,614

EXHIBIT D-1

Total Project Cost Certification

I, Eugene P. O'Connell of Ocean Green Senior Apartments, L.P. do certify to the best of my knowledge and belief Exhibit D accurately reflects the estimates construction costs of the Project proposed on Block 1980, Lot 1.01 and Block 1979, Lot 35.01.

Date: June 20, 2011


EUGENE P. O'CONNELL

**Exhibit E – Projected Statement of
Property Operations**

**(15 year Operating Pro Forma & Net
Operating Income)**

Operating Proforma (Rental Projects Only)

Development Name: Ocean Green Senior
Operating Income Residential Units

# of Units	Square Foot	# of Bedrooms	Monthly Rent per unit	Total Monthly Rent	Mortgage Rate	Amort/Term
38	600	1	600	22800	\$ 200,000.00 7% 30	
1	600	1	0	0		
5	600	1	283	1315		
				24115		

Affordable Units: 44
Market Rate Units: 0

Operating Income Commercial Space: Square Footage: 0 Rate Per Square Foot: n/a

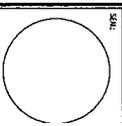
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
OPERATING INCOME										
Gross rental income	\$ 289,380.00	\$ 298,061.40	\$ 307,003.24	\$ 316,213.34	\$ 325,699.74	\$ 335,470.73	\$ 345,534.85	\$ 355,900.90	\$ 366,577.93	\$ 377,575.26
Vacancy allowance (5% of Line 1)	\$ 14,469.00	\$ 14,903.07	\$ 15,350.16	\$ 15,810.67	\$ 16,284.99	\$ 16,773.54	\$ 17,276.74	\$ 17,795.04	\$ 18,328.90	\$ 18,878.76
Other income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net rental income	\$ 274,911.00	\$ 283,158.33	\$ 291,653.08	\$ 300,402.67	\$ 309,414.75	\$ 318,697.20	\$ 328,258.11	\$ 338,105.85	\$ 348,249.03	\$ 358,696.50
OPERATING EXPENSES										
Management										
Management fee	\$ 21,100.00	\$ 21,944.00	\$ 22,821.76	\$ 23,734.63	\$ 24,684.02	\$ 25,671.38	\$ 26,698.23	\$ 27,766.16	\$ 28,876.81	\$ 30,031.88
Legal fees	\$ 2,500.00	\$ 2,600.00	\$ 2,704.00	\$ 2,812.16	\$ 2,924.65	\$ 3,041.63	\$ 3,163.30	\$ 3,289.83	\$ 3,421.42	\$ 3,558.28
Accounting/audit fees	\$ 11,000.00	\$ 11,440.00	\$ 11,897.60	\$ 12,373.50	\$ 12,868.44	\$ 13,383.18	\$ 13,918.51	\$ 14,475.25	\$ 15,054.26	\$ 15,656.43
Advertising/marketing (Rent up only)	\$ 2,500.00	\$ 2,600.00	\$ 2,704.00	\$ 2,812.16	\$ 2,924.65	\$ 3,041.63	\$ 3,163.30	\$ 3,289.83	\$ 3,421.42	\$ 3,558.28
Telephone	\$ 1,200.00	\$ 1,248.00	\$ 1,297.92	\$ 1,349.84	\$ 1,403.83	\$ 1,459.98	\$ 1,518.38	\$ 1,579.12	\$ 1,642.28	\$ 1,707.97
Office supplies	\$ 2,200.00	\$ 2,288.00	\$ 2,379.52	\$ 2,474.70	\$ 2,573.69	\$ 2,676.64	\$ 2,783.70	\$ 2,893.05	\$ 3,010.85	\$ 3,131.29
Other administrative expenses	\$ 60,000.00	\$ 62,400.00	\$ 64,896.00	\$ 67,491.84	\$ 70,191.51	\$ 72,999.17	\$ 75,919.14	\$ 78,955.91	\$ 82,114.14	\$ 85,398.71
Maintenance										
Maintenance contracts	\$ 15,000.00	\$ 15,600.00	\$ 16,224.00	\$ 16,872.96	\$ 17,547.88	\$ 18,249.79	\$ 18,979.79	\$ 19,738.98	\$ 20,528.54	\$ 21,349.68
Elevator (if any)	\$ 2,400.00	\$ 2,496.00	\$ 2,595.84	\$ 2,699.67	\$ 2,807.66	\$ 2,919.97	\$ 3,036.77	\$ 3,158.24	\$ 3,284.57	\$ 3,415.95
Other mechanical equipment (specify)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Routine repairs and supplies	\$ 12,000.00	\$ 12,480.00	\$ 12,979.20	\$ 13,498.37	\$ 14,038.30	\$ 14,599.83	\$ 15,183.83	\$ 15,791.18	\$ 16,422.83	\$ 17,079.74
Exterminating	\$ 2,400.00	\$ 2,496.00	\$ 2,595.84	\$ 2,699.67	\$ 2,807.66	\$ 2,919.97	\$ 3,036.77	\$ 3,158.24	\$ 3,284.57	\$ 3,415.95
Lawn and landscaping	\$ 1,200.00	\$ 1,248.00	\$ 1,297.92	\$ 1,349.84	\$ 1,403.83	\$ 1,459.98	\$ 1,518.38	\$ 1,579.12	\$ 1,642.28	\$ 1,707.97
Garbage/trash removal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Snow removal	\$ 3,000.00	\$ 3,120.00	\$ 3,244.80	\$ 3,374.59	\$ 3,509.58	\$ 3,649.96	\$ 3,795.96	\$ 3,947.80	\$ 4,105.71	\$ 4,269.94
Other(specify)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utilities (paid by the property)										
Electricity	\$ 16,000.00	\$ 16,640.00	\$ 17,305.60	\$ 17,997.82	\$ 18,717.74	\$ 19,466.45	\$ 20,245.10	\$ 21,054.91	\$ 21,897.10	\$ 22,772.99
Heat and hot water (specify fuel)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer and water	\$ 18,000.00	\$ 18,720.00	\$ 19,468.80	\$ 20,247.55	\$ 21,057.45	\$ 21,899.75	\$ 22,775.74	\$ 23,686.77	\$ 24,634.24	\$ 25,619.61
Taxes/Insurance/Reserve										
Property insurance	\$ 24,500.00	\$ 25,480.00	\$ 26,499.20	\$ 27,559.17	\$ 28,661.53	\$ 29,808.00	\$ 31,000.32	\$ 32,240.33	\$ 33,529.94	\$ 34,871.14
Real estate taxes	\$ 27,500.00	\$ 28,600.00	\$ 29,744.00	\$ 30,933.76	\$ 32,171.11	\$ 33,449.95	\$ 34,779.27	\$ 36,188.12	\$ 37,656.65	\$ 39,141.07
Reserve for replacement	\$ 20,930.00	\$ 20,930.00	\$ 20,930.00	\$ 21,765.20	\$ 22,657.89	\$ 23,485.14	\$ 25,464.55	\$ 26,483.13	\$ 27,542.45	\$ 28,644.15
Total Operating Expenses	\$ 242,825.00	\$ 252,330.00	\$ 262,423.20	\$ 272,920.13	\$ 283,836.93	\$ 295,190.41	\$ 306,998.03	\$ 319,277.95	\$ 332,049.07	\$ 345,331.03
Net Operating Income (NI - Expenses)	\$ 32,086.00	\$ 30,828.33	\$ 29,229.88	\$ 27,482.54	\$ 25,577.82	\$ 23,506.78	\$ 21,260.08	\$ 18,827.91	\$ 16,199.96	\$ 13,365.47
Mortgage/Debt Service	\$ 15,168.00	\$ 15,168.00	\$ 15,168.00	\$ 15,168.00	\$ 15,168.00	\$ 15,168.00	\$ 15,168.00	\$ 15,168.00	\$ 15,168.00	\$ 15,168.00
Debt Service Coverage Ratio (NOI/DS)	2.13	2.03	1.93	1.81	1.69	1.55	1.40	1.24	1.07	0.88

Operating Proforma (Rental Projects Only)

	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
OPERATING INCOME										
Gross rental income	\$ 388,902.52	\$ 400,569.60	\$ 412,586.69	\$ 424,964.29	\$ 437,713.21	\$ 450,844.61	\$ 464,369.95	\$ 478,301.05	\$ 482,650.08	\$ 507,429.58
Vacancy allowance (5% of Line 1)	\$ 19,445.13	\$ 20,028.48	\$ 20,629.33	\$ 21,248.21	\$ 21,885.66	\$ 22,542.23	\$ 23,218.50	\$ 23,915.05	\$ 24,632.50	\$ 25,371.48
Other income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net rental income	\$ 369,457.40	\$ 380,541.12	\$ 391,957.35	\$ 403,716.07	\$ 415,827.55	\$ 428,302.38	\$ 441,151.45	\$ 454,386.00	\$ 468,017.58	\$ 482,058.10
OPERATING EXPENSES										
Management										
Management fee	\$ 31,233.15	\$ 32,482.48	\$ 33,781.78	\$ 35,133.05	\$ 36,538.37	\$ 37,999.91	\$ 39,519.90	\$ 41,100.70	\$ 42,744.73	\$ 44,454.52
Legal fees	\$ 3,700.61	\$ 3,848.64	\$ 4,002.58	\$ 4,162.68	\$ 4,329.19	\$ 4,502.36	\$ 4,682.45	\$ 4,869.75	\$ 5,064.54	\$ 5,267.12
Accounting/audit fees	\$ 16,282.69	\$ 16,933.99	\$ 17,611.35	\$ 18,315.81	\$ 19,048.44	\$ 19,810.38	\$ 20,602.79	\$ 21,426.91	\$ 22,283.98	\$ 23,175.34
Advertising/marketing (Rent up only)	\$ 3,700.61	\$ 3,848.64	\$ 4,002.58	\$ 4,162.68	\$ 4,329.19	\$ 4,502.36	\$ 4,682.45	\$ 4,869.75	\$ 5,064.54	\$ 5,267.12
Telephone	\$ 1,776.29	\$ 1,847.34	\$ 1,921.24	\$ 1,998.09	\$ 2,078.01	\$ 2,161.13	\$ 2,247.58	\$ 2,337.48	\$ 2,430.98	\$ 2,528.22
Office supplies	\$ 3,256.54	\$ 3,386.80	\$ 3,522.27	\$ 3,663.16	\$ 3,809.69	\$ 3,962.08	\$ 4,120.56	\$ 4,285.38	\$ 4,456.80	\$ 4,635.07
Other administrative expenses	\$ 88,814.66	\$ 92,367.24	\$ 96,061.93	\$ 99,904.41	\$ 103,900.59	\$ 108,056.61	\$ 112,378.87	\$ 116,874.03	\$ 121,548.99	\$ 126,410.95
Maintenance										
Maintenance contracts	\$ 22,203.66	\$ 23,091.81	\$ 24,015.48	\$ 24,976.10	\$ 25,975.15	\$ 27,014.15	\$ 28,094.72	\$ 29,218.51	\$ 30,387.25	\$ 31,602.74
Elevator (if any)	\$ 3,552.59	\$ 3,694.69	\$ 3,842.48	\$ 3,996.18	\$ 4,156.02	\$ 4,322.26	\$ 4,495.15	\$ 4,674.96	\$ 4,861.96	\$ 5,056.44
Other mechanical equipment (specify)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Routine repairs and supplies	\$ 17,782.93	\$ 18,473.45	\$ 19,212.39	\$ 19,980.88	\$ 20,780.12	\$ 21,611.32	\$ 22,475.77	\$ 23,374.81	\$ 24,309.80	\$ 25,282.19
Exterminating	\$ 3,552.59	\$ 3,694.69	\$ 3,842.48	\$ 3,996.18	\$ 4,156.02	\$ 4,322.26	\$ 4,495.15	\$ 4,674.96	\$ 4,861.96	\$ 5,056.44
Lawn and landscaping	\$ 1,776.29	\$ 1,847.34	\$ 1,921.24	\$ 1,998.09	\$ 2,078.01	\$ 2,161.13	\$ 2,247.58	\$ 2,337.48	\$ 2,430.98	\$ 2,528.22
Garbage/trash removal	\$ 4,440.73	\$ 4,618.36	\$ 4,803.10	\$ 4,995.22	\$ 5,195.03	\$ 5,402.83	\$ 5,618.94	\$ 5,843.70	\$ 6,077.45	\$ 6,320.55
Snow removal	\$ 4,440.73	\$ 4,618.36	\$ 4,803.10	\$ 4,995.22	\$ 5,195.03	\$ 5,402.83	\$ 5,618.94	\$ 5,843.70	\$ 6,077.45	\$ 6,320.55
Other(specify)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utilities (paid by the property)										
Electricity	\$ 23,683.91	\$ 24,631.26	\$ 25,616.52	\$ 26,641.18	\$ 27,706.82	\$ 28,815.10	\$ 29,967.70	\$ 31,166.41	\$ 32,413.06	\$ 33,709.59
Heat and hot water (specify fuel)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer and water	\$ 26,644.40	\$ 27,710.17	\$ 28,818.58	\$ 29,971.32	\$ 31,170.18	\$ 32,416.98	\$ 33,713.66	\$ 35,062.21	\$ 36,464.70	\$ 37,923.29
Taxes/Insurance/Reserve										
Property insurance	\$ 36,265.98	\$ 37,716.62	\$ 39,225.29	\$ 40,794.30	\$ 42,426.07	\$ 44,123.12	\$ 45,888.04	\$ 47,723.56	\$ 49,632.50	\$ 51,617.80
Real estate taxes	\$ 40,706.72	\$ 42,334.99	\$ 44,028.39	\$ 45,789.52	\$ 47,621.10	\$ 49,525.95	\$ 51,506.98	\$ 53,567.26	\$ 55,709.95	\$ 57,938.35
Reserve for replacement	\$ 29,789.92	\$ 30,981.51	\$ 32,220.77	\$ 33,509.60	\$ 34,849.99	\$ 36,243.99	\$ 37,693.75	\$ 39,201.50	\$ 40,769.56	\$ 42,400.34
Total Operating Expenses	\$ 363,585.00	\$ 378,128.40	\$ 393,253.54	\$ 408,983.68	\$ 425,343.03	\$ 442,356.75	\$ 460,051.02	\$ 478,453.06	\$ 497,591.18	\$ 517,494.83
Net Operating Income (NI - Expenses)	\$ 5,872.39	\$ 2,412.72	\$ (1,296.19)	\$ (5,267.61)	\$ (9,515.47)	\$ (14,054.37)	\$ (18,899.57)	\$ (24,067.06)	\$ (29,573.61)	\$ (35,436.73)
Mortgage/Debt Service	\$ 15,168.00	\$ 15,168.00	\$ 15,168.00	\$ 15,168.00	\$ 15,168.00	\$ 15,168.00	\$ 15,168.00	\$ 15,168.00	\$ 15,168.00	\$ 15,168.00
Debt Service Coverage Ratio (NOI/DS)	0.39	0.16	(0.09)	(0.35)	(0.63)	(0.93)	(1.25)	(1.59)	(1.95)	(2.34)

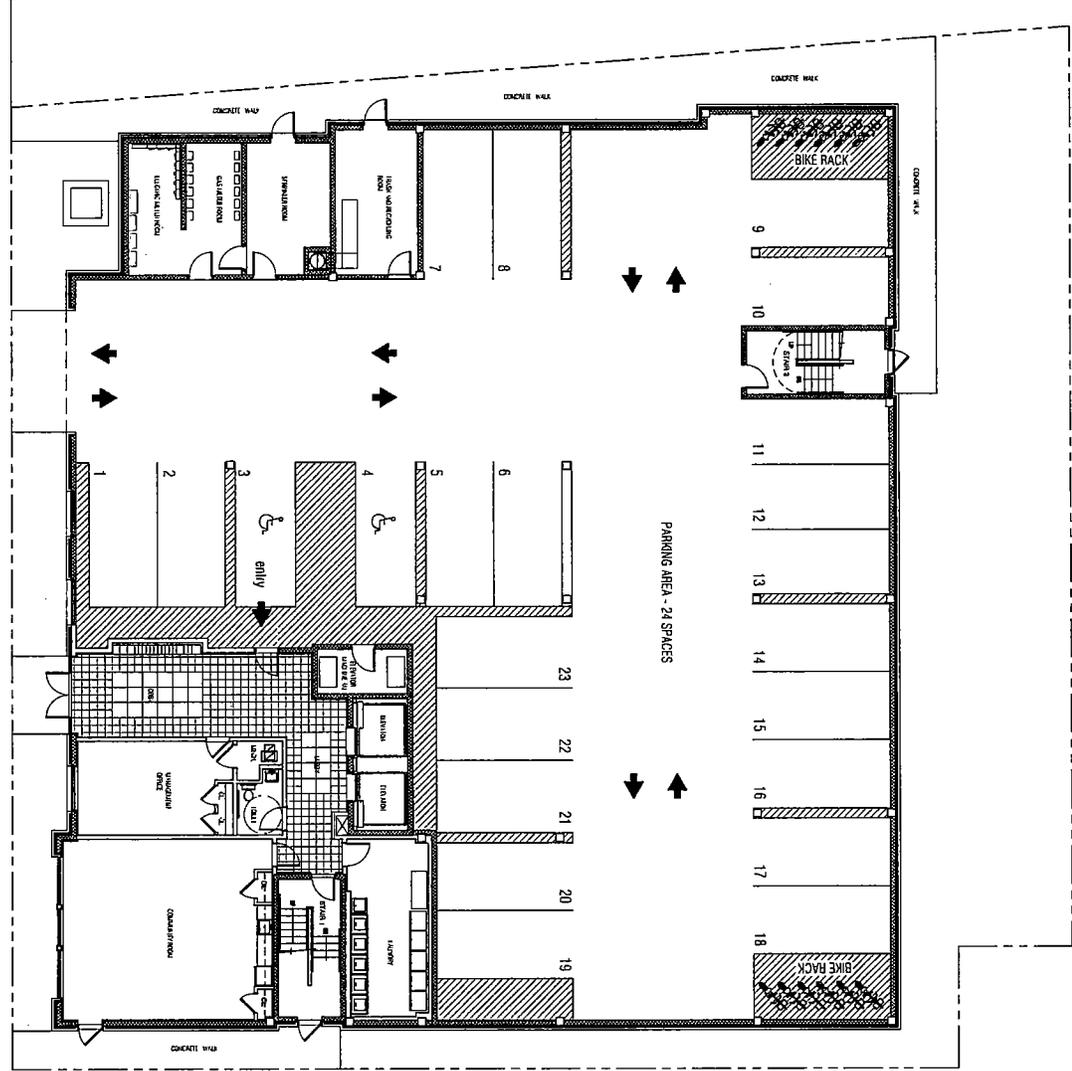
Exhibit F – Municipal Land Use Approvals

**Site Plan Application Scheduled for
Board of Adjustment Meeting of July 21, 2011**

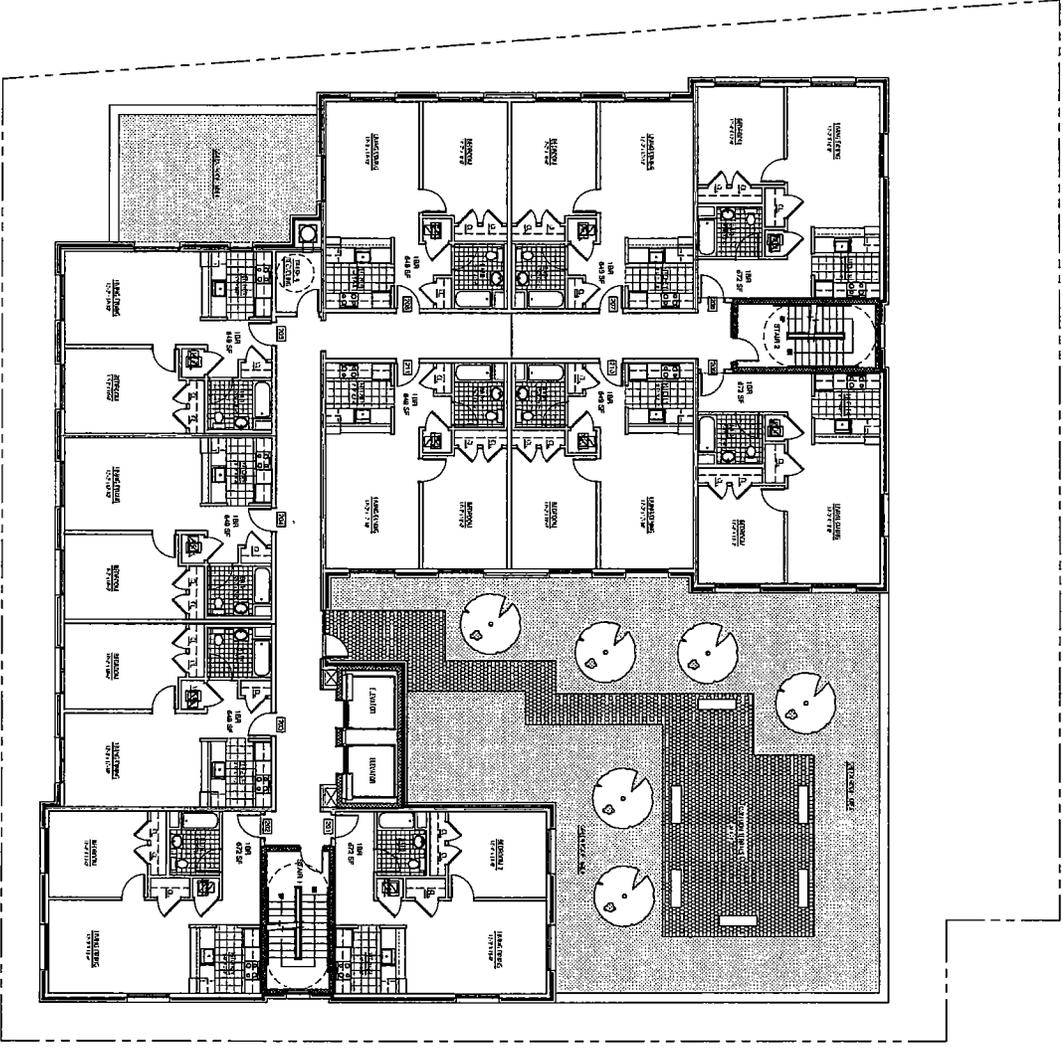


CONTRACT NO. 13-001
PROJECT NO. 13-001
SHEET NO. A-101

Block 1991
Lots A.B.G. 12C



FIRST FLOOR PLAN
SCALE: 1/8" = 1'-0"



SECOND FLOOR PLAN
SCALE: 1/8" = 1'-0"

Inglise
Architecture
& Engineering

150 North Avenue
Rutherford, NJ 07070
Tel: 201-982-1100
Fax: 201-982-1101
www.inglise.com

DATE: _____
DRAWN BY: _____
CHECKED BY: _____
DATE: _____

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OCEAN GREEN

Attainable Senior Housing
742-748 Ocean Ave.
Jersey City, NJ
Block 1991
Lots A,B,G, 12E

FOR: **State Apartments LP**

REVISIONS:

DATE: _____

PROJECT NO. _____

SHEET TITLE
SECOND FLOOR PLAN

SHEET NO.
A-101

Exhibit G-Real Estate Tax Assessments

EXHIBIT G

Real Estate Tax Assessments



NEW JERSEY TAX & ASSESSMENT SEARCH

For: HUDSON REALTY ABSTRACT COMPANY

BLOCK : 1999 ASSESSED OWNER : OCEAN GREEN, LLC
LOT : 34 BILLING ADDRESS : 675 GARFIELD AVE. JERSEY CITY, N.J. 07305
QUAL : LOT ADDRESS : 748 OCEAN AVE.
XLOT : HUDSON : JERSEY CITY (201) 547-5526
(MUNI CODE: 0906) 280 GROVE STREET JERSEY CITY NJ 07302

INFORMATION : C.O. REQUIRED ON NEW CONSTRUCTION, CHANGE OF US
(FOR RESALE) SMOKE DETECTOR INSPECTION REQUIRED AS PER NJAC 5:70-4.19
CALL (201) 547-4255 FOR INSPECTION
INSPECTION FEE 20

ASSESSOR'S CODE : 1 - VACANT LAND (NOT TO BE USED FOR DETERMINING NJ MANSION TAX)

APX. LOT SIZE : 61.14X140

ASSESSED VALUES : LAND : \$116,800 IMP. : \$0 TOT. : \$116,800

TAX RATE : \$6.903 PER \$100 OF ASSESSED VALUE

TAX EXEMPTIONS : NONE

2010 TAXES : \$8,062.70 INCLUDED IN BELOW LIEN; REDUCED BY \$7221.93 DUE TO COUNTY BOARD JUDGEMENT.

-2011 - DUE DATE :

QTR1 - 02/01 : \$2,015.68 INCLUDED IN BELOW LIEN

QTR2 - 05/01 : \$2,015.67 INCLUDED IN BELOW LIEN

QTR3 - 08/01 : TO BE DETERMINED

QTR4 - 11/01 : TO BE DETERMINED

-2012 - DUE DATE :

QTR1 - 02/01 : TO BE DETERMINED

QTR2 - 05/01 : TO BE DETERMINED

ADDED ASSESSMENTS : PENDING ADDED/OMITTED ASSESSMENT FROM DATE OF CERTIFICATE OF OCCUPANCY OR ASSESSOR'S INSPECTION OF PROPERTY

WATER ACCOUNT # : SEE ADDENDUM

SEWER ACCOUNT # : INCLUDED IN WATER ACCOUNT(S)

CONFIRMED ASSESSMENTS : NONE

LIENS : SEE ADDENDUM

ADDITIONAL BILLING : SEE ADDENDUM

Certificate as to current status of pending (unconfirmed) assessments:

ORDINANCE #: NONE

TYPE OF IMPROVEMENT:

Signature Information Solutions LLC guarantees that the above information accurately reflects the contents of the public record as of 06/19/2011

REPORT FEE: \$30.00



Title #: HR 30,604 Order #: MT-167-3157168

NEW JERSEY TAX & ASSESSMENT SEARCH

For: HUDSON REALTY ABSTRACT COMPANY

BLOCK : 1999 ASSESSED OWNER : OCEAN GREEN, LLC
 LOT : 12.E BILLING ADDRESS : 675 GARFIELD AVE. JERSEY CITY, N.J. 07305
 QUAL : LOT ADDRESS : 742 OCEAN AVE.
 XLOT : HUDSON : JERSEY CITY (201) 547-5526
 (MUNI CODE: 0906) 280 GROVE STREET JERSEY CITY NJ 07302

INFORMATION : C.O. REQUIRED ON NEW CONSTRUCTION, CHANGE OF US
 (FOR RESALE) SMOKE DETECTOR INSPECTION REQUIRED AS PER NJAC 5:70-4.19
 CALL (201) 547-4255 FOR INSPECTION
 INSPECTION FEE 20

ASSESSOR'S CODE : 1 - VACANT LAND (NOT TO BE USED FOR DETERMINING NJ MANSION TAX)

APX. LOT SIZE : 66X140 IRR.

ASSESSED VALUES : LAND : \$109,900 IMP. : \$0 TOT. : \$109,900

TAX RATE : \$6.903 PER \$100 OF ASSESSED VALUE

TAX EXEMPTIONS : NONE

2010 TAXES : \$7,586.40 PAID IN FULL

-2011 - DUE DATE :

QTR1 - 02/01 : \$1,896.60 OPEN PLUS PENALTY

QTR2 - 05/01 : \$1,896.60 OPEN PLUS PENALTY

QTR3 - 08/01 : TO BE DETERMINED

QTR4 - 11/01 : TO BE DETERMINED

-2012 - DUE DATE :

QTR1 - 02/01 : TO BE DETERMINED

QTR2 - 05/01 : TO BE DETERMINED

ADDED ASSESSMENTS : PENDING ADDED/OMITTED ASSESSMENT FROM DATE OF CERTIFICATE OF OCCUPANCY OR ASSESSOR'S INSPECTION OF PROPERTY

WATER ACCOUNT # : UNIMPROVED. IF PREMISES IS IMPROVED UTILITY CHARGES ARE A LIEN.

SEWER ACCOUNT # : UNIMPROVED. IF PREMISES IS IMPROVED UTILITY CHARGES ARE A LIEN.

CONFIRMED ASSESSMENTS : NONE

LIENS : NONE

ADDITIONAL BILLING : SEE ADDENDUM

Certificate as to current status of pending (unconfirmed) assessments:

ORDINANCE #: NONE

TYPE OF IMPROVEMENT:

Signature Information Solutions LLC guarantees that the above information accurately reflects the contents of the public record as of 06/19/2011

REPORT FEE: \$30.00

Exhibit G 1-Real Estate Taxes

EXHIBIT G

Real Estate Tax Assessments

The 2010 taxes for Block 1999, Lot 12.E were \$7,586.40.

The 2010 taxes on Block 1999, Lot 34 were \$8,062.70.

Exhibit H-1
(Disclosure Statement)

EXHIBIT H-1

The Ocean Green Senior Apartments, L.P. is a Limited Partnership for the business of developing and owning a senior apartment building located in Jersey City, New Jersey.

99% Owner – The Limited Partner is CARA Development, LLC whose registered agent is Eugene P. O'Connell with offices located at 853 Summit Avenue, Jersey City, New Jersey 07307.

1% Owner – The General Partner is 742-748 Ocean, Inc. located at 853 Summit Avenue, Jersey City, New Jersey 07307 is equally owned by Frank Cretella and Eugene P. O'Connell.

Exhibit H – Disclosure Statement

**Certificate of Limited Partnership of
Ocean Green Senior Apartments, L.P.**

**CERTIFICATE OF LIMITED PARTNERSHIP
OF
OCEAN GREEN SENIOR APARTMENTS, L.P.**

The undersigned, desiring to form a Limited Partnership pursuant to the New Jersey Limited Partnership Law (1976), N.J.S.A. 42:2A-1, et seq. (the Act), executes this Certificate of Limited Partnership:

1. The name of the Limited Partnership is Ocean Green Senior Apartments, L.P. (the "Partnership").
2. The general character of the business of the partnership is the development and ownership of a senior apartment building located in Jersey City, NJ.
3. The original registered office of the Partnership is:
Ocean Green Senior Apartments, L.P.
853 Summit Avenue
Jersey City, NJ 07307

The original registered agent and address are:

Eugene P. O'Connell
853 Summit Avenue
Jersey City, NJ 07307

4. The name of the General Partner is:
742-748 Ocean, Inc.
853 Summit Avenue
Jersey City, NJ 07307
Attention: Eugene P. O'Connell

5. The aggregate amount of cash and a description of the agreed value of other property or services contributed by the partners of the Partnership are as follows:

Partners and Names	Cash Contributions
General Partner:	
742-748 Ocean, Inc.	\$99.00
Limited Partner:	
CARA Development Corp., LLC	\$1.00
TOTAL CAPITAL	\$100.00

6. The partners have not agreed to make future contributions either as of a time or upon the happening of an event. No partner is required to make capital contributions other than as set forth in Article 5 herein.
7. No limited partner possesses the power to grant the right to become limited partner to the transferee of any part of his or her limited partnership interest. A transferee of a limited partner may become a limited partner in the partnership provided the conditions of the Agreement of Limited Partnership ("The Agreement") are satisfied. The conditions include written consent of all the general partners, which consent may be withheld in their absolute discretion.
8. A limited partner may not terminate his or her membership in the Partnership either as of a time or upon the happening of an event.
9. The partners have the right to receive distributions of net cash flow, as defined in the Agreement, in proportion to their respective interest in the

Partnership Profits, as and when authorized by the general partner in its sole and absolute discretion. Upon dissolution and winding up of the affairs of the Partnership, the partners will receive from assets remaining after payment of Partnership liabilities, distributions in cash and/or property in accordance with their interests in the Partnership on the basis of ninety-nine percent (99%) to the general partner and one percent (1%) to the limited partner.

10. The partners have no right to withdraw their capital contributions or to demand payment of their capital contributions in property other than cash.
11. The time as of which, and the events upon the happening of which the Partnership is dissolved and its affairs wound up are the first to occur of the following:
 - (i) The involuntary withdrawal, bankruptcy, or dissolution of the general partner;
 - (ii) The sale or other disposition of all or substantially all of the Partnership's assets
 - (iii) The unanimous written consent of all partners;
 - (iv) The occurrence of any other event, which under the mandatory provisions of the laws of the State of New Jersey would cause a termination or dissolution of the Partnership.
12. Upon bankruptcy, involuntary withdrawal or dissolution of the general partner, provided at least a majority-in-interest, as defined in the Agreement, of the limited partners shall within 90 days after such event of withdrawal agree in writing to continue the business of the partnership and to the appointment of a new partner.

13. If the partnership shall borrow funds through the New Jersey Housing and Mortgagee Finance Agency, any and all real property financial agreements with any municipality shall comply with N.J.S.A. 55:14K-1 et seq.

14. The address and principal office of the Partnership are as follows:

Ocean Green Senior Apartments, L.P.

853 Summit Avenue

Jersey City, NJ 07307

Attention: Eugene P. O'Connell

IN WITNESS WHEREOF, the undersigned General Partner has duly signed, sealed and executed this Certificate of Limited Partnership on this 20, June, 2011.

General Partner,

742-748 Ocean, Inc.

By: _____



Eugene P. O'Connell, President

**CERTIFICATE OF INCORPORATION
OF
742-748 OCEAN, INC.**

The undersigned, being of age (18) year or over, for the purpose of forming a corporation pursuant to the provisions of the New Jersey Business Corporation Act, N.J.S.A. 14:1-1 et seq., does hereby execute the following Certificate of Incorporation:

ARTICLE ONE

NAME

The name of the Corporation is "742-748 Ocean, Inc.", hereinafter referred to as the "Corporation."

ARTICLE TWO

PURPOSE

The purpose for which the Corporation is organized is to engage in any activity within the purposes for which corporations may be organized under the New Jersey Business Corporation Act.

ARTICLE THREE

STOCK

The aggregate number of the share which the Corporation shall have authority to issue is one thousand shares (1,000) of common stock without a par value.

ARTICLE FOUR

REGISTER OFFICE AND REGISTERED AGENT

The registered agent of the Corporation shall be Eugene P. O'Connell. The office of the Corporation shall be 853 Summit Avenue, Jersey City, New Jersey 07307.

The business address of the Corporation shall be 853 Summit Avenue, Jersey City, New Jersey 07307.

ARTICLE FIVE

DIRECTORS

The number of directors constituting the initial board of the Corporation shall be two (2). The name and address of the initial directors are:

Frank Cretella
675 Garfield Avenue
Jersey City, New Jersey 07306

Eugene P. O'Connell
853 Summit Avenue
Jersey City, New Jersey 07307

ARTICLE SIX

INCORPORATION

The name and address of the incorporator is:

Eugene P. O'Connell
853 Summit Avenue
Jersey City, New Jersey 07307

ARTICLE SEVEN

REMOVAL OF DIRECTORS

One or more of the directors of the Corporation may be removed without cause by the shareholders by affirmative vote of the majority of the votes cast by the holders of shares entitled to vote for the election of directors.

ARTICLE EIGHT

LIABILITY

A director or officer of the Corporation shall not be personally liable to the Corporation or its share for damages for breach of any duty owed to the Corporation and its shareholders. The preceding shall not relieve a director or officer from liability for any breach of duty based upon an act or omission (a) in the breach of such person's duty of loyalty to the Corporation or its shareholders, (b) not in good faith or involving a knowing violation of law or (c) resulting in receipt by such person of an improper personal benefit. If the laws of the State of New Jersey are amended to authorize corporate action further eliminating or limiting the personal liability of directors or officers, then the liability of a director or officer or both shall be eliminated or limited to the fullest extent permitted by the law as so amended. Any amendment to this Certificate of Incorporation, or change in law which authorizes this Article Eight, shall not adversely affect any then existing right or protection or a director or officer of the corporation.

ARTICLE NINE

INDEMNIFICATION

The Corporation shall have the power to indemnify all of the agents of the Corporation against their expenses and liabilities in connection with any proceedings involving the agents of the Corporation by reason of his or her being or having been such corporate agent, other than a proceeding by or in the right of the Corporation, if (a) such agent of the Corporation acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation; and (b) such agent of the Corporation had no reasonable cause to believe his or her conduct was unlawful with respect to any criminal proceeding. Expenses incurred by a corporate in connection with a proceeding as authorized by the board of directors upon receipt of an undertaking by on or behalf of the corporate agent to repay such amount if it shall ultimately be determined that the agent is not entitled to be indemnified for expenses.

ARTICLE TEN

INSURANCE

The Corporation shall have the power to purchase and maintain insurance on behalf of any corporate agent against any expenses incurred in any proceeding and any liabilities asserted against any corporate agent by reason of being or having been a corporate agent, whether or not the Corporation would have the

power to indemnify any corporate agent against such expenses and liabilities under the provisions of this section.

ARTICLE ELEVEN

EFFECTIVE DATE

The effective date of this Certificate of Incorporation is the date of filing.

IN WITNESS WHEREOF, the undersigned, as the Incorporator of the Corporation, has executed this Certificate of Incorporation on the 2^o of June, 2011.

A handwritten signature in black ink, appearing to read "E. P. O'Connell", written over a horizontal line.

EUGENE P. O'CONNELL

Exhibit I – Commencement Certification

EXHIBIT I

CERTIFICATE

The undersigned being the developer of a proposed housing project, Ocean Green Senior Apartments, L.P., hereby certifies that:

1. Construction of the Project has not and will not commence prior to the final approval and execution of the Financial Agreement between the City and the undersigned.
2. The foregoing statements made this 20 day of June, 2011 is true and to the best of my knowledge and I understand that if it is will fully false; I am subject to punishment.

By:



EUGENE P. O'CONNELL

**Exhibit J – Compliance with State and Local
Laws**

EXHIBIT J

Compliance with State and Local Laws

On this ____ day of June 2011, the undersigned being the developer of the Ocean Green Senior Apartments, L.P. project hereby affirms that the renewal housing project will comply with State of Local laws.

By: 
EUGENE P. O'CONNELL

Exhibit K-Certification of Diligent Inquiry

EXHIBIT K

The undersigned being the developer of the Ocean Green Senior Apartments, L.P. project, a proposed project to be located at Block 1999, Lots 12.E and 34 hereby certifies that:

1. All information contained in the application for tax abatement is true and correct to the developer's knowledge, after he has made diligent inquiry to confirm the accuracy of all information.
2. The foregoing statement made by me this 20 day of June, 2011 is true and to the best of my knowledge and I understand that if it is will fully false; I am subject to punishment.

By: 
EUGENE P. O'CONNELL

Exhibit L – Proposed Financial Agreement

Rev. 2-27-09
HMFA
N.J.S.A. 55:14K-1 et seq.

Re:
Block 1999, Lots 12.E and 34

PREAMBLE

THIS Agreement made this _____ day of August, 2011, by and between **OCEAN GREEN SENIOR APARTMENTS, L.P., Limited Partnership Company** is a qualified housing sponsor under the New Jersey Mortgage Housing Finance Agency N.J.S.A. 55:14K-1 et seq., having its principal office at 853 Summit Avenue, Jersey City, New Jersey 07307, and the **CITY OF JERSEY CITY**, a Municipal Corporation in the County of Hudson and the State of New Jersey, having its principal office at 280 Grove Street, Jersey City, New Jersey 07302.

RECITALS

WITNESSETH:

WHEREAS, the Entity is the Owner under a Deeds dated _____ and _____ of certain property designated as Block 1999, Lots 12.E and 34 more commonly known by the street address of 742-748 Ocean Avenue, Jersey City, NJ, and more particularly described by the metes and bounds description set forth as Exhibit 1 to this Agreement; and

WHEREAS, the Entity plans to construct certain improvements on the Property to create a total of 44 units of rental housing, and a 23 car parking garage [Project]; and

WHEREAS, on _____ 2011, the Entity's Application for a tax exemption for the Project was approved by the City by the adoption of Ordinance _____; and

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

ARTICLE I - GENERAL PROVISIONS

Section 1.1 Governing Law

This Agreement shall be governed by the provisions of the New Jersey Housing and Mortgage Finance Agency Law, N.J.S.A. 55:14K-1 et seq., Executive Order of E.O. 02-003, and Ordinance _____, which authorized the execution of this Agreement. It being expressly understood and agreed that the City expressly relies upon the facts, data, and representations contained in the Application, attached hereto as Exhibit 3, in granting this tax exemption.

Section 1.2 General Definitions

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

i. Agency- The New Jersey Housing and Mortgage Finance Agency.

ii. Annual Gross Revenue- The total gross income, including any and all revenue derived from or generated by the Project of whatever kind or amount, whether received as rent from any tenants or income or fees from third parties, including but not limited to fees or income paid or received for parking, laundry, or other services, including any Section 8 certificate revenue derived from the Project, including all rent and other income, with an allowable vacancy rate of up to 5%. It also includes the cost of insurance, gas, electricity, water and sewer charges, other utilities, garbage removal and insurance charges even if paid for directly by the Tenant, if such expense is ordinarily paid for by the Landlord.

iii. Annual Service Charge -Estimated Service Charge: \$ _____ over the 30 year term of the tax exemption, calculated as follows:

(1) Years 1 through 30, a total of \$27,493.00 each year, based upon: A) 10% of annual gross revenue of the residential units: \$ _____ or approximately \$ _____ per unit;

iv. Auditor's Report - A complete financial statement outlining the financial status of the Project (for a period of time as indicated by context), which shall also include a certification of Total Project Cost and clear computation of Net Profit.

The contents of the Auditor's Report shall have been prepared in conformity with generally accepted accounting principles and shall contain at a minimum the following: a balance sheet, a statement of income, a statement of retained earnings or changes in stockholder's equity, statement of cash flows, descriptions of accounting policies, notes to financial statements and appropriate schedules and explanatory material results of operations, cash flows and any other items reasonably required by the City or its auditors. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

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

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

vii. Entity - The term Entity within this Agreement shall mean _____ LLC, which Entity is formed and qualified pursuant to Law. It shall also include any subsequent purchasers or successors in interest of the Project, provided they are formed and operate under by Law and the transfer has been duly approved by the City.

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

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

x. Land Taxes - The amount of taxes assessed on the value of land, on which the project is located and, if applicable, taxes on any pre-existing improvements. Land Taxes are not exempt; however, Land Taxes are applied as a credit against the Annual Service Charge.

xi. Land Tax Payments - If the law requires, payments made on the

quarterly due dates, including approved grace periods if any, for Land Taxes as determined by the Tax Assessor and the Tax Collector.

xii. Law - Law shall refer to the New Jersey Housing and Mortgage Finance Agency Law, N.J.S.A. 55:14K-1 et seq.; Executive Order 02-003, relating to long term tax exemption, as it may be amended and supplemented; Ordinance which authorized the execution of this Agreement; and Ordinance 07-123, as may be amended or supplemented from time to time, which requires the execution of a Project Labor Agreement, and all other relevant Federal, State or City statutes, ordinances, resolutions, rules and/or regulations.

xiii. Minimum Annual Service Charge - The Minimum Annual Service Charge shall be the amount of the total taxes that would have been levied against all real property in the area covered by the Project in the last full tax year preceding the recording of the HMFA mortgage which amount the parties agree is approximately \$____. The Minimum Annual Service Charge shall be paid in each year in which the Annual Service Charge, calculated pursuant to the Financial Agreement would be less than the Minimum Annual Service Charge.

xiv. Pronouns - He or it shall mean the masculine, feminine or neuter gender, the singular, as well as the plural, as context requires.

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

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

ARTICLE II - APPROVAL

Section 2.1 Approval of Tax Exemption

The City hereby grants its approval for a tax exemption for all the Improvements to be constructed and maintained in accordance with the terms and conditions of this Agreement and the provisions of the Law which Improvements shall be constructed on certain property known on the Official Tax Assessor's Map of the City as: Block 1999,

Lots 12.E and 34, more commonly known by the street address of 742-748 Ocean Avenue, Jersey City, NJ, and described by metes and bounds in Exhibit 1 attached hereto.

Section 2.2 Approval of Entity

Approval is granted to the Entity whose Certificate of Formation is attached hereto as Exhibit 4. Entity represents that its Certificate contains all the requisite provisions of Law; has been reviewed and approved by the Commissioner of the Department of Community Affairs; and has been filed with, as appropriate, the Secretary of State or Office of the Hudson County Clerk.

Section 2.3 Improvements to be Constructed

Entity represents that it will construct certain improvements on the Property to create a total of 44 units of affordable rental housing, and 23 car parking garage, all of which is more specifically described in the Application attached hereto as Exhibit 3.

Section 2.4 Construction Schedule

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

Section 2.5 Ownership, Management and Control

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

1. The Entity shall manage the improvements with regard to the residential dwelling units and retail space.
2. The parking facility will be operated by a third party Lessee pursuant to and in accordance with the terms of a certain lease between the Entity and third-party Lessee.

Section 2.6 Financial Plan

The Entity represents that the Improvements shall be financed in accordance with the Financial Plan attached hereto as Exhibit 6. The Plan sets forth estimated Total Project Cost, the amortization rate on the Total Project Cost, the source of funds, the

interest rates to be paid on construction financing, the source and amount of paid-in capital, and the terms of any mortgage amortization.

Section 2.7 Statement of Rental Schedules and Lease Terms

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

ARTICLE III - DURATION OF AGREEMENT

Section 3.1 Term

So long as there is compliance with the Law and this Agreement, it is understood and agreed by the parties hereto that this Agreement shall remain in effect for the earlier of: thirty three (33) years from the date of the adoption of Ordinance _____ which approved this exemption or thirty (30) years from the date of the recording of the HMFA mortgage as funded and approved by the Agency. The tax exemption shall only be effective only while the Project is owned by an entity formed and operating as a housing sponsor under the Law and subject to an HMFA mortgage. Thereafter, the tax exemption shall expire and the land and improvements thereon shall be assessed and taxed according to the general law applicable to other non-exempt property in the City.

ARTICLE IV - ANNUAL SERVICE CHARGE

Section 4.1 Annual Service Charge

In consideration of the tax exemption, the Entity shall make payment to the City of an amount equal to the greater of: the Minimum Annual Service Charge or an Annual Service Charge. The Annual Service Charge shall be billed initially based upon the Entity's estimates of Annual Gross Revenue as set forth in its Financial Plan, attached hereto as Exhibit 6. Thereafter, the Annual Service Charge shall be adjusted in accordance with this Agreement.

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

land until paid.

Section 4.2 Administrative Fee

The Entity shall also pay an annual administrative fee to the City in addition to the Minimum or Annual Service Charge. This administrative fee shall equal two (2%) percent of the Annual Service Charge and shall be payable and due on or before December 31st of each year and collected in the same manner as the Annual Service Charge.

Section 4.3 Land Tax Credit

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

Section 4.4 Quarterly Installments

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

Section 4.5 Material Conditions

It is expressly agreed and understood that the timely payments of Land Taxes,

Minimum Annual Service Charges, Annual Service Charges, including adjustments thereto, Administrative Fees, and any interest thereon, are Material Conditions of this Agreement.

ARTICLE V - PROJECT EMPLOYMENT & CONTRACTING AGREEMENT

Section 5.1 Project Labor Agreement and Project Employment Agreement

In order to provide City residents and businesses with certain employment and other economic related opportunities, the Entity is subject to the terms and conditions of the Project Employment & Contracting Agreement, attached hereto as Exhibit 8. In addition, the Entity shall execute a Project Labor Agreement as required by Ordinance 07-123 as it exists or as it may be amended from time to time.

ARTICLE VI - CERTIFICATE OF OCCUPANCY

Section 6.1 Certificate of Occupancy

It is understood and agreed that it shall be the obligation of the Entity to obtain all Certificates of Occupancy in a timely manner. The failure to secure the Certificates of Occupancy shall subject the property to full taxation.

Section 6.2 Filing of Certificate of Occupancy

It shall be the primary responsibility of the Entity to forthwith file with both the Tax Assessor and the Tax Collector a copy of each Certificate of Occupancy.

Failure of the Entity to file such issued Certificate of Occupancy as required by the preceding paragraph, shall not mitigate against any action or non-action, taken by the City, including, if appropriate retroactive billing with interest for any charges determined to be due, in the absence of such filing by the Entity.

Section 6.3 Construction Permits

The estimated cost basis disclosed by the Entity's application and proposed Financial Agreement may, at the option of the City, be used as the basis for the construction cost in the issuance of any construction permit(s) for the Project.

ARTICLE VII - ANNUAL REPORTS

Section 7.1 Accounting System

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

principles.

Section 7.2 Periodic Reports

A. Auditor's Report: Within ninety (90) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis that this Agreement shall continue in effect, the Entity shall submit to the Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, and the NJ Division of Local Government Services in the Department of Community Affairs, its Auditor's Report for the preceding fiscal or calendar year. The Auditor's Report shall include, but not be limited to: Rental schedule of the urban renewal Project, and the terms and interest rate on any mortgage(s) associated with the purchase or construction of the Project and such details as may relate to the financial affairs of the Entity and to its operation and performance hereunder, pursuant to the Law and this Agreement. The Report shall clearly identify and calculate the Net Profit for the Entity during the previous year.

B. Total Project Cost Audit: Within ninety (90) days after the Substantial Completion of the Project, the Entity shall submit to the Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, an audit of Total Project Cost, certified as to actual construction costs by an independent and qualified architect, utilizing the form attached hereto as Exhibit 9, and as to all other costs, certified its conformance with generally accepted accounting principles, by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

C. Disclosure Statement: On the anniversary date of the execution of this Agreement, if there has been a change in ownership or interest from the prior year's filing, the Entity shall submit to the Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, a Disclosure Statement listing the persons having an ownership interest in the Project, and the extent of the ownership interest of each and such additional information as the City may request from time to time.

Section 7.3 Mortgage

Within ninety (90) days after the date the Entity closes on its loan with the Agency, the Entity shall file with the City a fully executed copy of the Note and a recorded copy of the HMFA Mortgage.

Section 7.4 Inspection/Audit

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

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

ARTICLE VIII- LIMITATION OF PROFITS AND RESERVES

Section 8.1 Limitation of Profits and Reserves

During the period of tax exemption as provided herein, the Entity's return on investment shall be limited in accordance with the regulations and conditions imposed by the Agency pursuant to N.J.S.A. 55:14K-7(6) or any other Law applicable.

ARTICLE IX - ASSIGNMENT AND/OR ASSUMPTION

Section 9.1 Prior Approval of Sale

Any change made in the ownership of the Project and sale or transfer of the Project, shall be void unless approved in advance by Ordinance of the Municipal Council. It is understood and agreed that the City, on written application by the Entity, will not unreasonably withhold its consent to a sale of the Project and the transfer of this Agreement provided 1) the new Entity is formed and eligible to operate under the Law; 2) the Entity is not then in default of this Agreement or the Law; and 3) the Entity's obligations under this Agreement is fully assumed by the new Entity.

Section 9.2 Transfer or Lease to Tax Exempt Organization or Public Body.

In the event that the Entity transfers, sells, demises, conveys, or in any manner relinquishes ownership or title, including a lease to the land or improvements, covered by this tax exemption agreement, to a tax exempt non-profit organization or institution, including any public body, during the term of the tax exemption agreement, that would adversely impact the City's anticipated economic interests by reducing in any way taxes or the service charge due the City under this agreement or by law, it is understood and agreed by the Entity that it first obtain the consent of the City to the transfer or lease. It is further understood that it may be grounds for the City to withhold its approval if the City's economic interests are adversely effected thereby.

Section 9.3 Severability.

It is an express condition of the granting of this tax exemption that during its duration, the Entity shall not, without the prior consent of the Municipal Council by Ordinance, convey, mortgage or transfer, all or part of the Project so as to sever, disconnect, or divide the improvements from the lands which are basic to, embraced in, or underlying the exempted improvements.

ARTICLE X - COMPLIANCE

Section 10.1 Operation

During the term of this Agreement, the Project shall be maintained and operated in accordance with the provisions of the Law. Operation of Project under this Agreement shall not only be terminable as provided by N.J.S.A. 55:14K-1, et seq., as currently amended and supplemented, but also by a Default under this Agreement. The Entity's failure to comply with the Law shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

ARTICLE XI - DEFAULT

Section 11.1 Default

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

Section 11.2 Cure Upon Default

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

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

Should the Entity be in default failure to pay any charges defined as Material Conditions in Section 4.5, the Entity shall not be subject to the default procedural remedies as provided herein but shall allow the City to proceed immediately to terminate the Agreement as provided in Article XII herein.

Section 11.3 Remedies Upon Default

The City shall, among its other remedies, have the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. and/or may declare a Default and terminate this Agreement. Any default arising out of the Entity's failure to pay Land Taxes, the Minimum Annual Service Charge, Administrative Fees, Additional Consideration or the Annual Service Charges shall not be subject to the default procedural remedies as provided in Article XI Land Taxes or the Annual Service Charges shall not be subject to the default procedural remedies as provided in Article XI herein but shall allow the City to proceed immediately to terminate the Agreement as provided in Article XII herein. All of the remedies provided in this Agreement to the City, and all rights and remedies granted to it by law and equity shall be cumulative and concurrent. No determination of any provision of this Agreement shall deprive the City of any of its remedies or actions against the Entity because of its failure to pay Land Taxes, the Minimum Annual Service Charge, Annual Service Charge, Administrative Fees or Additional Consideration. This right shall apply to arrearages that are due and owing at the time or which, under the terms hereof, would in the future become due as if

there had been no determination. Further, the bringing of any action for Land Taxes, the Minimum Annual Service Charge, the Annual Service Charge, Administrative Fees or Additional Consideration, or for breach of covenant or the resort to any other remedy herein provided for the recovery of Land Taxes shall not be construed as a waiver of the rights to terminate the tax exemption or proceed with a tax sale or Tax Foreclosure action or any other specified remedy.

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

ARTICLE XII- TERMINATION

Section 12.1 Termination Upon Default of the Entity

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

Section 12.2 Voluntary Termination by the Entity

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

Section 12.3 Final Accounting

Within ninety (90) days after the date of termination, whether by affirmative action of the Entity or by virtue of the provisions of the Law or pursuant to the terms of this Agreement, the Entity shall provide a final accounting to the City. For purposes of rendering a final accounting the termination of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

Section 12.4 Conventional Taxes

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

ARTICLE XIII - DISPUTE RESOLUTION

Section 13.1 Arbitration

In the event of a breach of the within Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court of New Jersey by an appropriate proceeding, to settle and resolve the dispute in such fashion as will tend to accomplish the purposes of the Law. In the event the Superior Court shall not entertain jurisdiction, then the parties shall submit the dispute to the American Arbitration Association in New Jersey to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of the Long Term Tax Exemption Law. The cost for the arbitration shall be borne equally by the parties. The parties agree that the Entity may not file an action in Superior Court or with the Arbitration Association unless the Entity has first paid in full all charges defined in Article IV, Section 4.5 as Material Conditions.

ARTICLE XIV - WAIVER

Section 14.1 Waiver

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

ARTICLE XV - INDEMNIFICATION

Section 15.1 Defined

It is understood and agreed that in the event the City shall be named as party defendant in any action (other than an action commenced by the Entity) alleging any breach, default or a violation of any of the provisions of this Agreement and/or the

provisions of the Law, the Entity shall indemnify and hold the City harmless, and the Entity agrees to defend the suit at its own expense. However, the City maintains the right to intervene as a party thereto, to which intervention the Entity consents; the expense thereof to be borne by the Entity.

ARTICLE XVI- NOTICE

Section 16.1 Certified Mail

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

Section 16.2 Sent by City

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

and
New Jersey Housing and Mortgage Finance Agency
637 South Clinton Avenue
P.O. Box 18550
Trenton, NJ 08650-2085

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

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

Section 16.3 Sent by Entity

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

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

with copies sent to the Corporation Counsel, the Business Administrator, and the Tax Collector unless prior to the giving of notice, the City shall have notified the Entity otherwise. The notice to the City shall identify the Project to which it relates, (i.e., the

Urban Renewal Entity and the Property's Block and Lot number).

ARTICLE XVII-SEVERABILITY

Section 17.1 Severability

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

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

ARTICLE XVIII - MISCELLANEOUS

Section 18.1 Construction

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to or aid of any presumption or other rule requiring construction against the party drawing or causing this Agreement to be drawn since counsel for both the Entity and the City have combined in their review and approval of same.

Section 18.2 Conflicts

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

Section 18.3 Oral Representations

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

Section 18.4 Entire Document

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

Section 18.5 Good Faith

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

ARTICLE XIX - EXHIBITS

Section 19 Exhibits

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

1. Metes and Bounds description of the Project;
2. Ordinance of the City authorizing the execution of this Agreement;
3. The Application with Exhibits;
4. Certificate of the Entity;
5. Estimated Construction Schedule;
6. The Financial Plan for the undertaking of the Project;
7. Initial Rental Schedules and Lease Terms;
8. Project Employment & Contracting Agreement & Project Labor Agreement;
9. Architect's Certification of Actual Construction Costs;
10. Written approval of HMFA mortgage loan, including the amount and term thereof.

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

ATTEST:

OCEAN GREEN SENIOR APARTMENTS, LP

SECRETARY

ATTEST:

742-748 OCEAN, LLC GENERAL PARTNER

PRESIDENT

ATTEST:

CITY OF JERSEY CITY

ROBERT BYRNE
CITY CLERK

JOHN KELLY
BUSINESS ADMINISTRATOR

PROJECT EMPLOYMENT & CONTRACTING AGREEMENT

This Project Employment & Contracting Agreement is made on the ___ day of _____, 2011, between the **CITY OF JERSEY CITY** [City] and **OCEAN GREEN SENIOR APARTMENTS** having its principal office at 853 Summit Avenue, Jersey City, NJ 07307. Recipient agrees as follows:

I. Definitions:

The following words and terms, when used in this agreement, shall have the following meanings unless the context clearly indicates otherwise.

1. "City" means the Business Administrator of the City of Jersey City, or his designee, including any person or entity which enters into a contract with the City to implement, in whole or in part, this agreement.
2. "Construction Contract" means any agreement for the erection, repair, alteration or demolition of any building, structure, bridge, roadway, or other improvement on a Project Site.
3. "Contractor" means any party performing or offering to perform a prime contract on behalf of the Recipient.
4. "DEO" means the Division of Economic Opportunity under the Department of Administration, located at 1 Journal Square Plaza, 2nd Floor, Jersey City, NJ 07306, Telephone #(201) 547-5611. DEO is in charge of Project Employment & Contracting coordination and monitoring on projects receiving abatements.
5. "Economic Incentive" means a tax abatement or exemption for a property or project which requires approval of the Municipal Council and which reduces the annual amount of taxes otherwise due, by \$25,000 or more in the aggregate;
6. "Employment" means any job or position during the construction and operational phase of the project. It includes positions created as a result of internal promotions, terminations, or expansions within the Recipient's work force which are to be filled by new employees. However, positions filled through promotion from within the Recipient's existing work force are not covered positions under this agreement.
7. "Local Business" means a bona fide business located in Jersey City.
8. Mayor Jerramiah T. Healy's Business Cooperative Program means the group within DEO under the Department of Administration responsible for collecting local and minority business contracts and capability information. This group operates the Supplier Alert service which is to be used by the Recipient to meet their good faith business contracting and construction subcontracting goals.
9. "Minority" means a person who is African, Hispanic, Asian, or American Indian defined

- a) "African-American" means a person having origins in any of the black racial groups of Africa.
 - b) "Hispanic" means a person of Mexican, Puerto Rican, Cuban, Central or South American or other Latino culture or origin, regardless of race, excluding, however, persons of European origin.
 - c) "Asian" means a person having origins in any of the original people of the Far East, Southeast Asia, and subcontinent India, Hawaii or the Pacific Islands.
 - d) "American Indian" means a person having origins in any of the original people of North America who maintains cultural identification through tribal affiliation or community recognition.
10. "Minority or Woman Owned Local Business" means a bona fide business located in Jersey City which is fifty-one (51%) percent or more owned and controlled by either a Minority or woman.
 11. "Non-Traditional Jobs" means jobs which are held by less than twenty (20%) percent women, as reported by the New Jersey Department of Labor, Division of Labor Market, and Demographic Research for Jersey City, which report shall be on file with the City Clerk.
 12. "Permanent Jobs" mean newly created long term salaried positions, whether permanent, temporary, part time or seasonal.
 13. "Project or Project Site" means the specific work location or locations specified in the contract.
 14. The "Project Employment & Contracting Coordinator" is a member of the DEO staff under the Department of Administration who is in charge of coordinating Project Employment & Contracting projects. Contractors and developers engaged in projects covered by Project Employment & Contracting Agreements will direct inquiries to the Project Employment & Contracting Coordinator.
 15. The "Project Employment & Contracting Monitor" or "Monitor" is a member of the DEO staff under the Department of Administration directly under the command of the Project Employment & Contracting Coordinator, who is in charge of monitoring the site, collecting the reports and documentation, and other day-to-day Project Employment & Contracting housekeeping as stipulated by this agreement.
 16. The "Project Employment & Contracting Officer" or "Officer" is an employee of the Recipient who is designated by the Recipient to make sure the Recipient is in compliance with the Recipient's Project Employment & Contracting agreement.
 17. "Recipient" means any individual, partnership, association, organization, corporation or other entity, whether public or private, or for profit or non-profit, or agent thereof, which

receives an Economic Incentive and shall include any Contractor, Subcontractor or agent of the Recipient.

18. "The Registry" or "Jersey City Employment Registry" means a list maintained by the City or its designee of Jersey City residents seeking employment and Local Businesses, including Minority or Woman Owned Local Businesses, seeking contracts.
19. "Subcontract" means a binding legal relationship involving performance of a contract that is part of a prime contract.
20. "Subcontractor" means a third party that is engaged by the prime Contractor to perform under a subcontract all or part of the work included in an original contract.
21. "Substantial Completion" means the determination by the City that the Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the date on which the Project receives, or is eligible to receive any Certificate of Occupancy for any portion of the Project.

II. Purpose:

The City wishes to assure continuing employment opportunities for City residents, particularly residents who are Minorities, and business opportunities for Local Businesses, especially Minority and Women Owned Local Businesses, with employers located in or relocating to the City who are the Recipients of Economic Incentives. The City has determined to accomplish that goal by requiring the Recipient of an Economic Incentive to act in Good Faith, as defined herein, and discharge its obligations under this Agreement. To the extent mandated by State and Federal law and so long as the Entity discharges its Good Faith obligations under this agreement, the City acknowledges that the Recipient and its contractors are free to hire whomever they choose.

III. Good Faith Goals:

In the event the Recipient is able to demonstrate that its work force already meets the goals set forth below or is able to meet such goals during the term of this agreement, the Recipient will not be required to comply with the interviewing or reporting obligations set forth in Section VI 1., A-L (Construction Jobs) and Section VI, 2., A-J (Permanent Jobs). All goals for Construction Jobs shall be calculated as a percentage of the total number of work hours in each trade from the beginning of the project to its completion.

1. **Employment:** The Recipient shall make a Good Faith effort to achieve the goal of a work force representing fifty-one (51%) percent City residents, fifty-one (51%) percent of whom are residents who are Minorities and, in Non-Traditional Jobs, six point nine (6.9%) percent of whom are residents who are women, it being understood that one employee may satisfy more than one category.
2. **Business Contracting:** The Recipient shall make a Good Faith effort to achieve the goal of awarding twenty (20%) percent of the dollar amount of its contracts to Local Businesses, fifty-

one (51%) percent of which shall be Minority or Women Owned Local Businesses. If fifty-one (51%) percent of Minority or Women Owned Local Businesses cannot be obtained, that percentage of contracts must still be applied to local vendors.

IV. Recipient Designee:

The Recipient shall designate a principal officer of its firm to be responsible for administering the agreement detailed herein and to report to and confer with the City in order to discharge its Good Faith obligations as defined in this agreement. This officer should be designated as the Project Employment & Contracting Officer.

The Recipient should send a letter of introduction regarding the "Project Employment & Contracting Compliance Officer" to the Project Employment & Contracting Coordinator prior to any preconstruction meetings. An example of this letter can be found in Appendix A. This principle officer should also be present for all preconstruction meetings.

The Recipient should send a letter regarding the "Project Employment & Contracting Compliance Officer" to the employees of the Recipient's company. An example of this letter can be found in Appendix AZ

V. Term:

This agreement shall be in effect for a period co-terminus with the effective period of the tax exemption [the Economic Incentive]. Thus, it will commence on the date the City Council adopted Ordinance _____ approving the tax exemption and terminate the earlier of years from the date of the adoption of that Ordinance or _____ years from the date of Substantial Completion of the Project.

VI. Good Faith Defined:

1. Construction Jobs: Good Faith shall mean compliance with all of the following conditions:

A. Initial Manning Report:

- i) Prior to the commencement of their work on the Project, each Contractor /Subcontractor shall prepare an Initial Manning Report.
- ii) The Initial Manning Report should contain an estimate of the total hours in each construction trade or craft and the number of hours to be worked by City residents, including a list of the number of minority residents and women residents that will work in each trade or craft, including the work hours to be performed by such employees of any and all Contractors and Subcontractors. Attached hereto as Appendix B is the Recipient's Initial Manning Report.
- iii) The Initial Manning Report shall be filed with the Project Employment and Contracting Monitor, who must accept said Report prior to the Recipient entering.

into any construction contract. An example of this acceptance letter is given in Appendix C.

B. Developer's Contracting Obligations

- i) Once the developer submits the project's initial manning report, he/she must forward a letter with requests for quotation or bid to Mayor Jerramiah T. Healy's Business Cooperative Program for local and minority vendors for any construction or building operating goods, services and sub-contracting opportunities. An example of this letter is given in Appendix D.
- ii) The developer shall make a good faith effort to contact those businesses and individuals who submit bids. This effort must be documented by letter, which will be sent to Mayor Jerramiah T. Healy's Business Cooperative Program at DEO under the Department of Administration. An example of this letter can be found in Appendix D2.

C. Contractor's/Subcontractor's Compliance Statement

Prior to commencement of their work on the Project, each Contractor or Subcontractor must agree in writing to comply with this agreement and the employment goals elaborated herein. An example of this Compliance Statement can be found in Appendix E.

D. Union Statement of Using Its Best Efforts

- i) Prior to commencement of their work on the Project, the contractor/subcontractor must submit a statement expressing its adherence to the Project Employment & Contracting Agreement to each union with which he/she has a collective bargaining agreement covering workers to be employed on the project.
- ii) The Compliance Statement shall include a union statement for the particular union to sign, which claims the union will use its best efforts to comply with the employment goals articulated in the Project Employment & Contracting agreement. This compliance statement is detailed in Appendix F. A copy of the signed compliance statement must be sent to the Project Employment & Contracting Monitor in DEO under the Department of Administration before work starts in order for a developer to be in compliance.
- iii) The Recipient will require the Contractor or Subcontractor to promptly notify the City of any refusal or failure of a union to sign the statement. If a particular union refuses to sign a statement, the Recipient will document its efforts to obtain such statement and the reasons given by the union for not signing such statement, and submit such documentation to the Project Employment & Contracting Monitor in DEO under the Department of Administration.

E. Sub-Contractors

The developer shall require that each prime contractor be responsible for the compliance of his/her subcontractors with the aforementioned Project Employment & Contracting requirements during the performance of the contract. Whenever the contractor sub-contracts a portion of the work on the project, the contractor shall bind the subcontractor to the obligations contained in these supplemental conditions to the full extent as if he/she were the contractor.

F. Union Apprentices

The contractor is responsible for assuring that resident and minority apprentices account for at least fifty (50%) percent of the total hours worked by union apprentices on the job in each trade listed in which apprentices are employed, according to the apprentice-to-journey-worker ratio contained in the collective bargaining agreement between the various unions, and shall hold each of his/her subcontractors to this requirement. The Recipient will require the contractor or subcontractor to promptly notify the City of any refusal of a union to utilize resident and minority apprentices.

G. Monthly Manning Report

- i) The Recipient will cause the Contractor to complete and submit Monthly Project Manning Reports to the Project Employment & Contracting Monitor in DEO under the Department of Administration by the seventh day of the month following the month during which the work is performed, for the duration of the contract.
- ii) The report will accurately reflect the total hours in each construction trade or craft and the number of hours worked by City residents, including a list of the number of minority resident and women resident workers in each trade or craft, and will list separately the work hours performed by such employees of the Contractor and each of its Subcontractors during the previous month. The Monthly Manning Report shall be in the form attached hereto as Appendix G.
- iii) The Recipient is responsible for maintaining or causing the Contractor to maintain records supporting the reported work hours of its Contractors or Subcontractors.

H. Monthly Certified Payroll Report

- i) The Recipient will cause the Contractor to furnish the Project Employment & Payroll report shall be in the form attached hereto as Appendix H.
- ii) Payroll reports must be submitted on a monthly basis with the Monthly Manning Report or the Recipient is no longer in compliance.

Contra

I. Equal Employment Opportunity Reports

Prior to commencement of work on the Project, the Recipient will request copies of the most recent Local Union Report (EEO-3) and Apprenticeship Information Report (EEO-2)

which are required to be filed with the US Commission of Equal Employment Opportunity Commission by the collective bargaining unit. These reports will be forwarded to the Project Employment & Contracting Monitor within one month of the signing of the Project Employment & Contracting Agreement.

J. Other Reports

In addition to the above reports, the Recipient shall furnish such reports or other documents to the City as the City may request from time to time in order to carry out the purposes of this agreement.

K. Records Access

The Recipient will insure that the City will have reasonable access to all records and files reasonably necessary to confirm the accuracy of the information provided in the reports.

L. Work Site Access For Monitor

- i) The City will physically monitor the work sites subject to this agreement to verify the accuracy of the monthly reports. Each work site will be physically monitored approximately once every two weeks, and more frequently if it is deemed reasonably necessary by the City. The City's findings shall be recorded in a "Site Visit Report." An example of a bi-weekly site visit report can be found in Appendix I.
- ii) The Recipient shall require the Contractor and Sub-contractor to cooperate with the City's site monitoring activities and inform the City as to the dates they are working at the Project site. This includes specifically instructing the on-site construction manager about the monitoring process, and informing him/her that the monitor will contact him/her to set up an initial meeting. In the case of projects with multiple locations, the Recipient shall inform the City of the dates they are working at each site location(s) where they are working, in order to facilitate the monitoring.

2. Permanent Jobs: Good Faith shall mean compliance with all of the following conditions:

A. Pre-hiring Job Awareness: At least eight (8) months prior to the hiring of a Recipient's permanent workforce, the Project Employment & Contracting officer for the Recipient will sit down with the head of the Registry to discuss how the Recipient plans to hire its permanent workforce. The following issues should be covered in this meeting:

- i) whether subcontractors will be used in the hiring process.
- ii) the specific types of jobs that need to be filled.
- iii) the qualifications needed for these particular jobs.
- iv) possible training programs offered by the permanent employer.
- v) the Recipient's goals and how it plans to meet these goals.

vi) any other issues which need to be addressed by the Registry.

1. Subcontractor Notification -- If the Recipient decides to subcontract any portion or all of its permanent workforce, then the Recipient must receive a signed acknowledgment from the subcontracting party that it will abide by the Project Employment & Contracting Agreement before said subcontractor begins staffing permanent employees. The Recipient must forward a copy of the signed acknowledgment to the Project Employment & Contracting Monitor. An example of this signed acknowledgment can be found in Appendix E.

2. Subcontractor Pre-Hiring Job Awareness Meeting -- Each subcontractor hired to staff permanent job positions must appoint a Project Employment & Contracting Officer to meet with the head of the Registry to discuss the same issues presented above in VI 2.A(I-vi).

3. Subcontractors of Subcontractors--Subcontractors of subcontractors are subject to the same requirements for the initial subcontractors above in Section VI 2.A.

B. Documentation of Hiring Plan--Once the Pre-Hiring Job Awareness Meeting has taken place, the Recipient must put together a document with goals and totals for future permanent employment needs. This plan should summarize all that was discussed in the Pre-Hiring Awareness Meeting, list estimates for manpower needs, set residential and minority employment goals commensurate with the Project Employment & Contracting Agreement, and show how the Recipient plans to meet these goals. An example of this plan is found in Appendix J.

C. Pre-Hiring Notification: At least ten (10) working days prior to advertising for any employees, the Recipient or the Recipient's subcontractor shall provide the Registry with a written notice, which shall state the job title, job description and minimum qualifications, rate of pay, hours of work and the hiring date for each position to be filled, in qualitative and objective terms which will enable the Registry to refer qualified applicants to the Recipient.

D. Advertisement: At the request of the City, or because the City does not have qualified applicants to refer to the Recipient, the Recipient will place an advertisement for the jobs in a newspaper which is regularly published in Jersey City. The Recipient must furnish the Project Employment & Contracting Coordinator in DEO under the Department of Administration with a copy of this advertisement.

E. Pre-Hiring Interview: The Recipient shall interview any qualified applicants referred to it from the Registry, to be maintained by the City or its designee. In the event advertisement is required, the Recipient agrees to interview any qualified persons responding to the advertisement.

F. Semi-Annual Employment Reports: The Recipient will submit written semi-annual employment reports to the Project Employment & Contracting Monitor in the form to be provided by the City. The report will describe the job, whether the job is held by a City resident, minority resident or woman resident. The report will explain in writing the reasons why any qualified applicant referred by the Registry (or in the event advertisement is required, any qualified person responding to the advertisement) was not hired. An example of this report is found in Appendix K.

G. Record Access: The Recipient shall provide the City with reasonable access to all files and records including payroll and personnel information reasonably necessary to confirm the accuracy of the information set forth in the semi-annual reports.

H. Work Place Access: The Recipient shall provide the City with reasonable access to the site to physically monitor the work site to verify the accuracy of the information set forth in the semi-annual reports.

I. Other Reports, Documents: In addition to the above reports, the Recipient shall furnish such reports or other documents that the City may request from time to time in order to implement the purposes of this agreement.

J. Incorporation of Agreement: The Recipient shall incorporate the provisions of this Agreement in all contracts, agreements and purchase orders for labor with any service, maintenance, security or management agent or Contractor engaged by the Recipient whose personnel will be assigned to the Recipient project.

3. Business Contracting

Good Faith shall mean compliance with all of the following conditions:

1) Solicitation of Businesses:

- a) One month before accepting bids for goods and services, the Recipient must forward a letter with requests for quotation or bid to Mayor Jerramiah T. Healy's Business Cooperative Program for local and local minority vendors for any construction or building operating goods, services and subcontracting opportunities. An example of this letter can be found in Appendix D.
- b) After submission of bids, the Recipient will document whether the bid was accepted or rejected, and state the reason why. An example of this documentation can be found in Appendix D2.
 - i) Semi-Annual Purchasing Reports: The Recipient will submit written semi-annual purchasing reports which will include a list of all contracts awarded over a six month period and the dollar amounts of these contracts. The reports will specify the number and dollar amount of contracts awarded to Local Businesses and Minority or Women Owned Local Businesses. An example of these reports can be found in Appendix L.
 - ii) No Utilization of Local and Local Minority Vendors As Conduits For Vendors That Are Not Local Or Minority Owned:

The Recipient pledges not to use local and local minority vendors solely as conduits for vendors that are not local and minority owned. Any discovery by DEO under the Department of Administration of a Recipient, either knowingly or unknowingly, using the masthead of a local

or minority owned business as a way to get credit for local or minority employment when it should not, will immediately subject the Recipient to the penalties listed in Section VIII (d) below.

4. Summation of Documentation Needed For Compliance with Agreement

1. Letter Designating Project Employment & Contracting Officer (Appendix A)
2. Letter designating Project employment & Contracting Officer to Recipient's Employees (App.) AZ
3. Example of Initial Manning Report (Appendix B)
4. Letter Of Acceptance of Initial Manning Report (Appendix C)
5. Letter From Developer Forwarding Requests for Quotation or Bid for Minority and Residential Vendors from Mayor Jerramiah T. Healy's Business Cooperative Program (Appendix D)
6. Documentation of Bid Submission (Appendix D2)
7. Letter Expressing Project Employment & Contracting Obligations to Contractors/ Subcontractors (Appendix E)
8. Union Statement of Best Efforts (Appendix F)
9. Example of Monthly Manning Report (Appendix G)
10. Example of Monthly Certified Payroll Report (Appendix H)
11. Example of Bi-Weekly Site Visit Report (Appendix I)
12. Example of Documentation of Hiring Plan (Appendix J)
13. Example of Semi-Annual Employment Report (Appendix K)
14. Example of Semi-Annual Purchasing Report (Appendix L)

VII. Notices of Violation:

1. **Advisory Notice:** The City will issue a written Advisory Notice to the Recipient if there is non-compliance with a Good Faith requirement as defined in this agreement. The Advisory Notice shall explain in sufficient detail the basis of the alleged violation. The Recipient shall have four (4) working days to correct the violation. An example of an Advisory Notice can be found in Appendix M.
2. **Violation Notice:** If the alleged violation set forth in the Advisory Notice has not been corrected to the satisfaction of the City within four (4) working days, the City shall then issue a Violation Notice to the Recipient. The Violation Notice shall explain in sufficient detail the basis of the alleged, continuing violation. The Recipient will have three (3) working days to correct the violation. An example of a Violation Notice can be found in Appendix N.
3. **Correcting the Violation:** Either or both the Advisory Notice or the Violation Notice may be considered corrected if the Recipient satisfies the requirements of this agreement and so advises the City in writing, subject to confirmation by the City.
4. **Extension of Time to Correction:** Either the Advisory Notice or the Violation Notice may be held in abeyance and the time for correction extended if the Recipient enters into satisfactory written agreement with the City for corrective action which is designed to

achieve compliance. If Recipient fails to abide by the terms of such agreement the violation will be considered not corrected.

5. Meetings Concerning Violations: The City may provide an opportunity for a meeting with the Recipient, his Contractors or Subcontractors in an effort to achieve compliance; or may respond to Recipient's request for a meeting after the Recipient has made timely submission of a written explanation pursuant to the above. The meeting shall be requested no later than two days after the alleged violator has submitted the written explanation.
6. Interviews Relating to Violations: The City may conduct interviews and may request additional information from appropriate parties as is considered necessary to determine whether the alleged violation has occurred.
7. Determination of Violation: The City shall issue a determination of whether the Recipient is in violation of this agreement as soon as possible but not later than thirty days after the delivery of the Violation Notice to the Recipient. If the City determines that the Recipient is in violation, the City shall be entitled to the liquidated damages provided below.

VIII. Liquidated Damages/Interest:

While reserving any other remedies the City may have at law or equity for a material breach of the above terms and conditions, the parties agree that damages for violations of this agreement by the Recipient cannot be calculated within any reasonable degree of mathematical certainty. Therefore, the parties agree that upon the occurrence of a material breach of any of the above terms and conditions and after notice and expiration of any period to correct the violation, the City will be entitled to liquidated damages from the Recipient in the following amounts:

- a) failure to file Initial Manning Reports (Construction Jobs) or Pre-Hiring Notification (Permanent Jobs) or Pre-Contracting Notification (Business Contracting): an amount equal to a Five (5%) percent increase in the estimated annual payment in lieu of taxes;
- b) failure to conduct Pre-hiring Interviews or submit Compliance Statement (Construction Jobs) or Solicit Bids (Business Contracting): an amount equal to Three (3%) percent increase in the estimated annual payment in lieu of taxes;
- c) failure to allow record or work place access or submit any other required reports (all categories): an amount equal to Two (2%) percent increase in the estimated annual payment in lieu of taxes.
- d) the use of the local or local minority business' masthead for labor or work supplied by a non local or local minority vendor: An amount equal to Five (5%) percent increase in the estimated annual payment in lieu of taxes. Interest shall be charged on any damages at the legal rate of interest as calculated by the Tax Collector.

Collector.

- e) the late payment of any liquidated sum shall accrue interest at the rate of 8%.

IX. Commercial Tenants at the Project Site:

- 1. The Recipient shall send all tenants of commercial space within the Project Site a letter and a Tenant Employment Services Guide in the form attached as Appendix O.
- 2. The Recipient shall solicit information from tenants of commercial space about the composition of the work force of each tenant. The information solicited will be submitted to the Project Employment & Contracting Monitor, which shall provide the Recipient with a questionnaire in the form attached as Appendix P.
- 3. The Recipient will send the results of its solicitation to the Project Employment & Contracting Monitor no later than October 31 of each year.
- 4. The Recipient shall send all tenants of commercial space within the Project Site a Supplier Alert Service Registration Package in the form attached as Appendix Q.

X. Notices

Any notice required hereunder to be sent by either party to the other, shall be sent by certified mail, return receipt requested, addressed as follows:

- 1. When sent by the City to the Recipient it shall be addressed to:

Ocean Green Senior Apartments, LP
c/o Eugene P. O'Connell
853 Summit Avenue, Jersey City, NJ 07307

- 2. When sent by the Recipient to the City, it shall be addressed to:

Project Employment & Contracting Monitor
Department of Administration
Division of Economic Opportunity
1 Journal Square Plaza
2nd Floor
Jersey City, New Jersey 07306

with separate copies to the Mayor and the Business Administrator; unless prior to giving of such notice, the City or the Recipient shall have notified the other in writing.

XI. Adoption, Approval, Modification:

This agreement shall take effect on the date that the Economic Incentive is approved by the Municipal Council.

XII. Controlling Regulations and Laws:

To the extent required by State and Federal Law and so long as the Entity discharges its Good Faith obligations under this agreement, the City agrees and acknowledges that the Recipient and its contractors are free to hire whomever they choose. If this agreement conflicts with any collective bargaining agreement, the City agrees to defer to such agreements so long as the Recipient provides the City with a copy of the offending provision in the collective bargaining agreement.

ATTEST:

CITY OF JERSEY CITY

Robert Byrne
City Clerk

Brian O'Reilly
Business Administrator

WITNESS:

Ocean Green Senior Apartments, LP

Secretary: Eugene P. O'Connell

President: Frank Cretella

EXHIBIT 5-
ESTIMATED CONSTRUCTION SCHEDULE

CONSTRUCTION TIMETABLE

1. Designation of Developer Title Search, Survey, etc.	May 2011
2. Planning Board	July 2011
3. Council (Resolution and Tax Abatement)	July 2011
4. Grant Submission	August 2011
5. Final Grants	November 2011
6. Start Construction	November 2011
7. Completion of Construction	January 31, 2013

EXHIBIT 6-
FINANCIAL PLAN FOR THE UNDERTAKING OF
THE PROJECT

EXHIBIT 7-
INITIAL RENTAL SCHEDULES AND LEASE
TERMS

EXHIBIT 9-
**ARCHITECT'S CERTIFICATION OF ACTUAL
CONSTRUCTION COSTS**

Inglese Architecture & Engineering

150 Union Avenue
East Rutherford, NJ 07073
201.438.0081.tel
201.438.0225.fax
j.inglese@inglese-ae.com

June 21, 2011

Eugene P. O'Connell
853 Summit Avenue
Jersey City, NJ 07307

**Re: Ocean Green Senior Apartments, L.P.
44-Unit Development
Jersey City, New Jersey**

Dear Mr. O'Connell:

This letter is to confirm that the preliminary construction budget for the aforementioned project is \$7,666,676.00. Feel free to contact me if you have any additional questions.

Sincerely,


John C. Inglese, AIA, PE
Principal

A Limited Liability Company

John C. Inglese AIA, PE • Jennifer Palermo, RA • Joaquín Bouzas, RA

**APPLICATION FOR TAX EXEMPTION
OF**

GENESIS OCEAN ASSOCIATES URBAN RENEWAL CO., LLC

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

Applicant: Genesis Ocean Associates Urban Renewal
Co., LLC
594 Broadway, Suite 1107
New York, New York 10012
Attn.: Karim Hutson

Project: Ocean and Dwight
441-443, 445, 447, 449, 451-457 Ocean
Avenue and 79-81 Dwight Street
Jersey City, New Jersey

Applicant's
General Contractor: TBD

Applicant's Architect: DMR Architects
777 Terrace Avenue
Hasbrook Heights, New Jersey

Applicant's Attorney: Garcia & Turula, LLC
Harborside Plaza 10
3 Second Street, Suite 1201
Jersey City, New Jersey 07311
Tele. (201) 200-1900
Fax (201) 200-1982
Attn: George L. Garcia, Esq.

Loan Advisor and/or
Consultants: The Metro Company, LLC
242 – 10th Street, Suite 103
Jersey City, New Jersey 07302
Attn.: Mr. Stuart Portney

LIST OF EXHIBITS

Exhibit

A.	-	Description of Property
B.	-	Annual Gross Revenue Computation
C.	-	Descriptions of Leases
D. and D-1	-	Total Project Cost
E.	-	Sources and Uses
F.	-	Projected Statement of Stabilized Property Operations
G.	-	Municipal Land Use Approvals
H.	-	Real Estate Tax Assessments and
H-1	-	Real Estate Taxes
I	-	Disclosure Statement
J.	-	Commencement Certification
K.	-	Certification of Compliance with laws
L.	-	Certification of Diligent Inquiry
M.	-	Proposed Financial Agreement
N.	-	Project Employment Agreement

APPLICATION

A. Identification of the Property: The Property located at 441-443, 445, 447, 449, 451 and 451-457 Ocean Avenue and 79 - 81 Dwight Street Jersey City, New Jersey and is more particularly known as Blocks 1332, Lots 1, 2 and 18.99, Block 1332, Lot 20.99 and Block 1332, Lots A, B and C on the official tax map of the City of Jersey City, State of New Jersey. The Property is more particularly described on Exhibit A attached hereto and made a part hereof.

B. Site Control:

The Applicant is under contract to purchase from the Jersey City Redevelopment Agency the Property

C. General Statement of the Nature of the Project:

The Applicant proposes to develop an affordable housing project pursuant to and in furtherance of the objectives of the Turnkey Redevelopment Plan. The development shall consist of a five (5) story multi-family building containing sixty (64) affordable residential rental dwelling units, containing twenty-four (24) one (1) bedroom units, 20 two (2) bedroom units and twenty (20) three (3) units and approximately 4,465 square feet of office/retail space on the ground floor with twenty-two (22) on-site parking spaces.

The Projects affordable nature, its dynamic and diverse commercial attributes, makes it ideally situated.

D. Type and Term of Exemption Requested:

The Applicant seeks a tax exemption under and pursuant to N.J.S.A. 40A:20-1, et seq., (The Long Term Tax Exemption Law) for the Project. The applicant seeks a thirty (30) year exemption based upon the 8.00% of annual gross revenue formula under N.J.S.A. 40A:20-12(b)(1). The estimated Annual Service Charge is **\$ 40,413.00** see Exhibit B.

E. Improvement to be Constructed: The development shall consist of a five (5) story multi-family building containing sixty (64) affordable residential rental dwelling units, containing twenty-four (24) one (1) bedroom units, 20 two (2) bedroom units and twenty (20) three (3) units and approximately 4,465 square feet of office/retail space on the ground floor with twenty-two (22) on-site parking spaces (the "Project"). A description of the terms leases for the Project is attached as Exhibit C.

F. Certified Estimated Total Cost of the Project (Exhibit D and D-1): **\$ 17,293,678.00**

G. Source of Funds:

A schedule of sources and uses of funds is attached as Exhibit E.

H. Fiscal Plan: A schedule of the Fiscal Plan for the Project is attached as Exhibit F.

I. Construction Schedule:

The construction of the Project is scheduled to commence within 180 days of the date the execution of the Financial Agreement and will be completed within approximately twenty-four (24) months thereafter.

J. Municipal Land Use Approvals:

The Applicant has applied for preliminary site plan approval for the Project from the Jersey City Planning Board on August 9th, 2011 Exhibit G.

K. Eligible Redevelopment Plan or UEZ Location of the Project. The Project is located within the boundaries of the Turnkey Redevelopment Plan.

L. Real Estate Tax Assessments and Levied:

The tax assessments information for the property upon which the Project is to be located is attached hereto as Exhibit H.

The total payment for the municipal real estate taxes for 2011 was approximately **\$7,668.56** computed in accordance with Exhibit H-1.

M. Status of Municipal Taxes and Other Charges:

The Applicant is under contract to purchase from the Jersey City Redevelopment Agency the Property known as Blocks 1332, Lots 1, 2 and 18.99, Block 1332, Lot 20.99 and Block 1332, Lots A, B and C on the official tax map of the City of Jersey City. To the best of the Applicant's knowledge and belief, all real estate taxes and other assessments against the property have been paid in full. The Applicant will pay or cause all real estate taxes or other assessments due on the property to be paid prior to the execution of the Financial Agreement.

N. Disclosure Statement:

A Disclosure Statement is attached hereto as Exhibit I. The Applicant is a limited liability company organized under the laws of the State of New Jersey and has petitioned for qualification as an urban renewal entity pursuant to N.J.S.A. 40A:20-5. A copy of the proposed Certificate of Formation is attached hereto as part of Exhibit I-1.

O. Certificate of Construction Commencement:

The Certification of Construction Commencement and Construction Completion scheduled are attached hereto as Exhibit J.

P. Estimated Jobs Created:

The Applicant estimates that construction of the Project will generate 100 jobs over the construction period. Approximately 4 permanent real estate rental, management, clerical, and service positions will be created.

Q. Compliance with State and Local Law and Certification of Truthfulness and Diligent Inquiry:

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

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 L.

S. Financial Agreement:

The proposed Financial Agreement is attached hereto as Exhibit M.

T. Project Employment Agreement:

The proposed Project Employment Agreement is attached hereto as Exhibit N.

U. Fee:

Pursuant to Chapter 160, Section KK, Chapter 304, Taxation of the Ordinance of the City of Jersey City a filing is not required for this application.

EXHIBIT A
LEGAL DESCRIPTION

(SEE ATTACHED)

Commonwealth Land Title Insurance Company

File No. MTANJ-046621

**TITLE INSURANCE COMMITMENT
SCHEDULE A
LEGAL DESCRIPTION**

All that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the City of Jersey City, County of Hudson, State of New Jersey

BEING known and designated as Lot A in Block 1332, as shown on a certain map entitled "Map of the Estate of John J. Bouton, Deceased shoeing property of George T. Bouton, George T. Bouton and Robert Duncanson, Jr., Trustees and George T. Bouton, Trustee ", duly filed in the Office of the Clerk of Hudson County on March 10, 1902 as Map # 1251.

BEGINNING at a point on the northwesterly line of Ocean Avenue, distant northeasterly 50.12 feet from the northeasterly line of Fulton Avenue; thence running

1. Northwesterly and parallel with Fulton Avenue, 99.84 feet; thence
2. Northeasterly and at right angles with the last course, 16.67 feet to a point opposite the center of party wall, standing partly on the premises herein described and partly on the premises adjoining northeasterly thereto; thence
3. Southeasterly to, through and beyond the center of said party wall, parallel with the first course run, 98.65 feet to the northwesterly line of Ocean Avenue; thence
4. Southwesterly along the same, 16.71 feet to the point or place of BEGINNING

NOTE: Being Lot(s) A, Block 1332, Tax Map of the City of Jersey City, County of Hudson.

NOTE: Lot and Block shown for informational purposes only.

**Madison Title Agency, LLC
1125 Ocean Avenue, Lakewood, NJ 08701
Telephone: 732-905-9400 Fax: 732-905-9420**

Commonwealth Land Title Insurance Company

File No. MTANJ-046622

**TITLE INSURANCE COMMITMENT
SCHEDULE A
LEGAL DESCRIPTION**

All that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the City of Jersey City, County of Hudson, State of New Jersey

BEING known and designated as Lot B in Block 1332, as shown on a certain map entitled "Map of the Estate of John J. Bouton" made by Edward B. See. Del., duly filed in the Office of the Clerk of Hudson County on March 10, 1902 as Map # 1251.

BEGINNING at a point on the northwesterly line of Ocean Avenue, distant northeasterly 66.83 feet from the northeasterly line of Fulton Avenue; thence running

1. Northwesterly and parallel with Fulton Avenue, 98.65 feet; thence
2. Northeasterly and at right angles with Fulton Avenue or nearly so, 16.67 feet; thence
3. Southeasterly parallel with the first course, 97.46 feet to the northwesterly line of Ocean Avenue; thence
4. Southwesterly along the same, 16.71 feet to the point or place of BEGINNING

NOTE: Being Lot(s) B, Block 1332, Tax Map of the City of Jersey City, County of Hudson.

NOTE: Lot and Block shown for informational purposes only.

**Madison Title Agency, LLC
1125 Ocean Avenue, Lakewood, NJ 08701
Telephone: 732-905-9400 Fax: 732-905-9420**

Commonwealth Land Title Insurance Company

File No. MTANJ-046623

**TITLE INSURANCE COMMITMENT
SCHEDULE A
LEGAL DESCRIPTION**

All that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the City of Jersey City, County of Hudson, State of New Jersey

BEING known and designated as Lot C in Block 1332, as shown on a certain map entitled "Map of the Estate of John J. Bouton", duly filed in the Office of the Clerk of Hudson County on March 10, 1902 as Map # 1251.

BEGINNING at a point on the northwesterly line of Ocean Avenue distant northeasterly 83.54 feet from the northeasterly side of Fulton Avenue; thence

1. Northwesterly and parallel with Fulton Avenue to, through and beyond a party wall standing partly on the premises hereby conveyed and partly on the premises next adjoining south westerly thereto 97.46 feet; thence
2. Northeasterly and at right angles with Fulton Avenue or nearly so 16.67 feet to the line of lands of Ross; thence
3. Southeasterly and along the line of lands of Ross, 96.26 feet to the north westerly side of Ocean Avenue; thence
4. South westerly along the northwesterly side of Ocean Avenue 16.71 feet to the point or place of BEGINNING.

NOTE: Being Lot(s) C, Block 1332, Tax Map of the City of Jersey City, County of Hudson.

NOTE: Lot and Block shown for informational purposes only.

**Madison Title Agency, LLC
1125 Ocean Avenue, Lakewood, NJ 08701
Telephone: 732-905-9400 Fax: 732-905-9420**

EXHIBIT B

**ANNUAL GROSS REVENUE AND ANNUAL SERVICE CHARGE
COMPUTATION**

Total Annual Gross Rental

Apartments:

One Bedrooms:	\$ 150,384
Two Bedrooms:	\$ 154,560
Three Bedrooms:	\$ 195,480
Other - Commercial:	\$ 31,255
Other – Laundry:	\$ 3,200

Vacancy Residential at 5 %:	(\$ 25,021)
-----------------------------	-------------

Vacancy Commercial at 15 %:	<u>(\$ 4,688)</u>
-----------------------------	-------------------

Total	\$ 505,170
--------------	-------------------

Total Annual Service Charge Apartments at 8.00% of Annual Gross Revenue:	\$ 38,288
---	------------------

Total Annual Service Charge Commercial at 8.00% of Annual Gross Revenue:	<u>\$ 2,125</u>
---	------------------------

Total Annual Service Charge:	\$ 40,413
-------------------------------------	------------------

EXHIBIT C

DESCRIPTION OF LEASES

- | | | |
|----|---|--|
| 1. | Name of Tenant | Various |
| 2. | Term of Lease | Initial term of lease not less than one (1) year |
| 3. | Number of Apartments | 24 - One Bedroom
20 - Two Bedrooms
20 - Three bedrooms |
| 4. | Projected Annual Rent per Apartment | One Bedroom: \$150,384

Two Bedrooms: \$154,560

Three Bedrooms: <u>\$195,480</u>
Total: <u>\$500,424</u> |
| 5. | Anticipated Vacancy | 5% (\$25,021) |
| 6. | Total Annual Rent | \$475,403 |
| 7. | Premium Paid directly by Tenant Annually: N/A | |
| | a. Fire and other insurance: | |
| | b. Real Estate Taxes of assessments in project: | |
| | c. Operating and maintenance Expense ordinarily paid by tenant: | |
| 8. | Renewal Option: Yes | |
| | a. Number of years: One (1) year. | |
| | b. Renewal Rent: TBA/market increases | |
| 9. | Special Features (step-up rents, etc.): | N/A |

EXHIBIT D

TOTAL PROJECT COST-40A:20-3(h) as amended

a.	Cost of land and improvements to the	\$ 460,041
b.	Architects, engineers, attorneys, and accounting fees (paid or payable) in connection with the planning, construction and financing of the Project.	\$ 645,000
c.	Surveying and testing charges	\$ 75,000
d.	Projected construction cost preliminary contractor bids including site preparation	\$ 13,868,610
e.	Insurance, interest and finance costs during construction	\$ 727,527
f.	Cost of obtaining initial permanent financing	\$ 10,000
g.	Commissions and other expenses payable in connection with initial lease or sale of units	\$ 80,000
h.	Real Estate taxes during construction period	\$ 64,500
i.	Developer's overhead based on a percentage of (d) above, to be computed in accordance with Percentage given in law (40A:20-3(h))	<u>\$ 1,363,000</u>
	TOTAL	\$ 17,293,678

EXHIBIT D-1

TOTAL PROJECT COST ARCHITECT'S CERTIFICATION

I, **KURT VIERHEILIG** the architect for the Applicant do certify that to the best of my knowledge and belief Exhibit D accurately reflects the estimates construction cost of the Project as of the date hereof.



MARIA I. PEREZ
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 1/10/2015

K. Vierheilig
KURT VIERHEILIG, AIA
DMK ARCHITECTS

EXHIBIT E

SOURCES AND USES

USES

Land Acquisition	\$ 250,000
Sitework	\$ 210,041
Soft Costs	\$ 720,000
Hard Costs	\$ 13,868,610
Financing & Carrying Costs	\$ 802,027
Marketing & Leasing	\$ 80,000
Developer Fee	\$ 1,363,000

Total	\$17,293,678
--------------	---------------------

SOURCES

FHLB AHP	\$640,000
LIHTC Equity	\$14,375,522
City of Jersey City HOME	\$1,500,000
Deferred Developer Fee	\$178,156
NJHMFA First Mortgage Loan	\$600,000

TOTAL	\$17,293,678
--------------	---------------------

EXHIBIT F
PROJECTED STATEMENT OF STABILIZED PROPERTY OPERATION

Residential

One Bedroom	\$	150,384	
Two Bedroom	\$	154,560	
Three Bedroom	\$	195,480	
Other-Commercial	\$	31,255	
Other-Laundry	\$	3,200	
Total Gross Income	\$	534,879	

Less Residential Vacancy (5%)	\$	(25,021)	
Less Commercial Vacancy (15%)	\$	(4,688)	

Total Net Income	\$	505,170	
-------------------------	-----------	----------------	--

Operating Expenses

Administrative	\$	40,839	
Salaries	\$	111,500	
Maintenance & Repairs	\$	37,000	
Maintenance Contracts	\$	52,167	
Utilities	\$	32,000	
Management Fee	\$	36,864	
Insurance	\$	35,200	
P.I.L.O.T. on Residential Income	\$	38,288	8%
P.I.L.O.T. on Commercial Income	\$	2,125	8%
Reserve for Repair and Replacement	\$	25,600	
Total Operating Expenses	\$	411,583	

Net Operating Income Before			
Debt Service and Taxes	\$	93,586	

EXHIBIT G
MUNICIPAL LAND USE APPROVALS

(SEE ATTACHED)

April 8, 2011

Ed. 3.3



CITY OF JERSEY CITY GENERAL DEVELOPMENT APPLICATION

Jersey City
City Planning Division
30 Montgomery Street Suite 1400
Jersey City, NJ 07302-5831
Phone: 201.547.5010
Fax: 201.547.4323

RECEIVED
JUN 1 0 2011

THIS SECTION TO BE COMPLETED BY CITY STAFF ONLY

Intake Date:

JUN 1 0 2011

Application No.

P11-046

Date Validated as an Application for Development:

Division of City Planning

Date Deemed Complete:

1. SUBJECT PROPERTY

Address:

79-81 DWIGHT STREET BLOCK 1332, LOTS 1, 2 AND 18.99
451-457 OCEAN AVENUE BLOCK 1332, LOTS 20.99
445, 447 AND 449 OCEAN AVE. Block & Lots: 1332; A, B & C

2. BOARD DESIGNATION

Planning Board

Zoning Board of Adjustment

3. APPROVALS BEING SOUGHT

<input type="checkbox"/> Conceptual Plan/Informal Review	<input type="checkbox"/> "c" variance(s)/Deviation	<input type="checkbox"/> "A" appeal
<input type="checkbox"/> Minor Site Plan	<input type="checkbox"/> (d) variance(s): use, density, etc.	<input checked="" type="checkbox"/> Waiver of Site Plan Requirements
<input checked="" type="checkbox"/> Preliminary Major Site Plan	<input type="checkbox"/> Minor Subdivision	<input type="checkbox"/> Interpretation ("B" appeal)
<input checked="" type="checkbox"/> Final Major Site Plan	<input type="checkbox"/> Prelim. Major Subdivision	<input type="checkbox"/> Site Plan Amendment
<input type="checkbox"/> Conditional Use	<input type="checkbox"/> Final Major Subdivision	<input type="checkbox"/> Other (fill in)

4. VARIANCE/ DEVIATION NOTES

Sections of the Land Development Ordinance from which relief is requested (List Variances/Deviations):

Application for preliminary and final major site plan approval under the Turnkey Redevelopment Plan.
Waiver from aisle width requirement.

Applicant's reasons for the Planning Board or Board of Adjustment to grant relief:

Applicant seeks preliminary and final major site plan approval as required under the Turnkey Redevelopment. The application is fully compliant with the zoning and design requirements (except aisle width requirement) of the Turnkey Redevelopment Plan

5. APPLICANT

Genesis Ocean Associates, LLC

Applicant's Name

Phone:

Fax:

e-Mail address

594 Broadway, Suite 1107

Street Address

New York

New York

10012

City

State

Zip

6. OWNER

Jersey City Redevelopment Agency

Owner's Name

201-547-4876

201-547-5810

Phone:

Fax:

30 Montgomery Street

Street Address

Jersey City

New Jersey

07302

City

State

Zip

7. **APPLICANT'S ATTORNEY**

George L. Garcia
 Attorney's Name
Garcia Turula, LLC
 Firm's Name
201-200-1900 **201-200-1982**
 Phone Fax

Harborside Plaza X, 3 Second St.
 Street Address
Jersey City **New Jersey** **07311**
 City State Zip
george@garciaturula.com
 e-mail address

8. **PLAN PREPARERS**

Gregory J. Polyniak
 Engineer's Name
Neglia Engineering Associates
 Firm's Name
201-939-8805 **201-939-0846**
 Phone Fax

31 Park Avenue
 Street Address
Lyndhurst **New Jersey**
 City State Zip
nea@negliaengineering.com
 e-mail address

Richard F. Dybus
 Surveyor's Name
Neglia Engineering Associates
 Firm's Name
201-939-8805 **201-939-0846**
 Phone Fax

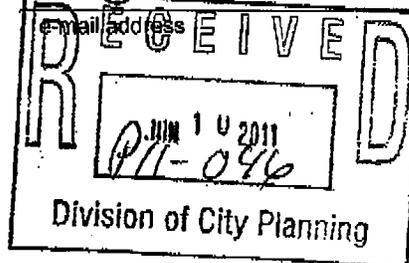
31 Park Avenue
 Street Address
Lyndhurst **New Jersey**
 City State Zip
nea@negliaengineering.com
 e-mail address

Planner's Name
 Firm's Name
 Phone Fax

Street Address
 City State Zip
 e-mail address

Kurt Verheilig, AIA
 Architect's Name
DMR Architects
 Firm's Name
201-288-2600 **201-288-2662**
 Phone Fax

777 Terrace Avenue
 Street Address
Hasbrook Heights **New Jersey** **07604**
 City State Zip
kurtv@dmrarchitects.com
 e-mail address



9. **SUBJECT PROPERTY DESCRIPTION**

Site Area (square footage and dimensions):

25,576 sf various (dimensions)

Zone District(s):

Turnkey Redevelopment

Present Use: Portion vacant and fallow.

Redevelopment Area:

Turnkey

- Conforming
- Non-Conforming
- Vacant Lot

Historic District:

None

Proposed Development, Name, and Nature of Use:

Multi-family building containing sixty-four (64) affordable and moderate income dwelling units.

Check all that Apply:

Application for a new building on undeveloped tract

Application for new use of existing building

Application for use of a portion of a building

Number of New Buildings: 1

Height table:

	Existing		Proposed	
	Stories	Feet	Stories	Feet
Building			5	60'
Addition/Extension				
Rooftop Appurtenances				12'
Accessory Structures				

Square Footage of applicable building(s) for this project by use:

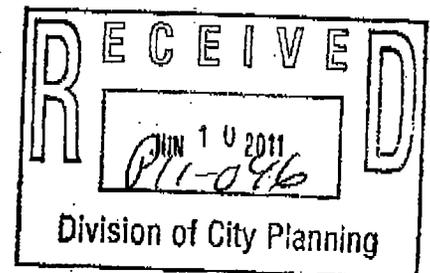
Residential	78,722.5	sf
Retail	4,465	sf
Office	0	sf
Industrial	0	sf
Parking Garage	11,428	sf
Other	0	sf
TOTAL:	94,615.5	sf

Number of dwelling units (if applicable):

Studio	0	units
1 bedroom	24	units
2 bedroom	20	units
3 bedroom	20	units
4+ bedroom	0	units
TOTAL:	64	units

Number of lots before subdivision:	n/a
Number of lots after subdivision:	n/a

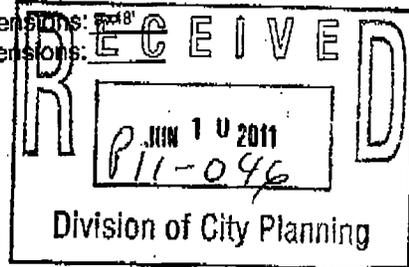
% of lot to be covered by buildings:	69.98 %
% of lot to be covered by buildings & pavement:	82.5 %
Gross floor area (GFA):	94,615 sf
Floor Area Ratio (FAR):	3.7



10. PARKING & SIGNAGE

Number of parking spaces & dimensions: number: 22 / Dimensions: 8'x18'
Number of loading spaces & dimensions: number: / Dimensions:

Number of Signs: 6 + street
Height of monument and/or pylon signs: n/a



11. INFRA-STRUCTURE

WATER		
Is public water being extended to the tract and/or reused? If yes, specify size and material.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Size Material	TBD by plumbing engineer - From existing main DIP	
Does the existing water service have a curb stop?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is there existing combined fire/domestic service?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is there existing domestic service only?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is new water service being proposed?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is there new combined fire/domestic service?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is there new domestic service only?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
SEWER		
Is existing sewer service proposed to be reused? If yes, specify size and material.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Size Material		
Will there be sewer curb cleanout?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are minimum slope requirements satisfied as per National Standard Plumbing Code?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is new sewer service proposed?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are storm drains proposed?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are any new streets or utility extensions proposed?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
MISC		
Are existing streets being widened	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are utilities underground	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is site in a flood plain?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is soil removal or fill proposed? If yes, specify total in cubic yards.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No 1850 cy
Are any structures being removed?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is the application for additional buildings and/or improvements to a tract having existing buildings and/or improvements?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the property within 200 feet of an adjacent municipality? If yes, which?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Municipalities:		
Is the property on a County Road?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there deed restrictions, covenants, and/or easements affecting the tract? If yes, attach 2 copies.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there any performance guarantees and/or maintenance agreements with the City Council? If yes, attach 2 copies.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**12.
TYPE OF
DEVELOPMENT**

REQUIRED FOR ALL DEVELOPMENT APPLICATIONS	Total number of new residential units created	Total number of affordable housing units* created	Total number of residential units demolished
New structure containing residential units	64	64	6
Conversion from a non-residential structure to a structure containing residential units			
Conversion from market rate housing units to NJ COAH defined affordable housing units			

*According to NJ COAH definitions at N.J.A.C. 5:94 et seq.

	Moderate Income	Low Income	Very Low Income	Age Restricted	Rental Units
Number of affordable housing units created*	0	32	32	0	64

*According to NJ COAH definitions at N.J.A.C. 5:94 et seq.

Use Group Description (These descriptions are pursuant to NJ Council on Affordable Housing N.J.A.C. 5:94 Appendix E, and are for the sole purpose of calculating affordable housing obligation.)	Gross Floor Area of New Construction	Gross Floor Area of Demolition
B: Office buildings. Places where business transactions of all kinds occur. Includes banks, corporate offices, government offices, professional offices, car showrooms and outpatient clinics.	0	
M: Mercantile uses. Buildings used to display and sell products. Includes retail stores, strip malls, shops and gas stations.	4,465	
F: Factories where people make, process, or assemble products. F use group includes F1 and F2.	0	
S: Storage uses. Includes warehouses, parking garages, and lumberyards. S group includes S1 and S2.	11,428	
H: High Hazard manufacturing, processing, generation and storage uses. H group includes H1, H2, H3, H4 and H5.	0	
A1: Assembly uses including concert halls and TV studios.	0	
A2: Assembly uses including casinos, night clubs, restaurants and taverns.	0	
A3: Assembly uses including libraries, lecture halls, arcades, galleries, bowling alleys, funeral parlors, gymnasiums and museums, but excluding houses of worship	0	
A4: Assembly uses including arenas, skating rinks and pools.	0	
A5: Assembly uses including bleachers, grandstands, amusement park structures and stadiums	0	
E: Schools K - 12	0	
I: Institutional uses such as hospitals, nursing homes, assisted living facilities and jails. I group includes I1, I2, I3 and I4.	0	
R1: Hotels, motels and dormitories	0	
U: Miscellaneous uses. Fences, tanks, sheds, greenhouses, etc.	fence 295 lf	

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 011-046
 Division of City Planning

13. APPROVAL HISTORY

List all past approvals, denials, appeals, or other activity for the subject property. Check here if none. If there are previous approvals, attach 2 copies of the approving resolution.

	CITY JOB/CASE NUMBER	APPROVED	DENIED	DATE
Subdivision		<input type="checkbox"/>	<input type="checkbox"/>	
Site Plan		<input type="checkbox"/>	<input type="checkbox"/>	
Variance(s)		<input type="checkbox"/>	<input type="checkbox"/>	
Building Permit		<input type="checkbox"/>	<input type="checkbox"/>	

14. FEES (see attached fee schedule)

Subdivision	\$
Site Plan	\$
Variance(s)	\$
TOTAL DUE	\$
Amount Paid	\$
BALANCE DUE	\$

15. ATTACHMENTS

Please Attach the required additional forms and information, if applicable (see attached FORMS and CHECKLISTS)

16. CERTIFICATION

I certify that the foregoing statements and the attached materials submitted are true. I further certify that I am the individual applicant or that I am an Officer of the Corporate Applicant and that I am authorized to sign the application for the Corporation or that I am a General Partner of the Partnership Applicant. I hereby permit authorized City official to inspect my property in conjunction with this application.

Sworn to and subscribed before me this date

Signature of Applicant

Property Owner Authorizing Application if other than Applicant

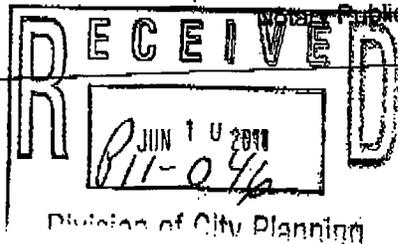


Exhibit H

THE LAND AND IMPROVEMENTS HAVE BEEN ASSESSED FOR THE YEAR 2011 AS FOLLOWS:			
Parcel	Land	Improvement	Total
1. Block 1332 Lot 1	\$ 12,800.00	\$0.00	\$12,800.00
2. Block 1332 Lot 2	\$12,800.00	\$0.00	\$12,800.00
3. Block 1332 Lot A	\$8,400.00	\$49,800.00	\$58,200.00
4. Block 1332 Lot B	\$4,400.00	\$53,600.00	\$58,000.00
5. Block 1332 Lot C	\$4,400.00	\$25,600.00	\$30,000.00
6. Block 1332 Lot 18.99	\$40,000.00	\$0.00	\$40,000.00
7. Block 1332 Lot 20.99	\$176,200.00	\$0.00	\$176,200.00

EXHIBIT H-1

The Real Estate Taxes Billed to the Property in the Year 2011 were:	
Parcel	Total Taxes
1. Block 1332, Lot 1	\$0.00
2. Block, Lot 2	\$0.00
3. Block 1332, Lot A	\$3,052.74
4. Block 1332, Lot B	\$3,042.25
5. Block 1332, Lot C	\$1,573.57
6. Block 1332, Lot 18.99	\$0.00
7. Block 1332, Lot 20.99	\$0.00
Total:	\$ 7,668.56

EXHIBIT I

DISCLOSURE STATEMENT

NAME OF ENTITY: Genesis Ocean Associates Urban Renewal Co., LLC

PRINCIPAL PLACE OF BUSINESS: 594 Broadway Suite, 1107 New York, New York

NAME OF REGISTERED AGENT:

ADDRESS: 360 Communipaw Avenue Jersey City, New Jersey

NAME	ADDRESS	PERCENT OWNED
1. Karim Hutson	594 Broadway Suite, 1107 New York, New York	100%

I CERTIFY THAT THE ABOVE REPRESENTS THE NAMES AND ADDRESSES OF ALL MEMBERS OWNING A 10% OR GREATER INTEREST IN THE ABOVE LIMITED LIABILITY COMPANY. IF ONE OR MORE OF THE ABOVE NAMED IS ITSELF AN ENTITY, THE APPLICANT WILL PROVIDE THE NAMES AND ADDRESSES OF ANY ENTITY OWING A 10% OR GREATER INTEREST THEREIN.

I FURTHER CERTIFY THAT NO OFFICER OR EMPLOYEE OF THE CITY OF JERSEY CITY HAS ANY INTEREST, DIRECT OR INDIRECT, IN THIS ENTITY. I CERTIFY THAT THE FOREGOING STATEMENTS MADE BY ME ARE TRUE. I AM AWARE THAT IF ANY OF THE FOREGOING STATEMENTS MADE BY ME ARE WILLFULLY FALSE, I AM SUBJECT TO PUNISHMENT.

Genesis Ocean Associates Urban Renewal Co., LLC

DATE:

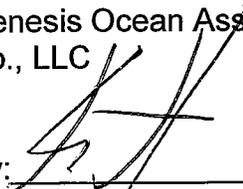
By: 
Karim Hutson, Member

EXHIBIT I-1
CERTIFICATION OF FORMATION

(SEE ATTACHED)

**Certificate of First Amendment to the Certificate of Formation
of**

GENESIS OCEAN ASSOCIATES, LLC

1. The name of the Limited Liability is: **Genesis Ocean Associates, LLC.**
2. The Identification Number of the Limited Liability Company is: **04004202497.**
3. The new name of the Limited Liability Company is: **Genesis Ocean Urban Renewal Co., LLC.**
4. The following shall be added as paragraph (4) to the Certificate of Formation of the Limited Liability Company dated May 26th, 2011 and filed with the Treasurer of the State of New Jersey on May 26th, 2011:

4. (i) The purpose for which the Company is formed shall be 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 City of Jersey City (the "City"), 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.).

(ii) So long as the Company is obligated under financial agreement with the City made pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.), it shall engage in no business other than the ownership, operation and management of the project.

(iii) The Company has been organized to serve a public purpose, its operations shall be directed toward: (1) the redevelopment of redevelopment areas, the facilitation of the relocation of residents displaced or to be displaced by redevelopment, or the conduct of low and moderate income housing projects; (2) the acquisition, management and operation of a project, redevelopment relocation housing project, or low and moderate income housing project under P.L.1991, c.431 (C.40A:20-1 et seq.); and (3) the Company shall be subject to regulation by the City, and to a limitation on profits or dividends, as appropriate, for so long as the Company remains the owner of a project subject to P.L.1991, c.431 (C.40A:20-1 et seq.).

(iv) The Company shall not voluntarily transfer more than 10% of the ownership of the project or any portion thereof undertaken by the Company under P.L.1991, c.431 (C.40A:20-1 et seq.), until it has first removed both itself and the project from all restrictions of P.L.1991, c.431 (C.40A:20-1 et seq.), in the manner required by P.L.1991, c.431 (C.40A:20-1 et seq.), and, if the project includes housing units, has obtained the consent of the Commissioner of Community Affairs to such transfer; with the exception of transfer to another urban renewal entity, as approved by the City, which other urban renewal entity shall assume all contractual obligations of the transferor entity under the financial agreement with the City. The Company shall file annually with the municipal governing body of the City a disclosure of the persons having an ownership interest in the project, and of the extent of the ownership interest of each. Nothing herein shall prohibit any transfer of the ownership interest in the Company itself, provided that the transfer, if greater than 10 percent, is disclosed to the municipal governing body of the City in the annual disclosure statement or in correspondence sent to the City in advance of the annual disclosure statement referred to above.

(v) The Company is subject to the provisions of section 18 of P.L.1991, c.431 (C.40A:20-18), as amended, respecting the powers of the City to alleviate financial difficulties of the Company or to perform actions on behalf of the Company upon a determination of financial emergency.

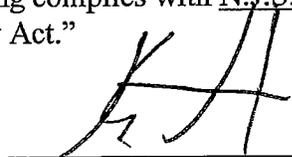
(vi) Any housing units constructed or acquired by the Company shall be managed subject to the supervision of, and rules adopted by, the Commissioner of Community Affairs.

5. This Certificate shall be effective upon its filing with the Secretary of State.

6. In all other respects the Certificate of Formation dated January 5th, 2011 and filed with the Treasurer of the State of New Jersey on January 5th, 2011 shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned being over the age of eighteen (18) years, hereby represents that he is authorized to sign this certificate on behalf of the Limited Liability Company and that this filing complies with N.J.S.A. 42:2B-1 et seq., the "New Jersey Limited Liability Company Act."

Date: July 27, 2011



Karim Hutson, Managing Member

NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS
DIVISION OF CODES AND STANDARDS
BUREAU OF HOMEOWNER PROTECTION
PO BOX 805
TRENTON, NEW JERSEY 08625-0805

URBAN RENEWAL ENTITIES
DISCLOSURE INFORMATION

Instructions for Completion: You have filed an application for approval of an urban renewal entity pursuant to the Long Term Tax Exemption Law (N.J.S.A. 40A:20-1 et seq.). In order for us to process the application, we require that you provide the following information and forward this form to the above address or fax it to (609)984-7954. This form must be completed prior to Division approval of the entity. If you have any questions, please call Karen Schwacha at (609)633-6606.

Name of Urban Renewal Entity: Genesis Ocean Associates Urban Renewal Co., LLC

SECTION 1: TYPE OF APPROVAL REQUESTED (check one):

Original certificate (of incorporation, limited partnership, formation, etc.)

Amendment to original certificate (of incorporation, limited partnership, formation, etc.). Note: In the case of amendments, please forward a copy of original certificate marked "filed, State Treasurer" or "filed, Secretary of State" with this form.

Other (please specify) _____

SECTION 2: PROJECT INFORMATION

Project Name: Lena Francis Edwards Apartments

Project Street Address: 441-443, 445, 447, 449 and 451-457 Ocean Avenue and 79-81 Dwight Street

Project Block Number(s) 1332 Project Lot Numbers 1, 2, A, B, C, 18.99 and 20.99

Municipality in which the Project is located Jersey City

County in which the Project is located Hudson

SECTION 3 (for project listed in SECTION 2.)

(Check one)

1. This project is solely a commercial project (with no housing units) developed in a redevelopment area pursuant to a municipal redevelopment plan.

-next-

URBAN RENEWAL ENTITIES
DISCLOSURE INFORMATION, PAGE 2

Name of Urban Renewal Entity: Genesis Ocean Associates Urban Renewal Co., LLC

SECTION 3 (cont.)

2. This project consists solely of market rate housing units developed in a redevelopment area pursuant to a municipal redevelopment plan.

NOTE: If you checked 1 or 2, complete **SECTIONS 4, 6, and 7.**

3. The project consists of low and moderate income housing units, which may include senior citizen low and moderate income housing units.

NOTE: If you checked 3, complete **SECTION 5, 6, and 7.**

4. This project consists of mixed uses.

Specify type:

Market rate and low and moderate income housing.

Commercial and market rate housing.

Commercial and low and moderate income housing.

Other (please describe) _____

NOTE: If you checked 4, complete **SECTIONS 4, 5, 6, and 7.**

SECTION 4: REDEVELOPMENT PLAN INFORMATION

Name of Municipal Redevelopment Agency Jersey City Redevelopment Agency

Citation of municipal ordinance adopting the redevelopment plan Turnkey Redevelopment Plan

For housing projects, complete the following:

Specify type and number of units as applicable:

Condominium units _____

Market rate rental _____

Low and moderate income in mixed use projects 64

Senior citizen in mixed use projects _____

Other (please specify) _____

Total number of units _____

SECTION 5: PROJECT FUNDING SOURCES

The low and moderate income housing project will be financed or insured by which of the following (check all applicable):

Private funds (Please specify) _____

State or Federal financing or insuring agencies (Please specify below)

Other (Please specify) _____

URBAN RENEWAL ENTITIES
DISCLOSURE INFORMATION, PAGE 3

Name of Urban Renewal Entity: Genesis Ocean Associates Urban Renewal Co., LLC

SECTION 5: PROJECT FUNDING SOURCES (cont.)

State or Federal Financing or Insuring Agencies for the Project (check all that apply):

NJ Department of Community Affairs:

- Neighborhood Preservation Balanced Housing
- Downtown Living Initiative Program
- HOME – Housing Production Investment Fund
- HOME – Neighborhood Preservation
- HOME – Rental Rehabilitation

NJ Housing and Mortgage Finance Agency:

- NJ Community Housing Demo Program (developmental disabilities)
- NJ Supportive Housing Program
- Shared Residence Rental Housing Program (community residence)
- Transitional Housing Revolving Loan Program
- Multifamily Rental Housing Program
- Public Housing Construction and Permanent Loan Program
- Rental Housing Incentive Finance Fund
- 100% Mortgage Program
- Urban Home Ownership Recovery Program
- Low-Income Housing Tax Credit Allocation Program

NJ Redevelopment Authority:

- NJ Urban Site Acquisition Program

US Department of Housing and Urban Development (HUD)

- Section 811 Supportive Housing for Persons with Disabilities
- Section 202 Supportive Housing for the Elderly
- HOPE VI Grants
- HOME Program

US Department of Agriculture

- Rural Resources Administration (formerly Farmers' Home Administration)

Other (Please specify) _____

List the information of the State or Federal financing or insuring agency's contact person:

Name: Darice Toon

Title: Director

Department/Agency: City of Jersey City Department of Housing Commerce and Economic Development
Division of Community Development

Address: 30 Montgomery Street, 4th Floor, Jersey City, New Jersey 07302

Telephone Number _____

URBAN RENEWAL ENTITIES
DISCLOSURE INFORMATION, PAGE 4

Name of Urban Renewal Entity: Genesis Ocean Associates Urban Renewal Co., LLC

SECTION 6: PROJECT CONSTRUCTION/OWNERSHIP

1. The project is new construction.

2. An existing project is being rehabilitated.

If rehab, specify name of individual, entity, etc. who is the current owner of the project.

3. Ownership of an existing project is being transferred to the new urban renewal entity.

If transfer, specify name of individual, entity, etc. from whom the project is being or has been transferred. _____

Is the transferor entity a limited dividend corporation or association, established pursuant to the Limited Dividend and Nonprofit Housing Corporations and Associations Law, N.J.S.A.55:16-1 et seq.? (yes or no) _____

Is the transferor entity an existing urban renewal entity established pursuant to the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq.? (yes or no) _____

4. Has this project caused or will this project cause displacement of individuals or businesses? (yes or no)yes _____

SECTION 7: CERTIFICATION

NOTE: This certification must be completed by an individual authorized to execute the certificate of incorporation (incorporator), the certificate of limited partnership (general partner), or other similar certificate or statement as may be required by law.

CERTIFICATION

I attest that the information stated herein is truthful and accurate to the best of my knowledge and understand that failure to fully and accurately disclose any information may delay processing the application while the Department investigates the application and project. Further, I understand that any project of the urban renewal entity may be subject to additional Department review and approval, pursuant to the requirements of the Limited Dividend and Nonprofit Corporations or Associations Law, N.J.S.A. 55:16-1 et seq., the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., and/or rules governing Limited Dividend and Nonprofit Housing Corporations and Associations and Urban Renewal Entities, N.J.A.C. 5:13-1 et seq.

Sworn to me and subscribed before me this day of (mo/day/year) 7/27/2011

George L. Garcia ATTORNEY-AT-LAW
STATE OF NEW JERSEY

(notary public/attorney)

Rev. 8/2006

Genesis Ocean Associates Urban Renewal Co., LLC

Karim Hutson, Managing Member

Karim Hutson

(print name of authorized individual)

EXHIBIT J

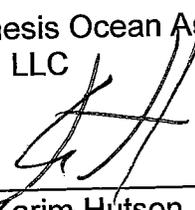
CERTIFICATION AS TO CONSTRUCTION START

The undersigned being a sole member of Genesis Ocean Associates Urban Renewal Co., LLC, the Applicant and developer of the a proposed Project hereby certifies that:

1. Construction of the Project has not and will not commence prior to the final approval and execution of a Financial Agreement between the city and the undersigned.
2. The foregoing statements made by me this _____ day of July, 2011 are true to the best of my knowledge and I understand that if it is willfully false, I am subject to punishment.

Genesis Ocean Associates Urban Renewal
Co., LLC

DATE: 7/25/2011

By: 

Karim Hutson, Member

Member

Title of Person Signing

EXHIBIT K

CERTIFICATION OF COMPLINACE WITH LAWS

The undersigned being the sole Member Manager of Genesis Ocean Associates, Urban Renewal Co., LLC, the Applicant and developer of the a proposed Project hereby certifies that:

1. The Project meets the requirements of the laws of the State of New Jersey and the City of Jersey City for consideration for granting the tax exemption requested in this application.
2. The foregoing statements made by me this _____ day of July, 2011 are true to the best of my knowledge and I understand that if it is willfully false, I am subject to punishment.

Genesis Ocean Associates Urban Renewal
Co., LLC

By: _____

Karim Hutson, Member

Member

Title of Person Signing

DATE: 7/25/2011

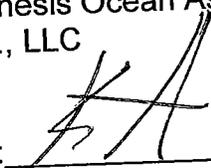
EXHIBIT L

CERTIFICATION OF DUE DILIGENCE

The undersigned being the sole Member of Pacific Landing Urban Renewal Co., LLC, LLC, the Applicant and developer of the a proposed Project hereby certifies that:

1. All information contained in the application for tax abatement is true and correct to the developer's knowledge, after he has made diligent inquiry to confirm the accuracy of all information.
2. The foregoing statements made by me this _____ day of July, 2011 are true to the best of my knowledge and I understand that if it is willfully false, I am subject to punishment.

Genesis Ocean Associates Urban Renewal Co., LLC

By: 
Karim Hutson, Member

DATE: 7/25/2011

Member
Title of Person Signing

EXHIBIT M

PROPOSED FINANCIAL AGREEMENT

FOR

GENESIS OCEAN ASSOCIATES URBAN RENEWAL CO., LLC

(SEE ATTACHED)

Rev. 8-23-05
Long Term Tax Exemption
N.J.S.A. 40A:20-1, et seq.
(Affordable Residential Rental)

Re: **441-443 Ocean Avenue**
445, 447 and 449 Ocean Avenue
451-457 Ocean Avenue and
79-81 Dwight Street
Jersey City, New Jersey
Block 1332, Lots 1, 2, A, B, C, 20.99 and 18.92

An Redevelopment Plan Area and
Urban Enterprise Zone

PREAMBLE

THIS FINANCIAL AGREEMENT, [Agreement] is made as of this ____ day of _____, 2011, by and between **GENESIS OCEAN ASSOCIATES URBAN RENEWAL Co., LLC** an urban renewal entity formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 1992, as amended and supplemented, N.J.S.A. 40A:20-1 et seq., having its principal office at 594 Broadway, Suite 1107, New York, New York 10012 [Entity], and the **CITY OF JERSEY CITY**, a Municipal Corporation of the State of New Jersey, having its principal office at 280 Grove Street, Jersey City, New Jersey 07302 [City].

RECITALS

WITNESSETH:

WHEREAS, the Entity is the Lessee of certain property designated as Block 1332, Lots 1, 2, A, B, C, 20.99 and 18.92, more commonly known by the street address of 441-443 Ocean Avenue, 445, 447 and 449 Ocean Avenue, 451-457 Ocean Avenue and 79-81 Dwight Street and more particularly described by the metes and bounds description set forth as Exhibit 1 to this Agreement; and

WHEREAS, this property is an affordable housing project located within the boundaries of an Urban Enterprise Zone and the Morris Canal Redevelopment Plan Area; and

WHEREAS, the Entity proposes to develop an affordable housing project pursuant to and in furtherance of the objectives of the Turnkey Redevelopment Plan. The development shall consist of a five (5) story multi-family building containing sixty (64) affordable residential rental dwelling units, containing twenty-four (24) one (1) bedroom units, 20 two (2) bedroom units and twenty (20) three (3) units and approximately 4,465 square feet of office/retail space on the ground floor with twenty-two (22) on-site parking spaces.

[Project]; and

WHEREAS, on _____, 2011_, the Entity filed an Application with the City for a long term tax exemption for the Project; and

WHEREAS, the City made the following findings:

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

1. the current real estate tax would generate \$7,668.56, if the property were subject to conventional taxes, whereas, the Annual Service charge as estimated, and will generate revenue to the City of approximately \$40,413.00;
2. it is expected that the Project will create approximately 100 jobs during construction and 4 new permanent part-time jobs;
3. the project should stabilize and contribute to the economic growth of existing local business and to the creation of new business, which cater to the new residents;
4. the project provides 64 units of affordable housing which advances an inherently beneficial public purpose notwithstanding that the City's impact analysis, on file with the Office of the City Clerk, indicates that the service charge will not support the cost of providing municipal services to the Project; and

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

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

WHEREAS, by the adoption of Ordinance _____ on _____, 2011, the Municipal Council approved the above findings and the tax exemption application and authorized the execution of this Agreement.

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

ARTICLE I - GENERAL PROVISIONS

Section 1.1 Governing Law

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

Section 1.2 General Definitions

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

- i. Affordable Low or Moderate Income - A Person or Household whose total Gross Annual Income is equal to between 30% and 80% or less of the median gross income figure established by geographic region and household size using the income guideline approved for use by the New Jersey Council on Affordable Housing or as it may be amended pursuant to

N.J.A.C. 5:92-12.

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

iii. Allowable Profit Rate - The greater of 12% or the percentage per annum arrived at by adding 1.25% to the annual interest percentage rate payable on the Entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing, or if the financing is internal or undertaken by a related party, the Allowable Profit Rate shall be the greater of 12% or the percentage per annum arrived at by adding 1.25% per annum to the interest rate per annum which the municipality determines to be the prevailing rate on mortgage financing on comparable improvements in Hudson County. The provisions of N.J.S.A. 40A:20-3(b) are incorporated herein by reference.

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

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

vi. Auditor's Report - A complete financial statement outlining the financial status of the Project (for a period of time as indicated by context), which shall also include a certification of Total Project Cost and clear computation of Net Profit. The contents of the Auditor's Report shall have been prepared in conformity with generally accepted accounting principles and shall contain at a minimum the following: a balance sheet, a statement of income, a statement of

retained earnings or changes in stockholders' equity, a statement of cash flows, descriptions of accounting policies, notes to financial statements and appropriate schedules and explanatory material results of operations, cash flows and any other items required by Law. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

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

viii. Debt Service - The amount required to make annual payments of principal and interest or the equivalent thereof on any construction mortgage, permanent mortgage or other financing including returns on institutional equity financing and market rate related party debt for the project for a period equal to the term of this agreement.

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

x. Entity - The term Entity within this Agreement shall mean Genesis Ocean Associates Urban Renewal Co., LLC, which Entity is formed and qualified pursuant to N.J.S.A. 40A:20-5. It shall also include any subsequent purchasers or successors in interest of the Project, provided they are formed and operate under the Law.

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

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

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

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

Collector.

xv. Law - Law shall refer to the Long Term Tax Exemption Law, as amended and supplemented, N.J.S.A. 40A:20-1, et seq.; Executive Order of the Mayor 02-003, relating to long term tax exemption, as it may be amended and supplemented; Ordinance 02-075, and Ordinance which authorized the execution of this Agreement; and Ordinance 07-123, as may be amended or supplemented from time to time, which requires the execution of a Project Labor Agreement, and all other relevant Federal, State or City statutes, ordinances, resolutions, rules and regulations.

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

(a) the amount of the total taxes levied against all real property in the area covered by the Project in the last full tax year in which the area was subject to taxation, or in the case of tax exempt property, the projected tax levy based upon the assessed value for the year in which the application is filed, which amount the parties agree would be \$0.00; or

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

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

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

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

insurance premiums, all taxes or service charges paid, legal, accounting, or other professional service fees, utilities, building maintenance costs, building and office supplies and payments into repair or maintenance reserve accounts; (e) all payments of rent including but not limited to ground rent by the Entity; (f) all debt service; and

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

xviii. Pronouns - He or it shall mean the masculine, feminine or neuter gender, the singular, as well as the plural, as context requires.

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

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

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

ARTICLE II - APPROVAL

Section 2.1 Approval of Tax Exemption

The City hereby grants its approval for a tax exemption for all the Improvements to be constructed and maintained in accordance with the terms and conditions of this Agreement and the provisions of the Law which Improvements shall be constructed on certain property known

on the Official Tax Assessor's Map of the City as: Block2053, Lot 7A and 8, more commonly known by the street address of 317-319 Pacific Avenue, and described by metes and bounds in Exhibit 1 attached hereto.

Section 2.2 Approval of Entity

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

Section 2.3 Improvements to be Constructed

Entity represents that it will construct a multi-family structure, consisting of a five story building, containing 64 affordable residential units to families of low income; There will be one superintendent unit. The project will contain twenty-four (24) one-bedroom units, twenty (20) two (2) bedroom units and twenty (20) three (3) bedroom units all of which is specifically described in the Application attached hereto as Exhibit 3.

Section 2.4 Construction Schedule

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

Section 2.5 Ownership, Management and Control

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

The Entity represents that it is the designated redeveloper of the Property upon which the Project is to be constructed and will manage and control the Project. The City acknowledges that the Entity may enter into future management agreements so long as such agreements are not used to reduce the City's economic benefits under this Agreement and the management fees to be paid are comparable to those disclosed in the application.

Section 2.6 Financial Plan

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

Section 2.7 Statement of Rental Schedules and Lease Terms

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

ARTICLE III - DURATION OF AGREEMENT

Section 3.1 Term

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

ARTICLE IV - ANNUAL SERVICE CHARGE

Section 4.1 Annual Service Charge

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

(i) City Service Charge: an amount equal to the greater of: the Minimum Annual Service Charge or an Annual Service Charge equal to 8.00% of the Annual Gross Revenue for the low and moderate income units and 8.00% for the Annual Gross Revenue of the commercial/retail space. The Annual Service Charge shall be billed initially based upon the Entity's estimates of Annual Gross Revenue which shall not be less than the its estimate of

Gross Revenue as set forth in its Financial Plan, attached hereto as Exhibit 6. Thereafter, the Annual Service Charge shall be adjusted in accordance with this Agreement.

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

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

Section 4.2 Staged Adjustments

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

i. Stage One: From the first day of the month following Substantial Completion until the last day of the fifteenth year, the Annual Service Charge shall be 8.00% of Annual Gross Revenue for the commercial/retail units and 8.00% for the low and moderate income units;

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

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

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

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

Section 4.3 Credits

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

Section 4.4 Quarterly Installments

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

Section 4.5 Administrative Fee

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

Section 4.6 Material Conditions

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

ARTICLE V - PROJECT EMPLOYMENT AND CONTRACTING AGREEMENT

Section 5.1 Project Labor Agreement and Project Employment and Contracting Agreement

In order to provide City residents and businesses with certain employment and other economic related opportunities, the Entity is subject to the terms and conditions of the Project Employment and Contracting Agreement, attached hereto as Exhibit 8. In addition, the Entity shall execute a Project Labor Agreement as required by Ordinance 07-123 as it exists or as it may be amended from time to time.

ARTICLE VI - CERTIFICATE OF OCCUPANCY

Section 6.1 Certificate of Occupancy

It is understood and agreed that it shall be the obligation of the Entity to obtain all Certificates of Occupancy in a timely manner so as to complete construction in accordance with

the proposed construction schedule attached hereto as Exhibit 5. The failure to secure the Certificates of Occupancy shall subject the property to full taxation for the period between the date of Substantial Completion and the date the Certificate of Occupancy is obtained.

Section 6.2 Filing of Certificate of Occupancy

It shall be the primary responsibility of the Entity to forthwith file with both the Tax Assessor and the Tax Collector a copy of each Certificate of Occupancy.

Failure of the Entity to file such issued Certificate of Occupancy as required by the preceding paragraph, shall not militate against any action or non-action, taken by the City, including, if appropriate retroactive billing with interest for any charges determined to be due, in the absence of such filing by the Entity.

ARTICLE VII - ANNUAL REPORTS

Section 7.1 Accounting System

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

Section 7.2 Periodic Reports

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

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

Section 7.3 Inspection/Audit

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

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

ARTICLE VIII- LIMITATION OF PROFITS AND RESERVES

Section 8.1 Limitation of Profits and Reserves

During the period of tax exemption as provided herein, the Entity shall be subject to a limitation of its profits pursuant to the provisions of N.J.S.A. 40A:20-15.

The Entity shall have the right to establish a reserve against vacancies, unpaid rentals, and reasonable contingencies in an amount equal to five (5%) percent of the Gross Revenue of the Entity for the last full fiscal year preceding the year and may retain such part of the excess Net Profits as is necessary to eliminate a deficiency in that reserve, as provided in N.J.S.A. 40A:20-15. The reserve is to be non-cumulative, it being intended that no further credits thereto shall be permitted after the reserve shall have attained the allowable level of five (5%) percent of the preceding year's Gross Revenue.

Section 8.2 Annual Payment of Excess Net Profit

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

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

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

ARTICLE IX - ASSIGNMENT AND/OR ASSUMPTION

Section 9.1 Approval

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

Section 9.2 Fee

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

ARTICLE X - COMPLIANCE

Section 10.1 Operation

During the term of this Agreement, the Project shall be maintained and operated in accordance with the provisions of the Law. Operation of Project under this Agreement shall not only be terminable as provided by N.J.S.A. 40A:20-1, et seq., as currently amended and

supplemented, but also by a Default under this Agreement. The Entity's failure to comply with the Law shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

Section 10.2 Disclosure of Lobbyist Representative

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

ARTICLE XI - DEFAULT

Section 11.1 Default

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

Section 11.2 Cure Upon Default

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

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

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

Section 11.3 Remedies Upon Default

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

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

ARTICLE XII- TERMINATION

Section 12.1 Termination Upon Default of the Entity

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

Section 12.2 Voluntary Termination by the Entity

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

Section 12.3 Final Accounting

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

Section 12.4 Conventional Taxes

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

Section 12.5 Termination Payment

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

ARTICLE XIII - DISPUTE RESOLUTION

Section 13.1 Arbitration

In the event of a breach of the within Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court of New Jersey by an appropriate proceeding, to settle and resolve the dispute in such fashion as will tend to accomplish the purposes of the Law.

In the event the Superior Court shall not entertain jurisdiction, then the parties shall submit the dispute to the American Arbitration Association in New Jersey to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of the Long Term Tax Exemption Law. The cost for the arbitration shall be borne equally by the parties. The parties agree that the Entity may not file an action in Superior Court or with the Arbitration Association unless the Entity has first paid in full all charges defined in Article IV, Section 4.7 as Material Conditions.

ARTICLE XIV - WAIVER

Section 14.1 Waiver

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

ARTICLE XV - INDEMNIFICATION

Section 15.1 Defined

It is understood and agreed that in the event the City shall be named as party defendant in any action alleging any breach, default or a violation of any of the provisions of this Agreement and/or the provisions of N.J.S.A. 40A:20-1 et seq., the Entity shall indemnify and hold the City harmless against any and all liability, loss, cost, expense (including reasonable attorneys' fees and costs, through trial and all stages of any appeal, including the cost of enforcing this indemnity) arising out of Agreement. In addition, the Entity expressly waives all statutory or common law defenses or legal principles which would defeat the purposes of this indemnification. The Entity also agrees to defend the suit at its own expense, counsel to be selected by the City, subject to the reasonable consent of the Entity. However, the City maintains the right to intervene as a party thereto, to which intervention the Entity consents; the expense thereof to be borne by the City.

ARTICLE XVI- NOTICE

Section 16.1 Certified Mail

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

Section 16.2 Sent by City

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

Genesis Ocean Associates Urban Renewal Co., LLC
594 Broadway, Suite 1107
New York, New York 10012
Attn.: Mr. Karim Hutson

With a copy to:

Garcia Turula, LLC
P.O. Box 291
Jersey City, New Jersey 07303
Attn.: George L. Garcia, Esq.

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

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

Section 16.3 Sent by Entity

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

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

with copies sent to the Corporation Counsel, the Business Administrator, and the Tax Collector

unless prior to the giving of notice, the City shall have notified the Entity otherwise. The notice to the City shall identify the Project to which it relates, (i.e., the Urban Renewal Entity and the Property's Block and Lot number).

ARTICLE XVII-SEVERABILITY

Section 17.1 Severability

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

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

ARTICLE XVIII - MISCELLANEOUS

Section 18.1 Construction

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to or aid of any presumption or other rule requiring construction against the party drawing or causing this Agreement to be drawn since counsel for both the Entity and the City have combined in their review and approval of same.

Section 18.2 Conflicts

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

Section 18.3 Oral Representations

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

Section 18.4 Entire Document

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

Section 18.5 Good Faith

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

Section 18.6 Pending Litigation

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

ARTICLE XIX - EXHIBITS

Section 19 Exhibits

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

1. Metes and Bounds description of the Project;
2. Ordinance of the City authorizing the execution of this Agreement;
3. The Application with Exhibits;
4. Certificate of the Entity;
5. Estimated Construction Schedule;
6. The Financial Plan for the undertaking of the Project;
7. Good Faith Estimate of Initial Rental Schedule and Lease Terms;
8. Project Employment and Contracting Agreement & Project Labor Agreement;
9. Architect's Certification of Actual Construction Costs.

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

ATTEST: **GENESIS OCEAN ASSOCIATES URBAN
RENEWAL CO., LLC**

By: _____
Karim Hutson, Member

ATTEST: **CITY OF JERSEY CITY**

**Robert Byrne
City Clerk**

**John Kelly
Business Administrator**

EXHIBIT N

PROPOSED PROJECT EMPLOYMENT AGREEMENT

FOR

GENESIS OCEAN ASSOCIATES URBAN RENEWAL CO., LLC

(SEE ATTACHED)

PROJECT EMPLOYMENT & CONTRACTING AGREEMENT

This Project Employment & Contracting Agreement is made on the ___ day of _____, 2011, between the **CITY OF JERSEY CITY [City]** and **GENESIS OCEAN ASSOCIATES URBAN RENEWAL CO., LLC**, having its principal office at 594 Broadway, Suite 1107, New York, New York 10012. Recipient agrees as follows:

I. Definitions:

The following words and terms, when used in this agreement, shall have the following meanings unless the context clearly indicates otherwise.

1. "City" means the Business Administrator of the City of Jersey City, or his designee, including any person or entity which enters into a contract with the City to implement, in whole or in part, this agreement.
2. "Construction Contract" means any agreement for the erection, repair, alteration or demolition of any building, structure, bridge, roadway, or other improvement on a Project Site.
3. "Contractor" means any party performing or offering to perform a prime contract on behalf of the Recipient.
4. "DEO" means the Division of Economic Opportunity under the Department of Administration, located at 1 Journal Square Plaza, 2nd Floor, Jersey City, NJ 07306, Telephone #(201) 547-5611. DEO is in charge of Project Employment & Contracting coordination and monitoring on projects receiving abatements.
5. "Economic Incentive" means a tax abatement or exemption for a property or project which requires approval of the Municipal Council and which reduces the annual amount of taxes otherwise due, by \$25,000 or more in the aggregate;
6. "Employment" means any job or position during the construction and operational phase of the project. It includes positions created as a result of internal promotions, terminations, or expansions within the Recipient's work force which are to be filled by new employees. However, positions filled through promotion from within the Recipient's existing work force are not covered positions under this agreement.
7. "Local Business" means a bona fide business located in Jersey City.
8. Mayor Jerramiah T. Healy's Business Cooperative Program means the group within DEO under the Department of Administration responsible for collecting local and minority business contracts and capability information. This group operates the Supplier Alert service which is to be used by the Recipient to meet their good faith business contracting and construction subcontracting goals.
9. "Minority" means a person who is African, Hispanic, Asian, or American Indian defined

as follows:

- a) "African-American" means a person having origins in any of the black racial groups of Africa.
 - b) "Hispanic" means a person of Mexican, Puerto Rican, Cuban, Central or South American or other Latino culture or origin, regardless of race, excluding, however, persons of European origin.
 - c) "Asian" means a person having origins in any of the original people of the Far East, Southeast Asia, and subcontinent India, Hawaii or the Pacific Islands.
 - d) "American Indian" means a person having origins in any of the original people of North America who maintains cultural identification through tribal affiliation or community recognition.
10. "Minority or Woman Owned Local Business" means a bona fide business located in Jersey City which is fifty-one (51%) percent or more owned and controlled by either a Minority or woman.
 11. "Non-Traditional Jobs" means jobs which are held by less than twenty (20%) percent women, as reported by the New Jersey Department of Labor, Division of Labor Market, and Demographic Research for Jersey City, which report shall be on file with the City Clerk.
 12. "Permanent Jobs" mean newly created long term salaried positions, whether permanent, temporary, part time or seasonal.
 13. "Project or Project Site" means the specific work location or locations specified in the contract.
 14. The "Project Employment & Contracting Coordinator" is a member of the DEO staff under the Department of Administration who is in charge of coordinating Project Employment & Contracting projects. Contractors and developers engaged in projects covered by Project Employment & Contracting Agreements will direct inquiries to the Project Employment & Contracting Coordinator.
 15. The "Project Employment & Contracting Monitor" or "Monitor" is a member of the DEO staff under the Department of Administration directly under the command of the Project Employment & Contracting Coordinator, who is in charge of monitoring the site, collecting the reports and documentation, and other day-to-day Project Employment & Contracting housekeeping as stipulated by this agreement.
 16. The "Project Employment & Contracting Officer" or "Officer" is an employee of the Recipient who is designated by the Recipient to make sure the Recipient is in compliance with the Recipient's Project Employment & Contracting agreement.

17. "Recipient" means any individual, partnership, association, organization, corporation or other entity, whether public or private, or for profit or non-profit, or agent thereof, which receives an Economic Incentive and shall include any Contractor, Subcontractor or agent of the Recipient.
18. "The Registry" or "Jersey City Employment Registry" means a list maintained by the City or its designee of Jersey City residents seeking employment and Local Businesses, including Minority or Woman Owned Local Businesses, seeking contracts.
19. "Subcontract" means a binding legal relationship involving performance of a contract that is part of a prime contract.
20. "Subcontractor" means a third party that is engaged by the prime Contractor to perform under a subcontract all or part of the work included in an original contract.
21. "Substantial Completion" means the determination by the City that the Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the date on which the Project receives, or is eligible to receive any Certificate of Occupancy for any portion of the Project.

II. Purpose:

The City wishes to assure continuing employment opportunities for City residents, particularly residents who are Minorities, and business opportunities for Local Businesses, especially Minority and Women Owned Local Businesses, with employers located in or relocating to the City who are the Recipients of Economic Incentives. The City has determined to accomplish that goal by requiring the Recipient of an Economic Incentive to act in Good Faith, as defined herein, and discharge its obligations under this Agreement. To the extent mandated by State and Federal law and so long as the Entity discharges its Good Faith obligations under this agreement, the City acknowledges that the Recipient and its contractors are free to hire whomever they choose.

III. Good Faith Goals:

In the event the Recipient is able to demonstrate that its work force already meets the goals set forth below or is able to meet such goals during the term of this agreement, the Recipient will not be required to comply with the interviewing or reporting obligations set forth in Section VI 1., A-L (Construction Jobs) and Section VI, 2., A-J (Permanent Jobs). All goals for Construction Jobs shall be calculated as a percentage of the total number of work hours in each trade from the beginning of the project to its completion.

1. **Employment:** The Recipient shall make a Good Faith effort to achieve the goal of a work force representing fifty-one (51%) percent City residents, fifty-one (51%) percent of whom are residents who are Minorities and, in Non-Traditional Jobs, six point nine (6.9%) percent of whom are residents who are women, it being understood that one employee may satisfy more than one category.

2. **Business Contracting:** The Recipient shall make a Good Faith effort to achieve the goal of awarding twenty (20%) percent of the dollar amount of its contracts to Local Businesses, fifty-one (51%) percent of which shall be Minority or Women Owned Local Businesses. If fifty-one (51%) percent of Minority or Women Owned Local Businesses cannot be obtained, that percentage of contracts must still be applied to local vendors.

IV. Recipient Designee:

The Recipient shall designate a principal officer of its firm to be responsible for administering the agreement detailed herein and to report to and confer with the City in order to discharge its Good Faith obligations as defined in this agreement. This officer should be designated as the Project Employment & Contracting Officer.

The Recipient should send a letter of introduction regarding the “Project Employment & Contracting Compliance Officer” to the Project Employment & Contracting Coordinator prior to any preconstruction meetings. An example of this letter can be found in Appendix A. This principle officer should also be present for all preconstruction meetings.

The Recipient should send a letter regarding the “Project Employment & Contracting Compliance Officer” to the employees of the Recipient’s company. An example of this letter can be found in Appendix AZ

V. Term:

This agreement shall be in effect for a period co-terminus with the effective period of the tax exemption [the Economic Incentive]. Thus, it will commence on the date the City Council adopted Ordinance _____ approving the tax exemption and terminate the earlier of 33 years from the date of the adoption of that Ordinance or 30 years from the date of Substantial Completion of the Project.

VI. Good Faith Defined:

1. **Construction Jobs:** Good Faith shall mean compliance with all of the following conditions:

A. Initial Manning Report:

- i) Prior to the commencement of their work on the Project, each Contractor /Subcontractor shall prepare an Initial Manning Report.
- ii) The Initial Manning Report should contain an estimate of the total hours in each construction trade or craft and the number of hours to be worked by City residents, including a list of the number of minority residents and women residents that will work in each trade or craft, including the work hours to be performed by such employees of any and all Contractors and Subcontractors. Attached hereto as Appendix B is the Recipient’s Initial Manning Report.

- iii) The Initial Manning Report shall be filed with the Project Employment and Contracting Monitor, who must accept said Report prior to the Recipient entering into any construction contract. An example of this acceptance letter is given in Appendix C.

B. Developer's Contracting Obligations

- i) Once the developer submits the project's initial manning report, he/she must forward a letter with requests for quotation or bid to Mayor Jerramiah T. Healy's Business Cooperative Program for local and minority vendors for any construction or building operating goods, services and sub-contracting opportunities. An example of this letter is given in Appendix D.
- ii) The developer shall make a good faith effort to contact those businesses and individuals who submit bids. This effort must be documented by letter, which will be sent to Mayor Jerramiah T. Healy's Business Cooperative Program at DEO under the Department of Administration. An example of this letter can be found in Appendix D2.

C. Contractor's/Subcontractor's Compliance Statement

Prior to commencement of their work on the Project, each Contractor or Subcontractor must agree in writing to comply with this agreement and the employment goals elaborated herein. An example of this Compliance Statement can be found in Appendix E.

D. Union Statement of Using Its Best Efforts

- i) Prior to commencement of their work on the Project, the contractor/subcontractor must submit a statement expressing its adherence to the Project Employment & Contracting Agreement to each union with which he/she has a collective bargaining agreement covering workers to be employed on the project.
- ii) The Compliance Statement shall include a union statement for the particular union to sign, which claims the union will use its best efforts to comply with the employment goals articulated in the Project Employment & Contracting agreement. This compliance statement is detailed in Appendix F. A copy of the signed compliance statement must be sent to the Project Employment & Contracting Monitor in DEO under the Department of Administration before work starts in order for a developer to be in compliance.
- iii) The Recipient will require the Contractor or Subcontractor to promptly notify the City of any refusal or failure of a union to sign the statement. If a particular union refuses to sign a statement, the Recipient will document its efforts to obtain such statement and the reasons given by the union for not signing such statement, and submit such documentation to the Project Employment & Contracting Monitor in DEO under the Department of Administration.

E. Sub-Contractors

The developer shall require that each prime contractor be responsible for the compliance of his/her subcontractors with the aforementioned Project Employment & Contracting requirements during the performance of the contract. Whenever the contractor sub-contracts a portion of the work on the project, the contractor shall bind the subcontractor to the obligations contained in these supplemental conditions to the full extent as if he/she were the contractor.

F. Union Apprentices

The contractor is responsible for assuring that resident and minority apprentices account for at least fifty (50%) percent of the total hours worked by union apprentices on the job in each trade listed in which apprentices are employed, according to the apprentice-to-journey-worker ratio contained in the collective bargaining agreement between the various unions, and shall hold each of his/her subcontractors to this requirement. The Recipient will require the contractor or subcontractor to promptly notify the City of any refusal of a union to utilize resident and minority apprentices.

G. Monthly Manning Report

- i) The Recipient will cause the Contractor to complete and submit Monthly Project Manning Reports to the Project Employment & Contracting Monitor in DEO under the Department of Administration by the seventh day of the month following the month during which the work is performed, for the duration of the contract.
- ii) The report will accurately reflect the total hours in each construction trade or craft and the number of hours worked by City residents, including a list of the number of minority resident and women resident workers in each trade or craft, and will list separately the work hours performed by such employees of the Contractor and each of its Subcontractors during the previous month. The Monthly Manning Report shall be in the form attached hereto as Appendix G.
- iii) The Recipient is responsible for maintaining or causing the Contractor to maintain records supporting the reported work hours of its Contractors or Subcontractors.

H. Monthly Certified Payroll Report

- i) The Recipient will cause the Contractor to furnish the Project Employment & Contracting Monitor with copies of its weekly Certified Payroll reports. The reports will specify the residence, gender and ethnic/racial origin of each worker, work hours and rate of pay and benefits provided. The Certified Payroll report shall be in the form attached hereto as Appendix H.
- ii) Payroll reports must be submitted on a monthly basis with the Monthly Manning

Report or the Recipient is no longer in compliance.

I. Equal Employment Opportunity Reports

Prior to commencement of work on the Project, the Recipient will request copies of the most recent Local Union Report (EEO-3) and Apprenticeship Information Report (EEO-2) which are required to be filed with the US Commission of Equal Employment Opportunity Commission by the collective bargaining unit. These reports will be forwarded to the Project Employment & Contracting Monitor within one month of the signing of the Project Employment & Contracting Agreement.

J. Other Reports

In addition to the above reports, the Recipient shall furnish such reports or other documents to the City as the City may request from time to time in order to carry out the purposes of this agreement.

K. Records Access

The Recipient will insure that the City will have reasonable access to all records and files reasonably necessary to confirm the accuracy of the information provided in the reports.

L. Work Site Access For Monitor

- i) The City will physically monitor the work sites subject to this agreement to verify the accuracy of the monthly reports. Each work site will be physically monitored approximately once every two weeks, and more frequently if it is deemed reasonably necessary by the City. The City's findings shall be recorded in a "Site Visit Report." An example of a bi-weekly site visit report can be found in Appendix I.
- ii) The Recipient shall require the Contractor and Sub-contractor to cooperate with the City's site monitoring activities and inform the City as to the dates they are working at the Project site. This includes specifically instructing the on-site construction manager about the monitoring process, and informing him/her that the monitor will contact him/her to set up an initial meeting. In the case of projects with multiple locations, the Recipient shall inform the City of the dates they are working at each site location(s) where they are working, in order to facilitate the monitoring.

2. Permanent Jobs: Good Faith shall mean compliance with all of the following conditions:

A. Pre-hiring Job Awareness: At least eight (8) months prior to the hiring of a Recipient's permanent workforce, the Project Employment & Contracting officer for the Recipient will sit down with the head of the Registry to discuss how the Recipient plans to hire its permanent

workforce. The following issues should be covered in this meeting:

- i) whether subcontractors will be used in the hiring process.
- ii) the specific types of jobs that need to be filled.
- iii) the qualifications needed for these particular jobs.
- iv) possible training programs offered by the permanent employer.
- v) the Recipient's goals and how it plans to meet these goals.
- vi) any other issues which need to be addressed by the Registry.

1. Subcontractor Notification -- If the Recipient decides to subcontract any portion or all of its permanent workforce, then the Recipient must receive a signed acknowledgment from the subcontracting party that it will abide by the Project Employment & Contracting Agreement before said subcontractor begins staffing permanent employees. The Recipient must forward a copy of the signed acknowledgment to the Project Employment & Contracting Monitor. An example of this signed acknowledgment can be found in Appendix E.

2. Subcontractor Pre-Hiring Job Awareness Meeting -- Each subcontractor hired to staff permanent job positions must appoint a Project Employment & Contracting Officer to meet with the head of the Registry to discuss the same issues presented above in VI 2.A(I-vi).

3. Subcontractors of Subcontractors--Subcontractors of subcontractors are subject to the same requirements for the initial subcontractors above in Section VI 2.A.

B. Documentation of Hiring Plan--Once the Pre-Hiring Job Awareness Meeting has taken place, the Recipient must put together a document with goals and totals for future permanent employment needs. This plan should summarize all that was discussed in the Pre-Hiring Awareness Meeting, list estimates for manpower needs, set residential and minority employment goals commensurate with the Project Employment & Contracting Agreement, and show how the Recipient plans to meet these goals. An example of this plan is found in Appendix J.

C. Pre-Hiring Notification: At least ten (10) working days prior to advertising for any employees, the Recipient or the Recipient's subcontractor shall provide the Registry with a written notice, which shall state the job title, job description and minimum qualifications, rate of pay, hours of work and the hiring date for each position to be filled, in qualitative and objective terms which will enable the Registry to refer qualified applicants to the Recipient.

D. Advertisement: At the request of the City, or because the City does not have qualified applicants to refer to the Recipient, the Recipient will place an advertisement for the jobs in a newspaper which is regularly published in Jersey City. The Recipient must furnish the Project Employment & Contracting Coordinator in DEO under the Department of Administration with a copy of this advertisement.

E. Pre-Hiring Interview: The Recipient shall interview any qualified applicants referred to it from the Registry, to be maintained by the City or its designee. In the event advertisement is required, the Recipient agrees to interview any qualified persons responding to the advertisement.

F. Semi-Annual Employment Reports: The Recipient will submit written semi-annual employment reports to the Project Employment & Contracting Monitor in the form to be provided by the City. The report will describe the job, whether the job is held by a City resident, minority resident or woman resident. The report will explain in writing the reasons why any qualified applicant referred by the Registry (or in the event advertisement is required, any qualified person responding to the advertisement) was not hired. An example of this report is found in Appendix K.

G. Record Access: The Recipient shall provide the City with reasonable access to all files and records including payroll and personnel information reasonably necessary to confirm the accuracy of the information set forth in the semi-annual reports.

H. Work Place Access: The Recipient shall provide the City with reasonable access to the site to physically monitor the work site to verify the accuracy of the information set forth in the semi-annual reports.

I. Other Reports, Documents: In addition to the above reports, the Recipient shall furnish such reports or other documents that the City may request from time to time in order to implement the purposes of this agreement.

J. Incorporation of Agreement: The Recipient shall incorporate the provisions of this Agreement in all contracts, agreements and purchase orders for labor with any service, maintenance, security or management agent or Contractor engaged by the Recipient whose personnel will be assigned to the Recipient project.

3. Business Contracting

Good Faith shall mean compliance with all of the following conditions:

1) Solicitation of Businesses:

- a) One month before accepting bids for goods and services, the Recipient must forward a letter with requests for quotation or bid to Mayor Jerramiah T. Healy's Business Cooperative Program for local and local minority vendors for any construction or building operating goods, services and subcontracting opportunities. An example of this letter can be found in Appendix D.
- b) After submission of bids, the Recipient will document whether the bid was accepted or rejected, and state the reason why. An example of this documentation can be found in Appendix D2.
- i) Semi-Annual Purchasing Reports: The Recipient will submit written semi-annual purchasing reports which will include a list of all contracts awarded over a six month period and the dollar amounts of these contracts. The reports will specify the number and dollar amount of contracts awarded to Local Businesses and Minority or Women Owned Local Businesses. An example of these reports can be found in Appendix

L.

- ii) No Utilization of Local and Local Minority Vendors As Conduits For Vendors That Are Not Local Or Minority Owned:

The Recipient pledges not to use local and local minority vendors solely as conduits for vendors that are not local and minority owned. Any discovery by DEO under the Department of Administration of a Recipient, either knowingly or unknowingly, using the masthead of a local or minority owned business as a way to get credit for local or minority employment when it should not, will immediately subject the Recipient to the penalties listed in Section VIII (d) below.

4. Summation of Documentation Needed For Compliance with Agreement

1. Letter Designating Project Employment & Contracting Officer (Appendix A)
2. Letter designating Project employment & Contracting Officer to Recipient's Employees (App.) AZ
3. Example of Initial Manning Report (Appendix B)
4. Letter Of Acceptance of Initial Manning Report (Appendix C)
5. Letter From Developer Forwarding Requests for Quotation or Bid for Minority and Residential Vendors from Mayor Jerramiah T. Healy's Business Cooperative Program (Appendix D)
6. Documentation of Bid Submission (Appendix D2)
7. Letter Expressing Project Employment & Contracting Obligations to Contractors/ Subcontractors (Appendix E)
8. Union Statement of Best Efforts (Appendix F)
9. Example of Monthly Manning Report (Appendix G)
10. Example of Monthly Certified Payroll Report (Appendix H)
11. Example of Bi-Weekly Site Visit Report (Appendix I)
12. Example of Documentation of Hiring Plan (Appendix J)
13. Example of Semi-Annual Employment Report (Appendix K)
14. Example of Semi-Annual Purchasing Report (Appendix L)

VII. Notices of Violation:

1. Advisory Notice: The City will issue a written Advisory Notice to the Recipient if there is non-compliance with a Good Faith requirement as defined in this agreement. The Advisory Notice shall explain in sufficient detail the basis of the alleged violation. The Recipient shall have four (4) working days to correct the violation. An example of an Advisory Notice can be found in Appendix M.
2. Violation Notice: If the alleged violation set forth in the Advisory Notice has not been corrected to the satisfaction of the City within four (4) working days, the City shall then issue a Violation Notice to the Recipient. The Violation Notice shall explain in sufficient detail the basis of the alleged, continuing violation. The Recipient will have three (3) working days to correct the violation. An example of a Violation Notice can be found in Appendix N.

3. Correcting the Violation: Either or both the Advisory Notice or the Violation Notice may be considered corrected if the Recipient satisfies the requirements of this agreement and so advises the City in writing, subject to confirmation by the City.
4. Extension of Time to Correction: Either the Advisory Notice or the Violation Notice may be held in abeyance and the time for correction extended if the Recipient enters into satisfactory written agreement with the City for corrective action which is designed to achieve compliance. If Recipient fails to abide by the terms of such agreement the violation will be considered not corrected.
5. Meetings Concerning Violations: The City may provide an opportunity for a meeting with the Recipient, his Contractors or Subcontractors in an effort to achieve compliance; or may respond to Recipient's request for a meeting after the Recipient has made timely submission of a written explanation pursuant to the above. The meeting shall be requested no later than two days after the alleged violator has submitted the written explanation.
6. Interviews Relating to Violations: The City may conduct interviews and may request additional information from appropriate parties as is considered necessary to determine whether the alleged violation has occurred.
7. Determination of Violation: The City shall issue a determination of whether the Recipient is in violation of this agreement as soon as possible but not later than thirty days after the delivery of the Violation Notice to the Recipient. If the City determines that the Recipient is in violation, the City shall be entitled to the liquidated damages provided below.

VIII. Liquidated Damages/Interest:

While reserving any other remedies the City may have at law or equity for a material breach of the above terms and conditions, the parties agree that damages for violations of this agreement by the Recipient cannot be calculated within any reasonable degree of mathematical certainty. Therefore, the parties agree that upon the occurrence of a material breach of any of the above terms and conditions and after notice and expiration of any period to correct the violation, the City will be entitled to liquidated damages from the Recipient in the following amounts:

- a) failure to file Initial Manning Reports (Construction Jobs) or Pre-Hiring Notification (Permanent Jobs) or Pre-Contracting Notification (Business Contracting): an amount equal to a Five (5%) percent increase in the estimated annual payment in lieu of taxes;
- b) failure to conduct Pre-hiring Interviews or submit Compliance Statement (Construction Jobs) or Solicit Bids (Business Contracting): an amount equal to Three (3%) percent increase in the estimated annual payment in lieu of taxes;
- c) failure to allow record or work place access or submit any other required reports

(all categories): an amount equal to Two (2%) percent increase in the estimated annual payment in lieu of taxes.

- d) the use of the local or local minority business' masthead for labor or work supplied by a non local or local minority vendor: An amount equal to Five (5%) percent increase in the estimated annual payment in lieu of taxes. Interest shall be charged on any damages at the legal rate of interest as calculated by the Tax Collector.
- e) the late payment of any liquidated sum shall accrue interest at the rate of 8%.

IX. Commercial Tenants at the Project Site:

- 1. The Recipient shall send all tenants of commercial space within the Project Site a letter and a Tenant Employment Services Guide in the form attached as Appendix O.
- 2. The Recipient shall solicit information from tenants of commercial space about the composition of the work force of each tenant. The information solicited will be submitted to the Project Employment & Contracting Monitor, which shall provide the Recipient with a questionnaire in the form attached as Appendix P.
- 3. The Recipient will send the results of its solicitation to the Project Employment & Contracting Monitor no later than October 31 of each year.
- 4. The Recipient shall send all tenants of commercial space within the Project Site a Supplier Alert Service Registration Package in the form attached as Appendix Q.

X. Notices

Any notice required hereunder to be sent by either party to the other, shall be sent by certified mail, return receipt requested, addressed as follows:

- 1. When sent by the City to the Recipient it shall be addressed to:

Genesis Ocean Associates Urban Renewal Co, LLC
594 Broadway, Suite 1107
New York, New York 10012
- 2. When sent by the Recipient to the City, it shall be addressed to:
Project Employment & Contracting Monitor
Department of Administration
Division of Economic Opportunity
1 Journal Square Plaza
2nd Floor
Jersey City, New Jersey 07306

with separate copies to the Mayor and the Business Administrator; unless prior to giving of such notice, the City or the Recipient shall have notified the other in writing.

XI. Adoption, Approval, Modification:

This agreement shall take effect on the date that the Economic Incentive is approved by the Municipal Council.

XII. Controlling Regulations and Laws:

To the extent required by State and Federal Law and so long as the Entity discharges its Good Faith obligations under this agreement, the City agrees and acknowledges that the Recipient and its contractors are free to hire whomever they choose. If this agreement conflicts with any collective bargaining agreement, the City agrees to defer to such agreements so long as the Recipient provides the City with a copy of the offending provision in the collective bargaining agreement.

ATTEST:

CITY OF JERSEY CITY

Robert Byrne
City Clerk

John Kelly
Business Administrator

WITNESS:

**GENESIS OCEAN ASSOCIATES URBAN
RENEWAL CO., LLC**

Secretary

By: Karim Hutson