



2019

Third Round Housing Element and Fair Share Plan

ADOPTED: DECEMBER 16, 2019
ENDORSED: JANUARY 30, 2020

Township of Ocean, Monmouth County, New Jersey

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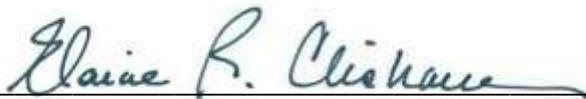
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A signed and sealed version is available at the municipal building



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APPENDICES TO THE HOUSING ELEMENT AND FAIR SHARE PLAN

- A. Resolutions Adopting and Endorsing the Third Round Housing Element and Fair Share Plan
- B. Settlement Agreement: Ocean Township and Fair Share Housing Center (FSHC) and Fairness Order
- C. Letters of Water and Sewer Capacity To Serve
- D. Heritage Village at Ocean (formerly Whalepond Village) Rehabilitation/New Construction Documentation
- E. Monmouth County Interlocal Services Agreement and Housing Improvement Program Operating Manual
- F. Primrose Place Crediting Documentation
- G. Wayside Point Documentation
- H. Group Homes Crediting Documentation
- I. Heritage Village at Oakhurst Crediting Documentation
- J. Cindy Lane Apartments Crediting Documentation
- K. Roosevelt Properties Inclusionary Zoning Ordinance
- L. C-1 Zone Inclusionary Zoning Ordinance Amendment -- Norwood Avenue
- M. Golf Course Inclusionary Overlay Zoning Ordinance
- N. Amended Affordable Housing Ordinance, including Mandatory Township-Wide Set-Aside and Amended Development Fee Ordinance
- O. Resolution Appointing Municipal Housing Liaison
- P. Administrative Agent Agreement and Authorizing Resolutions
- Q. Affirmative Marketing Plan and Adopting Resolution
- R. Spending Plan, Adopting Resolution, and Resolution of Intent to Bond



EXECUTIVE SUMMARY

This Third Round Housing Element and Fair Share Plan has been prepared for the Township of Ocean, Monmouth County in accordance with the New Jersey Fair Housing Act (FHA) and the rules of the New Jersey Council on Affordable Housing (COAH) at N.J.A.C. 5:93 et seq., and to address the Settlement Agreement (FSHC Agreement) between Ocean Township and Fair Share Housing Center (FSHC), executed pursuant to a Township resolution dated January 24, 2019 and approved by the Court on June 25, 2019. This plan is an amendment to the prior housing element and fair share plan adopted by the Planning Board on June 27, 2011 and endorsed by the Township Council on July 6, 2011. This 2019 Third Round plan will serve as the foundation for the Township's submission to the Honorable Linda Grasso Jones, J.S.C., for a Third Round Judgment of Compliance and Repose through July 2, 2025.

There are three components to a municipality's affordable housing obligation: the Rehabilitation share, or Present Need, the Prior Round obligation, and the Third Round obligation. The Court-approved FSHC Agreement established the Township's 57-unit Rehabilitation share/Present Need obligation, an 873-unit Prior Round obligation for the years 1987 to 1999, and a 518-unit Third Round fair share obligation for the years 1999 to 2025 (including the "gap period"). By virtue of limited vacant, developable land, the Township continues to be eligible for a vacant land adjustment, which reduces the combined Prior Round and Third Round fair share obligation of a total of 1,391 (873 + 518) to a Realistic Development Potential (RDP) of 280 units, leaving an Unmet Need of 1,111 units (1,391 combined Prior Round and Third Round – 280 RDP = 1,111 combined Unmet Need).

The Township has satisfied its 57-unit Rehabilitation obligation through the rehabilitation of affordable units at Heritage Village at Ocean (formerly known as Whalepond Village). The Township will continue participation in the Monmouth County Housing Improvement Program to possibly assist future low- and moderate-income households in Ocean Township.

The Township has satisfied its combined Prior Round and Third Round 280-unit RDP with projects including completed and proposed inclusionary developments, completed alternative living arrangements, and 100% affordable municipally sponsored construction.

The Township will address its 1,111-unit Unmet Need with surplus credits above its RDP, by modifying an existing inclusionary zone and establishing two new inclusionary overlay zones, by its existing affordable housing development fee ordinance, and by establishing a mandatory Township-wide inclusionary set-aside requirement for all new multi-family housing developments of five units or more.



INTRODUCTION

Ocean Township, a primarily residential community with a population of 26,729 as of 2017 and a land area of approximately 11 square miles, is located in the central eastern part of Monmouth County. The Township adjoins Eatontown Borough and West Long Branch Borough to the north; Long Branch City, Deal Borough, Allenhurst Borough, Loch Arbour Village, and Interlaken Borough to the east; Asbury Park City and Neptune Township to the south; and Tinton Falls Borough to the west.

The Township constitutes approximately 2.3 percent of the land in Monmouth County. Ocean Township is approximately 25 miles from New York City and located within the Metropolitan Planning Area (PA 1) category as designated by The State Development and Redevelopment Plan (SDRP) of New Jersey. It is easily accessible from much of the region; New Jersey Route 18 and Route 35 run through the Township, and the Garden State Parkway is located just to its west. The Township is also served by NJ Transit bus routes 832 and 837, which provide access to Asbury Park, Red Bank, Long Branch, and connections to other regional destinations.

Ocean Township's 1990 Master Plan and subsequent Reexamination Reports through 2014 portray a community that has developed as a primarily residential municipality. The Master Plan notes that the presence of strong highway connections has "increased the viability of the Township for both jobs and residential uses." However, the Master Plan also identifies a trend toward redevelopment and repurposing of existing uses rather than greenfield construction, as much of the Township's land has already been developed. Therefore, a goal of the Master Plan was to adjust land use regulations to provide specific guidelines for redevelopment, infill development, and new development.



JUDICIAL, LEGISLATIVE, AND REGULATORY AFFORDABLE HOUSING BACKGROUND

In its landmark 1975 decision now referred to as Mount Laurel I, the New Jersey Supreme Court ruled that developing municipalities have a constitutional obligation to provide a realistic opportunity for the construction of a variety and choice of housing types that would be affordable to low- and moderate-income households. In its 1983 Mount Laurel II decision, the Supreme Court extended the constitutional obligation to all municipalities and determined that each municipality would have to establish its fair share obligation and provide, through its zoning, affirmative measures that would create a realistic opportunity for satisfying that obligation. Subject to certain criteria, Mount Laurel II also gave developers who successfully challenged the constitutionality of a municipality's zoning and who were ready, willing, and able to provide a substantial amount of affordable housing the opportunity to secure a "builder's remedy."¹ A builder's remedy was intended by the Supreme Court to be a mechanism to force municipal compliance with affordable housing fair share obligations in instances in which a municipality has failed to do so voluntarily. Under a builder's-remedy lawsuit, if a developer/plaintiff is successful in demonstrating that a municipality has failed to provide a realistic opportunity for the construction of its fair share of its region's need for low- and moderate-income housing, that developer/plaintiff may be granted a builder's remedy if the developer's site is suitable for inclusionary development, and if the developer is willing to set aside a substantial number of units to be affordable to low- and moderate-income households. A developer would typically be permitted to build a higher density multi-family residential project on land not zoned to permit this use, and/or to build at densities higher than permitted at the time of the lawsuit, reserving a "substantial" percentage (typically 20%) of the units for occupancy by and affordable to low- and moderate-income households.

In 1985, the Legislature enacted the Fair Housing Act (FHA; N.J.S.A. 52:27D – 301 et seq.) in response to Mount Laurel II. The Fair Housing Act created the Council on Affordable Housing (COAH) as the administrative alternative to compliance in a court proceeding. The Legislature conferred primary jurisdiction on COAH and charged COAH with promulgating regulations (i) to establish housing regions; (ii) to estimate low- and moderate-income housing needs; (iii) to set criteria and guidelines for municipalities to determine and address their fair share numbers; and (iv) to create a process for the review and approval of appropriate housing elements and fair share plans. As will be discussed further, in March 2015, the New Jersey Supreme Court declared COAH a moribund agency and reactivated a judicial process for the review and approval of affordable housing plans.

Ocean Township has reached a settlement with FSHC that has been approved by the Superior Court, that specifies the extent of the Township's Prior Round and Third Round affordable housing obligations. Consequently, this Housing Element and Fair Share Plan has been prepared for adoption by the Planning Board and endorsement by the governing body to be submitted to the Superior Court in fulfillment of the requirements for a Third Round Judgment of Compliance and Repose covering the period from 1999 to July 2, 2025. The Judgment of Repose will provide the Township protection from builder's-remedy lawsuits during the time it is in effect.

¹ Southern Burlington NAACP v. Twp. of Mount Laurel, 92 NJ 158 (1983)



COAH's First and Second Rounds

COAH determined municipal affordable housing obligations,² or number of affordable dwellings required, and created the criteria and guidelines for municipalities to address their respective fair share obligations. COAH originally established municipal affordable housing obligations for the six-year period between 1987 and 1993 (N.J.A.C. 5:92-1 et seq.), which became known as the First Round. These rules established an existing need where sub-standard housing was being occupied by low- and moderate-income households (variously known as Present Need or Rehabilitation share) and a future demand, or prospective need, to be satisfied with new construction. COAH followed guidelines established by the U.S. Dept. of Housing and Urban Development (HUD), which defined affordable housing as dwellings that are affordable to and occupied by households earning 80% or less of the regional median household income by household size.

The First Round regulations were superseded by COAH's Second Round regulations, adopted in 1994 (N.J.A.C. 5:93-1.1 et seq.). The 1994 regulations recalculated the 1987-1993 affordable housing obligations for each municipality and projected the additional municipal affordable housing need for the next six years (from 1993 to 1999) using 1990 U.S. census data. The regulations COAH adopted in 1994 thus identified a cumulative fair share obligation for the 12-year period encompassing the First and Second Rounds. Later, when COAH adopted its regulations for the Third Round, the cumulative 12-year First and Second Round obligations became known simply as the Prior Round obligation. This is how it will be referred to in this plan.

COAH's Third Round and Related Judicial Activity

On December 20, 2004, COAH's first version of its Third Round rules (N.J.A.C. 5:94-1 and 5:95-1) became effective, some five years after the end of the Second Round in 1999. Whereas the first two rounds covered periods of six years each, in 2001 the Legislature amended the FHA to extend to 10 years the period covered by a Substantive Certification from COAH. The Third Round was defined as the time period from 1999 to 2014, but the fair share obligation was intended to be addressed during a delivery period from January 1, 2004, through January 1, 2014. In other words, 15 years of affordable housing activity was to take place in 10 years.

The Third Round rules marked a significant departure from the methods utilized in COAH's Prior Round. Previously, COAH had assigned affordable housing obligations as an absolute number allocated to each municipality. The Third Round rules implemented a "growth share" approach that linked the requirement to produce affordable housing to residential and non-residential development within a municipality. Each municipality was required to project the amount of residential and non-residential growth that would occur during the period from 2004 through 2014. Municipalities were then required to provide the opportunity of one affordable unit for every eight market-rate housing units developed and one affordable unit for every 25 jobs created. Jobs were not counted directly, but rather by using non-residential building square footage as a substitute for employment.

² A.k.a. a municipality's "fair share" of affordable housing.



However, in January 2007, the state Appellate Court invalidated key elements of the 2004 Third Round regulations, including the growth share approach (In re Adoption of N.J.A.C. 5:94 and 5:95, 390 N.J. Super. 1). The Court ordered COAH to propose and adopt, within six months, amendments to its rules to address the deficiencies identified by the Court. COAH missed this deadline but issued revised rules effective on June 2, 2008 (as well as a further rule revision effective on October 20, 2008). COAH retained the growth-share approach but implemented several changes intended to create compliance with the 2007 Appellate Court decision. It also extended the period of time covered by the Third Round to 2018. This meant that 19 years of affordable housing activity (1999-2018) was to take place during a 10-year delivery period (2008-2018).

Just as various parties challenged COAH's initial Third Round regulations, parties challenged COAH's 2008 revised Third Round rules. On October 8, 2010, the Appellate Division issued its decision, In re Adoption of N.J.A.C. 5:96 and 5:97, 416 N.J. Super. 462, in response to these challenges. The Appellate Division validated the portions of the rules pertaining to the Rehabilitation share and the Prior Round obligations assigned to each municipality, but invalidated the growth share methodology for calculating Third Round obligations. Instead, the Court directed COAH to use methods similar to those that were used in the First and Second Rounds. The Court gave COAH five months to change its method for calculating Third Round obligations and to provide revised regulations regarding certain aspects of municipal compliance. Other highlights of the Appellate Court's 2010 decision include:

- To be credited, municipally sponsored or 100% affordable housing sites must show site control, site suitability, and a proposed source of funding.
- COAH's rules did not provide sufficient incentive for the private construction of inclusionary (market-rate and affordable units) developments. Clearly defined percentages supported by economic data must be provided. The Court noted that a 20% affordable housing set-aside was typical.
- The Court invalidated crediting of Prior Round rental bonuses for developments that were not built within a reasonable timeframe.
- Bonuses for smart growth and redevelopment activities were upheld; however, the Court invalidated Third Round compliance bonuses.
- The Court upheld its prior ruling on COAH's formula that eliminated the reallocation of the excess Present Need obligation from urban aid-eligible municipalities to other municipalities in the region. The Court also questioned whether urban aid municipalities should be assigned an allocation for future growth.

Judicial Activity from 2011 to the Present

COAH sought a stay from the New Jersey Supreme Court of the March 8, 2011, deadline that the Appellate Division had imposed in its October 2010 decision for the agency to issue new Third Round rules. The Supreme Court granted COAH's application for a stay and granted petitions and cross-petitions to all of the



various challenges to the Appellate Division's 2010 decision. The Supreme Court heard oral argument on the various petitions and cross-petitions on November 14, 2012.

On March 8, 2012, the Appellate Court issued a ruling that disallowed Governor Christie's dissolution of COAH under his Reorganization Plan No. 001-2011. The executive branch appealed, and the Supreme Court upheld the lower court's ruling, finding that the governor did not have unilateral power to reorganize COAH out of existence, and that such an action required the passage of new legislation.

On September 26, 2013, the Supreme Court upheld the 2010 Appellate Court decision in In re Adoption of N.J.A.C. 5:96 and 5:97 by New Jersey Council On Affordable Housing, 215 N.J. 578 (2013), and ordered COAH to prepare the necessary rule revisions. Subsequent delays in COAH's rule preparation and ensuing litigation led to the Supreme Court, on March 14, 2014, setting forth a schedule for adoption.

Although ordered by the Supreme Court to adopt revised new rules on or before October 22, 2014, COAH deadlocked 3-3 at its October 20, 2014, meeting and failed to adopt the draft Third Round rules it had issued on April 30, 2014. In response, FSHC filed a motion in aid of litigant's rights with the Supreme Court. Oral argument on that motion was heard on January 6, 2015.

On March 10, 2015, the Supreme Court issued its ruling on the motion in aid of litigant's rights (In re Adoption of N.J.A.C. 5:96 & 5:97, 221 N.J. 1, aka Mount Laurel IV). This long-awaited decision provided a new direction for how New Jersey municipalities are to comply with the constitutional requirement to provide their fair share of affordable housing. The Court transferred responsibility for review and approval of housing elements and fair share plans from COAH to designated Mount Laurel trial judges in each vicinage. The implication of this was that municipalities could no longer wait for COAH to adopt Third Round rules before preparing new Third Round housing plans, and municipalities must now apply to the Court instead of COAH if they wished to be protected from builder's-remedy lawsuits. These trial judges, with the assistance of a Court-appointed Special Master in each case, were directed to review municipal plans in much the same manner as COAH had done. Towns whose plans were approved by the Court would receive a Judgment of Compliance and Repose, the judicial equivalent of COAH's Substantive Certification.

While the New Jersey Supreme Court's decision set in motion a process for towns to address their Third Round obligations, it did not calculate or prepare a methodology to determine municipal fair share obligations. This responsibility fell, instead, to the individual trial courts. The Supreme Court stated that municipalities should, in their preparation of Third Round housing elements and fair share plans, rely on COAH's First and Second Round rules (N.J.S.A. 5:93) and those components of COAH's 2008 regulations that were not specifically invalidated, as well as the Fair Housing Act (N.J.S.A. 52:27D-301 et seq.). This 2019 Third Round Housing Element and Fair Share Plan is prepared in response to and in compliance with the March 10, 2015 Supreme Court decision.

On January 17, 2017, the Supreme Court issued a decision, In Re Declaratory Judgment Actions Filed By Various Municipalities, 227 N.J. 508 (2017), that found that the "gap period," defined as the period between the expiration of the Second Round in 1999 and the Supreme Court's Mount Laurel IV ruling in 2015, generated an affordable housing obligation. This obligation makes necessary an expanded definition of the municipal Present Need to include new housing for low- and moderate-income households that formed

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during that period. As a result, a municipal affordable housing obligation is composed of the following four parts: Present Need (Rehabilitation Share), Prior Round (1987-1999, new construction), Gap Period Present Need (1999-2015, new construction), and Prospective Need (2015 to 2025, new construction). The structure of the obligation established through the Township's Court-approved Settlement Agreement with FSHC complies with the findings of this recent Supreme Court decision, as the Township's Third Round obligation (1999-2025) includes the 1999-2015 gap period.

Other Legislative Activity

In addition to the COAH regulatory process and judicial decisions, the New Jersey Legislature has amended the Fair Housing Act in recent years. On July 17, 2008, Governor Corzine signed P.L. 2008, c. 46 (referred to as the "Roberts Bill," or A500), which amended the Fair Housing Act in a number of ways. Key provisions of the legislation included the following:

- It established a mandatory statewide 2.5% non-residential development fee instead of requiring non-residential developers to provide affordable housing;
- It eliminated regional contribution agreements (RCAs) as a compliance technique available to municipalities (whereby a municipality was permitted to transfer up to 50% of its fair share to a so-called "receiving" municipality);
- It added a requirement that 13% of all future affordable housing units and 13% of all similar units funded by the state's Balanced Housing Program and its Affordable Housing Trust Fund must be restricted to very low-income households (earning 30% or less of the regional median household income by household size); and
- It added a requirement that municipalities had to commit to spend development fees within four years of the date of collection after its enactment, which commitment obligation deadline was initially the four-year anniversary of the enactment of the law (July 17, 2012³).

These amendments to the FHA were never promulgated in any valid COAH regulations.

On July 27, 2009, Governor Corzine signed the New Jersey Economic Stimulus Act of 2009,⁴ which instituted a moratorium on the collection of non-residential affordable housing development fees through July 2010. This moratorium was later extended until July 1, 2013 (P.L. 2011, c. 122). Since the moratorium has now expired, municipalities are obligated to collect a fee of 2.5% of the equalized assessed value of a non-residential development. Municipalities were always permitted to impose and collect the residential development fees approved by COAH, following a 1990 New Jersey Supreme Court decision.⁵

³ The four-year period of fund commitment will start when the Court approves the municipal fair share plan and spending plan, per the subsequent Appellate Division decision on trust fund expenditures.

⁴ P.L. 2009, c.90.

⁵ *Holmdel Builders Assn. v. Tp. of Holmdel*, 121 N.J. 550, 583 A.2d 277 (1990).



AFFORDABILITY REQUIREMENTS

Affordable housing is defined under New Jersey's Fair Housing Act as a dwelling, either for sale or rent, that is within the financial means of households of low- or moderate-income, as is measured within each housing region. Ocean Township is in COAH's Region 4, which includes Mercer, Monmouth, and Ocean counties. Moderate-income households are those earning between 50% and 80% of the regional median income. Low-income households are those with annual incomes that are between 30% and 50% of the regional median income. Very low-income households must also be accounted for. These households, which are a subset of low-income households, are defined as households earning less than 30% of the regional median income.

Income Categories

Moderate = 50% to 80% of regional median income

Low = 30% to 50% of regional median income

Very Low = less than 30% of regional median income.

The Uniform Housing Affordability Controls (UHAC) at N.J.A.C. 5:80-26.3(d) and (e) require that the maximum rent for a qualified unit be affordable to households that earn 60% or less of the median income for the region. The average rent must be affordable to households earning no more than 52% of the median income. The maximum sale price for affordable units must be affordable to households that earn 70% or less of the median income. The average sale price must be affordable to households that earn 55% or less of the median income.

In the spring of each year, HUD releases updated regional income limits. It is from these income limits that the rents and sale prices for affordable units are derived. COAH last published regional income limits in 2014. The Affordable Housing Professionals of New Jersey (AHPNJ) released income limits for 2019, which are shown for Housing Region 4 in Tables 1 through 3.

The Township was included in an order set forth by the Honorable Jamie S. Perri, J.S.C., on April 18, 2019, that established a process by which various municipalities in Monmouth County are to update their income limits on an annual basis. This process was reiterated in the Township's Court-approved Settlement Agreement with FSHC.⁶ The sample rents and sale prices below are gross figures and do not account for the specified utility allowance.

⁶ Future annual income limits will be developed by the Township or another entity with relevant jurisdiction, such as AHPNJ, which developed the Township's Court-approved income limits attached to the Settlement Agreement.



Table 1. 2019 Income Limits for Region 4					
Household Income Levels	1 Person Household	2 Person Household	3 Person Household	4 Person Household	5 Person Household
Moderate	\$57,732	\$65,979	\$74,226	\$82,474	\$89,072
Low	\$36,082	\$41,237	\$46,392	\$51,546	\$55,670
Very Low	\$21,649	\$24,742	\$27,835	\$30,928	\$33,402

Source: Affordable Housing Professionals of New Jersey Affordable Housing Regional Income Limits, May 2019

Table 2. Illustrative 2019 Affordable Rents for Region 4			
Household Income Levels	1 Bedroom Unit Rent	2 Bedroom Unit Rent	3 Bedroom Unit Rent
Moderate (60%)	\$1,160	\$1,392	\$1,608
Low (50%)	\$966	\$1,160	\$1,340
Very Low (30%)	\$580	\$696	\$804

Source: Affordable Housing Professionals of New Jersey Affordable Housing Regional Income Limits, May 2019; Maximum rents per the Court-approved 2019 income limits table.

Table 3. Illustrative 2019 Affordable Sales Prices for Region 4			
Household Income Levels	1 Bedroom Unit Price	2 Bedroom Unit Price	3 Bedroom Unit Price
Moderate (70%)	\$176,773	\$214,840	\$250,370
Low (50%)	\$122,391	\$149,582	\$174,960
Very Low (30%)	\$68,009	\$84,323	\$99,550

Source: Affordable Housing Professionals of New Jersey Affordable Housing Regional Income Limits, May 2019; Maximum sales prices per the proposed 2019 income limits table.



HOUSING ELEMENT/FAIR SHARE PLAN REQUIREMENTS

In accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1, et seq.), a municipal Master Plan must include a housing element as the foundation for the municipal zoning ordinance. Pursuant to the FHA, a municipality's housing element must be designed to provide access to affordable housing to meet present and prospective housing needs, with particular attention to low- and moderate-income housing. The housing element must contain at least the following, as per the FHA at N.J.S.A. 52:27D-310:

- **An inventory of the municipality's housing stock** by age, condition, purchase or rental value, occupancy characteristics, and type, including the number of units affordable to low- and moderate-income households and substandard housing capable of being rehabilitated (refer to Housing, Demographic and Employment Analysis sub-section);
- **A projection of the municipality's housing stock**, including the probable future construction of low- and moderate-income housing, for the next 10 years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development, and probable residential development trends (refer to the Consideration of Lands Appropriate for Affordable Housing sub-section);
- **An analysis of the municipality's demographic characteristics**, including, but not necessarily limited to, household size, income level, and age;
- **An analysis of the existing and probable future employment characteristics** of the municipality;
- **A determination of the municipality's present and prospective fair share of low- and moderate-income housing and its capacity to accommodate** its present and prospective housing needs, including its fair share of low- and moderate-income housing; and
- **A consideration of the lands most appropriate for construction of low- and moderate-income housing and of the existing structures most appropriate for conversion to**, or rehabilitation for, low- and moderate-income housing, including a consideration of lands of developers who have expressed a commitment to provide low- and moderate-income housing (refer to the Consideration of Lands Appropriate for Affordable Housing sub-section).



HOUSING, DEMOGRAPHIC AND EMPLOYMENT ANALYSIS

HOUSING CHARACTERISTICS

The 2013-2017 American Community Survey (ACS)⁷ indicates that Ocean Township has approximately 11,562 housing units, with 887, or 7.7%, vacant. The Township’s housing stock consists predominantly of single-family detached units (63.4%). The Township’s percentage of single-family detached units is higher than that of the state (50.2%) and similar to Monmouth County (61.5%). The percentage of housing units in Ocean Township that are in multi-family buildings (29.9%) is higher than that of the county (24.5%), but lower than that of the state (35.3%). The percentage of Ocean Township’s housing stock that is townhouses (6.8%) is similar to both the county’s (8.0%) and the state’s (9.0%). Renter-occupied units comprise approximately 31.8% of all occupied units, which is more than 20% higher than the county’s percentage of renter-occupied housing (26.2%) and 11.4% lower than the state’s (35.9%). See Table 4, Housing Units by Number of Units in Structure.

Number of units	Total Units	% Total	Owner Occupied	% Owner Occupied	Rentals	Vacant
1, detached	7,330	63.4%	6,174	53.4%	527	629
1, attached	786	6.8%	689	6.0%	46	51
2	174	1.5%	15	0.1%	159	-
3 or 4	487	4.2%	14	0.1%	424	49
5 to 9	459	4.0%	19	0.2%	440	-
10 to 19	1,406	12.2%	29	0.3%	1,275	102
20 or more	920	8.0%	63	0.5%	801	56
Mobile home	-	0.0%	-	0.0%	-	-
Boat, RV, van, etc.	-	0.0%	-	0.0%	-	-
Total	11,562	100.0%	7,003	60.6%	3,672	887

Source: 2013-2017 American Community Survey 5-Year Estimate (B25032, DP04).
*The margins of error for these values exceed the estimated counts. For that reason, the estimates may be unreliable.

⁷ The American Community Survey replaced the long-form Census as the source for much of the housing data necessary to complete this section. The Census is a one-time count of the population while this ACS is an estimate taken over five years through sampling. As such, data in the ACS is subject to a margin of error.



Table 5, Housing Units by Year Built, illustrates the decades during which the Township’s housing units were built. Approximately 47.5% of Ocean Township’s housing stock was built prior to 1970. The median year homes in the Township were built, 1971, makes the Township’s homes slightly older than those in the county overall (median year built = 1973) but newer than those in the state overall (median year built = 1967).

TABLE 5. OCEAN TOWNSHIP HOUSING UNITS BY YEAR BUILT, 2017				
Year Built	Total Units	Percent	Owner	Renter
2014 or later	18	0.2%	18	-
2010 to 2013	88	0.8%	88	-
2000 to 2009	868	8.1%	681	187
1990 to 1999	1,152	10.8%	868	284
1980 to 1989	1,413	13.2%	865	548
1970 to 1979	2,062	19.3%	1,083	979
1960 to 1969	1,887	17.7%	1,024	863
1950 to 1959	1,464	13.7%	1,068	396
1940 to 1949	483	4.5%	429	54
1939 or earlier	1,240	11.6%	879	361
Totals	10,675	100.0%	7,003	3,672
Median Year built:	1971		1971	1972
<i>Source: 2013-2017 American Community Survey 5-Year Estimate (B25036, B25037)</i>				



Table 6, Housing Units by Number of Rooms, 2017, and Table 7, Number of Bedrooms per Housing Unit, 2017, show that housing in Ocean Township skews larger; almost half of the Township’s housing units have seven or more rooms. Housing units with three or more bedrooms comprise 56.3% of all housing units in Ocean Township, similar to the percentage in the state overall (57.4%) but lower than the percentage in Monmouth County overall (63.7%).

TABLE 6. OCEAN TOWNSHIP HOUSING UNITS BY NUMBER OF ROOMS, 2017		
Rooms	Number of Units	Percentage of Total
1	29	0.3%
2	134	1.2%
3	844	7.3%
4	1,705	14.7%
5	1,489	12.9%
6	1,911	16.5%
7	1,595	13.8%
8	1,671	14.5%
9+	2,184	18.9%
Total	11,562	100.0%

Source: 2013-2017 American Community Survey 5-Year Estimate (DP04)

TABLE 7. OCEAN TOWNSHIP NUMBER OF BEDROOMS PER HOUSING UNIT, 2017		
Bedrooms	Number of Units	Percent of Total
Efficiency	34	0.3%
1	2,367	20.5%
2	2,663	23.0%
3	2,841	24.6%
4	2,620	22.7%
5+	1,037	9.0%
Total	11,562	100.0%

Source: 2013-2017 American Community Survey 5-Year Estimate (DP04)



Table 8, Housing Values, shows that the median housing value in Ocean Township increased 102% between 2000 and 2017. Monmouth County experienced slightly lower value increases during this time (95%). Ocean Township had a slightly lower median home value compared to the county in 2000 (\$198,100 vs. \$203,100) and a higher median home value in 2017 (\$400,000 vs. \$396,200).

TABLE 8. OCEAN TOWNSHIP HOUSING VALUES, 2017 AND 2000				
Housing Unit Value	2017 Units	Percent	2000 Units	Percent
Less than \$10,000	91*	1.3%	-	0.0%
\$10,000 to \$99,999	80*	1.1%	85	1.3%
\$100,000 to \$249,999	367	5.2%	4,537	68.7%
\$250,000 to \$299,999	603	8.6%	821	12.4%
\$300,000 to \$399,999	2,361	33.7%	627	9.5%
\$400,000 to \$499,999	1,632	23.3%	266	4.0%
\$500,000 to \$749,999	1,368	19.5%	204	3.1%
\$750,000 to \$999,999	291	4.2%	48	0.7%
\$1,000,000 or more	210*	3.0%	12	0.2%
Total	7,003	100.0%	6,600	100.0%
Median	\$400,000		\$198,100	
Sources: 2000 Census (H074), 2013-2017 American Community Survey 5-Year Estimate (DP04, B25075) *The margins of error for this information exceed the estimated counts. As such, the estimates may be unreliable.				



The median rent in Ocean Township in 2017 was \$1,132, compared to \$1,315 across Monmouth County. See Table 9, Ocean Township and Monmouth County, Gross Rent, 2017.

TABLE 9. OCEAN TOWNSHIP AND MONMOUTH COUNTY GROSS RENT, 2017				
Gross Rent	Ocean Township		Monmouth County	
	Units	Percent	Units	Percent
Less than \$100	-	0.0%	189	0.3%
\$100 to \$149	-	0.0%	128	0.2%
\$150 to \$199	11*	0.3%	221	0.4%
\$200 to \$249	49*	1.3%	1,061	1.7%
\$250 to \$299	5*	0.1%	654	1.1%
\$300 to \$349	19	0.5%	498	0.8%
\$350 to \$399	-	0.0%	645	1.1%
\$400 to \$449	8*	0.2%	592	1.0%
\$450 to \$499	4*	0.1%	366	0.6%
\$500 to \$549	47	1.3%	660	1.1%
\$550 to \$599	-	0.0%	384	0.6%
\$600 to \$649	-	0.0%	428	0.7%
\$650 to \$699	-	0.0%	576	0.9%
\$700 to \$749	11	0.3%	712	1.2%
\$750 to \$799	5*	0.1%	714	1.2%
\$800 to \$899	46	1.3%	1,787	2.9%
\$900 to \$999	947	25.8%	4,301	7.1%
\$1,000 to \$1,249	1,260	34.3%	12,996	21.3%
\$1,250 to \$1,499	551	15.0%	8,830	14.5%
\$1,500 to \$1,999	211	5.7%	11,702	19.2%
\$2,000 or more	462*	12.6%	10,992	18.0%
No cash rent	36	1.0%	2,486	4.1%
Total	3,672	100.0%	60,922	100.0%
Median Rent	\$1,132		\$1,315	

Source: 2013-2017 American Community Survey 5-Year Estimate (DP04, B25063)
 *The margin of error for this information exceeds the estimated counts. As such, the estimates may be unreliable.



Housing is generally considered to be affordable if the costs of rents, mortgages, and other essential costs consume 28% or less of a homeowner household’s income or 30% or less of a renter household’s income. (Homeowner rates are lower to account for the additional home maintenance costs associated with ownership.) In Ocean Township, 33.2% of homeowner households and 55.0% of renter households (an average of 40.6% of all households in the Township) pay 30% or more of their monthly income toward housing costs. See Table 10, Housing Affordability.

TABLE 10: OCEAN TOWNSHIP HOUSING AFFORDABILITY, 2017						
Monthly Housing Cost as % of Income	Owner-Occupied	% of Total	Renter	% of Total	All Occupied	% of Total
Less than 20 Percent	2,745	39.5%	820	22.8%	3,565	33.8%
20 to 29 Percent	1,903	27.4%	796	22.2%	2,699	25.6%
30 Percent or More	2,306	33.2%	1,973	55.0%	4,279	40.6%
Total	6,954	100.0%	3,589	100.0%	10,543	100.0%
<i>Source: 2013-2017 American Community Survey 5-Year Estimate (DPo4)</i>						
<i>*Difference in number due to margin of error</i>						

Though the definition of deteriorated housing has evolved over several iterations of the state’s affordable housing regulations, the currently accepted criteria for determining whether a housing unit is in a deficient state are (1) the unit is overcrowded (contains more than 1 person per room) and is more than 50 years old; (2) the unit has inadequate plumbing; or (3) the unit has inadequate kitchen facilities. While Table 11, Indicators of Deficiency, 2017, shows the number of units meeting each criterion, it should not be interpreted as reflecting the Township’s Rehabilitation obligation, as it does not account for double counting units containing more than one indicator of deficiency and it shows overcrowding in units built prior to 1950 instead of 1967, due to constraints in available data tables.

TABLE 11: OCEAN TOWNSHIP INDICATORS OF HOUSING DEFICIENCY, 2017			
Indicator	Incomplete Plumbing	Incomplete Kitchen	Crowded or Overcrowded, and Built Pre-1950
Number of Units	33	38	0*
<i>Source: 2013-2017 American Community Survey 5-Year Estimate (DPo4, B25050)</i>			
<i>*The margin of error for this information exceeds the estimated counts. As such, the estimates may be unreliable</i>			



GENERAL POPULATION CHARACTERISTICS

The Township has seen its population grow by 1.2% since the 2000 census, while New Jersey's population grew by 4.5% and Monmouth County's by 2.5% during the same period. See Table 12, [Population Growth](#).

	1990	2000	% Change	2010	% Change
Ocean Township	25,058	26,959	7.6%	27,291	1.2%
Monmouth County	553,093	615,301	11.2%	630,380	2.5%
New Jersey	7,730,188	8,414,347	8.9%	8,791,894	4.5%

Sources: 1990, 2000, and 2010 US Census

Ocean Township has seen its 25- to 44-year-old population shrink by 21.8%, and its population of children under age 14 drop by 13.3%, but its population of adults 45 or older grew by 22% and its population of young adults between 15 and 24 grew by 12.5%. This pattern suggests that fewer younger families, but more families with older children and more empty-nesters, are living in the Township, something that may be a result of the sharp rise in housing prices noted in Table 8, above.

The Township saw particular growth (44.2%) in the number of adults between 55 and 74, which helps to account for the substantial increase in the median age of Township residents, from 38.4 to 42.8. See Table 13, [Ocean Township Age Distribution, 2000 and 2010](#).

Age Group	2000	Percent	2010	Percent	Percent Change
Under 5	1,698	6.3%	1,458	5.3%	-14.1%
5-14	4,013	14.9%	3,495	12.8%	-12.9%
15-24	2,959	11.0%	3,329	12.2%	12.5%
25-34	3,296	12.2%	2,787	10.2%	-15.4%
35-44	4,744	17.6%	3,504	12.8%	-26.1%
45-54	4,378	16.2%	4,482	16.4%	2.4%
55-64	2,596	9.6%	4,056	14.9%	56.2%
65-74	1,838	6.8%	2,338	8.6%	27.2%
75+	1,437	5.3%	1,842	6.7%	28.2%
Total	26,959	100%	27,291	100%	1.2%
Median Age:	38.4		42.8		11.5%

Sources: 2000 and 2010 US Census



Household Characteristics

A household is defined by the U.S. Census Bureau as those people who occupy a single room or group of rooms constituting a housing unit; however, these people may or may not be related. As a subset of households, a family is identified as a group of people including a householder and one or more people related by blood, marriage or adoption, all living in the same household. In 2010, there were 10,611 households in the Township, with an average of 2.57 people per household and an average of 3.09 people per family. Approximately 54.8% of the households are married couples with or without children. Approximately 30.1% of the Township's households are non-family households, which include individuals living alone. See Table 14, Ocean Township Household Composition, 2010.

TABLE 14. HOUSEHOLD COMPOSITION, 2010		
Household Type	Number of Households	Percent
Family households	7,417	69.9%
Married-couple family	5,815	54.8%
<i>With Children</i>	2,453	23.1%
Male householder, no spouse present	449	4.2%
<i>With Own Children Under 18</i>	184	1.7%
Female householder, no spouse present	1,153	10.9%
<i>With Own Children Under 18</i>	561	5.3%
Nonfamily households	3,194	30.1%
<i>Householder living alone</i>	2,640	24.9%
Total Households	10,611	100%
<i>Source: 2010 US Census</i>		



INCOME CHARACTERISTICS

Households in Ocean Township have on average similar incomes as are found in Monmouth County overall. Median income in 2017 in Ocean Township was \$82,941 for households and \$105,481 for families. Comparable figures for the county were \$91,807 for households and \$115,075 for families. Table 15, Household Income by Income Brackets, 2017, shows the number of households in each of the income categories.

TABLE 15. OCEAN TOWNSHIP HOUSEHOLD INCOME BY INCOME BRACKETS, 2017		
	Households	Percent
Less than \$10,000	337	3.2%
\$10,000-\$14,999	449	4.2%
\$15,000-\$24,999	710	6.7%
\$25,000-\$34,999	798	7.5%
\$35,000-\$49,000	941	8.8%
\$50,000-\$74,999	1,679	15.7%
\$75,000-\$99,999	1,354	12.7%
\$100,000-\$149,999	2,114	19.8%
\$150,000-\$199,999	1,118	10.5%
\$200,000 +	1,175	11.0%
Total	10,675	100.0%
Median Income:	\$82,941	
<i>Source: 20013-2017 American Community Survey 5-Year Estimate (DP03)</i>		

The Township's poverty rates for individuals and families (9.7% and 7.8%, respectively) are higher than the county's individual and family rates (7.6% and 5.1%, respectively), although lower than the state's rates (10.7% and 7.9%, respectively). See Table 16, Individual and Family Poverty Rates, 2017, for the comparison.

TABLE 16. INDIVIDUAL AND FAMILY POVERTY RATES, 2017		
Location	Individuals	Families
Ocean Township	9.7%	7.8%
Monmouth County	7.6%	5.1%
New Jersey	10.7%	7.9%
<i>Source: 2013-2017 American Community Survey 5-Year Estimate (DP03)</i>		



EMPLOYMENT CHARACTERISTICS

Table 17, Distribution of Employment by Industry, Ocean Township Residents, 2017, shows the distribution of employment by industry for employed Ocean Township residents. The four industries that capture the largest segments of the population were the education, health and social services industry at 29.0%; retail trade industry at 12.7%, professional, scientific, management, administrative and waste management services industry at 11.2%; and arts, entertainment, recreation, accommodation and food services at 9.5%.

TABLE 14. DISTRIBUTION OF EMPLOYMENT BY INDUSTRY, OCEAN TOWNSHIP RESIDENTS, 2017		
Sector	Number	Percent
Agriculture, Forestry, Fishing and Hunting, and Mining	-	0.0%
Construction	752	5.5%
Manufacturing	587	4.3%
Wholesale Trade	390	2.9%
Retail Trade	1,740	12.7%
Transportation, Warehousing, and Utilities	854	6.2%
Information	436	3.2%
Financing, Insurance, Real Estate, Renting, and Leasing	1,041	7.6%
Professional, Scientific, Management, Administrative, and Waste Management Services	1,531	11.2%
Educational, Health and Social Services	3,971	29.0%
Arts, Entertainment, Recreation, Accommodation and Food Services	1,306	9.5%
Other	566	4.1%
Public Administration	510	3.7%
Total	13,684	100.0%
<i>Source: 2013-2017 American Community Survey 5-Year Estimate (DP03)</i>		



Table 18, Employment by Occupation, Ocean Township, 2017, identifies the occupations of employed residents of the Township. While Ocean Township residents work in a variety of industries, 42.9% of employed residents work in management, professional, and related occupations, while sales and office occupations employ 26.0% of residents.

TABLE 18. OCEAN TOWNSHIP EMPLOYMENT BY OCCUPATION, 2017		
Occupation	Number	Percent
Management, Business, Science, Arts	5,875	42.9%
Service	2,243	16.4%
Sales and Office	3,561	26.0%
Natural Resources, Construction, Maintenance	807	5.9%
Production, Transportation, Material Moving	1,198	8.8%
Total	13,684	100.0%

Source: 2013-2017 American Community Survey 5-Year Estimate (DP03)

Since 2010, the size of the Ocean Township labor force has grown and unemployment has fallen. The Township’s unemployment rate fell from 8.5% in 2010 to 3.9% in 2017. In 2017, the labor force in Ocean Township consisted of 14,784 people. The 2017 ACS indicates that in 2017 there were 21,971 residents ages 16 and older, indicating that approximately 7,187 working-age residents are not in the labor force or are not looking for employment. Table 19, Change in Employment Since 2010, illustrates these trends.

TABLE 19: OCEAN TOWNSHIP CHANGE IN EMPLOYMENT SINCE 2010				
Year	Labor Force	Employment	Unemployment	Unemployment Rate (%)
2010	14,971	13,696	1,275	8.5%
2011	14,994	13,700	1,294	8.6%
2012	14,988	13,733	1,255	8.4%
2015	14,884	13,802	1,082	7.3%
2014	14,855	13,999	856	5.8%
2015	14,909	14,148	761	5.1%
2016	14,799	14,161	638	4.3%
2017	14,784	14,202	582	3.9%

Source: New Jersey Department of Labor and Workforce Development



The New Jersey Department of Labor tracks covered employment throughout the state. Covered employment data includes only those jobs for which unemployment compensation is paid. By definition it does not cover the self-employed, unpaid family workers, most part-time or temporary employees, and certain agricultural and in-home domestic workers. Table 20, Covered Employment Estimates, shows the number of covered jobs in Ocean Township.

TABLE 20. OCEAN TOWNSHIP COVERED EMPLOYMENT ESTIMATES		
Year	Ocean Township	Monmouth County
2017	10,736	258,909

Source: New Jersey Department of Labor, Division of Planning and Research, Office of Demographic and Economic Analysis, New Jersey Covered Employment Trends.



Retail Trade and Health/Social were the largest sectors of in-town private-sector occupations, with 2,773 and 1,518 jobs, respectively. In the public sector, local government and local government education employment captured the largest number of jobs, for a total average of 1,706. Although limited data was available, Table 21, Covered Employment by Sector, 2017, provides additional information on covered jobs in Ocean Township.

TABLE 21. OCEAN TOWNSHIP COVERED EMPLOYMENT BY SECTOR, 2017

	Employment					Wages	
	March	June	Sept.	Dec.	Average	Annual	Weekly
Private Sector Municipality Total	8,678	9,115	9,093	9,252	9,005	\$43,637	\$839
Construction	452	491	500	488	479	\$65,742	\$1,264
Manufacturing	259	279	266	281	270	\$47,683	\$917
Wholesale Trade	241	274	252	250	252	\$55,891	\$1,075
Retail Trade	2,632	2,741	2,827	2,987	2,773	\$37,338	\$718
Information	24	22	27	22	22	\$24,330	\$468
Finance/Insurance	303	314	318	330	311	\$81,412	\$1,566
Real Estate	116	129	131	125	131	\$37,602	\$723
Professional/Technical	527	527	530	516	527	\$77,111	\$1,483
Admin/Waste Remediation	467	540	550	488	509	\$43,900	\$844
Education	454	454	432	452	446	\$34,219	\$658
Health/Social	1,496	1,520	1,563	1,552	1,518	\$49,003	\$942
Arts/Entertainment	200	195	158	190	199	\$12,795	\$246
Accommodations/Food	971	1,090	1,016	1,025	1,038	\$19,482	\$375
Other Services	478	480	461	472	471	\$47,494	\$913
Unclassified	21	22	24	40	25	\$41,678	\$802
Federal Government Municipality Total	14	18	17	15	15	\$61,034	\$1,174
Local Government Municipality Total	1,083	1,163	977	1,073	1,003	\$60,975	\$1,173
Local Government Education Total	820	845	694	816	713	\$56,846	\$1,093
Total Covered Employment	9,775	10,296	10,087	10,340	10,736		

Source: New Jersey Department of Labor, Division of Planning and Research, Office of Demographic and Economic Analysis, New Jersey Covered Employment Trends.



As Table 22, Journey to Work, 2017, shows, workers from Ocean Township are more likely to drive to work (81.6%) than are workers across the county or state (75.8% and 71.5%, respectively) and are similarly likely to carpool (7.5% vs. 7.1% and 8.0%). Township workers are far less likely to take mass transit (2.9%) than workers in the county or state overall (7.9% and 11.5%, respectively). Additionally, 5.2% of workers work from home, and 0.5% walk to work.

TABLE 22. JOURNEY TO WORK, 2017			
Mode	Ocean Township	Monmouth County	New Jersey
Drive Alone	81.6%	75.8%	71.5%
Carpool	7.5%	7.1%	8.0%
Transit	2.9%	7.9%	11.5%
Walk	0.5%	2.0%	3.0%
Work at Home	5.2%	5.2%	4.2%
Other	2.3%	2.0%	1.8%

Source: 2013-2017 American Community Survey: Selected Economic Characteristics (DP03)

About 60% of the Township’s households own two or more personal vehicles, while 4.2% of households in Ocean Township own no vehicle. Lack of vehicle ownership may be an indicator of lower income households, or it may be an indicator of the availability of transit options. See Table 23, Available Vehicles by Household, 2013-2017.

TABLE 20. AVAILABLE VEHICLES BY HOUSEHOLD, 2013-2017		
Vehicles	Count	Percent
None	445	4.2%
One	3,900	36.5%
Two	4,099	38.4%
Three +	2,231	20.9%
Total	10,675	100.0%

Source: 2013-2017 American Community Survey: Selected Housing Characteristics (DP04)



As shown in Table 24, Top 10 Commuting Destinations for Ocean Township Residents below, Long Branch is the most common employment destination for Township residents, followed closely by Ocean Township itself. Other local destinations occupy all but the no. 7 slot, which goes to New York City.

TABLE 24. TOP 10 COMMUTING DESTINATIONS FOR OCEAN TOWNSHIP RESIDENTS, 2017		
Destination	Jobs	Percent
Long Branch	336	4.1%
Ocean Township	318	3.9%
Toms River	227	2.8%
Asbury Park	206	2.5%
Tinton Falls	204	2.5%
Eatontown	177	2.1%
New York City	145	1.8%
West Long Branch	126	1.5%
Point Pleasant	121	1.5%
Neptune City	68	0.8%
All Other Locations	6,318	76.6%

Source: US Census and Center for Economic Studies. Longitudinal Employer-Household Dynamics, 2017



POPULATION PROJECTIONS

The Delaware Valley Regional Planning Commission (DVRPC), the Metropolitan Planning Organization that addresses Ocean Township as well as the remainder of Monmouth County, published population and employment projections for the year 2040. The DVRPC projects that the Township’s population and employment will increase by 4.9% and 21.6%, respectively, from 2010 to 2040. As Table 25, Population, Household, and Employment Projections, 2010 to 2040, shows, the Township’s projected population growth rate is much lower than that of the county, while its projected employment growth rate is much higher than that of the county.

TABLE 25. POPULATION, HOUSEHOLD, AND EMPLOYMENT PROJECTIONS, 2010 to 2040						
	Ocean Township			Monmouth County		
	2010	2040	% Change	2010	2040	% Change
Population	27,290	8,630	4.9%	630,400	696,900	10.5%
Households	10,610	10,920	2.9%	234,000	252,500	2.9%
Employment	9,570	11,640	21.6%	246,200	327,200	12.8%

Sources: DVRPC Regional, County, and Municipal Population Forecasts, 2010-2040. ADR 18-A, March 2013; DVRPC Regional, County, and Municipal Employment Forecasts, 2010-2040. ADR 19, January 2013

The Fair Housing Act requires that housing plans include a 10-year projection of new housing units based on the number of building permits, demolition permits, development applications approved, and probable developments, as well as other indicators deemed appropriate (N.J.S.A. 52:27D-310.b). Building permit issuance for residential new construction in Ocean Township during the years 2000 through 2018 averaged approximately 76 units per year, and residential demolition permits averaged 13.42 per year, for an average net new residential construction of 63 units per year.

If this rate were to remain constant, Ocean Township would see approximately 376 new dwellings by July 1, 2025, and 626 new dwellings by the year 2029. However, during the Third Round, the Township anticipates inclusionary residential development activity under construction at Toll Brothers, Cindy Lane Apartments, and Wayside Point, and planned for Roosevelt Properties and Ocean Glades, which may raise the number of new dwellings anticipated by 2025 by more than 300. Factors such as economic cycles, zoning, environmental constraints, and physical obstacles to development may also result in a lower or higher actual number. Table 26, Housing Projections, provides an estimate of anticipated residential growth based on the extrapolation into the future of prior housing activity and planned new development.



TABLE 26. HOUSING PROJECTIONS TO 2025			
Year	Residential Demolition Permits Issued	New Residential Building Permits Issued	Net New Residential Construction
2000	16	40	24
2001	6	115	109
2002	4	226	222
2003	4	42	38
2004	12	249	237
2005	13	127	114
2006	12	110	98
2007	7	27	20
2008	6	23	17
2009	3	30	27
2010	5	24	19
2011	9	32	23
2012	6	31	25
2013	13	42	29
2014	5	22	17
2015	14	113	99
2016	108	25	-83
2017	9	71	62
2018	3	94	91
Total 2000 to 2018	255	1,443	1,188
19-Year Average	13.42	75.95	62.53
10-Year Projection (July 2019 to July 2029) – background growth	134.2, round up to 135	759.6, round up to 760	625.3, round up to 626
Six-year projection to 2025 – background growth plus new affordable housing development		415 from Toll Brothers, Cindy Lane Apartments, Wayside Point, Roosevelt Properties and Ocean Glades	375.6 background growth + 415 affordable housing development = 790.6, round up to 791
<i>Source: NJDCA Construction Reporter, Building Permits, Yearly Summary Data, Residential Demolition Permits and Housing Units Authorized by Building Permit for New Construction.</i>			



OCEAN TOWNSHIP AFFORDABLE HOUSING HISTORY

The Township of Ocean prepared a housing element as part of its overall Master Plan in 1990. In 2009, Ocean Township adopted a resolution formally committing to comply with its Mount Laurel obligations (Resolution 09-173) and the Township filed a Motion for Temporary Immunity. A 2010 Consent Order set forth by the Honorable Paul A. Kapalko determined that Ocean Township's affordable housing obligation would be limited to the municipality's Present Need and First and Second Round (Prior Round) fair share obligation. COAH's Prior Round obligation for Ocean Township was 873 units, per N.J.A.C. 5:93. As the Township has limited vacant, developable land, the municipality conducted a vacant land analysis (VLA) in April 2011. This analysis, involving the review of 850 sites deemed to be either vacant or municipally/publicly owned, calculated a Prior Round realistic development potential (RDP) of 216 units with a Prior Round Unmet Need of 657 units.

On June 27, 2011, the Township adopted its Housing Element and Fair Share Plan to address its Prior Round affordable housing obligation as determined by Judge Kapalko. The Township proposed to satisfy its 216-unit Prior Round RDP through existing affordable family rental units at Primrose Place; existing group home bedrooms; the proposed addition of new affordable units at an existing affordable senior rental housing complex called Poplar Village, built in 1971; the reconstruction of the balance of the 40-year-old senior affordable rentals at Poplar Village; inclusionary zoning on the Roosevelt and Wayside Point (formerly known as BVB) sites; a market-to-affordable rental program; and, if needed, a 100% affordable housing development at 777 West Park Avenue. On July 28, 2011, the Township submitted the plan to the New Jersey Superior Court.

On September 1, 2011, Frank Banisch III, PP, AICP, the court-appointed Special Master, issued a master's report recommending that the Township modify its April 2011 RDP calculation of 216 units to a 240-unit RDP, resulting in a 633-unit prior round Unmet Need. Subsequently, the Township took substantial actions to address the revised Master-approved 240-unit Prior Round RDP and the Township's Unmet Need.

On July 6, 2015, the Township filed its Declaratory Judgment action with the Superior Court, listing in plan summary filings with the Court in October and December of 2015 its efforts to address its RDP. As a result of mediation through the Superior Court, in January 2019, the Township and FSHC negotiated and executed a Settlement Agreement (see Appendix B). The Township's agreement with FSHC established the Township's three-part Third Round fair share obligation (including an updated combined Prior Round and Third Round RDP) and set forth the Township's preliminary compliance mechanisms to address its RDP and Unmet Need. This plan includes updated information to conform to the terms of the Settlement Agreement.

In a report dated April 1, 2019, Special Court Master Banisch recommended that the Township's Settlement Agreement with FSHC be approved. The Ocean Township/FSHC Settlement Agreement was approved by the Honorable Linda Grasso Jones, J.S.C., at a Fairness Hearing on April 5, 2019, as reflected in an order dated June 25, 2019 (see Appendix B). The Court's approval established the Township's Third Round fair share and provided preliminary approval of the Township's compliance efforts. The Township received continued immunity from builder's-remedy lawsuits, which the Court had granted a number of times and which continues to protect the Township.

2019 Third Round Housing Element and Fair Share Plan

OCEAN TOWNSHIP, MONMOUTH COUNTY, N.J.



In addition to the Township’s formal efforts to address its fair share affordable housing obligations noted above, Ocean Township also has a long history of providing a multitude of multi-family, garden apartment residential opportunities for low- and moderate-income households to live in the community, attend schools in the community, and participate in all aspects of community life. In addition to the affordable housing units in the Township with formal affordability controls, there are a significant number of unrestricted but modestly priced rental apartments in the Township. As set forth in the Township’s 2011 adopted housing element and fair share plan and as noted herein, the rents at the vast majority of its existing apartment units were affordable or would reasonably be considered affordable according to a 2009 study conducted by the Township (see attached map of garden apartment complexes).

In 2009, the Township did an inventory of the garden apartments in the municipality and documented the rents charged, based on information either gleaned from speaking with staff/managers at each apartment complex or gathered from the apartment complex’s website. The Township compared the rents at those complexes with COAH’s permitted rents in 2009.

As described in the “Affordability Requirements” section above, COAH defines moderate-income households as households with gross incomes less than 80% of the regional median income; however, COAH set the maximum allowed rents lower, to be affordable to a household earning no more than 60% of the regional median income. COAH defines rent as “affordable” if it equals 30% or less of a household’s income. Table 27. Maximum Affordable Rents, 2009 and 2019, shows 2009 and 2019 maximum illustrative net rents at 60% of regional median income and a reasonable net rent based on income levels at 80% of the regional median income.

TABLE 27. MAXIMUM AFFORDABLE RENTS, 2009 AND 2019				
Unit Size	Maximum COAH Rent at 60% of Median Income		Maximum Rent at 80% of Median Income	
	2009	2019	2009	2019
1 bedroom	\$893	\$1,044	\$1,223	\$1,422
2 bedrooms	\$1,066	\$1,253	\$1,463	\$1,708
3 bedrooms	\$1,266	\$1,479	\$1,684	\$1,972

Source: Council on Affordable Housing 2009, Affordable Housing Professionals of New Jersey 2019

Existing Affordable Apartments (Restricted and not Restricted)

LOCATION:
Ocean Township, Monmouth County, NJ

DATE:
November 2019

Legend

 Restricted and not Restricted Sites



Aerial Source:
New Jersey 2016 High Resolution Orthophotography, MAD83(2011), MSID Tiles
Publisher: NJ Office of Information Technology (NJGIT)
Office of Geographic Information Systems (OGIS)
Publication Date: 2/24/2016

Wetlands Source:
Wetlands (from Land Use/Land Cover 2012 Update), Edition 2/17/2015
Publisher: NJ Department of Environmental Protection (NJDEP)
Division of Information Technology (DOIT)
Bureau of Geographic Information System (BGIS)

Special Flood Hazard Area Source:
Title: National Flood Hazard Layer (NFHL)
Organization Name: Federal Emergency Management Agency
Special Flood Hazard Layer (NFHL)
Date Type: Publication Date
Edition: Version 1.1.1.0

Slope Source:
Slope Source: Derived from:
National Flood Hazard Layer (NFHL)
Derived Digital Elevation Model (DEM), Non-Hydro-Flattened
Originator: New Jersey Department of Environmental Protection
Publication Date: 10/17/2012



0 0.75 Miles

Clarke Caton Hintz  
Architecture
Planning
Landscape Architecture



The apartment complexes surveyed, totaling 3,155 units (including name, unit totals, number of bedrooms, and range of rents in 2009 and 2019 where available), are listed in Table 28, below, along with 151 new affordable units that have come online since 2009:

TABLE 28. PUBLISHED RENTS AT OCEAN TOWNSHIP APARTMENT COMPLEXES, 2009 and 2019

Name	Number and Type of Units	Rent Range, 2009	Rent Range, 2019
Twinbrook Village	880 units, 1 and 2 BR	\$795 to \$1,175	\$1,040 to \$1,550
Middlebrook at Monmouth	916 units, 1 and 2 BR	\$850 to \$1,150	\$1,070 to \$1,390
Continental Gardens	602 units, 1 and 2 BR	\$790 to \$1,245	\$950 to \$1,490
West Park Manor	344 units, 1 and 2 BR	\$945 to \$1,300	\$1,275 to \$1,620
Whalepond Village (now Heritage Village at Ocean)	96 units, 1 BR	Income-restricted rents from \$799	Income-restricted rent \$1,081
Poplar Village	93 units, eff. and 1 BR	Income-restricted rents from \$669 to \$1,000	Income-restricted rents from \$791 to \$998 (2018)
Wanamassa Gardens	66 units, 1 and 2 BR	\$975 to \$1,300	\$1,245 to \$1,475
Wanamassa Drive Apartments	14 units; no other information provided		
Primrose Place	144 units: 125 market-rate units all 2 BR; 19 affordable units, 1, 2 and 3 BR	Market-rate rents from \$1,850 to \$2,225; Income-restricted rents from \$368 to \$1,192	
Heritage Village at Oakhurst	93 units, 1 and 2 BR		Income-restricted rents from \$469 to \$1,318
Cindy Lane Apartments	47 units, 1 BR, 2 BR and 3 BR		Income-restricted rents from \$287 to \$1,316
Wayside Point	11 units, 1 BR, 2 BR and 3 BR		Income-restricted rents from \$374 to \$1,286

From the survey and current rent information it is clear that in both 2009 and 2019, most of the multi-family and garden apartment units in the Township of Ocean were and are either restricted affordable units or can reasonably be deemed to be affordable units based on the rents charged.

To put the affordability of the Township’s existing garden apartments into more perspective, in 2011 the Township reviewed the number of students in the Township, and specifically the number who resided in the garden apartments, who were eligible for free or reduced-cost lunch pursuant to the federal school lunch program. The federal income eligibility guidelines for the free and reduced-cost lunch program are a percentage of the federal poverty guidelines, and for the 2010-2011 school year in New Jersey, these equated to a maximum annual income for a family of four of \$28,665 for free lunch and \$40,793 for reduced-cost lunch. By comparison, in 2009 COAH deemed a family of four with an annual income of up to \$44,125 to



be eligible as a low-income household, and a family of four with an annual income of up to \$70,599 to be eligible as a moderate-income household. Thus a student eligible for free or reduced-cost lunch was by definition part of a household that COAH defined as low- or moderate-income.

For 2019, a four-person household earning \$47,638 or less is eligible for reduced-price school lunches, and a four-person household earning \$33,475 or less is eligible for free school lunches. The Court-approved income limits deem a family of four making \$33,475 in Monmouth County to be at 32.5% of area median income, and a family of four making \$47,638 to be at 46.2% of area median income. Thus, a student eligible for free or reduced-cost lunch in 2019 was also by definition part of a household considered low-income.

In March 2011, the Township of Ocean School District, which serves grades K – 12, had a total enrollment of 4,022 students, of whom 826 students, or 20.5%, were eligible for free or reduced-cost lunch. In 2017, according to the New Jersey Department of Education, the district had an enrollment of 3,519, of which 697, or 19.8%, were eligible for free or reduced-cost lunch. Of those students in 2011, the Township found that 485, or almost 60%, resided in the five largest garden apartment complexes (Continental, Middlebrook at Monmouth, Twinbrook, West Park Manor and Wanamassa Gardens).

This further indication that even before COAH was established, both the restricted and the unrestricted garden apartments that existed in the Township in 2009 have served the region's low- and moderate-income households well. It is also further confirmation that the Township has not utilized its zoning powers to exclude low- and moderate-income households from the community.

Availability of Existing and Planned Infrastructure

According to New Jersey American Water, which provides public water service to the Township, there is sufficient capacity to provide water to all the inclusionary developments (market-rate and affordable units) proposed to address the Township's RDP of 280 units and all of its Unmet Need inclusionary development compliance mechanisms. It notes that mains of various dimensions are located near the boundaries of all proposed development sites. According to the Township of Ocean Sewerage Authority, the Township has sufficient sewer treatment capacity to handle the increased volume from all its compliance mechanisms; however, it recommends further study to determine whether the collection system has the necessary capacity, and it indicates that some infrastructure improvements for some of the Unmet Need compliance mechanisms may be necessary. (See Appendix C for the letters of capacity to serve.)

Anticipated Land Use Patterns

Anticipated land use patterns in Ocean Township will continue to favor a variety of housing types, and will range from single-family infill development in residential neighborhoods to upper-story apartments with an affordable housing set-aside in Ocean Township's neighborhood commercial districts (the C-1 District, including Norwood Avenue). The Township anticipates adopting a redevelopment plan for a vacant site (Ocean Glades) owned by the Township that will allow for inclusionary residential development with an affordable housing set-aside, and will adopt either inclusionary overlay zoning or a redevelopment plan for Seaview Square Mall (by December 2020 per the Township's Settlement Agreement with FSHC) and will



adopt inclusionary overlay zoning for both golf courses in the Township that will also allow for future residential development with an affordable housing set-aside. The Township anticipates that the overlay zoning on the Seaview Square Mall will create a mixed-use development to assist in maintaining the health of the commercial uses by adding a residential component.

Constraints on Development

The Township is located entirely within the Metropolitan Planning Area, PA 1, and not within the jurisdiction of the Meadowlands, Highlands, or Pinelands planning areas. A small corner of the Township is within the CAFRA boundary, specifically, the section of Norwood Avenue covered by an inclusionary zone that is included as an Unmet Need compliance mechanism in this plan. However, the Township does not anticipate that CAFRA requirements would preclude the anticipated future inclusionary Unmet Need development. There are no known federal regulations that would hinder the development projected as part of the Township's Third Round Housing Element and Fair Share Plan.

There are no Category 1 waterways or associated buffers in the Township. The CAFRA boundary, the wetlands areas designated by the New Jersey Department of Environmental Protection, and the FEMA 100-year flood plains present in the Township do not limit the development proposed to address its RDP and the possibility of redevelopment of several overlay zones to assist in addressing Unmet Need. There are some sites that will require remediation as the Township implements its affordable housing compliance plans, and some remediation efforts are already under way.

The only significant open, developable lands in Ocean Township are two golf courses; most other new development will require the redevelopment of existing structures.

Consideration of Lands Appropriate for Affordable Housing

As part of this housing element, the Township has considered land that is appropriate for the construction of low- and moderate-income housing and considered all lands of developers who have expressed a commitment to provide low- and moderate-income housing, including the majority of sites in the plan. Consistent with smart growth planning principles, the Township has chosen to intersperse affordable housing throughout the existing residential neighborhoods in the Township and in proximity to transportation corridors. The Township has analyzed whether additional inclusionary zoning or 100% affordable housing sites would serve the Township in the Third Round and has included several sites in the plan.

The Township believes that the projects described in this document represent the best options for affordable housing development within the Township. The Township's affordable inclusionary housing sites and 100% affordable housing sites all provide opportunities for very low-, low- and moderate-income households to be a part of the community and have access local schools, public transportation, parks and services.



OCEAN TOWNSHIP'S AFFORDABLE HOUSING OBLIGATION

Rehabilitation Obligation

The Rehabilitation obligation can be defined as an estimate of the number of deteriorated housing units existing in Ocean Township that are occupied by low- and moderate-income households. The Court-approved agreement with FSHC established the Township's Third Round Rehabilitation obligation at 57 units.

Prior Round Obligation

The Prior Round obligation can be defined as the cumulative 1987 through 1999 new construction affordable housing obligation. This time period corresponds to the First and Second Rounds of affordable housing. The Court approved the usage of COAH's previously established Prior Round obligation of 873 units per N.J.A.C. 5:93 as reflected in the Township's agreement with FSHC. In 2011, the Court Master previously recommended approval of a Prior Round vacant land adjustment (VLA) for the Township. In addition, as more fully described below, in 2019 Judge Grasso Jones preliminarily confirmed approval of an updated combined Prior Round and Third Round VLA in her June 25, 2019 Order.

Third Round Obligation

This estimated demand for affordable housing includes the "gap" portion of the Third Round that has already passed (1999-2015), as well as a projection 10 years into the future starting in July 2015. The 10-year period is derived from the Fair Housing Act, which, when amended in 2001, set the projection for this length of time (N.J.S.A. 52:27D-310).

As established by the Township's Court-approved 2019 agreement with FSHC, Ocean Township's Third Round obligation (1999-2025) is 518 units.⁸ The Township's updated VLA establishes a combined Prior Round and Third Round RDP of 280 units and an Unmet Need of 1,111 units (873 Prior Round + 518 Third Round – 280 combined RDP = 1,111 combined Unmet Need).

⁸ The 518-unit Third Round obligation represented a 30% reduction of a 740-unit calculation assigned to the Township as part of a report prepared by David Kinsey, Ph.D., for FSHC. As a term of the Township's agreement with FSHC, if the ultimate Third Round obligation for the Township is determined to be reduced to 414 or lower by a court of competent jurisdiction, the Township can petition the Superior Court to reduce the Third Round obligation, but has committed to keeping all the compliance mechanisms reflected in the 2019 agreement.



OCEAN TOWNSHIP'S AFFORDABLE HOUSING PLAN

Satisfaction of the Rehabilitation Obligation

The Township proposes to address its 57-unit Rehabilitation share through the eligible rehabilitation of 57 affordable units at Heritage Village at Ocean (formerly known as Whalepond Village). Almost \$18,000 per unit, for a total of \$1.7 million, has been spent to rehabilitate the affordable units. Although the 57-unit Rehabilitation share has been fully addressed, the Township will also continue to participate in the Monmouth County Housing Improvement Program.

Ocean Township's rehabilitation programs have adhered and will adhere to the regulations in N.J.A.C. 5:93-5.2. Specifically, all rehabilitated units will comply with the definition of a substandard housing unit in N.J.A.C. 5:93-1.3, which defines it as "a housing unit with health and safety code violations that require the repair or replacement of a major system." Major systems include weatherization, roofing, plumbing, heating, electricity, sanitary plumbing, lead paint abatement and/or load-bearing structural systems. All rehabilitated units will meet the applicable construction code. Additionally, all rehabilitated units will be occupied by low- or moderate-income households and upon completion of the rehabilitation, 10-year affordability controls will be placed on the property in the form of a lien or deed restriction.

Rehabilitation of Heritage Village at Ocean (formerly Whalepond Village)

Heritage Village at Ocean is an existing 96-unit affordable rental complex, including 90 age-restricted affordable units, five special-needs units and a superintendent's unit. It was purchased by the Township from K. Hovnanian in 1994 and transferred in 2013 to Community Investment Strategies (CIS), an experienced affordable housing developer, which now owns and operates the complex. The Township sold the property at a net loss of \$500,000 in order to preserve affordability controls on the units for an additional 30 years. CIS has expended \$1.745 million, an average of \$18,177 per unit, rehabilitating all 95 affordable units and the superintendent's unit in the complex. This fully satisfies the Township's 57-unit Rehabilitation obligation, and the Township will apply five (5) of the remaining 38 rehabilitated extension-of-controls affordable units (special-needs units) to address its RDP, and the balance of 33 rehabilitated extension-of-controls affordable units (age-restricted) to address its Unmet Need.

Ocean Township's rehabilitation efforts comply with all applicable COAH regulations at N.J.A.C. 5:93-5.2. A minimum average of \$10,000 in hard costs per unit, in accordance with N.J.A.C. 5:97-6.2(b)2, has been spent bringing units up to code through the repair or replacement of at least one major system per unit (the major systems repaired or replaced at Whalepond Village include new roofs and siding on all buildings). Rehabilitated units must have affordability controls imposed for at least 10 years from the date of completion of the rehabilitation work; the units at Heritage Village at Ocean have 30-year controls. (See Appendix D for details on the rehabilitation of these units.)

Monmouth County Housing Improvement Program

As reflected in its ongoing Interlocal Services Agreement (Appendix E), the Township of Ocean will continue to participate in the Monmouth County Housing Improvement Program, an experienced affordable housing rehabilitation program, to operate a rehabilitation program in the Township. These



programs utilize federal Community Development Block Grant (CDBG) and HOME Investment Partnership funds. (See Appendix E for the program's operating manual.)

As the rehabilitation at Heritage Village at Ocean is already completed with all necessary crediting documentation provided herein, to the extent that the county rehabilitates a unit in the Township, the Township will oversee the completion of annual rehabilitation program monitoring reports and will submit them in a timely manner in accordance with N.J.A.C. 5:93-5.2 and pursuant to the terms of the Township's agreement with FSHC.



Satisfaction of the 280-Unit Combined Prior Round and Third Round (1987-2025) RDP

Pursuant to its settlement with FSHC, the Township's Prior Round and Third Round (1987-2025) combined obligation of 1,391 units has been adjusted to an RDP of 280 units and Unmet Need of 1,111 units. In addition to satisfying the RDP and proposing mechanisms to assist in addressing Unmet Need, the Township must also adhere to a minimum rental obligation, a minimum family rental obligation, a maximum number of age-restricted units, a minimum very low-income requirement, and a minimum number of family very low-income units.

RDP Maximum Age-Restricted = 70 units

0.25 (RDP obligation)
= 0.25 (280) = 70 units

RDP Minimum Rental Units = 70 units

0.25 (RDP obligation)
= 0.25 (280) = 70 units

RDP Minimum Family Units = 105 units

0.50 (RDP obligation - bonuses)
= 0.50 (280-70) = 105 units

RDP Minimum Family Rental Units = 35 units

0.50 (RDP rental obligation)
= 0.50 (70) = 35 units

RDP Minimum Very Low-Income Units = 27 units

0.13 (units constructed, approved or proposed, after 7/17/2008)
= 0.13 (226 from completed, approved, and proposed developments noted in the Settlement Agreement)
= 29.4 round up = 30 units

RDP Minimum Very Low-Income Family Units = 15 units

0.50 (minimum very low-income units)
= 0.50 (30) = 15 units

Third Round Rental Bonus Credits

1. A rental unit available to the general public receives one rental bonus;
2. An age-restricted unit receives a 0.33 rental bonus, but no more than 50% of the rental obligation shall receive a bonus for age-restricted units; and
3. No rental bonus is granted in excess of the rental obligation.



Pursuant to the Township’s December 10, 2018 vacant land analysis, which is attached to the Township’s Court-approved Settlement Agreement with FSHC as Exhibit B, the Township of Ocean’s Prior Round and Third Round combined obligation (1987-2025) has been adjusted to an RDP of 280 units and Unmet Need of 1,111 units. COAH permits new construction credits and rental bonuses to be used to address the 280-unit combined RDP.

As summarized in Table 29, Summary of Combined Prior Round and Third Round 280-Unit RDP Compliance, the Township has addressed its 280-unit obligation with completed, approved and proposed family, special-needs, and senior units. The majority will be rentals, and a portion of one development (Roosevelt) may be for-sale units. Pursuant to N.J.A.C. 5:93-5.15(d), rental bonuses for family rental units are allocated on a one-for-one basis, meaning that for every rental unit built or with a firm commitment, two credits are calculated up to a rental bonus cap of 25% of the RDP, which, in the case of Ocean Township means a 70-unit rental bonus cap.

TABLE 29. Ocean Township Summary of Combined Prior Round and Third Round 280-Unit RDP Compliance				
Compliance Mechanism	Type	Total Credits	Bonuses	Total
Primrose Place – completed	Inclusionary family affordable rental	19	19	38
Enable, Inc. – completed	Special needs	4	0	4
SERV, Inc. – completed	Special needs	5	0	5
Heritage Village at Ocean (Whalepond Village) – completed (5 of 95; extension of controls)	Special needs	5	0	5
Heritage Village at Oakhurst (777 W. Park) – completed (75 of 92)	Affordable senior rental (70) and special needs (5)	75	0	75
Cindy Lane Apartments – completed	100% affordable family rental	47	47	94
Wayside Point (formerly BVB) – under construction	Inclusionary family affordable rental	11	4	15
Roosevelt Properties site – proposed (5 on-site or, if settlement, 2 on-site/3 off-site)	Inclusionary family affordable sale/rental	5	0	5
Ocean Glades site – proposed	Inclusionary family affordable rental	43	0	43
Total		214	70	284

Affordable Housing Sites: RDP Sites and Unmet Need Sites

LOCATION: Ocean Township, Monmouth County, NJ

DATE: November 2019

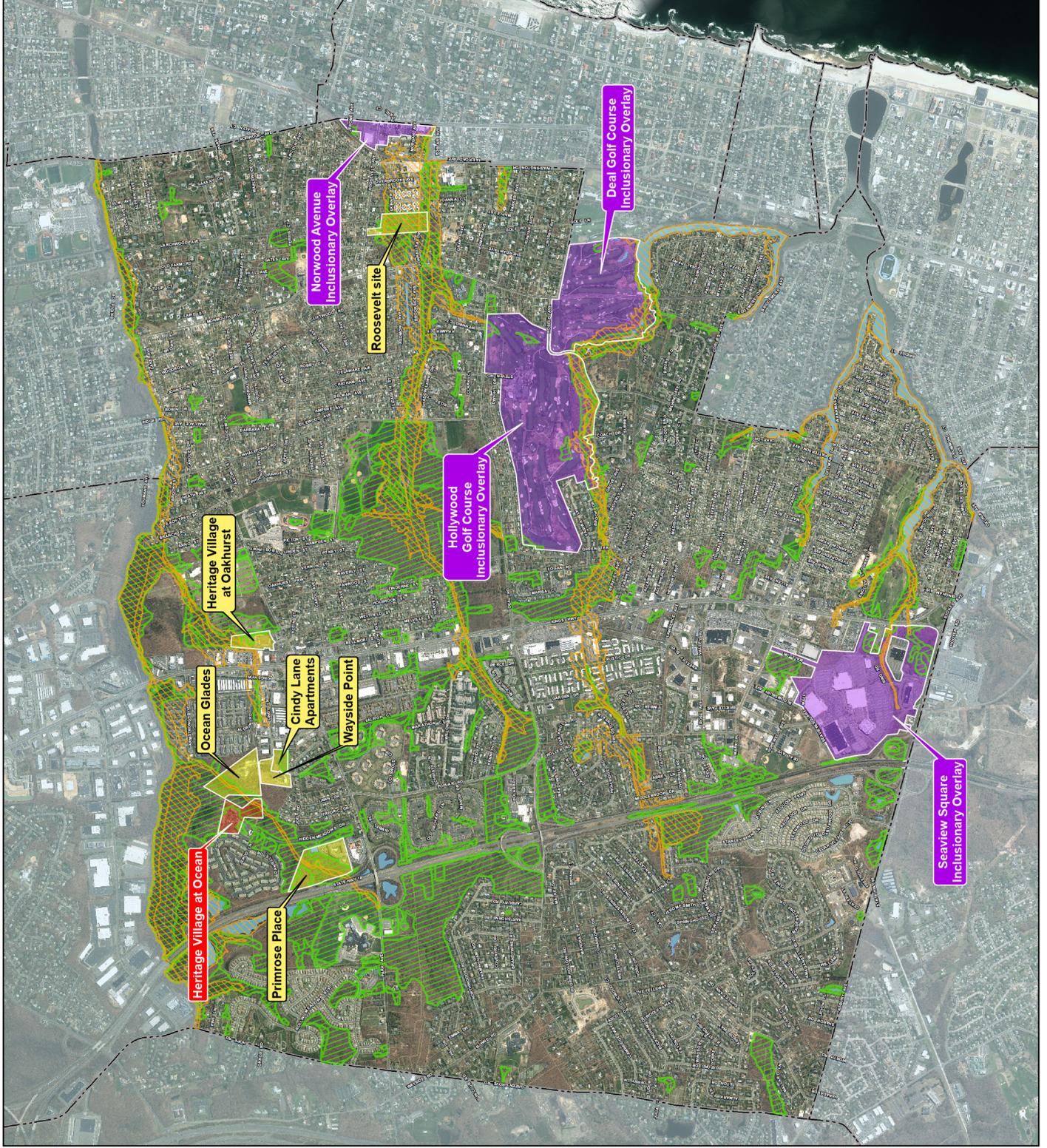
Legend

Affordable Housing Round

-  Present Need / Unmet Need / 5 to RDP
-  Combined Prior Round and Third Round RDP
-  Unmet Need (Prior Round/ Third Round)

Environmental Constraints

-  Wetlands (NJDEP 2012)
-  Water
-  100yr flood (Special Flood Hazard Area)



Aerial Source:
New Jersey 2015 High Resolution Orthophotography, NAD83(2011), MSID Tiles
Publisher: NJ Office of Information Technology (NJ.OIT)
Office of Geographic Information Systems (OGIS)
Publication Date: 2/24/2016

Wetlands Source:
Wetlands (from Land Use/Land Cover 2012 Update), Edition: 2/17/2015
Publisher: NJ Department of Environmental Protection (NJDEP)
Division of Information Technology (DOIT)
Bureau of Geographic Information System (BGIS)

Special Flood Hazard Area Source:
Title: National Flood Hazard Layer (NFHL)
Organization Name: Federal Emergency Management Agency
Date Type: Publication Date
Edition: Version 1.1.0

Slope Source:
Slope Source: Derived from
New Jersey 2015 High Resolution Orthophotography, NAD83(2011), MSID Tiles
Derived Digital Elevation Model (DEM), Non-Hydro-Flattened
Originator: New Jersey Department of Environmental Protection
Publication Date: 10/17/2012



Clarke Caton Hintz    

Architecture
Planning
Landscape Architecture



INCLUSIONARY DEVELOPMENT – COMPLETED OR UNDER CONSTRUCTION

Primrose Place (completed)

There are 19 completed affordable family rental units at Primrose Place, Block 1.02, Lot 72, at 20 Hidden Meadows Drive. In 2001, Fieldstone Associates, Inc. received Planning Board approval to construct 124 total senior market-rate rental housing units. The building had been constructed and partially occupied. In 2009, Fieldstone received approval from the Township to remove the age restriction for the entire complex provided it constructed an addition to accommodate an affordable housing set-aside for the development. (See Appendix F for crediting documentation for Primrose Place, including the Planning Board resolution memorializing this agreement; the executed developer's agreement; and the executed agreement between the Township and the developer requiring adherence to COAH regulations for these units.)

The affordable units received certificates of occupancy in 2011, are affordability-controlled via the above-noted COAH agreement, have been affirmatively marketed, and are occupied. The developer of Primrose Place, Fieldstone Associates d/b/a Ocean Seniors, LLC, sold the property in 2017 to an entity known as Primrose Estates, LLC. Primrose Estates must contract with the Township's Administrative Agent, Community Grants, Planning and Housing, LLC. (CGP&H), which will continue to affirmatively market the units, income-qualify applicants, and provide long-term administration of the units in accordance with the Uniform Housing Affordability Controls (UHAC) per N.J.A.C. 5:80-26.1. Proof of such administrative agent contract and the appropriate deed restrictions of at least 30 years will be provided.

The 19 affordable family rentals satisfy a portion of the Township's rental requirement, and satisfy the required low/moderate income split: 10 of the affordable rentals are reserved for low-income households (including one one-bedroom and one two-bedroom unit reserved for very low-income households pursuant to the FHA as amended by P.L. 2008, c.46) and nine are reserved for moderate-income households. In addition, the bedroom distribution requirement per the developer's agreement required four one-bedroom units, 11 two-bedroom units and four three-bedroom units. This bedroom distribution addresses UHAC at N.J.A.C. 5:80-26.3(b) for the two- and three-bedroom requirements, although technically only three (3) one-bedroom units were permitted instead of four (3.8 was rounded to 4.0). To the extent an extra two-bedroom unit can be provided elsewhere in the Township, Ocean Township will strive to offset this extra one-bedroom unit. The Township is eligible for 19 family rental affordable housing credits as well as 19 rental bonus credits.

Wayside Point (formerly BVB site) (under construction)

The owner of an approximately 5.9 acre site (Block 1.02, lots 52.01, 53.01 and 54.01) brought Mount Laurel litigation against the Township in a matter entitled BVB II Associates v. Township of Ocean and the Planning Board of Ocean, Docket No. MON-L-4316-09. With the guidance of the Special Master, the Township and BVB II Associates reached a settlement agreement signed October 2, 2015, which received approval from the Court in an Order dated January 25, 2016 after a fairness hearing on December 4, 2015.

Pursuant to the Court-approved BVB settlement agreement, the Township rezoned the site to allow for the construction of 72 housing units, 11 of which are affordable (a 15% affordable housing set-aside). The inclusionary development received site plan approval in September 2017. The 11 affordable units are family



affordable rental units, of which 13%, or two (2) units, are affordable to very low-income residents. The project is under construction and will soon be ready for occupancy. Wayside Point will maintain affordability controls on these units of at least 30 years through a filed affordable housing deed restriction in accordance with N.J.A.C. 5:80-26.1, allowing them to address in part the Township's rental obligation. The developer has retained CGP&H, the Township's experienced affordable housing Administrative Agent, to affirmatively market and administer the affordable units (See Appendix G for crediting documentation.)

ALTERNATIVE LIVING ARRANGEMENTS – COMPLETED

Enable, Inc.

Enable, Inc., is an experienced provider of supportive and special needs housing in New Jersey and operates a four-bedroom group home at 604 W. Park Avenue (Block 33.08, Lot 2). The group home received a certificate of occupancy on January 6, 2000, and was licensed on August 29, 2000. Enable, Inc., received capital funding from the Division of Developmental Disabilities (DDD). The state's required Capital Application Funding Unit agreement letter established a 20-year renewable operating contract. COAH's policies have historically honored the 20-year renewable DDD funding agreement as addressing the appropriate affordability controls. The four bedrooms in the group home are eligible for credit (COAH provides credit by the bedroom for group homes per N.J.A.C. 5:93-5.8(b)). (See Appendix H for crediting documentation, including the group home survey, DDD funding agreement, and the most recent available license.)

SERV, Inc.

SERV, Inc. is an experienced provider of supportive and special needs housing in New Jersey and operates a five-bedroom group home at 21 Hillside Terrace (Block 182, Lot 20). The group home was initially established by Developmental Services of New Jersey, Inc. and opened on February 18, 2002. Developmental Services received a license for the facility on March 1, 1999. Since then, the group home has expanded, with a building permit application in November 1999 and a certificate of occupancy issued on July 12, 2001. At the request of DDD, SERV took over the group home in 2009, and that year received almost \$345,000 in funding from DDD, which required a Capital Application Funding Unit agreement letter establishing a 20-year renewable operating contract. (See Appendix H for crediting documentation, including the group home survey, DDD funding agreement, and current license.)

EXTENSION OF CONTROLS

Heritage Village at Ocean (formerly Whalepond Village)

As noted above, Heritage Village at Ocean (Block 1.02, Lot 21.02) is an existing 96-unit affordable rental complex that includes 90 age-restricted affordable units, five special-needs units and a superintendent's unit. The complex was purchased by the Township in 1994 and transferred in 2013 to Community



Investment Strategies (CIS), an experienced affordable housing developer, in order to preserve affordability controls on the units. New 30-year affordability controls were imposed on all of the affordable units in 2013, and in 2015 all of the units were extensively rehabilitated. To satisfy its 57-unit Rehabilitation share, the Township is claiming credit for 57 of the 90 age-restricted affordable units at Heritage Village at Ocean, and will apply the remaining 33 credits to its Unmet Need. In accordance with N.J.A.C. 5:97-6.14, the Township will apply five credits from the extension of controls on the five special-needs units towards its combined Prior Round and Third Round RDP. (See Appendix D for the required documentation under N.J.A.C. 5:97-6.14, including deed restriction, financing agreements, cost breakdown and schedule of rehabilitation work, and a unit census.)

MUNICIPALLY SPONSORED 100% AFFORDABLE HOUSING

Heritage Village at Oakhurst (formerly 777 W. Park) (completed)

The 777 W. Park Avenue site (Block 3, Lots 16.03 and 16.04), now known as Heritage Village at Oakhurst, is located off West Park Avenue and consists of approximately 6.85 acres. The Township bonded for \$1.3 million to purchase the site in June 2003, and later transferred it to CIS. In May 2013 the Township signed an agreement with CIS to develop and administer a 100% affordable senior rental housing project. The Township also provided a low-interest loan of \$300,000 to help cover construction costs. It contains 92 affordable units, of which 87 are senior affordable rentals and five are very low-income special needs units. As noted in the Township's VLA inventory attached to the Township's Settlement Agreement with FSHC, 62 of the 92 total units are replacement housing units that were reassigned from Poplar Village after that property flooded during Hurricane Irene and the damaged units were demolished. The project received a 4% tax credit award and received approximately \$11 million in CDBG-Disaster Recovery funds. Of the Township's originally bonded amount, \$500,000 is considered affordability assistance, at \$100,000 each, for the five very low-income units.

The building contains 82 one-bedroom units and 10 2-bedroom units. The units received certificates of occupancy in 2016, and have 45-year affordability controls. The Township is subject to a cap on senior affordable units, and so is claiming only 70 credits from the total 87 senior affordable units at Heritage Village at Oakhurst, and will carry forward the balance of 17 senior rental credits toward its Unmet Need (see Appendix I for the developer's agreement, financing documents and unit census).

Cindy Lane Apartments (completed)

In September 2015, the Township amended the existing zoning district to allow a 100% affordable housing use on this municipally owned site (Block 1.02, Lot 51.11). In October 2015, the Township approved a developer's agreement with Affordable Housing Alliance (AHA), an experienced nonprofit affordable housing developer, to develop, market, and administer the site with 47 family affordable rental units and one superintendent's unit. The development received tax credits and NJHMFA/CDBG funding of more than \$12 million, and has affordability controls of at least 30 years through a filed affordable housing deed restriction. The project was completed in the spring of 2019 and final certificates of occupancy are expected

2019 Third Round Housing Element and Fair Share Plan



in November 2019. There are six very low-income units, 18 low-income units and 23 moderate-income units, distributed across nine one-bedroom units, 27 two-bedroom units and 12 three-bedroom units. The project is eligible for 47 rental bonuses. (See Appendix J for crediting documentation.)

INCLUSIONARY DEVELOPMENTS – PROPOSED

In accordance with N.J.A.C. 5:93-5.6, zoning for inclusionary developments shall conform to N.J.A.C. 5:93-5.3. The following information is required for each site designated for the construction of low- and moderate-income units:

- General description and mapping of the site including acreage, current zoning, surrounding land uses and street access;
- Description of any environmental constraints including steep slopes, wetlands and flood plain areas;
- Description and mapping of sewer and water lines within the service area;
- Status of the Areawide Water Quality Management Plan and Wastewater Management Plan;
- Description of:
 - Number of housing units;
 - Gross and net density of the development;
 - Total number of low- and moderate-income units including very-low income units;
 - Number of low- and moderate-income units for sale or for rent.

Inclusionary Development

A development containing low- and moderate-income units among market rate units. Although N.J.A.C. 5:93 requires 20% of units to be affordable in for-sale developments and 15% of units to be affordable in rental developments, for a vacant land adjustment town, COAH at N.J.A.C. 5:93-5.6(b)¹ requires a 20% set-aside for all tenure types.

Inclusionary development may also be a mixed-use development with non-residential uses elsewhere on site or with affordable units on upper stories.

In addition, sites identified for affordable housing are required to be approvable, available, developable and suitable as defined in N.J.A.C. 5:93-1.3.

An approvable site is a site that may be developed for low- and moderate-income housing in a manner consistent with the rules or regulations of all agencies with jurisdiction over the site even though it may not be currently zoned for low- and moderate-income housing. An available site is a site with clear title and free of encumbrances that may preclude development for low- and moderate-income housing. A developable site is a site that has access to appropriate water and sewer infrastructure and is consistent with the applicable water quality management plan or is included in an amendment to that plan which has been submitted to and placed under review by the NJDEP. A suitable site is a site that is adjacent to compatible land uses, has access to appropriate streets and is consistent with environmental policies.



Roosevelt Properties site

In 2009, the owner of a site of approximately 10.75 acres (Block 22/lots 11, 12, and 22) brought Mount Laurel litigation against the Township in a matter entitled Roosevelt Properties, LLC v. Township of Ocean, Docket No. MON-L-5930-09. Although the Township and Roosevelt Properties are currently negotiating a settlement, because it is not yet finalized, the Township includes the Roosevelt Properties site in this plan and will adopt inclusionary zoning. (See aerial map.)

The site presently contains an existing residence fronting Roosevelt Avenue and a small warehouse structure to the rear of the residence. Slightly more than three-quarters of the tract is constrained by wetlands. The remaining approximately 2.48 acres, shaped as an L, also include a portion within a FEMA-designated 100-year floodplain (Special Flood Hazard Area) that must be addressed during the development process. This L-shaped area is generally surrounded by existing single-family detached homes to the north across Roosevelt Avenue and to the east and west along the same side of Roosevelt Avenue. The existing Poplar Village senior affordable rental complex is to the southeast of the Roosevelt Properties site, separated by a dense vegetated area within the site's wetland area.

The property will be rezoned to a multi-family zoning district in order to accommodate the proposed 22-unit development, which will include 17 market-rate units and five affordable units. In lieu thereof, subject to the entry of an agreement with the Township, the developer of the subject property shall be permitted to construct 22 units on-site (20 market-rate units and two (2) moderate-income affordable units) and three (3) off-site low-income affordable units (including one (1) very low-income unit) to be provided through a payment in lieu of construction. The two (2) on-site moderate-income units may be either for-sale or rental. To meet the required 20% affordable-housing set-aside, in lieu of constructing three additional low-income units (including one (1) very low-income unit), Roosevelt Properties will pay into the Ocean Township Affordable Housing Trust Fund the sum of \$500,000, as follows: \$12,500 as a condition of the issuance of the building permit for each of the 20 market-rate units, and \$12,500 as a condition of the issuance of the final certificate of occupancy for each of the 20 market-rate units. These payments combine to represent \$166,666 for each of the three low-income units (including one very low-income unit) not constructed on the site.

The Fair Share Plan presumes that the developer of the subject property will enter into an agreement with the Township and pursue the payment-in-lieu option discussed above. If not, the rezoning will permit the developer to construct 17 market-rate units and five affordable units (two moderate-income, two low-income and one very low-income) on the Roosevelt site. Subject to the standards set forth in the Rezoning Ordinance attached as Appendix K, the affordable units may be constructed only on the portion of the Roosevelt site outside of the Flood Hazard Area delineated by the NJDEP.

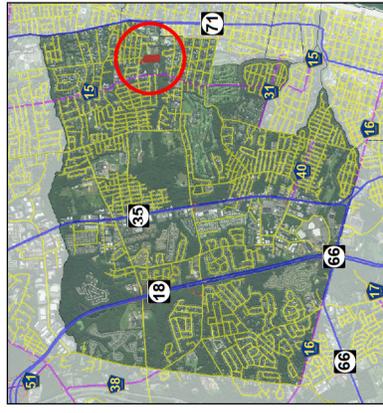
Roosevelt Site Block 22 / Lots 11, 12 & 22

LOCATION:
Ocean Township, Monmouth County, NJ

DATE:
November 2019

Legend

-  Site
-  NJDEP Wetlands + 50ft buffer
-  LOI shown for Block 22/ Lots 11, 12 and 22
-  100yr flood (Special Flood Hazard Area)
-  Streams
-  Slopes
15 Percent and above

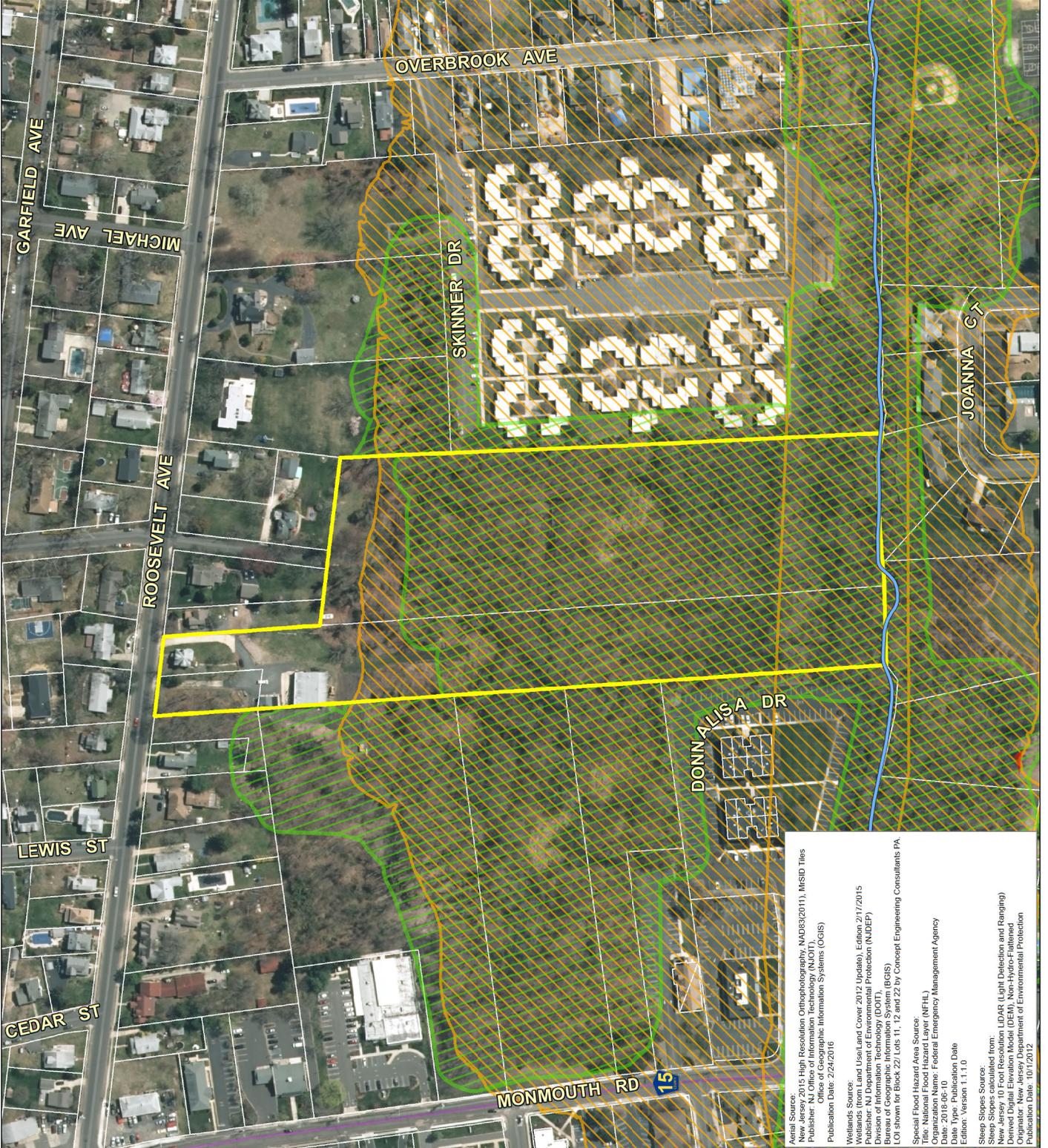


KEY MAP



250 FT

Clarke Caton Hintz
Architecture
Planning
Landscape Architecture



Agency Sources:
New Jersey 2015 High Resolution Orthophotography, NAD83(2011), MDSID Tiles
Publisher: NJ Office of Information Technology (NJOTT)
Office of Geographic Information Systems (OGIS)
Publication Date: 2/24/2016

Wetlands Source:
Wetlands (from Land Use/Land Cover, 2012 Update), Edition 2/17/2015
Publisher: NJ Department of Environmental Protection (NJDEP)
Division of Information Technology (DOIT)
Office of Geographic Information Systems (OGIS)
Date: 2018-06-10
LOI shown for Block 22/ Lots 11, 12 and 22 by Concept Engineering Consultants PA

Special Flood Hazard Area Source:
Title: National Flood Hazard Layer (NFHL)
Publisher: Federal Emergency Management Agency
Date: 2018-06-10
Edition: Version 1.1.1.0

Slopes Source:
Slopes calculated from:
New Jersey 10 Foot Resolution, LIDAR (Light Detection and Ranging)
Derived Digital Elevation Model (DEM), Non-Hydro-Flattened
Originator: New Jersey Department of Environmental Protection
Publication Date: 10/1/2012



The proposed inclusionary zoning for the Roosevelt Properties site addresses COAH's rules at N.J.A.C. 5:93-5.6, "Zoning for Inclusionary Development," as follows:

- **Site Suitability:** The site is suitable as defined in COAH's regulations at N.J.A.C. 5:93-1.3. The Township is not aware of encumbrances that would preclude the development of affordable housing on the property. The site is adjacent to residential land uses and the site has access to appropriate streets including Roosevelt Avenue. There are no historic structures listed on the State or National Historic Registers on the site, and the property is not within a historic district listed on the State or National Historic Registers.

New Jersey American Water has represented that water infrastructure is currently available at the site and there is sufficient water capacity to meet the needs of the proposed development. The Township of Ocean Sewerage Authority has indicated that there is sewer infrastructure available at the site, and there is sufficient capacity in both the collection system and the treatment plant to handle the anticipated increase in volume. The site must be developed consistent with the Residential Site Improvement Standards and all other state regulations, such as those of the NJDEP.

Like all of the Township, the site is located in PA 1 of the State Development and Redevelopment Plan and, pursuant to N.J.A.C. 5:93-13.2, the PA 1 State Plan designation of the site provides a presumption of validity regarding consistency with the State Plan. According to COAH's regulations, a PA 1 site is the preferred location for a municipality to address its affordable housing obligation.

- **Compensatory Benefit:** COAH's regulations require a municipality to provide a developer with a compensatory benefit for the provision of affordable housing through inclusionary zoning. The Township believes it has provided the site's owner with an appropriate compensatory benefit with the proposed zoning at a net density of approximately nine units per acre for up to 22 total units on-site, including 17 market-rate and five (5) affordable units. Again, if the site developer enters into an agreement with the Township, the compensatory benefit remains with the proposed zoning at a net density of approximately 10 units per acre for up to 25 total units, with 20 market-rate and five affordable units (two affordable units on-site and a payment-in-lieu provision for three units off-site that satisfies the required affordable housing set-aside of 20%).
- **Amenities:** The affordable units at the Roosevelt Properties site must have the same heating source as the market-rate units and must have access to all community amenities available to the market-rate units in the development.
- **Administrative Entity:** The developer of the Roosevelt Properties site must contract with an experienced affordable housing Administrative Agent to administer the affordable units. The experienced Administrative Agent shall income-qualify applicants and shall provide long-term administration of the units in accordance with COAH's rules at N.J.A.C. 5:93 et seq. and the UHAC per N.J.A.C. 5:80-26. If the developer does not contract with the Township's Administrative Agent, the Township must approve the developer's selection of Administrative Agent.



- **Low/Moderate Income Split:** The proposed agreement satisfies the requirement that at least half of all the affordable units generated by development at the Roosevelt Properties site be affordable to low-income households per N.J.A.C. 5:93-2.20 and the UHAC at N.J.A.C. 5:80-26. In the case of an odd number of affordable units, the split is always in favor of the low-income unit, per COAH rules. The inclusionary zoning will permit three (3) low-income, including one (1) very low-income unit and two (2) moderate-income units. If there is a settlement, the inclusionary zoning will permit the two on-site affordable units to be moderate-income, with the in-lieu payment for the three off-site affordable units to cover two low-income units and one very low-income unit per the FHA.
- **Affirmative Marketing:** The affordable units at the Roosevelt Properties site must be affirmatively marketed in accordance with COAH's rules at N.J.A.C. 5:93 et seq. and the UHAC per N.J.A.C. 5:80-26.1, and with the terms of the Court-approved Settlement Agreement.
- **Controls on Affordability:** The affordable units must have affordability controls of at least 30 years in accordance with N.J.A.C. 5:93 et seq. and N.J.A.C. 5:80-26.1.
- **Bedroom Distribution:** The affordable units must meet the bedroom distribution requirement pursuant to UHAC requirements at N.J.A.C. 5:80-26.1. One of the two on-site units must be a two-bedroom unit and one must be a three-bedroom unit.

Ocean Glades site (proposed)

As part of its Settlement Agreement with FSHC, the Township has agreed to designate Block 1.02, Lot 33.01, otherwise known as the Ocean Glades property, as an area in need of redevelopment, for a proposed inclusionary development of up to 218 total units to produce up to 46 affordable family rental units (including the three potential off-site affordable units from the Roosevelt site). The Township currently owns the 14.6-acre property, which has long been vacant, and has used it recently for Department of Public Works activities. (See aerial map.) The designation will fulfill all necessary statutory and regulatory criteria set forth in the Local Redevelopment and Housing Law (LRHL), N.J.S.A. 40A:12A-1 to 63.

Ultimately to address COAH's regulations on Redevelopment at N.J.A.C. 5:97-6.6 and to comply with the terms of the Settlement Agreement, the Township will, within 90 days of the Court's issuance of a Judgment of Repose (JOR), adopt a resolution directing the Planning Board to conduct a study as to whether the property meets the criteria for an area in need of redevelopment pursuant to the LRHL. If the Planning Board determines that the criteria have been met, within one year of the issuance of the JOR the governing body will designate the site as an area in need of redevelopment. Within 15 months of the JOR, the Township will issue a request for proposals seeking a redeveloper for the site, and will designate a redeveloper within 18 months of the JOR.

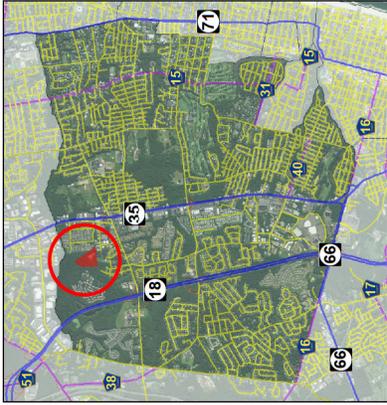
Ocean Glades Block 1.02 / Lot 33.01

LOCATION:
Ocean Township, Monmouth County, NJ

DATE:
November 2019

Legend

-  Site
-  Wetlands:
-  Wetlands survey shown for Block 1.02/ Lots 33 and 33.02
-  150ft Wetlands buffer
-  100yr flood (Special Flood Hazard Area)
-  Streams

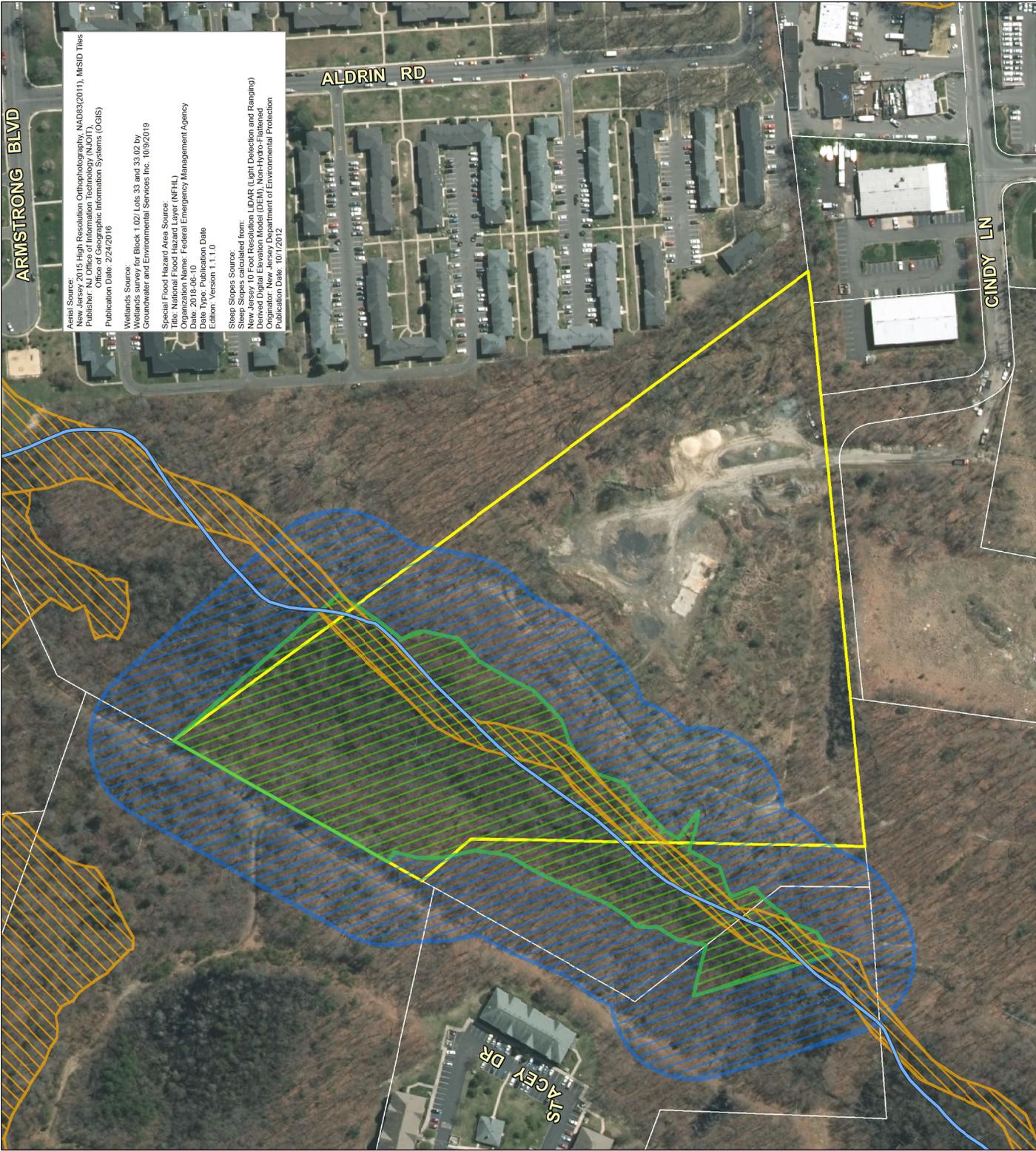


KEY MAP



0 250 FT

Clarke Caton Hintz
Architecture
Planning
Landscape Architecture



Aerial Source:
New Jersey 2015 High Resolution Orthophotography, M4083(2011), MSID Tiles
Publisher: NJ Office of Information Technology (NJGIT),
Office of Geographic Information Systems (OGIS)
Publication Date: 2/24/2016

Wetlands Source:
Wetlands survey for Block 1.02/ Lots 33 and 33.02 by
Groundwater and Environmental Services Inc. - 10/9/2019

Special Flood Hazard Area Source:
Title: National Flood Hazard Layer (NFHL)
Organization Name: Federal Emergency Management Agency
Date: 2018-06-10
Date Type: Publication Date
Edition: version 1.1.1.0

Slope Source:
Slope Slopes calculated from:
New Jersey 10 Foot Resolution LIDAR (Light Detection and Ranging)
Organization: New Jersey Department of Environmental Protection
Publication Date: 10/1/2012



Within two years of the JOR, the Township will execute a redevelopment agreement allowing development that will include 43 affordable family rental units plus potentially three additional affordable family rentals (one very low-income unit and two low-income units) that address the off-site affordable housing requirements generated by the Roosevelt Properties project, above. Of the 43 affordable units, 23 units, constituting 53%, will serve low-income households including very low-income households; and 20 units (47% of affordable units) may serve moderate-income households. Again, of the three potential off-site Roosevelt affordable units, all three will be either low-income or very low-income.

If the Planning Board does not determine that the Ocean Glades property meets the criteria for establishing an area in need of redevelopment, or if the Township should so elect, the Township governing body will rezone the Ocean Glades property for 218 units, including all the required affordable family rentals specified in the paragraph above. The Township will dispose of the property within two years of the JOR to allow for such development through the Local Lands and Buildings Law, N.J.S.A. 40A:12-1 *et seq.*

Although the site is approximately 14.6 acres in size, there are wetlands and wetland buffers that reduce the developable portion of the site to approximately eight acres (see discussion below). The site is located in a residential neighborhood at the end of Cindy Lane, adjacent to the Wayside Point (BVB) inclusionary development, the Cindy Lane Apartments 100% affordable development detailed above, and the existing garden apartment complex known as Twinbrook Village, and close to Heritage Village at Ocean.

The proposed redevelopment and/or inclusionary zoning for the Ocean Glades site addresses COAH's rules at N.J.A.C. 5:97-6.6, "Redevelopment," and N.J.A.C. 5:93-5.6, "Zoning for Inclusionary Development," as follows:

- Redevelopment: As noted above, all of the Redevelopment requirements have been set forth in the Township's Settlement Agreement with FSHC, and there is a defined schedule to conduct a study to determine whether the site meets the criteria for an area in need of redevelopment and, if it does, for the site designation, adoption of a redevelopment plan, issuance of an RFP for a redeveloper, selection and designation of a redeveloper, and execution of a redevelopment agreement.
- Site Suitability: The site is suitable as defined in COAH's regulations at N.J.A.C. 5:93-1. The Township is not aware of encumbrances that would preclude the development of affordable housing on the property. The site is adjacent to compatible residential land uses, including existing and under-construction multi-family residential developments, and has access to appropriate streets. There are no historic structures listed on the State or National Historic Registers on the site, and the property is not within a historic district listed on the State or National Historic Registers.

Whale Pond Brook and its associated wetlands cross the rear of the site from southwest to northeast, approximately two-thirds of the way back from Cindy Lane. Because the wetlands include habitat for the endangered black-crowned night heron, the state Department of Environmental Protection (DEP) may designate them as being of "exceptional resource value." The Township anticipates that, for this reason, the wetlands on the site will require a 150-foot wetlands transition buffer rather than the typical 50 feet, leaving approximately eight developable acres at the front of the site. It is awaiting final



determination from the DEP. In addition, there is a landfill within the wetlands and buffer area that the Township engineer anticipates will need to be removed.

Portions of the site are on the DEP's list of known contaminated sites. The Township is currently overseeing remediation. Michelle Herishko, LSRP, Senior Project Manager with Groundwater & Environmental Services, Inc., the licensed site remediation professional leading the cleanup process, has indicated she expects remediation to be finished by the fourth quarter of 2020. Ms. Herishko will then file the necessary paperwork so that, by May of 2021, the Township may receive a Remedial Action Outcome (RAO) notice confirming that site cleanup is complete and residential development may proceed. Receiving the RAO notice by this deadline will allow the Township to maintain the development schedule detailed above and laid out in the Township's Settlement Agreement with FSHC, as it is within the two-year deadline by which a redevelopment agreement for the site must be signed (or by which the Township must dispose of the site and allow for residential inclusionary development).

Neither the presence of wetlands nor the fact that portions of the site are being remediated will preclude the inclusionary redevelopment and the ultimate production of affordable family rental housing contemplated in this plan. Because the Township has exceeded its combined Prior Round and Third Round RDP by four units (284 units against an RDP of 280 units), it has some flexibility in the total unit yield on this site, and may determine to lower the unit count to fewer than 200 total units, depending on DEP's final determination of the extent and width of the wetlands transition buffer.

According to New Jersey American Water, water infrastructure is currently available at the site and there is currently sufficient capacity to serve the anticipated additional units. The Township of Ocean Sewerage Authority has indicated that there is sewer infrastructure available at the site, and there is sufficient capacity in both the collection system and the treatment plant to handle the anticipated increase in volume. The site must be developed consistent with the Residential Site Improvement Standards and all other state regulations, such as those of the NJDEP.

The site is located in Planning Area 1 of the State Development and Redevelopment Plan and, pursuant to N.J.A.C. 5:93-13.2, the PA 1 designation of the site provides a presumption of validity regarding consistency with the State Plan. According to COAH's regulations, a PA 1 site is the preferred location for a municipality to address its affordable housing obligation.

- **Compensatory Benefit:** COAH's regulations require a municipality to provide a developer with a compensatory benefit for the provision of affordable housing through inclusionary zoning. The Township believes it will be able to provide the site's future owner/redeveloper with an appropriate compensatory benefit through either a redevelopment designation and developer's agreement or proposed zoning for up to 218 housing units and an affordable housing set-aside of 21.1%, to produce a total of 46 affordable family rental units, or some lesser total unit count and affordable unit production as noted above.
- **Amenities:** The affordable units at the Ocean Glades site must have the same heating source as the market-rate units and must have access to all community amenities available to the market-rate units in the development.



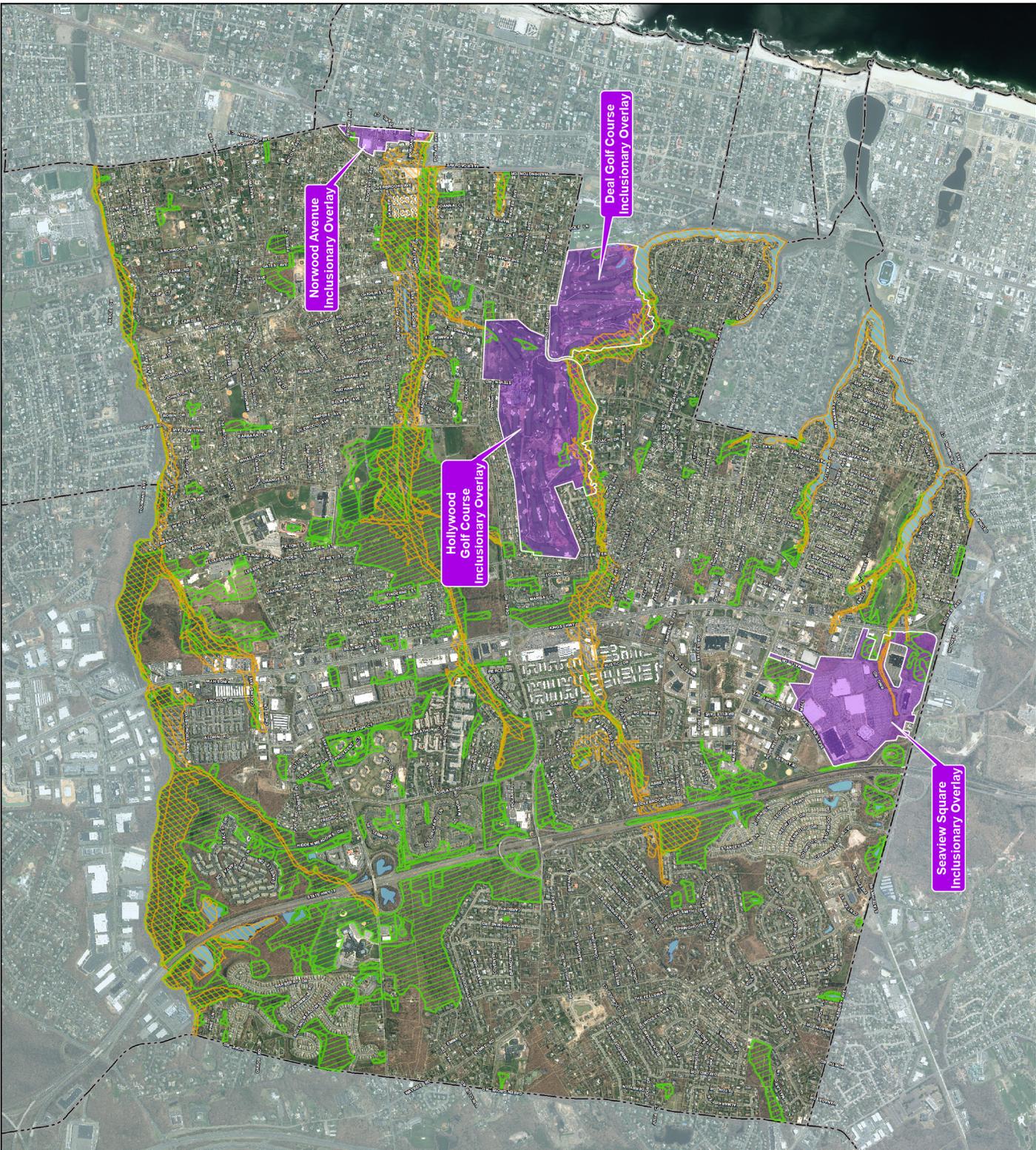
- **Administrative Entity:** The redeveloper of the Ocean Glades site must contract with an experienced affordable housing Administrative Agent to administer the affordable units. The experienced Administrative Agent will income-qualify applicants and shall provide long-term administration of the units in accordance with COAH's rules at N.J.A.C. 5:93 et seq. and UHAC per N.J.A.C. 5:80-26.1, with the one exception to UHAC regarding the provision of 13% very low-income units at 30% of regional median income instead of the UHAC requirement of 10% very low-income units at 35% of regional median income.
- **Low/Moderate Income Split:** Per the Settlement Agreement, 53% of the 43 affordable units at the Ocean Glades site must be affordable to low-income households, and 47% may be available to moderate-income households. In the case of an odd number of affordable units, the split will always be in favor of the low-income unit per COAH rules. Since the affordable units on this site are to be affordable rental units, 13% of the total affordable units must be affordable to very low-income households in accordance with the amended FHA. The Settlement Agreement also notes that all three of the potential off-site Roosevelt units will be either low-income or very low-income units.
- **Affirmative Marketing:** The affordable units at the Ocean Glades site must be affirmatively marketed in accordance with COAH's rules at N.J.A.C. 5:93 et seq. and UHAC per N.J.A.C. 5:80-26.1, and with the terms of the Settlement Agreement.
- **Controls on Affordability:** The affordable units must have affordability controls of at least 30 years in accordance with N.J.A.C. 5:93 et seq. and N.J.A.C. 5:80-26.1.
- **Bedroom Distribution:** The affordable units must meet the bedroom distribution requirement pursuant to UHAC requirements at N.J.A.C. 5:80-26.1.

Unmet Need Inclusionary Overlay Zoning Sites

LOCATION: Ocean Township, Monmouth County, NJ
 DATE: November 2019

Legend

- Affordable Housing Round Unmet Need (Prior Round/ Third Round)
- Environmental Constraints
- Wetlands (NJDEP 2012)
- Water
- 100yr flood (Special Flood Hazard Area)



Aerial Source:
 New Jersey 2015 High Resolution Orthophotography, NAD83(2011), MSID Tiles
 Publisher: NJ Office of Information Technology (NJ.OIT)
 Office of Geographic Information Systems (OGIS)
 Publication Date: 2/24/2016

Wetlands Source:
 Wetlands (from Land Use/Land Cover 2012 Update), Edition 2/17/2015
 Publisher: NJ Department of Environmental Protection (NJDEP)
 Division of Information Technology (DOIT)
 Bureau of Geographic Information System (BGIS)

Special Flood Hazard Area Source:
 Title: National Flood Hazard Layer (NFHL)
 Organization Name: Federal Emergency Management Agency
 Date Type: Publication Date
 Edition: Version 1.1.0

Slope Source:
 Slope Source: Derived from
 National Flood Hazard Layer (NFHL) (Light Detection and Ranging)
 Derived Digital Elevation Model (DEM), Non-Hydro-Flattened
 Originator: New Jersey Department of Environmental Protection
 Publication Date: 10/17/2012



Clarke Caton Hintz
 Architecture
 Planning
 Landscape Architecture



Mechanisms To Address the Combined Prior and Third Round Unmet Need (1,111 units)

COAH's rules at N.J.A.C. 5:93-4.2(h) state that in addressing Unmet Need, COAH "may require at least any combination of the following in an effort to address the housing obligation:

- Zoning amendments that permit apartments or accessory apartments;
- Overlay zoning requiring inclusionary development or the imposition of a development fee consistent with N.J.A.C. 5:93-8. In approving an overlay zone, COAH or the Superior Court may allow the existing use to continue and expand as a conforming use, but provide that where the prior use on the site is changed, the site shall produce low- and moderate-income housing or a development fee; or
- Zoning amendments that impose a development fee consistent with N.J.A.C. 5:93-8."

These rules do not require Unmet Need mechanisms to generate a specified number of units equal to the Unmet Need number. Rather, the mechanisms must provide a realistic opportunity that affordable housing can be created through private redevelopment (i.e., via inclusionary overlay zones) or publicly facilitated projects (i.e., via a development fee ordinance). Ocean Township will address its Unmet Need with surplus credits from its combined Prior Round and Third Round RDP; by amending an existing inclusionary ordinance to increase the required affordable housing set-aside in the zone and to require at least 53% of units created to be low-income units and a maximum of 47% to be moderate-income units; adopting an inclusionary overlay ordinance or a redevelopment plan for Seaview Square Mall, adopting an inclusionary overlay ordinance for two golf courses in the Township; updating its development fee ordinance, which will be discussed below; and updating its Affordable Housing Ordinance to require any development or redevelopment of multi-family housing in the Township at a minimum density of six dwelling units per acre that results in five or more housing units to include a 20% affordable housing set-aside. All of the Unmet Need mechanisms will have a requirement for 53% low-income units and 47% moderate-income units.

Heritage Village at Ocean (formerly Whalepond Village) (completed)

COAH regulations cap the number of senior affordable credits the Township may apply to its Prior Round and Third Round RDP. Thus, the Township will utilize the balance of 33 senior affordable rental credits (95 total affordable rentals – 57 senior credits towards Rehabilitation share – 5 special-needs units towards RDP = 33 credits) to help address its Unmet Need.

Heritage Village at Oakhurst (formerly 777 W. Park) (completed)

The Township also has additional affordable senior credits from Heritage Village at Oakhurst to apply to its Prior Round and Third Round combined Unmet Need. Out of the 87 total affordable senior units at the site (there are also five special-needs units), the Township utilized the maximum allowable 70 senior affordable credits to help meet its RDP, and will utilize the balance of 17 senior affordable rental credits to help address its Unmet Need.



Norwood Avenue Inclusionary Mixed Use Zoning

In 2016 the Township adopted an inclusionary zoning ordinance (Ordinance No. 2282) for its C-1 (neighborhood commercial) zone. The inclusionary ordinance permits residential as a conditional use at a density of 18 units per acre above first-floor commercial uses. It requires a 20% affordable housing set-aside if the affordable units are for-sale units and a 15% affordable housing set-aside if the affordable units are rental units. It also requires that the affordable units be in accordance with the requirements of UHAC at N.J.A.C. 5:80-26.1 et seq., the requirements of the Township's affordable housing ordinance, and the very low-income requirements of the amended FHA at N.J.S.A. 52:27D-329.1. To address the Township's 2019 Court-approved Settlement Agreement with FSHC, the Township will amend this ordinance to require the affordable housing set-aside to be 20% of all units regardless of whether they are for rent or for sale, and to add a requirement that, 53% of the affordable units developed must be available to low-income households, including 13% to very low-income households, and 47% may be available to moderate-income households. In so doing, the Township will create a realistic potential for inclusionary residential development in the zone, and in particular on the 14.36 acres covered by Block 13, lots 14-16, 17.01, 18.01, 19, and 20 and Block 22, lots 76-85, 85.01, and 87-89, which front the west side of Norwood Avenue between the NJ Transit right of way and the Township border at Poplar Brook, and Block 22, lot 90, which is adjacent to Block 22, lot 87 and fronts West Morgan Avenue.

These lots on Norwood Avenue and West Morgan Avenue are within CAFRA boundaries, but the Township does not envision that CAFRA requirements precluding the anticipated future inclusionary Unmet Need development.

Ordinance 2282 and the amendment to the Township's Neighborhood Commercial Inclusionary Mixed Use Zoning Ordinance are attached (Appendix L).

Seaview Square Inclusionary Mixed Use Overlay Zoning

The Township will adopt an inclusionary overlay zoning ordinance on, or will adopt a redevelopment plan for, the 125.5 acres encompassed by Block 141, lots 1, 2, and 23.⁹ The inclusionary ordinance will permit commercial uses and residential uses at a density of seven units per acre. The proposed ordinance will require a 20% affordable housing set-aside. Of the affordable units, 53% must be available to low-income households, including 13% to very low-income households, and 47% may be available to moderate-income households.

Pursuant to the Township's Court-approved Settlement Agreement with FSHC, this inclusionary overlay zone may be implemented as part of a redevelopment plan, which must be adopted no later than 18 months after the June 25, 2019 Court order approving the Settlement Agreement (i.e., by the end of December 2020). In the alternative, the Township may choose to implement overlay zoning for the block and lots specified in the paragraph above, consistent with the Settlement Agreement, without a redevelopment plan, again within 18 months of the June 25, 2019 Court order approving the Settlement Agreement (also by the end of December 2020).

⁹ The 15.5-acre Sears lot, Block 141, lot 2, has been added by the Township for this overlay zone.



This extra time to develop the inclusionary zoning/redevelopment plan for the site is an acknowledgement of the importance of this large site in the context of the Township’s planning efforts for a mixed-use redevelopment. The ultimate mixed-use inclusionary zoning standards and/or redevelopment will allow appropriate and realistic development standards to permit the gross residential density of the tract to be developed on certain portions of the site that are most appropriate for residential development.

Golf Course Inclusionary Overlay Zoning

The Township will adopt an inclusionary overlay zoning ordinance on the 96.15-acre Deal Golf Course (Block 59, Lot 1 and Block 60, Lot 1) and the 180.47-acre Hollywood Golf Course (Block 40, lots 1, 2, 34, 82, 83, 84, 88, and 111). The inclusionary ordinance will permit townhouses at a density of eight units per acre. The proposed ordinance will require a 20% affordable housing set-aside. Of the affordable units, 53% must be available to low-income households, including 13% to very low-income households, and 47% may be available to moderate-income households.

The Golf Course Inclusionary Overlay Zoning Ordinance is attached (Appendix M).

Mandatory Affordable Housing Set-Aside

The Township will amend its Affordable Housing Ordinance to include a mandatory affordable housing set-aside to help address its Unmet Need. The mandatory set-aside provision requires an affordable housing set-aside for all new multi-family and single-family attached residential developments of five units or more at a density of at least six units per acre. Per the Court-approved Settlement Agreement, the required affordable housing set-aside is 15% for rental developments and 20% for for-sale developments. The amendment to the Township’s Affordable Housing Ordinance, including the mandatory set-aside provision, is attached (Appendix N).

Compliance With Required Maximums and Minimums

Table 30 shows how Ocean Township is satisfying the required maximum senior units, minimum rental obligation, minimum family unit obligation, minimum very low-income obligation, minimum family rental obligation, and maximum rental bonuses specified in the Settlement Agreement.

TABLE 30. Ocean Township Satisfaction of Required Minimums and Maximums Based on 280-Unit RDP		
Requirement	Provided	Surplus
Maximum senior = 70	70	Toward unmet need
Minimum rental = 70	208	138
Minimum family = 105	126	21
Minimum family rental = 35	124	89
Maximum rental bonus = 70	70	0



TABLE 30. Ocean Township Satisfaction of Required Minimums and Maximums Based on 280-Unit RDP		
Requirement	Provided	Surplus
Minimum very low-income = 30	31	1
Minimum very low-income family = 15	17	2

Table 31 shows how the Township satisfies its requirement that 13% of all units created or proposed since July 7, 2008 be affordable to very low-income households earning 30% or less of area median income by household size:

TABLE 31. Ocean Township Satisfaction of Very Low-Income Requirement		
Mechanism	Total Units	Very Low-Income Units
Primrose Place	19	2
Cindy Lane	47	6
Wayside Point	11	2
Heritage Village at Oakhurst	92	5
Group Homes	9	9
Roosevelt Properties	5	1
Ocean Glades	43	6
Total	226	31 = 13.7%

Table 32, Summary of Combined Prior Round and Third Round RDP Compliance With Potential Unmet Need Development, demonstrates that, while the Township is meeting its requirement for very low-income units, it is not currently providing enough low-income units (affordable to households making 50% or less of regional median income by household size) to comply with the income distribution requirements in N.J.A.C. 5:93-7.2, which requires half of all affordable units to be affordable to low-income households, including the 13% that are affordable to very low-income households. To address the shortage of low-income units, the Township will require that a minimum of 53% of the units developed at the proposed Ocean Glades site be affordable to low-income households, including 13% to be affordable to very low-income households. The Township will also modify the existing inclusionary affordable zone for its C-1 District to require that a minimum of 53% of any affordable units generated there be affordable to low-income households, including 13% to be affordable to very low-income households; and it will require as part of the inclusionary overlay zone/redevelopment plan for Seaview Square and inclusionary overlay zoning for the two golf courses that a minimum of 53% of any affordable units generated at those sites be affordable to low-income households, including 13% of all affordable units being affordable to very low-income households. In so doing, as Table 32 shows, the Township anticipates it will be able to generate sufficient low-income units to comply with Third Round requirements.



TABLE 32. Ocean Township Summary of Combined Prior Round and Third Round RDP Compliance, with Potential Unmet Need Development for Overall Low-Moderate Income Split Based on 53%/47%

Compliance Mechanism	Very Low-Income	Low-Income	Moderate-Income	Total Units
Inclusionary Family Rental				
Primrose Place -- completed				19
1-bedroom	1	1	2	4
2-bedroom	1	4	5	10
3-bedroom		3	2	5
Wayside Point – under construction				11
1-bedroom	1		1	2
2-bedroom	1	2	3	6
3-bedroom		2	1	3
Roosevelt Properties – proposed; 5 on-site, or, if settlement, 2 on-site and 3 off-site	1 on-site	2 on-site	2 on-site (may be for sale or rental)	5
	1 off-site	2 off-site		
1-bedroom				
2-bedroom			1	
3-bedroom			1	
Ocean Glades -- Proposed	6	17	20	43
1-bedroom				
2-bedroom				
3-bedroom				
Group Homes				
Enable, Inc. – completed	4			4
SERV, Inc. – completed	5			5
100% Affordable Family Rentals				
Cindy Lane Apartments – completed				47
1-bedroom	1	4	4	9
2-bedroom	3	10	13	26
3-bedroom	2	4	6	12



TABLE 32. Ocean Township Summary of Combined Prior Round and Third Round RDP Compliance, with Potential Unmet Need Development for Overall Low-Moderate Income Split Based on 53%/47%

Compliance Mechanism	Very Low-Income	Low-Income	Moderate-Income	Total Units
Extension of Controls				
Heritage Village at Ocean	5			5
Affordable Senior Rentals				
Heritage Village at Oakhurst – completed; (70 senior and 5 special-needs)	5	5	65	75
Total RDP	37	56	126	219
Unmet Need Inclusionary Overlay Zones Potential Affordable Units				
Norwood Avenue	6	17	19	42
Seaview Square	23	70	82	175
Golf Courses	58	176	207	441
Total	124	319	434	877



AFFORDABLE HOUSING ADMINISTRATION AND AFFIRMATIVE MARKETING

As noted above Ocean Township will amend its Affordable Housing Ordinance, in accordance with COAH's substantive rules and UHAC, and to address terms of the court-approved FSHC agreement. The amended Fair Share Ordinance will govern the establishment of affordable units in the Township as well as regulating the occupancy of such units. The amended ordinance covers the phasing of affordable units, the low/moderate income split, bedroom distribution, occupancy standards, affordability controls, establishing rents and prices, affirmative marketing, income qualification, etc. including an exception that the UHAC requirement for 10 percent of the affordable units in rental projects being required to be at 35% of median income be replaced by the statutory requirement, N.J.S.A. 52:27D-329.1, that 13% of affordable units in such projects shall be required to be at 30% of median income.

Additionally, the amended ordinance will establish a mandatory set-aside requirement of 20% if the affordable units will be for sale and 15% if the affordable units will be for rent, for any multi-family residential development of five units or more created through any municipal rezoning; Zoning Board use or density variance; redevelopment plan or rehabilitation plan that provides a substantial density increase resulting in a minimum density at or above six units per acre (or other compensatory benefit). This requirement does not give any developer the right to any such rezoning, variance or other relief, or establish any obligation on the part of Ocean Township to grant such rezoning, variance or other relief.

The Township will appoint by municipal resolution (see Appendix O) the Director of Community Development to hold the position of the Municipal Housing Liaison. The Township utilizes a number of existing experienced affordable housing administrative agents including Enable, Inc., SERV, Inc., CIS, and AHA. The Township will require developers of the proposed inclusionary projects, as well as any future projects not specified here, to retain the Township's experienced Administrative Agent or receive Township approval of a different experienced affordable housing Administrative Agent. To conduct all Administrative Agent duties, including affirmative marketing and monitoring of affordable units, the Township will enter into an agreement with CGP&H, LLC, an experienced affordable housing administrator, for the administration of future affordable units in the Township. (See Appendix P for the CGP&H agreement.)

The Township will adopt an updated affirmative marketing plan for all affordable housing sites. The affirmative marketing plan, attached hereto as Appendix R, is designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age or number of children to the affordable units located in the Township. Additionally, the affirmative marketing plan is intended to target those potentially eligible persons who are least likely to apply for affordable units and who work or reside in the Township's housing region, Region 4, consisting of Mercer, Monmouth, and Ocean counties.

The affirmative marketing plan lays out the random-selection and income qualification procedure of the Administrative Agent, which is consistent with COAH's rules and N.J.A.C. 5:80-26.1. All newly created affordable units will comply with the minimum 30-year affordability control required by UHAC, N.J.A.C. 5:80-26.5 and 5:80-26.11. This plan must be adhered to by all private, non-profit or municipal developers of affordable housing units and must cover the period of deed restriction or affordability controls on each affordable unit.



As required by the Court-approved FSHC Settlement Agreement, the affirmative marketing plan lists Fair Share Housing Center; the New Jersey State Conference of the NAACP; the Latino Action Network; STEPS; OCEAN, Inc.; the Greater Red Bank, Asbury Park/Neptune, Bayshore, Greater Freehold, Greater Long Branch, and Trenton branches of the NAACP; and the Supportive Housing Association among the list of community and regional organizations. The Township and all other approved Administrative Agents must, as part of its regional affirmative marketing strategies during its implementation of this plan, provide notice to those organizations of all available affordable housing units. The Township also agrees to require any other entities, including developers or individuals or companies retained to do affirmative marketing, to comply with this paragraph.

AFFORDABLE HOUSING TRUST FUND

Ocean Township initially adopted a development fee ordinance on May 16, 2011, which received Court approval on December 12, 2011, and a tri-party escrow account approval from COAH in 2015. The ordinance permits collection of residential development fees equal to 1.5% of the equalized assessed value of new residential construction and additions, and mandatory non-residential development fees equal to 2.5% of the equalized assessed value of new non-residential construction and additions. The Township will update its development fee ordinance again as part of this Housing Element and Fair Share Plan to eliminate references to COAH's invalidated Third Round regulations, instead citing COAH's Second Round regulations, and to provide references to the Superior Court's jurisdiction instead of COAH's.

A Spending Plan has been prepared consistent with this Plan (refer to Appendix S). The Spending Plan, which discusses anticipated revenues, collection of revenues, and the use of revenues, was prepared in accordance with COAH's applicable substantive rules. All collected revenues will be placed in the Township's Affordable Housing Trust fund and will be dispensed for the use of eligible affordable housing activities including, but not limited to:

- Rehabilitation program;
- New construction of affordable housing units and related development costs;
- Extensions or improvements of roads and infrastructure directly serving affordable housing development sites;
- Acquisition and/or improvement of land to be used for affordable housing;
- Purchase of affordable housing units for the purpose of maintaining or implementing affordability controls,
- Maintenance and repair of affordable housing units;
- Repayment of municipal bonds issued to finance low- and moderate-income housing activity; and
- Any other activity as specified in the approved spending plan.

The Township is required to fund eligible programs in its Court-approved Housing Element and Fair Share Plan, as well as provide statutorily required affordability assistance.

At least 30% of collected development fees, excluding expenditures made through July 17, 2008, when affordability assistance became a statutory requirement in the Fair Housing Act, will be used to provide affordability assistance to very low-, low- and moderate-income households in affordable units included in

2019 Third Round Housing Element and Fair Share Plan

OCEAN TOWNSHIP, MONMOUTH COUNTY, N.J.



a municipal Fair Share Plan. At least one-third of that affordability assistance must be expended on very low-income units. No more than 20% of the revenues collected from development fees and interest each year will be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to prepare or implement a rehabilitation program, a new construction program, a housing element and fair share plan, and/or an affirmative marketing program.

In accordance with the Settlement Agreement with FSHC, the expenditures of funds contemplated under that agreement constitute a "commitment" for expenditure pursuant to N.J.S.A. 52:27D-329.2 and -329.3, with the four-year time period for expenditure designated pursuant to those provisions beginning in accordance with the provisions of In re Tp. Of Monroe, 442 N.J. Super. 565 (Law Div. 2015) (aff'd 442 N.J. Super. 563). Upon approval of its Spending Plan, and every anniversary thereafter through the end of the FSHC Settlement Agreement, the Township will provide annual reporting of trust fund activity to the DCA, COAH, NJLGS, or other entity designated by the State of New Jersey, with a copy provided to FSHC and posted on the municipal website, using forms developed for this purpose by DCA, COAH, or NJLGS. The reporting shall include an accounting of all affordable housing trust fund activity, including the source and amount of funds collected and the amount and purpose for which any funds have been expended.

COST GENERATION

Ocean Township's Land Development Ordinance has been reviewed to eliminate unnecessary cost-generating standards; it provides for expediting the review of development applications containing affordable housing. Such expedition may consist of, but is not limited to, scheduling of pre-application conferences and special monthly public hearings. Furthermore, development applications containing affordable housing shall be reviewed for consistency with the Land Development Ordinance, Residential Site Improvement Standards (N.J.A.C. 5:21-1 et seq.) and the mandate of the FHA regarding unnecessary cost-generating features. Ocean Township will comply with COAH's requirements for unnecessary cost-generating requirements, N.J.A.C. 5:93-10.1, procedures for development applications containing affordable housing, N.J.A.C. 5:93-10.4, and requirements for special studies and escrow accounts where an application contains affordable housing, N.J.A.C. 5:93-10.3.

MONITORING

On the first anniversary of the execution of the FSHC Settlement Agreement¹⁰ dated January 2019, and every anniversary thereafter through the end of the agreement, the Township agrees to provide annual reporting of the status of all affordable housing activity within the municipality, through posting on the municipal website, with a copy of such posting provided to FSHC, using forms previously developed for this purpose by COAH or any other forms endorsed by the Special Master and FSHC.

¹⁰ The Township resolution authorizing the execution of the Settlement Agreement was approved on January 24, 2019.



For the midpoint realistic opportunity review due on July 1, 2020, as required pursuant to N.J.S.A. 52:27D-313, the Township will submit a report to the Court and Special Master for review, with notice to all interested parties on or before that date.

For the review of very low-income housing requirements required by N.J.S.A. 52:27D-329.1, within three years of the entry of an order approving the Township's Fair Share Plan and every third year thereafter, the Township will submit a report to the Court and the Special Master for review, with notice to all interested parties.

SUMMARY

The Township of Ocean has prepared this Third Round Housing Element and Fair Share Plan to address its affordable housing requirements in accordance with the Fair Housing Act, COAH regulations, and a Settlement Agreement with FSHC. At a Fairness Hearing, the Court approved the three-part fair share and preliminary compliance plan specified in the Settlement Agreement, including a 57-unit Rehabilitation share, a 280-unit combined Prior Round and Third Round RDP, and a 1,111-unit Unmet Need. The Township will satisfy its RDP requirements with a combination of existing and constructed affordable family rental units, affordable senior rental units, and special-needs bedrooms, and with proposed affordable family rentals from an inclusionary redevelopment project and proposed affordable family rental or for-sale units from a second inclusionary redevelopment project. In addition, the Township will add to or amend its inclusionary overlay zones and amend its Affordable Housing Ordinance in an effort to provide a realistic opportunity for development of additional affordable housing units to address its Unmet Need. At a future compliance hearing, the Township will seek from the Superior Court a Third Round Judgment of Compliance and Repose through July 2, 2025.

APPENDIX A

Resolutions Adopting and Endorsing Third Round Housing Element and Fair Share Plan

TOWNSHIP OF OCEAN, COUNTY OF MONMOUTH
PLANNING BOARD RESOLUTION

**A RESOLUTION OF THE PLANNING BOARD OF THE TOWNSHIP OF OCEAN, COUNTY OF MONMOUTH,
ADOPTING THE HOUSING ELEMENT AND FAIR SHARE PLAN**

WHEREAS, the Planning Board of the Township of Ocean, County of Monmouth, adopted its current Housing Element and Fair Share Plan on June 27, 2011; and

WHEREAS, the Governing Body endorsed the 2011 Housing Element and Fair Share Plan on July 6, 2011; and

WHEREAS, the Council on Affordable Housing's (COAH's) proposed Third Round rules were overturned by the New Jersey Supreme Court in In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97 by the Council on Affordable Housing; and

WHEREAS, as COAH failed to adopt new constitutionally compliant rules, the New Jersey Supreme Court entered an order on March 10, 2015, that transferred responsibility to review and approve housing elements and fair share plans from COAH to designated Mount Laurel trial judges within the Superior Court; and

WHEREAS, the Township filed for Declaratory Judgment with the New Jersey Superior Court on July 6, 2015; and

WHEREAS, the Township executed a Settlement Agreement with Fair Share Housing Center (FSHC), approved by Governing Body resolution on January 24, 2019, that identified the Township's three-part Third Round affordable housing obligation and a preliminary indication of how the Township would satisfy the affordable housing obligation; and

WHEREAS, the Settlement Agreement was subject to a Fairness Hearing on April 5, 2019, during which the Court found that the Settlement Agreement was fair to the interests of low- and moderate-income households; and

WHEREAS, the Court's review and approval of the Settlement Agreement is reflected in an Order on Fairness and Preliminary Compliance signed by the Honorable Linda Grasso Jones, J.S.C., and filed on June 25, 2019; and

WHEREAS, said Order required the Township to adopt, endorse and file by October 23, 2019, since extended by the Court, a housing element and fair share plan and implementing ordinances that are consistent with the Settlement Agreement; and

WHEREAS, upon notice duly provided pursuant to N.J.S.A. 40:55D-13, the Planning Board held a public hearing(s) on its 2019 Third Round Housing Element and Fair Share Plan on December 16, 2019; and

WHEREAS, the Planning Board has determined that its 2019 Third Round Housing Element and Fair Share Plan is consistent with the goals and objectives of the Township of Ocean's 1990 Master Plan and most recent 2014 Reexamination Report and that adoption and implementation of the updated Housing Element and Fair Share Plan are in the public interest and protect public health and safety and promote the general welfare.

NOW THEREFORE BE IT RESOLVED by the Planning Board of the Township of Ocean, Monmouth County, that the Planning Board hereby adopts the 2019 Third Round Housing Element and Fair Share Plan.



John Verrilli
Chairman of the Planning Board

I hereby certify that this is a true copy of the resolution adopting the 2019 Third Round Housing Element and Fair Share of the Township of Ocean, Monmouth County, on January 29, 2020.



Amy Stewart
Planning Board Secretary

TOWNSHIP OF OCEAN, COUNTY OF MONMOUTH

RESOLUTION 20-027

A RESOLUTION OF THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF OCEAN, COUNTY OF MONMOUTH,
ENDORING THE HOUSING ELEMENT AND FAIR SHARE PLAN

WHEREAS, The Planning Board of the Township of Ocean, County of Monmouth, adopted the 2019 Third Round Housing Element and Fair Share Plan on December 16, 2019; and

WHEREAS, a true copy of the resolution of the Planning Board adopting 2019 Third Round Housing Element and Fair Share Plan is attached pursuant to N.J.A.C. 5:96-2.2(a)2; and

NOW THEREFORE BE IT RESOLVED that the Township Council of the Township of Ocean hereby endorses the 2019 Third Round Housing Element and Fair Share Plan as adopted by the Ocean Township Planning Board; and

BE IT FURTHER RESOLVED that the Township of Ocean hereby requests that the Special Master and Court review and approve the 2019 Third Round Housing Element and Fair Share Plan.

Dated: January 30, 2020



Jessie M. Joseph
Deputy Township Clerk



Christopher P. Siciliano
Mayor

Record of Vote	Deputy Mayor Napolitani	Councilman Acerra	Councilwoman Donlon	Councilman Fisher	Mayor Siciliano
Motion to Approve			X		
Motion to Second		X			
Approved	X	X	X	X	X
Opposed					
Not Voting/ Recused					
Absent/Excused					



APPENDIX B

Township of Ocean/Fair Share Housing Center Executed Settlement Agreement and
June 25, 2019 Court Approval

RESOLUTION

WHEREAS, pursuant to In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1 (2015)(Mount Laurel IV), the Township of Ocean filed Docket No. MON-L-2531-15 In the Matter of the Township of Ocean, County of Monmouth, seeking among other things, a judicial declaration that its amended Housing Element and Fair Share Plan satisfies its "fair share" of the regional need for low and moderate income housing pursuant to the Mount Laurel doctrine; and

WHEREAS, the Township of Ocean simultaneously sought and ultimately secured, an Order protecting Ocean from all exclusionary zoning lawsuits while it pursues approval of its Far Share Plan; and

WHEREAS, the trial court also appointed a "Special Master" in this case as is customary in Mount Laurel cases; and

WHEREAS, with the assistance of the "Special Master", the Township of Ocean and the Fair Share Housing Center have engaged in good faith negotiations and have reached an amicable accord on the various substantive provisions and, through this process, the Township of Ocean and Fair Share Housing Center agreed to settle the litigation and to present that settlement to the trial court, recognizing that the settlement of Mount Laurel litigation is favored because it avoids delays and the expense of trial and results more quickly in the construction of homes for lower-income households;

NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Ocean, County of Monmouth that authorization is hereby given for the Mayor and Municipal Clerk to execute the Agreement to resolve issues between the Township of Ocean and Fair Share Housing Center concerning the Township's Mount Laurel Fair Share obligations and the means by which the Township shall satisfy same; and

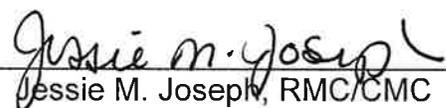
BE IT FURTHER RESOLVED that a certified copy of this Resolution shall be forwarded to the following:

1. Martin J. Arbus, Esq., Township Attorney
2. Mary Beth Lonergan, PP, AICP, Township COAH Planner
3. Jeffrey R. Surenian, Esq., Township COAH Attorney

Record of Vote	Deputy Mayor Long	Councilman Acerra	Councilman Napolitano	Councilwoman Schepiga	Mayor Siciliano
Motion To Approve				x	
Motion to Second			x		
Approved	x	x	x	x	x
Opposed					
Not Voting/Recuse					
Absent/Excused					

CERTIFICATION

*I hereby certify that this is a true copy of a resolution passed by the Township of Ocean Governing Body at their meeting held on **January 24, 2019.***



 Jessie M. Joseph, RMC/CMC
 Deputy Township Clerk

AGREEMENT TO RESOLVE ISSUES BETWEEN THE TOWNSHIP OF OCEAN AND FAIR SHARE HOUSING CENTER CONCERNING THE TOWNSHIP'S MOUNT LAUREL FAIR SHARE OBLIGATIONS AND THE MEANS BY WHICH THE TOWNSHIP SHALL SATISFY SAME.

In the Matter of the Township of Ocean, County of Monmouth, Docket No. MON-L-2531-15

THIS SETTLEMENT AGREEMENT ("Agreement") made this ____ day of January, 2019, by and between:

TOWNSHIP OF OCEAN, a municipal corporation of the State of New Jersey, County of Monmouth, having an address at 399 Monmouth Road, Oakhurst, New Jersey 07755 (hereinafter the "Township" or "Ocean");

And

FAIR SHARE HOUSING CENTER, an interested party, having an address at 510 Park Boulevard, Cherry Hill, New Jersey 08002, (hereinafter "FSHC");

WHEREAS, pursuant to In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1 (2015)(Mount Laurel IV), the Township filed the above-captioned matter on July 6, 2015 seeking, among other things, a judicial declaration that its amended Housing Element and Fair Share Plan (hereinafter "Fair Share Plan") satisfies its "fair share" of the regional need for low and moderate income housing pursuant to the Mount Laurel doctrine; and

WHEREAS, the Township simultaneously sought and ultimately secured, an Order protecting Ocean from all exclusionary zoning lawsuits while it pursues approval of its Fair Share Plan; and

WHEREAS, the immunity secured by Ocean remains in force as of the date of this Agreement; and

WHEREAS, the trial court also appointed Frank J. Banisch, III, PP/AICP as the "Special Master" in this case as is customary in Mount Laurel matters; and

WHEREAS, with the assistance of Frank J. Banisch, III, PP/AICP, Ocean and FSHC have engaged in good faith negotiations and have reached an amicable accord on the various substantive provisions, terms and conditions delineated herein; and

WHEREAS, through that process, the Township and FSHC agreed to settle the litigation and to present that settlement to the trial court, recognizing that the settlement of Mount Laurel litigation is favored because it avoids delays and the expense of trial and results more quickly in the construction of homes for lower-income households; and

WHEREAS, at this time and at this particular point in the process resulting from the Mount Laurel IV decision, when fair share obligations have yet to be definitively determined, it is appropriate for the parties to arrive at a settlement regarding a municipality's Third Round present and prospective need, instead of doing so through plenary adjudication of the present and prospective need.

NOW, THEREFORE, in consideration of the promises, the mutual obligations contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, the Parties hereto, each binding itself, do hereby covenant and agree, each with the other, as follows:

Settlement Terms

The Township and FSHC hereby agree to the following terms, subject to any relevant conditions set forth in more detail below:

1. Ocean's Rehabilitation obligation is 57;
2. Ocean's "Prior Round" obligation is 873.
3. Ocean's "Gap (1999-2015) + Prospective Need (2015-2025) Obligation" (collectively "Third Round Obligation") is 518;
4. Ocean's RDP as updated through this declaratory judgment action is two-hundred and eighty (280).¹ See chart of sites that generate the 280-unit RDP attached as Exhibit A. The full Vacant Land Analysis will be referenced as an exhibit to the Township's future housing element and fair share plan.
5. Ocean's "Unmet Need" is 1,111, based on the following:(873 Prior Round obligation plus 518 Third Round obligation minus a 280-unit RDP = 1,111 unmet need)
6. FSHC and the Township agree that Ocean does not accept the basis of the methodology or calculations proffered by FSHC's consultant, David N. Kinsey, PhD, PP, FAICP. The Parties agree to the terms in this agreement solely for purposes of settlement of this action. Although the Township does not accept the basis of the methodology or calculations proffered by FSHC's consultant, FSHC contends, and is free to take the position before the Court, that the 518-unit Third Round obligation should be accepted by the Court because it is based on a 30% settlement discount applied to Dr. Kinsey's methodology which is based on the Prior Round methodology and includes a 'gap' 1999-2015 obligation per the 2017 NJ Supreme Court 'gap' decision.
7. **Satisfaction of Rehabilitation Obligation:** The Township has a 57-unit rehabilitation obligation, which will be satisfied through the eligible rehabilitation of 57 affordable units at Whalepond Village (total of 96 affordable units) where over \$18,000 per unit for a total of \$1.7 million was expended on rehabilitation and through continued participation in the Monmouth County Rehabilitation Program.
8. **Satisfaction of Combined Prior Round/Third Round RDP:** The municipality has a combined Prior Round/Third Round RDP of 280 units, which is addressed through the following compliance techniques:

¹ In July of 2011, the Township adopted a housing element and fair share plan which included the Township's vacant land analysis and which was submitted to the NJ Superior Court. On September 1, 2011, Frank Banisch III, PP, AICP, the court-appointed Special Master, issued a Master's Report recommending that the Township modify the April 2011 RDP of 216 units to a 240-unit RDP with a resulting 633-unit Prior Round unmet need. The updated 280-unit RDP addresses the RDP for both the Prior Round and the Third Round based on modifications to this prior analysis.

Township of Ocean's Combined Prior Round/Third Round 280-unit RDP - Compliance Mechanisms	Affordable Units	Rental Bonuses	RDP = 280
<i>Inclusionary Developments – completed</i>			
Primrose Place – affordable family rentals	19	19	38
<i>Alternative Living Arrangements- completed</i>			
Group Home - Enable, Inc.	4	0	4
Group Home – SERV, Inc.	5	0	5
<i>Municipally-Sponsored 100% Affordable Housing</i>			
777 W. Park (Heritage Village) - 92 total units (87 senior rentals + 5 special needs, non-senior), built, senior cap	70, cap	0	70
	5	0	5
Cindy Lane (Affordable Housing Alliance) - 48 affordable family rentals – under construction	48	48	96
<i>Inclusionary Developments – approved, proposed</i>			
BVB site – 11 affordable family rentals, court-approved settlement, site plan approval, bonus cap	11	3, cap	14
Roosevelt site – 25 units (20 market, 2 on-site mod affordable and 3 off-site very-low/low affordable), proposed settlement agreement	2 on	0	2 on
	3 off		3 off
Ocean Glades – proposed inclusionary zoning (up to 80% market-rate/at least 20% affordable family rentals), Township must sell site to developer within 2 years of JOR	43	cap	43
TOTAL	210	70	280

9. As part of its commitment to provide for the development of low and moderate income housing units on the Ocean Glades property as reflected in this Agreement, the Township agrees to designate the parcels known as Block 1.02 Lot 33.01 in the Township as an area in need of redevelopment. In so designating, the Township agrees to fulfill all necessary and applicable statutory and regulatory criteria set forth in the Local Redevelopment and Housing Law (“LRHL”), N.J.S.A. 40A:12A-1 to 63. More specifically, the Township agrees to no later than two (2) years from the Court’s grant of a final Judgment of Repose (“JOR”) after a compliance hearing in this matter:

- a) No later than ninety (90) days after the Court’s grant of a JOR, adopt a resolution directing the Township Planning Board to conduct a study as to whether the respective block and lot meets the criteria for an area in need of redevelopment pursuant to the Local Redevelopment and Housing Law (“LRHL”), N.J.S.A. 40A:12A-1 to 63
- b) If the Planning Board determines that the criteria establishing an area in need of redevelopment have been met, the Township governing body shall designate the respective block and lot as an area in need of redevelopment no later than one (1) year after the Court’s grant of a JOR.
- c) Issue a request for proposals seeking a designated redeveloper no later than fifteen (15) months after the Court’s grant of a JOR.

- d) Select and designate a redeveloper no later than eighteen (18) months after the Court's grant of a JOR.
- e) Execute a redevelopment agreement no later than two (2) years after the Court's grant of a JOR stipulating that the property shall be developed to include 43 affordable family rental units plus three (3) additional affordable family rentals [one (1) very-low and two (2) low] that will address the off-site affordable housing requirements from the Roosevelt site. In addition, of the 43 affordable family rentals, 53% shall be low income (including very-low-income) and 47% may be moderate income units. The redevelopment agreement shall provide that the affordable units will be constructed as part of an inclusionary development.
- f) If the Planning Board does not determine that the criteria establishing an area in need of redevelopment have been met or if the Township should so elect, the Township governing body shall rezone the property for 218 total units including the required affordable family rentals in accordance with subparagraph (e) above and all provisions of this agreement and dispose of the property to allow for such development through the Local Lands and Buildings Law, N.J.S.A..40A:12-1 et seq., no later than the two year deadline established in this paragraph.

10. For the purposes of settlement, the Township agrees to address its 1,111-unit remaining portion of its allocation of the Prior Round and Round 3 regional need through the following mechanisms:

a) **SURPLUS CREDITS ABOVE RDP –**

- Whalepond Village: 96 total senior affordable rentals – 57 addressing 57-unit rehabilitation share = balance of 39 senior affordable rentals towards unmet need.
- Heritage Village (777 W. Park): 92 total units (87 senior rentals + 5 special needs, non-senior). The 87 senior rentals are initially capped at 70 senior affordable rentals based on the 280-unit RDP. The 17-unit balance of senior affordable credits addresses unmet need.

b) **Overlay Zones:** Subject to all relevant notice and public hearing provisions pursuant to the New Jersey Municipal Land Use Law and consistent with its current Housing Element and Fair Share Plan, the Township shall within 120 days of the approval of this Agreement at a Fairness Hearing adopt and implement overlay zones as set forth in the map attached hereto as Exhibit B. The maximum density allowed in the Overlay Zones is noted below with a minimum required set-aside of 20 percent.

1. Norwood Avenue Inclusionary Mixed Use Zoning Overlay (Block 13/Lots 14–16, 17.01, 18.01, 19, 20 and Block 22/Lot 76-85, 85.01, 87 - 90)

- Mixed Use Overlay
- Commercial First Floor
- Upper Story Residential
- 18 du/acre gross density including zoning standards that practically allow realization of this density
- 53% low (including 13% very-low) and 47% moderate

2. Seaview Square Inclusionary Mixed Use Zoning Overlay (Block 141/Lots 1 and 23)

- Mixed Use Commercial/Residential
- 7 du/acre gross density across the total area of these lots including zoning standards that practically allow realization of this density. The zoning standards and/or redevelopment plan referenced below shall allow for realistic development standards that permit the gross density required to be developed on certain portions of the lots referenced that are most appropriate for residential development.
- 53% low (including 13% very-low) and 47% moderate
- This Inclusionary Overlay may be implemented as part of a Redevelopment Plan which at the Township's sole discretion may also encompass additional properties besides the blocks and lots referenced in this paragraph. That Redevelopment Plan shall be adopted no later than 18 months after the approval of this Agreement at a fairness hearing. In the alternative, the Township may choose to implement overlay zoning without a Redevelopment Plan consistent with this agreement for the blocks and lots referenced by this paragraph no later than 18 months the approval of this Agreement at a fairness hearing.

3. Golf Course Inclusionary Zoning Overlay [Deal Golf Course - Block 59/Lot 1 and Block 60/Lot 1; Hollywood Golf Course – Block 40/Lots 1, 2, 34, 82, 83, 84, 88 and 111)

- Townhouses at 8 du/acre gross density including zoning standards that practically allow realization of this density
- 53% low (including 13% very-low) and 47% moderate

c) **Mandatory Inclusionary Overlay Zoning Ordinance:** Subject to all relevant notice and public hearing provisions pursuant to the New Jersey Municipal Land Use Law, within 120 days of the approval of this Agreement at a Fairness Hearing, the Township will adopt an ordinance requiring a mandatory affordable housing set aside for all new multifamily or single family attached residential developments of five (5) units or more at a density of at least six (6) dwelling units per acre or greater. The set aside for rental developments shall be fifteen percent (15%) and the set aside for for-sale developments shall be twenty percent (20%). The provisions of the ordinance shall not apply to residential expansions, additions, renovations, replacement, or any other type of residential development that does not result in a net increase in the number of dwellings of five (5) or more. Finally, the ordinance may also provide for alternative ways to satisfy the set-aside in particular situations. The form of the Ordinance and the potential alternative means of satisfaction shall be finalized prior to the Compliance Hearing through collaboration between FSHC, Special Master Banisch, and representatives of the Township.

d) **Development Fee Ordinance:** The Township has an approved Development Fee Ordinance in place and shall comply with the Spending Plan provisions set forth below.

11. The Township's RDP shall not be revisited by FSHC or any other interested party absent a substantial changed circumstance and, if such a change in circumstances occurs either with the RDP or the remaining portion of its allocation of the Prior Round and Third Round regional need, the Township shall have the express right to address the issue without any negative impact on its immunity from all Mount Laurel lawsuits or any form of related litigation claiming that the RDP should be increased.

12. The Township agrees to require 13% of all the affordable units referenced in this plan, with the exception of units constructed or subject to preliminary or final site plan approval as of July 1, 2008, to be very low income units, with half of the very low income units being available to families. Preliminarily, the Township will address its 30-unit very-low income requirements (29.5, rounded up) as follows:

- Primrose Place: family very low income units = 2
 - Cindy Lane 100% affordable: family very low income = 6
 - BVB inclusionary: family very low income = 1 or 2
 - Roosevelt: off-site family very low = 1
 - Ocean Glades: family very low = 6
 - Heritage Village (777 W. Park): special needs very low = 5
 - Group Homes: special needs = 9
- Total = 30/31 (16/17 family very low and 14 special needs very low)

The Township also will require 13% of any affordable units developed pursuant to the overlay zoning established in sections 10(b) and 10(c) to be very low income units.

13. To the extent that Ocean is entitled to any "bonus credits" to be applied to its Round 3 obligation, such bonuses will be applied in accordance with N.J.A.C. 5:93-5.15(d).

14. At least 50 percent of the units addressing the Third Round Gap and Prospective Need shall be affordable to very-low-income and low-income households with the remainder affordable to moderate-income households.

15. At least twenty-five percent of the Third Round Gap and Prospective Need shall be met through rental units, including at least half in rental units available to families.

16. At least half of the units addressing the Third Round Gap and Prospective Need in total must be available to families.

17. The Township agrees to comply with COAH's Round 2 age-restricted cap of 25 percent, and to not request a waiver of that requirement. This shall be understood to mean that in no circumstance may the Township claim credit toward its fair share obligation for age-restricted units that exceed 25 percent of all units developed or planned to meet its prior round and Round 3 fair share obligations.

18. The Township and/or its administrative agent shall add the following entities to the list of community and regional organizations in its affirmative marketing plan, pursuant to N.J.A.C. 5:80-26.15(f)(5): Fair Share Housing Center, the New Jersey State Conference of the NAACP, the Latino Action Network, STEPS, OCEAN, Inc., the Greater Red Bank, Asbury Park/Neptune, Bayshore, Greater Freehold, Greater Long Branch, and Trenton Branches of the

NAACP, and the Supportive Housing Association. As part of its regional affirmative marketing strategies during implementation of its fair share plan, the Township and/or its administrative agent shall also provide notice of all available affordable housing units to the above-referenced organizations.

19. All affordable housing units created pursuant to the measures set forth in this Agreement shall comply with the Uniform Housing Affordability Controls ("UHAC"), N.J.A.C. 5:80-26.1 et seq. or any successor regulation, with the exception that in lieu of 10 percent of affordable units in rental projects being required to be at 35 percent of median income, 13 percent of affordable units in such projects shall be required to be at 30 percent of median income, and all other applicable law. All new construction units shall be adaptable in conformance with P.L.2005, c.350/N.J.S.A. 52:27D-311a and -311b and all other applicable law. The Township as part of the Housing Element and Fair Share Plan that will be prepared, adopted and endorsed as a result of this Agreement, shall adopt and/or update appropriate implementing ordinances in conformance with standard ordinances and guidelines developed by COAH to ensure that this provision is satisfied. The Housing Element and Fair Share Plan, along with a Spending Plan, and all implementing ordinances required by this agreement shall be submitted to the Court and the Special Master within 120 days of the entry of an order by the Court approving this Agreement, other than those requirements not required to be completed within 120 days pursuant to paragraphs 9 and 10(b)(2) which shall be governed by the terms of those paragraphs.

20. Income limits for all units that are part of the Plan required by this Agreement and for which income limits are not already established through a federal program exempted from the Uniform Housing Affordability Controls pursuant to N.J.A.C. 5:80-26.1 shall be updated by the Township annually within 30 days of the publication of determinations of median income by HUD as follows:

a) Regional income limits shall be established for the housing region in which the Township is located (in this case, Housing Region 4) based on the median income by household size, which shall be established by a regional weighted average of the uncapped Section 8 income limits published by HUD. To compute this regional income limit, the HUD determination of median county income for a family of four is multiplied by the estimated number of households within the county according to the most recent decennial Census. The resulting product for each county within the housing region is summed. The sum is divided by the estimated total number of households from the most recent decennial Census in the Township's housing region. This quotient represents the regional weighted average of median income for a household of four. The income limit for a moderate-income unit for a household of four shall be 80 percent of the regional weighted average median income for a family of four. The income limit for a low-income unit for a household of four shall be 50 percent of the HUD determination of the regional weighted average median income for a family of four. The income limit for a very low income unit for a household of four shall be 30 percent of the regional weighted average median income for a family of four. These income limits shall be adjusted by household size based on multipliers used by HUD to adjust median income by household size. In no event shall the income limits be less than those for the previous year.

b) The income limits attached hereto as Exhibit C are the result of applying the percentages set forth in paragraph (a) above to HUD's

determination of median income for FY 2018, and shall be utilized until the Township updates the income limits after HUD has published revised determinations of median income for the next fiscal year.

c) The Regional Asset Limit used in determining an applicant's eligibility for affordable housing pursuant to N.J.A.C. 5:80-26.16(b)3 shall be calculated by the Township annually by taking the percentage increase of the income limits calculated pursuant to paragraph (a) above over the previous year's income limits, and applying the same percentage increase to the Regional Asset Limit from the prior year. In no event shall the Regional Asset Limit be less than that for the previous year.

d) The resale prices of owner-occupied low- and moderate-income units may increase annually based on the percentage increase in the regional median income limit for each housing region determined pursuant to the process outlined above. In no event shall the maximum resale price established by the administrative agent be lower than the last recorded purchase price.

e) The rent levels of very-low-, low- and moderate-income units may be increased annually based on the percentage increase in the Housing Consumer Price Index for the Northeast Urban Area, upon its publication for the prior calendar year. This increase shall not exceed nine percent in any one year. Rents for units constructed pursuant to low income housing tax credit regulations shall be indexed pursuant to the regulations governing low income housing tax credits.

The parties agree to request the Court prior to or at the fairness hearing in this matter to enter an order implementing this paragraph of this Agreement, the terms of which shall also be reflected in the Township's Affordable Housing Ordinance.

21. The Court has scheduled a "Fairness Hearing" seeking judicial approval the terms of this Agreement pursuant to the legal standard set forth in Morris Cty. Fair Hous. Council v. Boonton Twp., 197 N.J. Super. 359, 367-69 (Law Div. 1984), *aff'd o.b.*, 209 N.J. Super. 108 (App. Div. 1986); East/West Venture v. City of Fort Lee, 286 N.J. Super. 311, 328-29 (App. Div. 1996). Notice of the Fairness Hearing will be published at least 30 days in advance of the Hearing. Ocean shall apply to the Court for scheduling a "Compliance Hearing" seeking judicial approval of Ocean's Housing Element and Fair Share Plan, once same is prepared, adopted and endorsed. The Fairness and Compliance Hearings can be held concurrently or sequentially, which shall be decided by the Court with consultation by the Special Master, Ocean, and FSHC. Although it is expected that the Special Master will provide the majority of the required testimony, Ocean shall also make its consulting planner and any other relevant witnesses available for testimony at the Hearing(s). FSHC shall not challenge the validity of any of the documents attached hereto, or the validity of the Township's Fair Share Plan. If the Fairness and Compliance Hearing(s) result in approval of this Agreement and the Township's Fair Share Plan, the parties agree that the Township will be entitled to either a "Judgment of Compliance and Repose" ("JOR") or the "judicial equivalent of substantive certification and accompanying protection as provided under the FHA," 221 N.J. at 6, which shall be determined by the trial judge. Each party may advocate regarding whether substantive certification or repose should be provided by the Court, with each party agreeing to accept either form of relief and to not appeal an order granting either repose or substantive certification. Among other things, the entry of such an Order shall maintain Ocean's immunity from all Mount Laurel lawsuits through July 2, 2025.

22. Subsequent to the signing of this Agreement, if a binding legal determination by the Judiciary, the Legislature, or any administrative subdivision of the Executive Branch determines that Ocean's Round 3 obligation is decreased to 414 or less, with any relevant appeal periods having passed, the Township may file a proposed form of Order, on notice to FSHC and the Township's Service List, seeking to reduce its Round 3 obligation accordingly. Such relief shall be presumptively granted unless FSHC can demonstrate through clear and convincing evidence that such a reduction is manifestly prejudicial to the region's low and moderate income households. Notwithstanding any such reduction, the Township shall be obligated to implement the Fair Share Plan prepared, adopted and endorsed as a result of this Agreement, including by leaving in place any site specific zoning adopted or relied upon in connection with the Plan approved pursuant to this Agreement; taking all steps necessary to support the development of any 100% affordable developments referenced herein; maintaining all mechanisms to address the remaining portion of the Township's allocation of the Round 3 regional need; and otherwise fulfilling fully the fair share obligations as established herein. The reduction of the Township's obligation below that established in this Agreement does not provide a basis for seeking leave to amend this Agreement or the fair share plan adopted pursuant to this Agreement or seeking leave to amend an order or judgment pursuant to R. 4:50-1. If the Township prevails in reducing its Round 3 obligation, the Township may carry over any resulting surplus credits to Round 4.

23. The Township shall prepare a Spending Plan, which will be submitted to the Court and Court Master for review and approval within 120 days of the entry of an order by the Court approving this Agreement. FSHC reserves its right to provide any comments or objections on the Spending Plan to the Court upon review. Upon approval by the Court, the Township and Fair Share Housing Center agree that the expenditures of funds contemplated in the Township's Spending Plan shall constitute the "commitment" for expenditure required pursuant to N.J.S.A. 52:27D-329.2 and -329.3, with the four-year time period contemplated therein commencing in accordance with the provisions of In re Tp. Of Monroe, 442 N.J.Super. 565 (Law Div. 2015) (aff'd 442 N.J.Super. 563). Upon approval of its Spending Plan the Township shall also provide an annual Mount Laurel Trust Fund accounting report to the New Jersey Department of Community Affairs, Council on Affordable Housing, Local Government Services, or other entity designated by the State of New Jersey, with a copy provided to Fair Share Housing Center and posted on the municipal website, using forms developed for this purpose by the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services.

24. On the first anniversary of the execution of this Agreement, and every anniversary thereafter through the end of this Agreement, the Township agrees to provide annual reporting of the status of all affordable housing activity within the municipality through posting on the municipal website with a copy of such posting provided to Fair Share Housing Center, using forms previously developed for this purpose by the Council on Affordable Housing or any other forms endorsed by the Special Master and FSHC.

25. The Fair Housing Act includes two provisions regarding action to be taken by the Township during the ten-year period of protection provided in this Agreement. The Township agrees to comply with those provisions as follows:

a) For the midpoint realistic opportunity review due on July 2, 2020, as required pursuant to N.J.S.A. 52:27D-313, the Township will submit to the Court and Special Master a status report for review with notice to all interested parties on or before that date.

b) For the review of very low income housing requirements required by N.J.S.A. 52:27D-329.1, the Township will submit a report to the Court and Special Master for review with notice to all interested parties within three years of the entry of an Order approving the Township's fair share plan and every third year thereafter.

26. This Agreement may be enforced by the Township or FSHC through a motion to enforce litigant's rights or a separate action filed in Superior Court, Monmouth County. If FSHC determines that such action is necessary, the Township consents to the entry of an order providing FSHC party status as an intervenor solely for purposes of its motion to enforce litigant's rights.

27. All Parties shall have an obligation to fulfill the intent and purpose of this Agreement. However, if an appeal of the Court's approval or rejection of the Settlement Agreement is filed, the Parties agree to defend the Agreement on appeal, including in proceedings before the Superior Court, Appellate Division, and New Jersey Supreme Court, and to continue to implement the terms of the Settlement Agreement if the Agreement is approved by the trial Court unless and until an appeal of the trial Court's approval is successful, at which point the Parties reserve their right to return to the *status quo ante*.

28. The Township agrees to pay \$7,500 to FSHC in attorneys fees and costs, payable within 10 days of judicial approval of this Agreement pursuant to a duly-noticed Fairness Hearing.

29. Unless otherwise specified, it is intended that the provisions of this Agreement are to be severable. The validity of any article, section, clause or provision of this Agreement shall not affect the validity of the remaining articles, sections, clauses or provisions hereof. If any section of this Agreement shall be adjudged by a court to be invalid, illegal, or unenforceable in any respect, such determination shall not affect the remaining sections.

30. This Agreement shall be governed by and construed by the laws of the State of New Jersey.

31. This Agreement may not be modified, amended or altered in any way except by a writing signed by both the Township and FSHC.

32. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same Agreement.

33. The Township and FSHC acknowledge that each has entered into this Agreement on its own volition without coercion or duress after consulting with its counsel, that each person to sign this Agreement is the proper person and possesses the authority to sign the Agreement, that this Agreement contains the entire understanding of the Township and FSHC and that there are no representations, warranties, covenants or undertakings other than those expressly set forth herein.

34. The Township and FSHC acknowledge that this Agreement was not drafted by the Township and FSHC, but was drafted, negotiated and reviewed by representatives of the Township and FSHC and, therefore, the presumption of resolving ambiguities against the drafter shall not apply. The Township and FSHC expressly represent that: (a) it has been represented

by counsel in connection with negotiating the terms of this Agreement; and (b) it has conferred due authority for execution of this Agreement upon the persons executing it.

35. Any and all Exhibits and Schedules annexed to this Agreement are hereby made a part of this Agreement by this reference thereto. Any and all Exhibits and Schedules now and/or in the future are hereby made or will be made a part of this Agreement with prior written approval of both the Township and FSHC.

36. This Agreement constitutes the entire Agreement between the Township and FSHC hereto and supersedes all prior oral and written agreements between the Township and FSHC with respect to the subject matter hereof except as otherwise provided herein.

37. Anything herein contained to the contrary notwithstanding, the effective date of this Agreement shall be the date upon which representatives of the Township and FSHC have executed and delivered this Agreement.

38. All notices required under this Agreement ("Notice[s]") shall be written and shall be served upon the Township and FSHC by certified mail, return receipt requested, or by a recognized overnight or by a personal carrier. In addition, where feasible (for example, transmittals of less than fifty pages) shall be served by facsimile or e-mail. All Notices shall be deemed received upon the date of delivery. Delivery shall be affected as follows, subject to change as to the person(s) to be notified and/or their respective addresses upon ten (10) days' notice as provided herein:

TO FSHC:

Adam Gordon, Esq.
Fair Share Housing Center
510 Park Boulevard
Cherry Hill, NJ 08002
Phone: (856) 665-5444
Telecopier: (856) 663-8182
E-mail: adamgordon@fairsharehousing.org

TO THE TOWNSHIP:

Jeffrey R. Surenian, Esq.
Jeffrey R. Surenian & Associates, LLC
707 Union Avenue, Suite 301
Brielle, NJ 08730
Phone: (732) 612-3100
Telecopier: (732) 612-3101
Email: jrs@surenian.com

**WITH A COPY TO THE
TOWNSHIP MANAGER:**

Michael Muscillo, Administrator
Township of Ocean
399 Monmouth Road
Oakhurst, NJ 07755
Phone: (732) 531-5000

WITH A COPY TO THE SPECIAL MASTER:

Frank J. Banisch, III, PP/AICP
Banisch Associates
111 Main Street
Flemington, NJ 08822
Phone: (908) 782-0835
Email: frankbanisch@banisch.com

In the event any of the individuals identified above has a successor, the individual identified shall name the successor and notify all others identified of their successor.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be properly executed, their corporate seals affixed and attested and this Agreement to be effective as of the Effective Date.

Witness/Attest:



FAIR SHARE HOUSING CENTER:

By: 
_____ Adam Gordon, Esq.
On Behalf of Fair Share Housing Center

Witness/Attest:


_____ Vincent Buttiglieri, Clerk
Township Clerk

TOWNSHIP OF OCEAN:

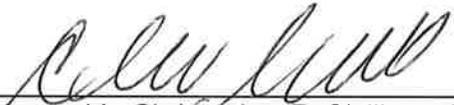
By: 
_____ Honorable Christopher P. Siciliano, Mayor
On Behalf of the Township of Ocean

EXHIBIT A

Vacant Land Analysis
Determination of Realistic Development Potential (RDP)
Revisions to 2011 Study with 2018 Constraints Calculation,
2011 Master-Approved Densities, Recent Approvals and
2018 FSHC Settlement
Ocean Twp.
Monmouth County, NJ

Prepared by:
 Mary Beth Lonergan, PP, AICP
 Christian Kuhn, LLA, ASLA

SITE #	BLOCK	LOT	LOCATION	OWNER	ZONE	COMMENTS	LOT ACRES	AC UNCON	DENSITY	TOTAL UNITS	SET ASIDE	AFF UNITS	ACTUAL UNITS
1	1	26	GREEN GROVE RD	DINA, SALVATORE	R-1	RDP	1.12	1.12					
2	1	27	1251 WEST PARK AVE	DINA, SALVATORE	R-1	RDP	1.59	1.57					
Total:							2.7	2.7	6	16.1	20%	3.2	3.2
3	1.02	33.01	WEST PARK AVE REAR	OCEAN GLADES DEVELOPMENT INC	AR3-PRD	TOWNSHIP TO ACQUIRE DEP N.F.A. LETTER / RDP	16.58	10.79	12	129.5	20%	25.9	43.0
4	1.02	51.11	CLEARVIEW DR	TWP OF OCEAN	AR3-PRD	TOWNSHIP'S CLEARVIEW SITE (48 approved units)	3.67	2.08	12	24.9	20%	5.0	9.6
5	1.02	52.01	17 CINDY LN	BVB II ASSOCIATES	AR3-PRD	BVB LITIGATION SITE - required to base RDP from 20% setback, not 15% approval	3.98	3.98					
6	1.02	53.01		BVB II ASSOCIATES	AR3-PRD	BVB LITIGATION SITE	0.32	0.32					
7	1.02	54.01	21 CLEARVIEW DR	BVB II ASSOCIATES	AR3-PRD	BVB LITIGATION SITE	1.55	1.55					
Total:							5.9	5.9	12	70.2	20%	14.0	14.0
8	1.02	64B	925 WEST PARK AVE	TSILIVITIS, THOMAS & MELANIE	T-1	SUB. APP. FOR 6 LOTS, NOT FILED EXISTING HOUSE LOT EXCLUDED	0.84	0.26					
9	1.02	65B	929 WEST PARK AVE	TSILIVITIS, THOMAS & MELANIE	T-1	SUB. APP. FOR 6 LOTS, NOT FILED EXISTING HOUSE LOT EXCLUDED	0.72	0.00					
Total:							1.6	0.3	6	1.6	20%	0.0	1.9
10	3	16B	777 WEST PARK AVE	777 W. PARK AVE CONDO C/O BONELLO	O-1/80	62 of 92 affordable units are replacement housing for demolished senior rental affordable units at Poplar Village due to prior flooding. RDP 30x20% = 6.0	6.85	4.07	12	48.8	20%	9.8	6.0

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11	9	4			R-1	FARM	0.96	0.96					
12	9	5			R-1	FARM	1.40	1.40					
13	9	6			R-1	FARM	2.15	2.15					
14	9	7			R-1	FARM	5.79	5.63					
15	9	8			R-1	FARM	2.91	2.33					
16	9	10C	231 PARK AVE	ROFE, RENE	R-1	FARM / UNDEVELOPED AREA	11.20	10.29					
Total:							24.4	22.8	6	136.6	20%	27.3	27.3
17	10	1	100 NORWOOD AVE	KASSIN, JACOB S	R-1	HOUSE DEMOLISHED	2.13	2.13	6	12.8	20%	2.6	2.6
18	22	11	310 ROOSEVELT AVE	ROOSEVELT AVE. PROPER, LLC% SCHIBELL	R-4	ROOSEVELT LITIGATION SITE	0.30	0.30					
19	22	12	308 ROOSEVELT AVE	ROOSEVELT AVE. PROP., LLC% SCHIBELL	R-4	ROOSEVELT LITIGATION SITE	3.95	0.76					
20	22	22	300 ROOSEVELT AVE	ROOSEVELT AVE. PROP. LLC% SCHIBELL	R-4	ROOSEVELT LITIGATION SITE (Master approved density to 12 du/ac)	6.53	0.24					
Total:							10.8	1.3	12	15.6	20%	3.1	5.0

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21	22	27	280 ROOSEVELT AVE	TWP OF OCEAN	R-4	RDP	1.66	1.13	6	6.8	20%	1.3	1.3
22	25.15	37	MONMOUTH RD REAR	OAKHURST COUNTRY DAY ESTATES, LLC	R-3 ALT	REZONING FOR 18 HOMES	0.55	0.55					
23	25.15	38	128 MONMOUTH RD	OAKHURST COUNTRY DAY ESTATES, LLC	R-3 ALT	REZONING FOR 18 HOMES	2.26	2.26					
24	25.15	42	422 W LINCOLN AVE	OAKHURST COUNTRY DAY ESTATES, LLC	R-3 ALT	REZONING FOR 18 HOMES	0.34	0.34					
25	25.15	44	W LINCOLN AVE	OAKHURST COUNTRY DAY ESTATES, LLC	R-3 ALT	REZONING FOR 18 HOMES	1.15	1.15					
26	25.15	45		OAKHURST COUNTRY DAY ESTATES, LLC	R-3 ALT	REZONING FOR 18 HOMES	1.10	1.10					
Total:							5.4	5.4	6	32.4	20%	6.5	6.5
27	25.27	11	194 MONMOUTH RD	ISAACSON, DR R J & B	O-1/40	RDP	1.02	1.02	6	6.1	20%	1.2	1.2
29	34.03	5.01	1001 DEAL RD	YESHIVA OF OCEAN % RABBI & S MILLER	R-3 / PRD	RDP	1.41	1.41	6	8.4	20%	1.7	1.7
28	33	17		OCEAN 35 ACQUISITION	R-1T	RDP - DEAL ROAD & ROUTE 35 unconstrained acres for jughandle and ROW dedication)	16.97	13.69					
248	33	18		OCEAN 35 ACQUISITION	O-1/80	(Master added to RDP)	2.87	2.87					
249	33	19		OCEAN 35 ACQUISITION	O-1/80	(Master added to RDP)	10.03	6.60					
Total:							29.86	23.16	12	277.89	20%	55.6	51.6
30	35	6	WEST PARK AVE	APPLE FARM DEV., LLC % KLCC INVEST.	R-1	AVALON LITIGATION SITE	2.03	1.49					
31	35	7	WEST PARK AVE	APPLE FARMS DEV., LLC % KLCC INVEST.	R-1	AVALON LITIGATION SITE	5.76	5.47					
32	35	8	1216 WEST PARK AVE	APPLE FARM DEV., LLC % KLCC INVEST.	R-1	AVALON LITIGATION SITE	5.37	5.37					
33	35	10	1236 WEST PARK AVE	APPLE FARMS DEV., LLC % KLCC INVEST.	R-1	AVALON LITIGATION SITE	8.40	8.40					
34	35	11	932 GREEN GROVE RD	WAYSIDE PARK ESTATES, LLC % KLCC INV	R-1	AVALON LITIGATION SITE	0.79	0.79					
35	35	13	924 GREEN GROVE RD	APPLE FARMS DEV., LLC % KLCC INVEST.	R-1	AVALON LITIGATION SITE	0.81	0.81					
36	35	14	920 GREEN GROVE RD	APPLE FARMS DEV., LLC % KLCC INVEST.	R-1	AVALON LITIGATION SITE	1.21	1.21					
37	35	46	GREEN GROVE RD	APPLE FARM DEV., LLC % KLCC INVEST.	R-1	AVALON LITIGATION SITE	27.00	3.68					

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38	35	46	GREEN GROVE RD	APPLE FARM DEV., LLC % KLCC INVEST.	R-1	AVALON LITIGATION SITE	31.03	7.71					
							82.4	34.9	6	209.7	20%	41.9	41.9
39	37	41	GREEN GROVE RD	BURKE, JOHN J & PATRICIA	R-2	NEWLY SUBDIVIDED LOT / UNDEVELOPED	0.53	0.53					
40	37	43	322 GREEN GROVE RD	BURKE, JOHN J & PATRICIA	R-2	NEWLY SUBDIVIDED LOT / UNDEVELOPED	0.54	0.54					
41	37	42B	320 GREEN GROVE RD	BURKE, JOHN J & PATRICIA	R-2	EXISTING HOUSE IN BACK / THIS IS THE UNDEV PART	1.77	1.68					
Total:							2.8	2.8	6	16.5	20%	3.3	3.3
42	37.16	33	609 BOWNE RD	PFLASTER, LEON & LAURA	R-2	MARTELLI SETTLEMENT SITE	0.78	0.78					
43	37.16	33.01	611 BOWNE RD	PFLASTER, LEON & LAURA	R-2	MARTELLI SETTLEMENT SITE	1.94	1.94					
44	37.16	34	617 BOWNE RD	MARTELLI AT WAYSIDE, L.L.C.	R-2	MARTELLI SETTLEMENT SITE	4.07	4.07					
45	37.16	35	621 BOWNE RD	KOZLOWSKI, HARRIET & MATTHEW	R-2	MARTELLI SETTLEMENT SITE	1.05	1.05					
46	37.16	36	629 BOWNE RD	MARTELLI AT WAYSIDE, L.L.C.	R-2	MARTELLI SETTLEMENT SITE	6.32	6.32					
47	37.16	46	1232 DEAL RD	MARTELLI AT WAYSIDE, L.L.C.	R-1	MARTELLI SETTLEMENT SITE	0.30	0.30					
48	37.16	47	1232 DEAL RD	MARTELLI AT WAYSIDE, L.L.C.	R-1	MARTELLI SETTLEMENT SITE	0.69	0.69					
Total:							15.2	15.2	6	90.9	20%	18.2	18.2
49	41	7	401 SHERMAN AVE	MSM REALTY FAMILY LP % M MUSRY	R-2	RDP	0.66	0.66					
50	41	8	415 SHERMAN AVE	MSM REALTY FAMILY LP % M MUSRY	R-2	RDP	0.77	0.77					
51	41	9	419 SHERMAN AVE	MSM REALTY FAMILY LP % M MUSRY	R-2	RDP	0.76	0.76					
Total:							2.2	2.2	6	13.1	20%	2.6	2.6

Vacant Land Analysis
Determination of Realistic Development Potential (RDP)
Revisions to 2011 Study with 2018 Constraints Calculation,
2011 Master-Approved Densities, Recent Approvals and
2018 FSHC Settlement
Ocean Twp.
Monmouth County, NJ

SITE #	BLOCK	LOT	LOCATION	OWNER	ZONE	COMMENTS	LOT ACRES	AC UNCON	DENSITY	TOTAL UNITS	SET ASIDE	AFF UNITS	ACTUAL UNITS
52	137	5	1109 LOGAN RD	WOBITO, RUDOLF	C-3	RDP	1.02	0.91	6	5.5	20%	1.1	1.1
53	138	77			R-1	RDP / ADJ OWNER PRIVATE SCHOOL	3.81	2.42	6	14.5	20%	2.9	2.9
54	140	65.01	ENGLISH LN	CHRISTOPHER MECCIA, INC	R-4	SUBDIVISION APPROVAL FOR 12 LOTS (WITH LOT 67.02)	3.43	2.74					
55	140	67.02	DORSET RD	CHRISTOPHER MECCIA, INC	R-4	SUBDIVISION APPROVAL FOR 12 LOTS (WITH LOT 65.01)	1.97	1.28					
						Total:	5.40	4.02	6	24.1	20%	4.8	4.8
56	149.01	1.01	2603 ROUTE 66	SEAVIEW CORP. PARK, LTD % US REALTY	O-1/20	RDP	13.57	10.27	6	61.6	20%	12.3	12.3
57	152	6	7 BOWNE RD	TWP OF OCEAN	O-1/20	RDP	1.18	1.18					
58	152	7	5 BOWNE RD	TWP OF OCEAN	O-1/20	RDP	0.86	0.86					
						Total:	2.04	2.04	6	12.2	20%	2.4	2.4
59	208	2	1221 LAWRENCE AVE	GLITZ, L.L.P.	R-4	RDP	0.80	0.80	6	4.8	20%	1.0	1.0
60	209	16	1310 LAWRENCE AVE	GLITZ, L.L.P.	O-1/40	RDP	1.61	1.61	6	9.7	20%	1.9	1.9
60	3		Wickapecko Drive	WOODLAND FARM TECHNOLOGIES INC		Added to RDP in 2018 after house demolitions - changed circumstances	9.14	6.63					
60	4		Wickapecko Drive	WOODLAND FARM TECHNOLOGIES INC		Added to RDP in 2018 after house demolitions - changed circumstances	3.15	3.15					
						Total:	12.29	9.78	6	58.7	20%	11.7	11.7
144	10	17	105 LARCHWOOD AVE	ZEKARIA REALTY INC	R-1	Added to RDP in 2018	0.96	0.96	6	5.7	20%	1.1	1.1
						RDP TOTALS:	231.8	151.7		1136.7		249.8	280.1

- Notes:
- A Township information suggests no or limited wetlands, thus, Township has used gross acreage.
 - B See attached preliminary wetlands plan and letter and attached subdivision plan.
 - C See attached minor subdivision plan.
 - D See attached "Planning Analysis of a Requested Zoning Ordinance Amendment concerning Block 149.01/Lot 1.01....prepared by James W. Higgins Associates, dated August 31, 2004"

EXHIBIT B

Vacant Land Analysis Unmet Need Overlay Zoning

Ocean Township
Monmouth County
New Jersey

January 2, 2019

Legend

- ### Unmet Need Overlay Zoning
- Norwood Ave Inclusionary Mixed Use Zoning Overlay
 - Seaview Square Inclusionary Mixed Use Zoning Overlay
 - Golf Course Inclusionary Zoning Overlay
 - Townhouses
 - 8 dwelling units / acre

Environmental Constraints

- Wetlands (N.J.D.E.P. 2012)
- Water
- 100yr Flood (FEMA 2013)

Plan Notes:

Ocean Township, Monmouth County is incorporated as Planning Area 1 (PA1) on the New Jersey State Development and Redevelopment Plan.
All of Ocean Township is in a sewer service area.
Aerial Source: NAZCOM 2015



Clarke Cohn Hintz
Architecture
Planning
Landscape Architecture



EXHIBIT C

2018 AFFORDABLE HOUSING REGIONAL INCOME LIMITS BY HOUSEHOLD SIZE

Income limits not officially adopted by the State of New Jersey. Contact your municipality to see if applicable in your jurisdiction. Additional information about AHPNJ income limits is posted on

	1 Person	*1.5 Person	2 Person	*3 Person	4 Person	*4.5 Person	5 Person	6 Person	7 Person	8+ Person	Max Increase Rents** Sales***	Regional Asset Limit****
Region 1												
Bergen, Hudson,	\$63,597	\$68,140	\$72,682	\$81,767	\$90,853	\$94,487	\$98,121	\$105,389	\$112,657	\$119,926		
Passaic and	\$50,878	\$54,512	\$58,146	\$65,414	\$72,682	\$75,589	\$78,497	\$84,311	\$90,126	\$95,940	2.2%	\$175,679
Sussex	\$31,798	\$34,070	\$36,341	\$40,884	\$45,426	\$47,243	\$49,060	\$52,695	\$56,329	\$59,963	5.52%	
	\$19,079	\$20,442	\$21,805	\$24,530	\$27,256	\$28,346	\$29,436	\$31,617	\$33,797	\$35,978		
Region 2												
Essex, Morris,	\$66,755	\$71,523	\$76,291	\$85,828	\$95,364	\$99,179	\$102,993	\$110,622	\$118,252	\$125,881	2.2%	\$182,955
Union and Warren	\$53,404	\$57,218	\$61,033	\$68,662	\$76,291	\$79,343	\$82,395	\$88,498	\$94,601	\$100,705	1.22%	
	\$33,377	\$35,762	\$38,146	\$42,914	\$47,682	\$49,589	\$51,497	\$55,311	\$59,126	\$62,940		
	\$20,026	\$21,457	\$22,887	\$25,748	\$28,609	\$29,754	\$30,898	\$33,187	\$35,475	\$37,764		
Region 3												
Hunterdon,	\$75,530	\$80,925	\$86,320	\$97,110	\$107,900	\$112,216	\$116,532	\$125,164	\$133,796	\$142,428		
Middlesex and	\$60,424	\$64,740	\$69,056	\$77,688	\$86,320	\$89,773	\$93,226	\$100,131	\$107,037	\$113,942	2.2%	\$205,458
Somerset	\$37,765	\$40,463	\$43,160	\$48,555	\$53,950	\$56,108	\$58,266	\$62,582	\$66,898	\$71,214		
	\$22,659	\$24,278	\$25,896	\$29,133	\$32,370	\$33,665	\$34,960	\$37,549	\$40,139	\$42,728		
Region 4												
Mercer,	\$69,447	\$74,407	\$79,368	\$89,289	\$99,209	\$103,178	\$107,146	\$115,083	\$123,020	\$130,956		
Monmouth and	\$55,557	\$59,526	\$63,494	\$71,431	\$79,368	\$82,542	\$85,717	\$92,066	\$98,416	\$104,765	2.2%	\$186,616
Ocean	\$34,723	\$37,204	\$39,684	\$44,644	\$49,605	\$51,589	\$53,573	\$57,541	\$61,510	\$65,478	5.19%	
	\$20,834	\$22,322	\$23,810	\$26,787	\$29,763	\$30,953	\$32,144	\$34,525	\$36,906	\$39,287		
Region 5												
Burlington,	\$61,180	\$65,550	\$69,920	\$78,660	\$87,400	\$90,896	\$94,392	\$101,384	\$108,376	\$115,368		
Camden and	\$48,944	\$52,440	\$55,936	\$62,928	\$69,920	\$72,717	\$75,514	\$81,107	\$86,701	\$92,294	2.2%	\$161,977
Gloucester	\$30,590	\$32,775	\$34,960	\$39,330	\$43,700	\$45,448	\$47,196	\$50,692	\$54,188	\$57,684	5.05%	
	\$18,354	\$19,665	\$20,976	\$23,598	\$26,220	\$27,269	\$28,318	\$30,415	\$32,513	\$34,610		
Region 6												
Atlantic, Cape	\$51,085	\$54,734	\$58,383	\$65,681	\$72,979	\$75,898	\$78,817	\$84,655	\$90,494	\$96,332		
May, Cumberland,	\$40,868	\$43,787	\$46,706	\$52,545	\$58,383	\$60,718	\$63,054	\$67,724	\$72,395	\$77,066	2.2%	\$136,680
and Salem	\$25,543	\$27,367	\$29,192	\$32,840	\$36,489	\$37,949	\$39,409	\$42,328	\$45,247	\$48,166	0.00%	
	\$15,326	\$16,420	\$17,515	\$19,704	\$21,894	\$22,769	\$23,645	\$25,397	\$27,148	\$28,900		

Moderate income is between 80 and 50 percent of the median income. Low income is 50 percent or less of median income. Very low income is 30 percent or less of median income.
* These columns are for calculating the pricing for one, two and three bedroom sale and rental units as per N.J.A.C. 5:80-26.4(a).

**This column is used for calculating the pricing for rent increases for units (as previously calculated under N.J.A.C. 5:97-9.3). The increase for 2015 was 2.3%, the increase for 2016 was 1.1%, the increase for 2017 was 1.7%, and the increase for 2018 is 2.2% (Consumer Price Index for All Urban Consumers (CPI-U): Regions by expenditure category and commodity and service group). Landlords who did not increase rents in 2015, 2016, or 2017 may increase rent by up to the applicable combined percentage from their last rental increase for that unit. In no case can rent for any particular apartment be increased more than one time per year.

*** This column is used for calculating the pricing for resale increases for units (as previously calculated under N.J.A.C. 5:97-9.3). The price of owner-occupied low and moderate income units may increase annually based on the percentage increase in the regional median income limit for each housing region. In no event shall the maximum resale price established by the administrative agent be lower than the last recorded purchase price.

Low income tax credit developments may increase based on the low income tax credit regulations.

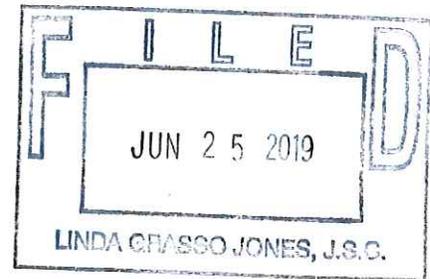
**** The Regional Asset Limit is used in determining an applicant's eligibility for affordable housing pursuant to N.J.A.C. 5:80-26.16(b)3.

Note: Since the Regional Income Limits for Region 6 in 2017 were higher than the 2018 calculations, the 2017 income limits will remain in force for 2018 (as previously required by N.J.A.C. 5:97-9.2(c)).

JEFFREY R. SURENIAN AND ASSOCIATES, LLC

Brielle Galleria
707 Union Avenue, Suite 301
Brielle, NJ 08730
(732) 612-3100.

Attorneys for Declaratory Plaintiff, Township of Ocean
By: Jeffrey R. Surenian (Attorney ID: 024231983)
Michael A. Jedziniak (Attorney ID: 012832001)



**IN THE MATTER OF THE
APPLICATION OF THE TOWNSHIP OF
OCEAN, COUNTY OF MONMOUTH**

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION
MONMOUTH COUNTY

DOCKET NO.: MON-L-2531-15

CIVIL ACTION – MOUNT LAUREL

**ORDER OF FAIRNESS AND
PRELIMINARY ROUND 3
MOUNT LAUREL COMPLIANCE**

THIS MATTER having been opened to the Court by Jeffrey R. Surenian and Associates, LLC, on behalf of declaratory plaintiff, Township of Ocean (hereinafter “the Township” or “Ocean”) via a Declaratory Judgment Complaint filed on July 2, 2015 seeking approval of the Township’s amended Round 3 Housing Element and Fair Share Plan (hereinafter “Fair Share Plan”) in response to In Re Adoption of N.J.A.C. 5:96, 221 N.J. 1 (2015) (“Mount Laurel IV”); and the Court having appointed Francis J. Banisch III, P.P., A.I.C.P. as the Special Master (hereinafter the “Special Master”); and Fair Share Housing Center (“FSHC”) and Roosevelt Properties, LLC having participated in the Township’s DJ Action as “interested parties;” and, on or around January 24, 2019, the Township and FSHC having executed a Mount Laurel settlement agreement (“FSHC Agreement”), attached hereto as Exhibit A and incorporated by reference herein; and the FSHC Agreement having established the Township’s fair share obligations and further having identified the framework of the Township’s plan to satisfy same; and Honorable

Linda Grasso-Jones, J.S.C. having scheduled a Mount Laurel Fairness Hearing for April 5, 2019 to determine whether the FSHC Agreement is fair and reasonable to the region's low - and moderate-income households; and the Township having published notice of the Fairness Hearing in a newspaper of regional circulation and provided actual notice via certified mail to the Mount Laurel IV Service List, the Township's Service List, and to the various affordable housing advocacy groups in the region; and, despite such copious notice, no written objections having been filed; and, on April 1, 2019, Special Master Banisch having issued a report which, among other things, recommended approval of the FSHC Agreement pursuant to the legal standard set forth in East/West Venture v. Bor. of Fort Lee, 286 N.J. Super. 311 (App. Div. 1996); and, on April 5, 2019, the Court having conducted the duly-noticed Mount Laurel "Fairness Hearing;" and Special Master Banisch having provided sworn testimony summarizing his April 1, 2019 Master's Report and recommended approval of the FSHC Agreement; and the Court having considered all of the testimony taken during the Fairness Hearing, as well as the comments of counsel for the Township, FSHC, Roosevelt Properties, LLC; and the Court having also reviewed all of the documents submitted into evidence; and the Court being satisfied that the FSHC Agreement is fair and reasonable to the region's very low-, low-, and moderate-income households; and good cause having been shown:

It is hereby ordered on this 25th day of June, 2019, as follows:

1. The Township provided sufficient published and actual notice of the Fairness Hearing to the public and all known and potential interested parties.
2. Pursuant to the judicial standards set forth in East/West Venture v. Bor. of Fort Lee, 286 N.J. Super. 311 (App. Div. 1996), the FSHC Agreement is fair, reasonable, and

adequately protects the interests of the region's very low, low and moderate income households, and the Court hereby approves the FSHC Agreement, attached hereto as Exhibit A.

3. Pursuant to the judicial standards set forth in East/West Venture v. Bor. of Fort Lee, 286 N.J. Super. 311 (App. Div. 1996), the FSHC Agreement is approved because it is fair, reasonable, and adequately protects the interests of the region's very low, low and moderate income households.

4. Per the FSHC Agreement, the Township's Rehabilitation Obligation is fifty seven (57); its Prior Round Obligation is eight hundred seventy three (873); and its allocation for Round 3 inclusive of a gap obligation and a prospective need obligation for the 26-year period between 1999 and 2025 is five hundred eighteen (518). The Court also approved a vacant land adjustment of the Township's Prior Round and Third Round Obligation to a two hundred and eighty (280) unit realistic development potential ("RDP") and a one thousand one hundred and eleven (1,111) unit unmet need.

5. The Township's proposed plan to address the obligations set forth in the preceding paragraph, as set forth in the FSHC Agreement, is preliminarily approved because it complies facially with the relevant Mount Laurel laws, principles, and policies.

6. In order to secure final approval, the Township must adopt, endorse, and file an amended Round 3 Housing Element and Fair Share Plan and take all the relevant actions set forth in Appendix A of the Special Master's Report, dated April 1, 2019, no later than 120 days after the date of this Order.

7. FSHC and the Township shall adhere to all other terms and conditions in the FSHC Agreement (Exhibit A), and all such terms and conditions are hereby incorporated by reference.

8. A duly-noticed Compliance Hearing is scheduled for **Tuesday, October 22, 2019 at 9:00 a.m.** during which the trial judge will consider whether the Township's amended Round 3 Housing Element and Fair Share Plan creates a realistic opportunity for satisfaction of its fair share of housing affordable to the region's low- and moderate-income households.

9. The Township and Planning Board's temporary immunity from all Mount Laurel lawsuits shall remain in effect through October 22, 2019 as may be extended by the Court.

10. Counsel for the Township shall provide copies of this Order to the Township's Service List within seven (7) days of receipt.



HON. LINDA GRASSO JONES, J.S.C.

APPENDIX C

Letters of Capacity to Provide Water and Sewer Service



Scott Segal
New Jersey American Water
1 Water Street
Camden, NJ 08102
scott.segal@amwater.com

11/4/19

Elaine Clisham
Planner
Clark Caton Hintz
100 Barrack Street
Trenton, NJ 08608

RE: New Jersey American Water's Coastal North System – PWSID # 1345001
Request for Information – Water Capacity
Township of Ocean, Monmouth County, NJ

Dear Ms. Clisham:

We are in receipt of your email from 10/1/19 requesting information regarding New Jersey American Water's (NJAW) Coastal North Water System. Specifically, if NJAW has capacity to serve proposed development projects within the Township of Ocean. The properties were identified as follows:

<u>Site Name</u>	<u>Location</u>
Roosevelt Properties Site	Block 22, lots 11, 12, and 22
Ocean Glades Site	Block 1.02, lot 33.01
Norwood Avenue overlay zone	Block 13, lots 14-16, 17.01, 18.01, 19, 20 and Block 22, lots 76-85, 85.01, and 87-90
Seaview Square overlay zone	Block 141, lots 1 and 23
Golf Course overlay zone	Block 59, Lot 1; Block 60, Lot 1; and Block 40, lots 1, 2, 34, 82, 83, 84, 88, and 111

The above proposed developments are located within NJAW's franchised service territory, and we are pleased to say that presently we have some excess capacity in our system to serve additional projects. However, capacity can change from time to time as various projects continue to submit applications and it is neither reserved nor guaranteed that any or all the projects listed above could be served in the future. In short, this letter is not a reservation of available capacity.

Existing water mains of various diameters are located within close proximity of the boundaries of each site. However, the extent of infrastructure upgrades, if required, cannot be determined until specific demands and fire flow requirements are determined and provided to NJAW through the submittal of formal applications. Only when Extension Deposit Agreement (provided main extensions is required) is signed by both parties will NJAW guarantee service to a project since hydraulic and capacity reviews have to be conducted at the time applications are formally submitted.



In closing, we look forward to working with the municipality and other stakeholders in supplying water service to these projects. We highly recommend you avail yourself of the opportunity to review our water extension process which can be found at the following website:

<https://amwater.com/njaw/about-us/doing-business-with-us/developers>

Should you have any questions, please contact me at your convenience.

Sincerely,

Scott Segal

Scott Segal
Senior Engineering Project Manager, Developer Services South

CC: E. Schwartz
K. Rodier
C. Kendra

THE TOWNSHIP OF OCEAN SEWERAGE AUTHORITY

COUNTY OF MONMOUTH
224 ROOSEVELT AVENUE
OAKHURST, N.J. 07755
TELEPHONE: 732-531-2213
FAX: 732-531-7304
executivedirector@tosa-nj.org

September 16, 2019

Elaine Clisham, Planner
Clarke Caton Hintz
100 Barrack Street
Trenton, New Jersey 08608

Re: Sewer service availability

Dear Ms. Clisham:

In response to your email of September 5th, I will address each of the proposed sites individually.

Roosevelt Site. This site is located within the Authority's sewer service area. There is a 10" line in Roosevelt Avenue.

Ocean Glades Site. This site is located within the Authority's sewer service area. There are several 8" lines that cross the site following what appear to be paper streets - Glades Way, St. Roger Lane and Brian Lane.

Norwood Avenue overlay zone. This site is located within the Authority's sewer service area. There is an 8" line that traverses the site, comes out to Norwood Avenue, and then back onto the site.

Seaview Square overlay zone. This site is located within the Authority's sewer service area. The Authority has an 8" line on the Ring Road but has no responsibility for the interior sewer lines that eventually connect to the Ring Road line.

Hollywood and Deal Golf Courses. These sites are located within the Authority's sewer service area. The Authority has an 18" line in Roseld Avenue and an 8" line in Dwight Avenue which could possibly serve Hollywood Golf Course. The line in Roseld Avenue could possibly serve a portion of Deal Golf Course, but the existing infrastructure surrounding Deal Golf Course is minimal. It is likely that a pump station and some infrastructure would be required to provide service to potential units at Deal Golf Course. These improvements would be the responsibility of the developer of the property or properties.

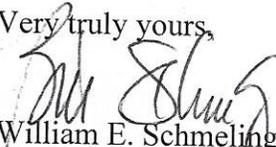
Elaine Clisham, Planner
September 16, 2019
Page -2-

The estimated number of units in total for the above properties is three thousand three hundred fifty-eight (3,358) generating approximately 1,007,460 gallons of sewage flow per day. Based on the Authority's current average monthly flows of 5.283 mgd, there is sufficient capacity at the Authority's treatment plant to handle the flow. However, the collection system may not be able to handle the increased flow, especially from the Seaview Square and Golf Course sites without improvements to the collection system; the Authority feels that the anticipated flow from the Roosevelt and Ocean Glades sites could be handled within the current collection system. For the remaining sites (Norwood Avenue and Seaview Square overlay zones and the Hollywood and Deal Golf Courses), the Authority feels an engineering study is necessary to determine whether that portion of the collection system is able to handle the additional flow and if not in its current configuration, what improvements would be necessary to handle the additional flow. The Authority will not undertake this engineering study.

The Authority does not reserve capacity for proposed development until final approval of the project is granted by the Authority in accordance with its Rules and Regulations.

If you have any questions or need additional information, please contact me.

Very truly yours,


William E. Schmeling
Executive Director

Enc.

cc: Michael Muscillo, Township Manager

EMAIL and REGULAR MAIL



APPENDIX D

Heritage Village at Ocean Rehabilitation Crediting Documentation, including:

- NJHMFA financing, deed restriction and regulatory agreement
- Amended NJHMFA deed restriction
- Special Needs Housing Trust Fund deed restriction
- HMFA Form 10
- HOME deed restriction
- Schedule of development costs and funding
- Rehab scope of work
- Rehab construction schedule
- Rehab cost documentation
- Unit census
- 2019 Utility allowances, maximum gross rents

Record and Return to:

Yadira Simmons, Paralegal Manager

Division of Regulatory Affairs

New Jersey Housing and Mortgage

Finance Agency

637 South Clinton Avenue

P.O. Box 18550

Trenton, New Jersey 08650-2085

**HERITAGE VILLAGE AT OCEAN PROJECT
HMFA # 2828**

FINANCING, DEED RESTRICTION AND REGULATORY AGREEMENT

between

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

and

HERITAGE VILLAGE AT OCEAN LLC

Prepared by:



Robert M. Purcell
Deputy Attorney General

(Construction Financing - Conduit Program)

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Schedule A Legal Description

Schedule B Lender Rider

THIS FINANCING, DEED RESTRICTION AND REGULATORY AGREEMENT (this “Agreement” or “Regulatory Agreement”), is made and entered into as of August 1, 2015, between the **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY** (the “Agency”), a body politic and corporate and an instrumentality exercising public and essential governmental functions of the State of New Jersey, created pursuant to the New Jersey Housing and Mortgage Finance Agency Law of 1983, N.J.S.A. 55:14K-1 *et seq.* (the “Act”) and **HERITAGE VILLAGE AT OCEAN LLC** (together with its successors and assigns, the “Owner” or “Borrower”), a limited liability company organized and existing pursuant to the laws of the State of New Jersey, duly authorized to transact business in the State of New Jersey, and a qualified housing sponsor within the meaning of the Act.

WITNESSETH:

In consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Agency and the Owner hereby agree as follows:

Section 1. Definitions and Interpretation

Capitalized terms used but not defined in this Regulatory Agreement shall have the meanings given to them in the Indenture. In addition, the following terms shall have the respective meanings set forth below:

“**Act**” means the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended from time-to-time, P.L. 1983, c. 530, N.J.S.A. 55:14K-1 *et seq.*

“**Agency Financing**” means the First Mortgage Loan.

“**Agency Regulations**” means the regulations promulgated by the Agency pursuant to the Act and any policies, procedures or guidelines issued by the Agency with respect to the housing projects financed by the Agency under the Act, all of the foregoing as they may be amended from time-to-time.

“**Applicable Public Housing Requirements**” means all requirements applicable to public housing, including, but not limited to, the United States Housing Act, of 1937 (42 U.S.C. § 1437, *et seq.*), as amended from time-to-time, HUD regulations thereunder (and, to the extent applicable, any HUD-approved waivers of regulatory requirements), the Section 202 grant agreement (as applicable), HUD notices, the HUD-approved Declaration of Restrictive Covenants in favor of HUD, the admissions and occupancy policies applicable to the Project as set forth in the PHA Plan (as applicable), and all applicable Federal statutory, executive order and regulatory requirements, as those requirements may be amended from time-to-time.

“**Approvals**” means all federal, state, county, municipal and other governmental permits, licenses, and approvals for the construction of the Project.

“Bonds” means the New Jersey Housing and Mortgage Finance Agency Multifamily Conduit Revenue Bonds (Heritage Village at Ocean Project), Series 2015G issued under and pursuant to the Resolution and the Indenture.

“Borrower Tax Certificate” means the Arbitrage and Tax Certificate dated the date of delivery of the Bonds executed by the Borrower.

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

“Construction Contract” means the agreement between the Owner and ETC Companies, LLC, or any other agreement executed by the Owner and approved by the Agency, for the rehabilitation of the Project in accordance with the plans and specifications for the Project approved by the Agency.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement between the Borrower and the Trustee, as dissemination agent, pertaining to the Bonds as the same may hereafter be modified, supplemented or amended.

“Day” or **“Days,”** whether or not the word is a capitalized term, shall mean calendar day or day(s) unless otherwise specified.

“Deed of Easement” means the Deed of Easement and Restrictive Covenant for Extended Low-Income Occupancy in accordance with Section 42 of the Code in connection with the low income housing tax credit being allowed to the Borrower in connection with the Project.

“Environmental Laws” shall mean and include any federal, State, or local statute, law, ordinance, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic, or dangerous waste, substance, element, compound, mixture or material, as now or at any time hereafter in effect including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended, 42 U.S.C. Sections 9601 *et seq.*, the Federal Hazardous Materials Transportation Act, as amended 42 U.S.C. Sections 1801 *et seq.*, the Federal Resource Conservation and Recovery Act as amended, 42 U.S.C. Sections 6901 *et seq.*, the Superfund Amendments and Reauthorization Act, 42 U.S.C. Sections 9601 *et seq.*, the Federal Toxic Substances Control Act, 15 U.S.C. Sections 2601, *et seq.*, the Federal Hazardous Material Transportation Act, 49 U.S.C. Sections 1801 *et seq.*, the Federal Clean Air Act, 42 U.S.C. Sections 7401 *et seq.*, the Federal Water Pollution Control Act, 33 U.S.C. Sections 1251, *et seq.*, the Rivers and Harbors Act of 1899, 33 U.S.C. Sections 401 *et seq.*, the Residential Lead-Based Paint Hazard Reduction Act of 1992, 42 U.S.C. Section 4852(d), the New Jersey Environmental Cleanup Responsibility Act, as amended N.J.S.A. 13:1K-6 *et seq.*, the New Jersey Industrial Site Recovery Act, N.J.S.A. 13:1K-6 *et seq.*, the Spill Compensation and Control Act, as amended, N.J.S.A. 58:10-23.11 *et seq.*, the New Jersey Tank Registration Act, N.J.S.A. 58:10A-21 *et seq.*, the New Jersey Water Pollution Control Act, as amended, N.J.S.A. 58:10A-1 *et seq.*, and all rules and regulations adopted and publications promulgated thereto, or any other so-called “Superfund” or “Superlien” laws, or any other federal, state or local environmental law,

ordinance, code, rule, regulation, order or decree as any of the foregoing have been, or are hereafter amended.

“Environmental Report” means the Phase I Environmental Site Assessment prepared by Nova Consulting Group, Inc., dated October 24, 2014, as amended.

“Event of Default” means any of the events set forth in Section 30 of this Agreement.

“Financial Agreement” means that certain Agreement dated as of March 21, 2013, by and between Owner and the Township of Ocean, a municipal corporation, as it may be modified, amended or restated.

“First Mortgage” or **“Mortgage”** means the Mortgage, Assignment of Rents and Security Agreement of even date herewith given by the Owner to the Agency to secure the payment of the First Mortgage Note and that constitutes a valid first lien on the Project in a shared first lien position with the mortgage securing the Freddie Mac Loan.

“First Mortgage Loan” or **“Loan”** means the mortgage loan made to the Owner by the Agency to finance a portion of the cost of the Project, which is evidenced by the First Mortgage Note and secured by the First Mortgage.

“First Mortgage Note” and/or **“Note”** means, the interest bearing, non-recourse promissory note, made by the Owner to the Agency, that contains the promises of the Owner to pay the sums of money stated therein at the times stated therein and that, together, evidence the obligations of the Owner to repay the First Mortgage Loan.

“Freddie Mac” means the Federal Home Loan Mortgage Corporation, a shareholder owned government sponsored enterprise organized and existing under the laws of the United States of America, and its successors and assigns.

“Freddie Mac Loan” means the mortgage loan in the original principal amount of \$5,821,000 to be advanced by the Lender to the Borrower.

“Hazardous Materials” shall mean and include those elements, materials, compounds, mixtures or substances that are contained in any list of hazardous substances adopted by the United States Environmental Protection Agency (the “EPA”) or any list of toxic pollutants designated by Congress, the EPA, or the New Jersey Department of Environmental Protection (“NJDEP”), or that are defined as hazardous, toxic, pollutant, infectious, flammable or radioactive by any of the Environmental Laws, and, whether or not included in such lists, shall be deemed to include all products or substances containing petroleum, asbestos, lead, and polychlorinated biphenyls.

“HUD” means the United States Department of Housing and Urban Development.

“Indenture” means the Trust Indenture dated as of August 1, 2015, by and between the Agency and Trustee governing the issuance of the Bonds and the security thereof.

“Intercreditor Agreement” means the Intercreditor Agreement, dated as of August 1, 2015, by and among the Lender, the Agency and the Trustee with respect to the liens of the Agency and the Lender on the Project.

“Investor Member” means PNC Bank, National Association, its permitted successors and assigns.

“IRS Regulations” means the regulations promulgated or proposed by the United States Department of the Treasury or the Internal Revenue Service pursuant to the Code, and to the extent applicable, pursuant to the Internal Revenue Code of 1954, as both may be amended from time-to-time, including all rules, rulings, policies, and official statements issued by the United States Department of the Treasury or the Internal Revenue Service.

“Land” means the real property described in Schedule “A” attached hereto and made a part hereof.

“Lender” means Prudential Affordable Mortgage Company, LLC, a Delaware limited liability company and its successors and assigns, including Freddie Mac, if and when Freddie Mac acquires the Freddie Mac Loan, and any other successors and assigns.

“Loan Agreement” means the Loan Agreement, dated as of August 1, 2015, between the Agency and the Borrower.

“Loan Documents” means and includes this Agreement, the Loan Agreement, the First Mortgage, the First Mortgage Note, the Intercreditor Agreement, the UCC-1 Financing Statements, and the Borrower Tax Certificate.

“Low Income Tenants” means occupants of the Project who have income of sixty percent (60%) or less of the area median gross income, adjusted for family size, as determined under Section 142(d) and 42(g) of the Code, as applicable to the Project’s financing structure.

“Official Statement” means the Official Statement, dated July 31, 2015, in connection with the sale of the Bonds.

“Permitted Encumbrances” means any:

- (i) Utility, access and other easements and rights of way, restrictions and exceptions that do not, individually or in the aggregate, materially impair the utility or value of the Project or Land for the purposes for which it is intended;
- (ii) Liens that are being contested in good faith and for which the Owner has provided security satisfactory to the Agency;
- (iii) Liens subordinate to the First Mortgage Loan arising due to any monies loaned in connection with the Project or other monies loaned to the Owner, provided such liens are disclosed to and approved by the Agency in writing;

(iv) Any other encumbrances approved by the Agency in writing, including the Deed of Easement and the lien securing the Freddie Mac Loan; and

(v) Any other exceptions to title listed on Schedule B, Section II of the title insurance policy issued by Stewart Title Guaranty Company (Policy No. M-9302-003909681) simultaneously with the execution and delivery of this Agreement.

“Plans” means all construction, architectural and design contracts and all architectural design plans and specifications.

“Preliminary Official Statement” means the Preliminary Official Statement, dated July 20, 2015, in connection with the sale of the Bonds.

“Project” means the multifamily residential rental project acquired, constructed, rehabilitated or otherwise financed with the proceeds of the Agency Financing and all other improvements to be constructed or located on the Land.

“Project Revenues” means all rents and other revenues of any type whatsoever received with respect to the Project or Owner, except for advances of the Agency Financing.

“Qualified Bond Counsel” means an attorney or law firm acceptable to the Agency with respect to the issuance of bonds by states and their political subdivisions for the purpose of financing housing projects.

“Qualified Project Period” means the period beginning on the first day on which 10 percent of the residential units in the Project are occupied and ending on the latest of--

(i) the date which is 15 years after the date on which 50 percent of the residential units in the Project are occupied,

(ii) the first day on which no tax-exempt private activity bond issued with respect to the Project is outstanding, or

(iii) the date on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937 terminates.

“Residential Rental Project” means a qualified residential rental project as defined in Section 142(d) and 42(g) of the Code, as applicable to the Project’s financing structure.

“Resolution” means the Resolution of the Agency authorizing the sale and issuance of the Bonds, in connection with the financing or refinancing of the Project.

“Rule 15c2-12” means Securities and Exchange Commission Rule 15c2-12(b)(5), as it may be amended from time-to-time.

“Servicing Fee” means, collectively, the fees that are due from the Owner to the Agency as set forth in the Loan Agreement.

“Special Funds” means, collectively, the Bond Fund, the Project Fund and the Collateral Fund, and any accounts therein, all as created in the Indenture.

“Special Member” means Columbia Housing SLP Corporation, an Oregon corporation, its permitted successors and assigns.

“State” means the State of New Jersey.

“Tax Certificate” means the Tax Certificate for Borrowers of Tax-Exempt Bond Proceeds, if the Project is receiving Tax-Exempt Financing.

“Tax Credits” means low income housing tax credits that the Project may receive pursuant to the Code.

“Tax-Exempt Financing” means financing received by the Owner from the proceeds of the tax-exempt Bonds issued by the Agency, the interest on which is excludable from gross income for purposes of federal or State income taxation.

“Trustee” means the institution named under the Indenture and designated to act as trustee thereunder with respect to the Bonds, and its successors.

“UCC-1 Financing Statements” means the UCC-1 financing statements in favor of the Agency to perfect the security interests granted to the Agency pursuant to the Loan Documents.

Section 2. Background and Purpose

The Owner will acquire, construct or rehabilitate and shall own, maintain, and operate the Project and the Land. The Project consists of 96 units of housing, including one superintendent’s unit that will not be income restricted, located in the Township of Ocean, County of Monmouth, New Jersey. To obtain financing for the Project, the Owner has applied to the Agency for the Agency Financing pursuant to the provisions of the Act. The Project and the Land constitute a “housing project” as defined in the Act.

In connection with its application for the First Mortgage Loan, the Owner has furnished to the Agency Project information, including the description of the Land on which the Project is situated, plans and specifications for the construction and/or rehabilitation of the Project, the tenant population that is to be housed in the Project, the number of units of each type to be included therein, the estimated cost of providing the Project, information as to the projected income and expenses of the Project once completed and placed in operation and arrangements for the payments in lieu of taxes with respect to the Project in accordance with the Financial Agreement. In approving the application and as a basis for providing the Agency Financing, the Agency has relied upon all of the foregoing Project information.

The First Mortgage Loan is an “eligible loan,” as defined in the Act. The Agency intends to make the First Mortgage Loan from funds obtained or to be obtained through the issuance of tax-exempt Bonds. To secure payment of the Bonds, if issued, the Agency will pledge payments due from the Owner from its repayment of the First Mortgage Loan, when made. As a condition

of the Agency's approval of the Owner's application for the First Mortgage Loan, the Owner and the Agency have entered into the Loan Documents.

In addition to the First Mortgage Loan, the Owner has represented to the Agency that the Project will be funded (the "Plan of Finance") from the following sources:

- (a) \$5,821,000 Freddie Mac Loan;
- (b) \$1,300,000 loan from the New Jersey Department of Community Affairs;
- (c) \$500,000 loan from the Township of Ocean;
- (d) \$500,000 loan from the Agency from the Special Needs Housing Trust

Fund; and

(e) Tax credit investor equity in the approximate amount of \$3,491,716, which amount is subject to adjustment pursuant to Owner's Amended and Restated Operating Agreement.

Owner will make an investment in the Project as provided in Section 42 of this Agreement.

Section 3. Residential Rental Property

The Owner hereby represents, covenants, warrants and agrees that:

(a) The Project shall be owned, managed, and operated exclusively as a multi-family residential rental property and, in the event the Project receives Tax-Exempt Financing, as a Residential Rental Project. The Project shall be comprised of a building or structure or several buildings or structures containing similarly constructed dwelling units, together with any functionally related and subordinate facilities and such other non-dwelling units as approved by the Agency. The Project shall consist solely of a Residential Rental Project and no commercial or other facilities may be part of the Project unless permitted by the Agency, the Code or IRS Regulations.

(b) The Project shall contain one or more similarly constructed dwelling units, each of which will contain separate and complete facilities for living, sleeping, eating, cooking and sanitation for a single person or a family including a living area, a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink.

(c) None of the units in the Project will be utilized at any time for an initial lease term of less than six months or as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home, life care facility, trailer court or park.

(d) All of the units shall be rented or available for rent on a continuous basis to members of the general public and the Owner will not give preference to any particular class or group in renting the dwelling units in the Project, except to the extent that dwelling units are

required to be leased or rented to tenants as provided under Section 3(h) or Section 4 of this Agreement.

(e) The Project shall comply with any additional requirements of the Code and IRS Regulations dealing with the residential character of the Project.

(f) Substantially all (*i.e.*, not less than 95%) of the Project shall consist of proximate buildings or structures which have similarly constructed residential units financed pursuant to a common plan together with functionally related and subordinate facilities, all of which shall be owned by the same "person" (as such term is used in the IRS Regulations) for federal tax purposes.

(g) All dwelling units have been and shall be occupied by or held available for rental only to members of the general public, without regard to race, creed, religion, national origin or sex.

(h) Additionally, the Project shall be owned, managed, and operated exclusively as a multifamily residential rental property for senior citizens (which shall include disabled families to the extent allowable by applicable law), such that, in accordance with applicable federal guidelines, at least 80 percent of the occupied units must be occupied by at least one person 55 years of age or older per unit, and the Owner or management of the Project must publish and adhere to policies and procedures that demonstrate an intent to provide housing for persons 55 years or older; provided that one (1) unit is to be occupied by a superintendent and will not be age-restricted.

Section 4. Occupancy Restrictions Governing Tenant Income

The Owner acknowledges that as a condition of receiving financing pursuant to the Act, there are limits on the maximum income that tenants may earn in order to be eligible to lease, occupy, and/or reside in a unit at the Project. The Owner agrees to comply with the income restrictions as set forth in the Act and the Agency Regulations promulgated under the Act governing income restrictions.

The Owner also acknowledges that there are additional limits on the maximum income that tenants may earn in order to be eligible to lease, occupy and/or reside in a unit at the Project. The Owner agrees to comply with the income restrictions as set forth in the Code or IRS Regulations governing income restrictions.

In compliance with the foregoing income restrictions, the Owner agrees to rent forty percent (40%) of the units at the Project to tenants whose income does not exceed sixty percent (60%) of the area's median income adjusted for family size, as median income is defined by the United States Department of Housing and Urban Development, from time-to-time. The Owner acknowledges that if the income restrictions set forth in this paragraph are more restrictive than the restrictions prescribed under the Act and/or the Code, the Owner will abide by the most stringent restrictions as an inducement for and part of the consideration for the Agency to make the Agency Financing.

The Owner hereby represents, warrants and covenants that at all times throughout the Qualified Project Period, not less than forty percent (40%) of the units shall be leased to qualified Low-Income Tenants. For purposes of complying with these requirements, any dwelling unit occupied by an individual or family who is a Low-Income Tenant at the commencement of occupancy shall continue to be treated as if occupied by a Low-Income Tenant even though such individual or family subsequently ceases to be a Low-Income Tenant. The preceding sentence shall not apply to any resident whose income as of the most recent income determination exceeds one hundred forty percent (140%) of the income limit applicable to such resident, if after such determination, but before the next determination, any residential unit of comparable or smaller size in the Project is occupied by a new resident whose income exceeds the applicable income limit. If a unit is vacated by an individual or family who qualified as a Low-Income Tenant, such dwelling unit shall be treated as occupied by a Low-Income Tenant until reoccupied (other than for a temporary period of not more than 31 days), at which time the character of the unit shall be redetermined.

The Owner hereby represents, warrants and covenants that at all times throughout the Qualified Project Period, the Owner shall comply with its representations, warranties and covenants in the Tax Certificate.

Section 5. Representations, Warranties and Covenants of the Owner

The Owner represents, warrants and covenants that:

(a) The Owner (i) is a limited liability company duly organized and validly existing under the laws of the State, duly authorized to transact business in the State and a qualified housing sponsor within the meaning of the Act, (ii) has provided the Agency with a true and complete filed copy of its certificate of formation and operating agreement with all amendments to any such documents, (iii) has the power and authority to own its properties and assets including the Project and Land and to carry on its business as now being conducted (and as now contemplated), and (iv) has the power to execute and perform all the undertakings of this Agreement and the other Loan Documents.

(b) To the best of the Owner's knowledge after due and diligent inquiry, the execution and performance of this Agreement, the other Loan Documents and other instruments required pursuant to this Agreement by the Owner (i) shall not violate or, as applicable, have not violated, any provision of law, rule or regulations, any order of any court or other agency or government or any provision of any document to which the Owner is a party, and (ii) will not violate or, as applicable, have not violated, any provision of any indenture, agreement or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature other than the liens created hereby or permitted hereunder.

(c) All necessary action has been taken by the Owner to authorize the Owner's execution, delivery and performance of the Loan Documents.

(d) The Loan Documents have been duly executed and delivered by the Owner and constitute the valid and legally binding obligations of the Owner, enforceable against the Owner in accordance with their respective terms.

(e) The Owner has, at the time of execution of this Agreement, good and marketable fee simple title to the Project and Land free and clear of any lien or encumbrance, except for Permitted Encumbrances. It will continue to retain ownership of the Project and Land during the term of the Mortgage, subject to the terms of this Agreement and the other Loan Documents, the Act, the Agency Regulations, and if applicable, the Code or IRS Regulations.

(f) There is no arbitration, mediation or other dispute resolution proceeding now pending or, to the knowledge of the Owner after due and diligent inquiry, threatened against or affecting it, or any of its properties or rights, which would impair its right to carry on business as now conducted, or as contemplated to be conducted under this Agreement, or would materially adversely affect its financial condition.

(g) There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of the Owner after due and diligent inquiry, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would impair its right to carry on business substantially as now conducted, or as contemplated to be conducted under this Agreement, or would materially adversely affect its financial condition.

(h) The operation of the Project in the manner presently contemplated and as described in this Agreement will not conflict with any zoning, water or air pollution or other ordinance, order, law or regulation applicable thereto. The Owner has caused the Project to be designed in accordance with all federal, State and local statutes, laws, ordinances, code, rule, order, regulation or decree relating to zoning, building, safety and environmental quality. Further, the Owner has or will receive all necessary governmental approvals and building permits for the Project.

(i) The Owner has filed or caused to be filed by it all federal, State and local tax returns which are required to be filed by it, and has paid or caused to be paid all taxes as shown on said return(s) or on any assessment received by it, to the extent that such taxes have become due.

(j) The Owner is not in material default in the performance, observance or fulfillment of any other obligations, covenants or conditions contained in any material agreement or instrument to which it is a party.

(k) To the best of its knowledge after due and diligent inquiry, the information contained in the legal description of the Land as set forth in Schedule "A" is accurate in all material respects and does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(l) All information contained in the Preliminary Official Statement and Official Statement as it relates to the Owner, the Project and the Land, as of the date on which the Preliminary Official Statement and Official Statement are furnished to the underwriter, did not and will not contain any untrue statement of a material fact and did not and will not omit to state a material fact necessary in order to make the statements made therein, in light of the

circumstances under which they were made, not misleading. The Owner shall not take or permit any action to be taken which would have the effect, directly or indirectly, of causing interest on any Bonds to be included in gross income for purposes of federal or State income taxation.

(m) The Owner has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof or the Loan Documents and in any event the Owner acknowledges that the requirements of this Agreement and the other Loan Documents are paramount and controlling as to the rights and obligations therein and shall supersede any other requirements in conflict therewith.

(n) All statements contained in all applications, correspondence or other materials as amended from time-to-time and delivered to the Agency by the Owner in connection with the Agency Financing or relating to the Project and/or the Land are accurate in all material respects and do not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(o) The Owner will not permit any modification or amendment of the Owner's charter, articles of incorporation or association, bylaws or operating agreement or other governing instrument or instruments, or a transfer of any stock or ownership interest, which would impair its right to carry on business as now conducted, or as contemplated to be conducted under this Agreement.

(p) The representations, covenants and warranties of the Owner contained in this Agreement on the date of its execution are true and shall continue to be true at all times during the term of this Agreement. The Owner has a continuing obligation to notify the Agency if any of the representations, covenants and warranties contained in this Agreement is no longer true.

(q) No event has occurred and no condition exists which constitutes an Event of Default under this Agreement or the other Loan Documents or which, but for a requirement of notice or lapse of time, or both, would constitute such an Event of Default.

(r) A true copy of the entire contract for construction and/or rehabilitation of the Project, with all modifications and addenda to date, has been delivered to the Agency and no default exists under such contract.

(s) The Owner has entered into the Financial Agreement with the municipality in which the Land is situated providing for real property tax abatement or payments in lieu of taxes by the Owner with respect to the Project and Land. A true copy of the Financial Agreement and all amendments thereto have been furnished to the Agency, are in full force and effect, and no proceedings questioning its validity are pending or threatened.

(t) The Owner has provided the Agency with a 100% payment and performance bond in a form acceptable to the Agency to ensure that the Project shall be properly completed in accordance with the plans and specifications and that all contractors, subcontractors, suppliers, materialmen, and vendors performing work on the Project have been paid.

(u) At the time of completion of the construction and/or rehabilitation of the Project, the Owner shall obtain valid releases acceptable to the Agency from all contractors and subcontractors who have performed work on the Project.

Section 6. Environmental Representations, Warranties and Covenants of the Owner

Except as disclosed in the Environmental Report, a copy of which was provided to and approved by the Agency, the Owner represents, warrants and covenants as follows:

(a) Neither Owner nor, to the best of the Owner's knowledge, information and belief, any prior owner or any current or prior tenant, subtenant, or other occupant of all or any part of the Project or Land has used or is using Hazardous Materials on, from or affecting the Project or Land in any manner that violates any Environmental Laws, and no Hazardous Materials have been or will be disposed of or stored on the Project or Land intentionally or unintentionally, directly or indirectly, or by any person whether related or unrelated to Owner.

(b) The Owner has received no notice from any person or entity, public or private, claiming any violation of any Environmental Laws with regard to the Project or Land. There have been no claims, litigation, administrative proceedings, whether actual or threatened, or judgments or order relating to any Hazardous Materials, hazardous wastes, discharges, emissions, or other forms of pollution relating to the Project and/or Land.

(c) The Project and Land do not contain any asbestos-containing material in friable form, and there is no current and will be no future airborne contamination of the Project or Land by asbestos fiber, including any potential contamination that would be caused by maintenance or tenant activities in the Project.

(d) To the best of the Owner's knowledge, information and belief, there have been no Hazardous Materials, hazardous substances or hazardous wastes, as defined by the Industrial Site Recovery Act, N.J.S.A. 13:1K-6 *et seq.* (P.L. 1993, C.112), Spill Compensation and Control Act (N.J.S.A. 58:10-23.11 *et seq.*), CERCLA as amended (42 U.S.C. Subsection 9601 *et seq.*), or any other applicable Environmental Laws generated, manufactured, refined, transported, treated, stored, handled, discharged, spilled or disposed of on the Project and/or Land.

(e) There are no underground storage tanks in the Project or on the Land except as disclosed to the Agency in the Environmental Report. The Owner agrees to maintain, operate, monitor or close all underground storage tanks strictly in compliance with the applicable Environmental Laws.

(f) There is no lead-based paint hazard at the Project and no lead-contaminated soil on the Land except as disclosed to the Agency in the Environmental Report. The Owner agrees to perform any lead-hazard abatement or remediation activities with the approval of the Agency and strictly in compliance with applicable federal and State laws and regulations. The Owner of any housing constructed prior to 1978 ("Target Housing") agrees to provide lead warning statements and to disclose known lead-based paint hazards to all tenants and prospective tenants in Target Housing as required by 42 U.S.C. Section 4852d and the federal regulations promulgated thereunder.

(g) The Project is not located within “freshwater wetlands” or a “transition area,” each as defined by N.J.S.A. 13:9B-3, and will be or has been constructed in compliance with the New Jersey Freshwater Wetlands Protection Act, as amended, N.J.S.A. 13:9B-1 *et seq.*, and the rules and regulations promulgated thereunder.

(h) The Owner will construct and/or rehabilitate, maintain, and operate the Project and Land, and will cause its tenants to use and operate the Project and Land, in compliance with all Environmental Laws.

Section 7. Reporting Requirements

The Owner agrees to comply with the following reporting requirements:

(a) The Owner shall obtain from each tenant, prior to the date of such tenant’s initial occupancy in the Project, an income certification in the form required by the Agency, or in the event the Project receives Tax-Exempt Financing and/or Tax Credits, the Owner shall obtain the certification in the form and, for tenants already in occupancy as of the date hereof, within the timeframes, required by the Code or IRS Regulations. The Owner shall obtain income recertifications from each tenant at such times as required by the Act or the Agency Regulations or, if applicable, the Code or IRS Regulations.

(b) The Owner shall file with the Agency, (i) on the fifth day of each month, copies of the initial occupancy income certifications specified in Section 7(a) hereof obtained during the previous month and (ii) within 45 days of the end of each calendar year copies of the recertifications specified in Section 7(a) hereof, or at such other times as required by the Act or the Agency Regulations or, if applicable, the Code or IRS Regulations.

(c) The Owner shall maintain complete and accurate records beginning with the date of initial occupancy pertaining to the income of each tenant and rent charged to tenants residing in the Project, and shall permit, with or without notice to the Owner, any duly authorized representative of the Agency to inspect the books and records of the Owner pertaining to the incomes of and rent charged to all tenants residing in the Project.

(d) The Owner shall maintain and/or provide to the Agency such other reports, records and information as required by the Act, the Agency Regulations or, if applicable, the Code or IRS Regulations.

(e) The Owner shall submit to the Secretary of the United States Department of the Treasury, at such time and in such manner as the Secretary shall prescribe, an annual certification as to whether the Project continues to meet the requirements of Section 142 (d) of the Code. A copy of such certification shall be sent to the Agency.

(f) In the event the Project is receiving a subsidy or subsidies from HUD, the Owner shall comply with the reporting requirements imposed by HUD therefor.

Section 8. Covenants to Run With the Land

(a) The Agency and the Owner hereby declare their understanding and intent that the burden of the covenants, reservations and restrictions set forth in this Agreement touch and concern the Land in that the Owner's legal interest in the Project and Land is rendered less valuable thereby. The Agency and the Owner hereby further declare their understanding and intent that the benefit of such covenants, reservations and restrictions touch and concern the Project and Land by enhancing and increasing the enjoyment and use of the Project and the Land by the tenants, contemplated under this Agreement and by furthering the public purposes for which the First Mortgage Loan is made and the Bonds, if any, are to be issued. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project and Land. Except as provided in subsection (b) below, the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the Land and hereof and shall pass to and be binding upon the Owner's assigns and successors in title to the Land or Project. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or the Land or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument. If a portion or portions of the Project or Land are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Project and Land.

(b) Upon termination of this Agreement in accordance with Section 9 hereof, said covenants, reservations and restrictions shall expire and in such event, the Agency shall, at the expense of the Owner, execute any and all instruments reasonably required to evidence of record the satisfaction, cancellation and discharge of this Agreement.

Section 9. Term

This Agreement shall remain in full force and effect until all indebtedness from the Owner to the Agency with respect to the Project shall have been paid in full in accordance with the provisions of this Agreement, the First Mortgage Note and the other Loan Documents, provided however that (a) this Agreement shall remain in effect as required by the Code or IRS Regulations, (b) if the First Mortgage Loan is prepaid, this Agreement shall remain in effect as provided in the Agency Regulations governing prepayment, to the extent applicable; and (c) this Agreement shall remain in full force and effect for a period not less than the Qualified Project Period.

Section 10. Construction/Rehabilitation and Funding

A. Construction/Rehabilitation of Project.

The Owner covenants and agrees to comply with all of the provisions of the Loan Agreement. In addition, the Owner covenants and agrees to comply with all the provisions of the Construction Contract. The Owner covenants and agrees to diligently pursue the construction and/or rehabilitation of the Project to completion by the date of completion in the Construction Contract, time being of the essence, in accordance with the plans and specifications for the Project approved by the Agency.

The Owner shall not approve or allow to occur any change in the plans and specifications for the Project or any change order under the Construction Contract except with the prior written approval of the Agency in the manner provided in the Construction Contract. Construction of the Project shall at all times be subject to the inspection, review, regulation and approval of the Agency and its duly authorized representatives as provided in the Construction Contract. Any such inspection, review, regulation and approval of the Agency shall be solely for its benefit for the purpose of assuring that the programs and goals of the Agency are being fulfilled and in furtherance of its obligations under the Act and shall not be construed as making the Agency a party to the Construction Contract, nor shall it relieve the Owner of any of its obligations under this Agreement, the Construction Contract or Loan Documents.

Pursuant to the Act the Owner agrees that it will not pay nor will it permit any contractor or subcontractor engaged in the construction or rehabilitation of the Project to pay any workers employed on the construction of the Project less than the prevailing wage rates as determined by the Commissioner of the New Jersey Department of Labor pursuant to and in accordance with the New Jersey Prevailing Wage Rate Act, N.J.S.A. 34:11-1 *et seq.*, or, should the Project or the tenants of the Project be subject to federal assistance, then as required by the Secretary of HUD and as determined by the Secretary of the United States Department of Labor and Industry in accordance with the Davis-Bacon Act, as amended and recodified, 40 U.S.C. Sections 3141-3144, 3146 and 3147, which regulate "wage rate requirements" on federal "public buildings and works", to the extent applicable. The Owner shall cause the Construction Contract to include the provisions of this paragraph.

The Construction Contract shall provide for performance and payment bonds in favor of the Agency and the Owner. The Owner shall not do any act that would cause the release, in whole or in part, of the surety bond or bonds issued in connection with the Construction Contract, including, without limitation, deviation from the payment schedule, waiver of any requirements imposed on the general contractor or any subcontractor under the Construction Contract or consent to any change in the plans and specifications or scope of the work, unless such act would not cause any release because the surety has consented thereto.

The Owner covenants and agrees to notify the Agency in writing within three (3) business days of the occurrence of any default under the Construction Contract or the Loan Documents.

B. Funding of Construction/Rehabilitation.

Funding of the acquisition for the Project will be in accordance with the Intercreditor Agreement and from certain other funds set forth in the Plan of Finance.

The rehabilitation of the Project will be completed in accordance with the Freddie Mac Loan Documents and the Loan Agreement.

The Owner agrees to contribute equity toward the construction and/or rehabilitation of the Project as may be required pursuant to Section 42 of this Agreement and to pay all cost overruns related to the construction and/or rehabilitation and completion of the Project.

The Owner covenants and agrees, upon completion of the Project, to certify to the Agency the actual cost of the Project. This cost as certified by the Owner shall be audited and verified by the Agency in accordance with its normal procedures. In the event that the amount advanced on the Agency Financing shall exceed 90% of the cost of the Project, the Owner shall pay forthwith to the Agency the amount of such excess, as determined by the Agency, notwithstanding any prepayment restrictions otherwise applicable, as an allowed partial prepayment of the Agency Financing. When the Agency has completed its audit and verification, it shall promptly notify the Owner in writing of the actual Project cost as finally determined by the Agency.

Section 11. Insurance; Condemnation

During the term of the Agency Financing, the Owner shall cause all the buildings on the premises and the fixtures and articles of personal property covered by the Loan Documents to be insured against loss by fire and against loss by such other hazards as may be required by the Agency for the benefit of the Agency including, but not by way of limitation, flood insurance if any part of the Project is located in an area designated by or on behalf of the federal government as having specific flood hazard. Such insurance shall be written by companies, in forms as are satisfactory to the Agency, and in amounts not less than the full replacement value of the Project. The Owner shall assign and deliver the policies to the Agency. All such insurance policies which are obtained by the Owner during the term of the Agency Financing shall fully comply with all Agency requirements for property and liability insurance, including but not limited to the Agency requirement that the insurer must meet certain rating standards. The Agency shall be listed as first mortgagee, loss payee and additional insured under such policies. Such policies shall provide that the insurer may not cancel the policy and will not refuse to renew the policy except after thirty (30) days written notice to the Agency. If the Owner does not provide the Agency with the evidence of insurance as required herein, the Agency may (but shall not be required to) obtain such coverage. The Owner shall reimburse the Agency on demand for any premiums paid for insurance procured by the Agency, and until so reimbursed, the amount of such premiums shall be added to the principal sum of the First Mortgage Note and shall bear interest at the same interest rate as in the First Mortgage Note.

If, during the term of the Agency Financing, the Project shall be damaged, destroyed or taken by condemnation (in whole or in part), the Agency shall direct the Owner to promptly reconstruct the Project to substantially the same condition as existed prior to such damage, destruction or condemnation, with such changes, alterations and modifications as may be desired by the Owner and approved by the Agency, provided that the plans and specifications for reconstruction of the Project are approved by the Agency and, in the Agency's sole determination, (y) the proceeds of the insurance or of the damages or award received as a consequence of such damage, destruction or condemnation, together with any other money available for such purpose, are sufficient to pay the cost of such reconstruction and (z) upon completion of the reconstruction of the Project it shall be financially feasible.

In the event of reconstruction of the Project, the Agency, upon receipt of a written request by the Owner that payments are required for such purpose, shall apply so much as may be necessary of such proceeds of the insurance and any investment income earned thereon to the payment of the costs of such reconstruction as such work progresses.

No money shall be disbursed to pay the costs of reconstruction unless no Event of Default exists hereunder and unless the Agency first shall have received all of the following:

(a) a certification from the Owner stating that:

(1) the full amount of such disbursement and all of the prior disbursements constitute proper and reasonable costs of reconstruction work performed or materials delivered to the site of the Project;

(2) all work performed and material furnished for the reconstruction of the Project have been in accordance with plans and specifications;

(3) all such work has been performed to the satisfaction of the architect retained to prepare the plans and specifications for reconstruction of the Project; and

(4) the Project remains financially feasible.

(b) appropriate insurance from a title insurance company, licensed to do business in the State and acceptable to the Agency, insuring that there are no liens or encumbrances on the Project other than Permitted Encumbrances; and

(c) if the location of any improvement is to be altered, a currently dated, certified survey showing that all improvements are on the Land within any required set-backs and do not encroach on the real property of others.

If, in the Agency's sole determination, (a) the proceeds of the insurance or of the damages or award received as a result of damage, destruction or condemnation together with any other money available for such purpose are not sufficient to pay the cost of reconstruction, or (b) the Project will not be financially feasible upon such reconstruction, then the proceeds of such insurance, damages or award shall be applied to the payment of the indebtedness on the First Mortgage Loan to the extent that the funds then on deposit in the Special Funds are insufficient to pay the principal of and interest due on the Bonds through the maturity date thereof. Nothing in this Section shall affect the liens of this Agreement and the Mortgage(s) or the liability of the Owner for payment of the entire balance of the Agency Financing.

During the term of the Agency Financing, if the Owner shall maintain continuously in effect such other insurance coverage of the types and in the amounts specified by the Agency, including worker's compensation insurance and other insurance required by law with respect to employees of the Owner, and liability insurance with limits of not less than \$1,000,000 per accident or occurrence on account of personal injury, including death resulting therefrom, and \$1,000,000 per accident or occurrence on account of damage to the property of others, and a blanket excess liability policy in an amount not less than \$10,000,000, protecting the Owner and the Agency against any loss or liability or damage for personal injury or property damage with respect to the Project. The Owner shall also maintain use and occupancy insurance covering loss of revenues derived from the Project by reason of interruption, total or partial, of the use of the Project resulting from loss or physical damage thereto in an amount not less than one year's gross rental income. The Owner shall carry fidelity bond insurance covering all employees of

the Owner authorized to handle the revenues derived from the Project in an amount equal to one and one-half (1½) times the maximum monthly rent roll.

In the event the Project receives financing from proceeds of Bonds, the Owner covenants and agrees to provide such additional insurance coverage as required in the Indenture.

Section 12. Taxes, Payments in Lieu of Taxes and Other Municipal Charges

The Owner covenants and agrees to pay all taxes, payments in lieu of taxes, assessments, water charges, sewer charges, and other charges imposed on the Project or Land by the municipality, county, State or other governmental body having jurisdiction over the Project.

Section 13. Liens and Encumbrances

The Owner covenants and agrees to maintain its right, title and interest in the Project, Land and all items enumerated in the Loan Documents, as security for repayment of the Agency Financing, free and clear of all liens, security interests and other encumbrances except for Permitted Encumbrances. The foregoing covenant and agreement shall not prevent the Owner from leasing or renting the Project in the manner as otherwise provided in this Agreement. Except with the written consent of the Agency, the Owner will not install any item of tangible personal property as part of the fixtures or furnishings of the Project that is subject to a purchase money lien or security interest

The Agency may, at its sole option, pay the amount necessary to discharge any lien or other encumbrance other than the Permitted Encumbrances, and the Owner shall reimburse the Agency upon demand for any amounts so paid; provided, however, that no such payment shall be made by the Agency without the express prior written consent of the Lender (to be given or withheld in its sole discretion). Until reimbursement of the Agency of any amounts so paid, such amount shall be added to the principal sum of the First Mortgage Note and shall bear interest at the same interest rate as in the First Mortgage Note.

Section 14. Maintenance, Repair and Replacement

The Owner covenants and agrees that, from and after the date it places the Project in service, the Owner shall maintain the Project and the Land, including, but not limited to, the dwelling units contained therein, any related facilities, the appurtenant equipment and grounds in good repair and condition so as to provide decent, safe and sanitary housing accommodations. In the event that any investigation, site monitoring, containment, clean-up, removal, restoration, remediation, or other remedial work of any kind or nature (the "Remedial Work") is required under any applicable Environmental Laws at, on, about, under or within the Project or Land, the Owner agrees to commence and diligently perform and complete such Remedial Work in compliance with all applicable Environmental Laws, at its own expense. In the event the Owner shall fail to timely commence, perform and complete such Remedial Work, the Agency may, at its sole and absolute discretion, cause such Remedial Work to be performed and the Owner shall reimburse the Agency upon demand for all costs incurred by the Agency in connection with the performance, completion and monitoring of such Remedial Work; provided, however, that unless the funds then on deposit in the Special Funds are insufficient to pay the principal of and interest due on the Bonds through the maturity date thereof, the Agency shall not cause such Remedial

Work to be performed without the express prior written consent of the Lender (to be given or withheld in its reasonable discretion). Until reimbursement of the Agency of any costs so incurred, such amount shall be added to the principal sum of the First Mortgage Note and shall bear interest at the same interest rate as in the First Mortgage Note.

The Owner will not make any substantial alteration to the Project without the consent of the Agency.

The Owner, except in connection with the rehabilitation, will not demolish any part of the Project, substantially subtract from or permit any waste of the real or personal property comprising the Project or Land, or make any alteration that will increase the hazard of fire or other casualty.

Section 15. Advance Amortization Payments

Because the public purposes of the Agency include maximizing the period during which the dwelling units in the Project are available to persons whose incomes do not exceed the maximums provided by the Act, the Agency Regulations, and if applicable, the Code or IRS Regulations, the Owner shall not make any advance principal repayment except as allowed by the Agency Regulations and if the Project is financed by Bonds, as allowed under the Indenture. With respect to any advance amortization payment, if the Agency shall have consented thereto, the Owner shall, if the First Mortgage Loan is financed from Bonds, pay to the Agency an amount sufficient (a) to enable the Agency to redeem Bonds of the appropriate series in the principal amount as required under the Indenture, (b) to pay the interest accrued and to accrue on the Bonds to be redeemed to the redemption date thereof, (c) to pay the redemption premium, if any, on the Bonds to be redeemed, (d) to pay the cost and expense of the Agency in effecting the redemption of the Bonds to be redeemed including legal fees of the Agency, as determined by the Agency, including any investment shortfall resulting from liquidation of investments, and (e) to pay any other cost, expense and liability incurred by the Agency in connection with the financing of the Project and issuance of its Bonds for such purpose not previously paid or provided for by the Agency including, without limitation, underwriting discount or other unamortized Bond discount; provided, however, that only the amount of such advance amortization payment applied as provided in (a) above shall be credited against the unpaid balance of the First Mortgage Loan.

Section 16. Reserved.

Section 17. Compliance Requirements

The Owner covenants and agrees to comply with the Act and the Agency Regulations, and with any amendments or supplements to the Act or Agency Regulations. If the Project receives Tax-Exempt Financing or Tax Credits, the Owner covenants and agrees to comply with the Code or IRS Regulations and with any amendments or supplements to the Code or IRS Regulations, and, in addition, if the Project receives Tax-Exempt Financing, the Owner shall comply with its representations and covenants in the Tax Certificate throughout the term hereof.

The Owner acknowledges that the proceeds of the First Mortgage Loan have been or are expected to be funded through the issuance of Bonds. The Owner agrees that it will execute and

be bound by any amendments to this Agreement or the other Loan Documents and any additional documents as may be required by Qualified Bond Counsel for the issuance of the Bonds and/or to comply with the Code or IRS Regulations. The Owner further agrees to comply with any other requirements of the Agency that Qualified Bond Counsel reasonably believes to be necessary in connection with its marketing and issuance of Bonds. To the extent any amendments, modifications or changes to the Code or IRS Regulations shall, in the written opinion of Qualified Bond Counsel, impose requirements upon the construction, rehabilitation, ownership, occupancy or operation of the Project, the parties agree that this Agreement and/or the other Loan Documents shall be amended and modified in accordance with such requirements. The parties hereto agree to execute, deliver, and record, if applicable, any and all documents or instruments necessary in the opinion of and in the form approved by Qualified Bond Counsel to effectuate the intent of this Section.

If the Project receives financing from proceeds of Bonds, the Owner acknowledges that it is the only Obligated Person with respect to the Bonds within the meaning of Rule 15c2-12 and that it has entered into the Continuing Disclosure Agreement and will perform all of its obligations thereunder when and as required.

The Owner and Agency acknowledge that the Owner is receiving Tax-Exempt Financing and is receiving Tax Credits. Accordingly, the Owner acknowledges that all of the provisions concerning Tax-Exempt Financing are applicable and that all of the provisions concerning Tax Credits are applicable.

In the event of a conflict between, or among any one or more of the Applicable Public Housing Requirements (as defined in this Agreement) and a requirement contained in any Loan Document (or "Project Document") the Applicable Public Housing Requirements shall in all instances be controlling.

Section 18. Lease of Dwelling Units - Maximum Rents

The Owner shall offer dwelling units for lease and occupancy in strict accordance with the Act or Agency Regulations governing tenant marketing, eligibility and selection. The form of lease to be used by the Owner in leasing to residential tenants shall be previously approved by the Agency and shall comply in all respects with the Agency Regulations and the requirements of the Agency. Initial rents may not exceed such amounts as approved by the Agency. In the event the Project receives Tax-Exempt Financing or Tax Credits, rents may not exceed such amounts as prescribed by the Code or IRS Regulations. The form and terms of all leases for any other portion of the Project and/or Land, if permitted under this Agreement, are subject to the prior consent of the Agency. Rent increases for any dwelling unit shall be made pursuant to procedures prescribed by the Agency Regulations, or if applicable, the Code or IRS Regulations.

Section 19. Consideration for Lease

The Owner covenants and agrees not to require as a condition of the occupancy or leasing of any dwelling unit in the Project and not to accept or allow any employee or agent to accept any consideration other than the prepayment of the first month's rent plus a security deposit not in excess of one and one-half (1½) month's rent or as otherwise mandated by Freddie Mac or

HUD, if applicable, unless otherwise approved in writing by the Agency to guarantee the performance of the covenants of the lease or occupancy agreement.

Section 20. [RESERVED]

Section 21. [RESERVED]

Section 22. Inspection of Premises

The Owner covenants and agrees to permit the Agency, its agents or representatives to enter upon and inspect the Project without prior notice, pursuant to the provisions of the Act.

Section 23. Books and Records

The Owner covenants and agrees to maintain adequate books and records of its transactions with respect to the Project in the form required by the Agency. Such books and records shall be available for inspection and audit by the Agency or its agents at any time during business hours, with or without notice, pursuant to the provisions of the Act. The Owner further covenants and agrees to cause its financial affairs to be audited at least annually by independent certified public accountants and shall furnish the Agency with the audit report of such accountants when received and in any event within three (3) months of the close of each of its fiscal years. The Owner shall adopt and use such uniform systems of accounts and records as may from time-to-time be required by the Agency.

Section 24. [RESERVED]

Section 25. Prohibited Actions

Except with the express approval of the Agency during the term of the Agency Financing, the Owner shall not:

(a) incur any liabilities except in connection with the financing, refinancing, acquisition, construction, rehabilitation, repair, improvement and rental of the Project and Land, and its operation and maintenance;

(b) engage in any business activity except the ownership and operation of the Project and Land;

(c) enter into contracts greater than \$100,000 to be paid from Project Revenues for managers, attorneys, accountants, or other services; provided that contracts for attorney services paid from Project Revenue shall be subject to the provisions of N.J.A.C. 5:80-31.1 *et seq.*;

(d) pay more than the fair market value thereof for goods or services without the prior written approval of the Agency;

(e) transfer or invest Project Revenues in any other accounts or investment vehicles, except as permitted by Agency Regulations; or

(f) pay compensation from Project Revenues to any officer, director, member, partner, or shareholder in his capacity as such or make any cash distribution to any of the foregoing; provided, however, that if no Event of Default has occurred, the Owner may make distributions annually of a return on investment in an amount not to exceed the amount permitted under the Act, the Agency Regulations, and then only to the extent of its retained earnings not previously distributed, or as otherwise approved by the Agency. The Owner, however, shall not make any distribution payment without the express agreement of the Agency that retained earnings (or other funds) are available for such distribution.

Section 26. Change of Owner Status

During the term of the First Mortgage Loan, the Owner shall not dissolve, liquidate, sell, transfer, convey or exchange the Project and/or Land or any portion thereof without prior approval of the Agency and the Owner's compliance with the Agency Regulations. During the term of the First Mortgage Loan, the Owner shall not dissolve, liquidate, sell, transfer, convey or exchange any shares, partnership or other ownership interest in the Owner without prior approval of the Agency and the Owner's compliance with N.J.A.C. 5:80-5.1 et seq. of the Agency Regulations. Notwithstanding the foregoing, the Owner shall provide notice to the Agency of any dissolution, liquidation, sale, transfer, conveyance and exchange of the Project and/or Land or dissolution, liquidation, sale, transfer, conveyance and exchange of any shares, partnership or other ownership interest in the Owner. The Owner shall notify in writing and obtain the agreement in writing of any buyer or successor or other person acquiring the Project or Land or any interest therein, in a form acceptable to the Agency, that such acquisition is subject to the requirements of the Loan Documents, Act and Agency Regulations and, if applicable, the Code or IRS Regulations. This notice provision shall not act to waive any other Agency restriction on such dissolution, liquidation, sale, transfer, conveyance or exchange.

Section 27. Estoppel

Within ten (10) business days of written demand by the Agency, the Owner will furnish to the Agency in writing a statement of the outstanding balance of the principal sum plus all the accrued interest remaining due on the Agency Financing, together with a statement of any defenses which may exist as to any liability of the Owner with regard to the Loan Documents.

Section 28. Financing Statements

The Owner hereby irrevocably authorizes the Agency to file on its behalf one or more UCC-1 Financing Statements or renewals thereof with respect to any of the security interests granted by the Loan Documents. The Owner hereby assigns all of its rights and interests in accounts established under this Agreement to the Agency, to the extent that such interest may be needed, pursuant to this Agreement.

Section 29. Assignment

The Owner transfers and assigns to the Agency all of its right, title and interest, but not its liability, in, under, and to all construction, architectural and design contracts, all architectural design plans and specifications and all government permits, licenses and approvals for the construction and/or rehabilitation of the Project (the foregoing collectively referred to as the

“Plans and Approvals”). The Owner represents and warrants that the copies of the Plans and Approvals delivered to the Agency are and shall be true and complete copies of the Plans and Approvals, that there have been no modifications thereof which are not fully set forth in the copies delivered, and that the Owner’s interest therein is not subject to any claim, setoff, or encumbrance. Neither this assignment nor any action by the Agency shall constitute an assumption by the Agency of any obligation under or with respect to the Plans and Approvals; the Owner shall continue to be liable for all obligations of Owner with respect thereto; and the Owner hereby agrees to perform all of its obligations under the Plans and Approvals.

The Owner hereby consents to any assignment of this Agreement by the Agency. No assignment or delegation of this Agreement by the Owner is permitted unless approved in writing by the Agency. If assigned, all rights, duties, obligations and interest arising under this Agreement shall bind and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

Section 30. Defaults

Each of the following shall be an Event of Default:

(a) failure by the Owner to pay (i) any installment of principal or interest under the Agency Financing when due, or (ii) any payment of the Servicing Fee or any other payment required by the Owner to the Agency or any other person pursuant to the terms of this Agreement, the First Mortgage Note, or the other Loan Documents more than ten (10) days after the due date of such payment;

(b) commission by the Owner of any act prohibited by the terms of this Agreement, or the other Loan Documents, or failure by the Owner to perform or observe in a timely fashion any action, obligation, warranty or covenant required by any of the terms of this Agreement or the other Loan Documents or failure by the Owner to produce satisfactory evidence of compliance therewith. An event set forth in this subsection shall not constitute an Event of Default until the prohibited act or failure to perform or observe shall remain uncured for a period of thirty (30) days after the Agency’s written notice to the Owner, specifying such prohibited act or failure and requesting that it be remedied, unless the Agency shall agree in writing to an extension of such time prior to its expiration; provided, however, that if the prohibited act or failure stated in such notice is correctable, but cannot be corrected within the 30-day period, the Agency may consent to an extension of up to 120 days from the delivery of the written notice referred to herein if corrective action is instituted by the Owner within the initial 30-day period and diligently pursued; provided further that the Agency will send, simultaneously with sending to the Owner any notices under this subsection, a copy of the aforementioned notices to the Investor Member and Special Member and, to the extent the Event of Default is curable, a cure tendered in full pursuant to the terms and conditions of this Agreement and the other Loan Documents by the Investor Member or Special Member shall be honored by the Agency;

(c) the filing by the Owner under any federal or State bankruptcy or insolvency law or other similar law, or any petition in bankruptcy or for reorganization or composition with creditors or the making of an assignment for the benefit of creditors;

(d) the filing against the Owner of a petition seeking an adjudication as a bankrupt or the appointment of a receiver for the benefit of its creditors that shall not have been dismissed within sixty (60) days of the filing thereof, or the adjudication of the Owner as a bankrupt or the appointment of a receiver for the benefit of its creditors; or the appointment by court order of a custodian (such as a receiver, liquidator or trustee) of the Owner or of any of its property or the taking of possession of the Owner or any of its property for the benefit of its creditors and such order remains in effect or such possession continues for more than sixty (60) days;

(e) the occurrence of substantial destruction of the Project by an uninsured casualty or the inability to replace or restore the Project in accordance with Section 11, or failure to maintain insurance that fully complies with the Agency insurance requirements set forth at Section 11 or in Agency insurance specifications minimum requirements, or failure to provide, immediately or no later than 30 days from notice, replacement insurance to meet Agency insurance requirements as set forth in Section 11 during the term of the First Mortgage Loan;

(f) any representation in conjunction with the Loan Documents or the Project by or on behalf of the Owner that is false or misleading in any material respect when made;

(g) any occurrence that results in the dissolution or liquidation of the Owner pursuant to the formation documents of the Owner;

(h) failure to comply with applicable provisions of the Act, the Agency Regulations, and if applicable, the Code or IRS Regulations;

(i) failure to substantially complete the Project pursuant to the Construction Contract; and

(j) an Event of Default as to any one mortgage loan to the Borrower held by the Agency shall be deemed an Event of Default as to all mortgage loans to the Borrower held by the Agency.

Notwithstanding the foregoing, Borrower's Investor Member and Special Member shall have the right, but not the obligation, to cure a default hereunder within the same cure period as Borrower.

Section 31. Remedies

Upon the occurrence of any Event of Default, the Agency may at its option take any one or more of the following actions or remedies, in addition to any and all remedies set forth in the other Loan Documents and in the Indenture, and no failure or delay to exercise any remedy or take any action enumerated shall constitute a waiver of such right or preclude a subsequent exercise by the Agency of any such remedy:

(a) declare the outstanding balance of the principal sum under the First Mortgage Note plus all accrued interest, the Servicing Fee and all other liabilities of the Owner under the Loan Documents to be immediately due and payable;

(b) cease making disbursements from reserves held by the Agency, if any;

(c) apply any reserves held by the Agency to the payment of the Owner's liabilities under the Loan Documents;

(d) foreclose the lien of all Mortgage(s) securing the Agency Financing on the Project and Land including, without limitation, all improvements existing or hereafter placed in or on the Project and Land. In any action to foreclose, the Agency shall be entitled to the appointment of a receiver of the rents and profits of the Project as a matter of right, with power to collect the rents, uses, and profits of the Project, due and becoming due during the pendency of such foreclosure suit, such rents and profits being hereby expressly assigned and pledged as additional security for the payment of the indebtedness secured by the Mortgage(s) without regard to the value of the Project or the solvency of any person or persons liable for payment of the mortgaged indebtedness. The Owner, for itself and any such subsequent owner, hereby waives any and all defenses to the application for a receiver as above and hereby specifically consents to such appointment, but nothing herein contained is to be construed to deprive the holder of the Mortgage(s) of any other right, remedy or privilege it may now have under the law to have a receiver appointed. The provisions for the appointment of a receiver of the rents and profits and the assignment of such rents and profits are made express conditions upon which the Agency Financing is made. Upon such foreclosure the Agency shall have the right to have a receiver appointed for the Project and the rent from the Project;

(e) take possession of the Project;

(f) without judicial process, collect all rents and other revenue including federal and State subsidies as the assignee of the Owner, and apply the same, at the Agency's option, either to the operation and maintenance of the Project or to the liabilities of the Owner under the Loan Documents and to accept assignment of leases;

(g) subject to Section 42 of the Code, act as landlord of the Project and rent or lease the same on any terms or dispossess by summary proceedings or other available means any tenant defaulting under the terms of the lease of a dwelling unit;

(h) take possession of equipment, appliances and other tangible personal property in which a security interest has been granted by the Loan Documents and dispose of the same in any commercially reasonable manner. The Agency shall have the option to dispose of any such equipment and personal property either separately from or in conjunction with disposition of the Project or Land. In conjunction with a sale of the Project or Land, the Owner agrees that either method of disposition shall be commercially reasonable;

(i) sue under or make effective an assignment by the Owner to the Agency of any warranty for the Project or any contract for construction, rehabilitation, repair, renovation, reconstruction or improvement of the Project, in which event the Agency is specifically empowered by the Owner to exercise any and all rights of the Owner under the said contract or warranty to recover any amount payable to the Owner pursuant to the contract or any such warranty and to settle any such claim or liability and release the same and apply the proceeds of

any such suit, settlement or release to the liabilities of the Owner under the First Mortgage Note, this Agreement, or the other Loan Documents;

(j) sue the Owner for mandatory injunction, specific performance or other equitable relief requiring performance by the Owner of any of its obligations under this Agreement or the other Loan Documents. The Owner agrees with the Agency that the Agency's remedy at law for the violation and nonperformance of the Owner's obligations under this Agreement or the other Loan Documents is not adequate by reason, among other things, of the Agency's public purpose to provide adequate, safe and sanitary dwelling units for the tenants contemplated under this Agreement;

(k) subject to and in accordance with the Act and the Agency Regulations, replace the general partner, officers, managers, directors, managing members or partners of, or other persons exercising control over the affairs of the Owner with such person or persons as the Agency in its sole discretion deems advisable, including officers or employees of the Agency, who shall exercise all of the authority of managing general partner or other manager of the Owner. Such appointment by the Agency shall be for the duration provided in Section 7 (b)(6) of the Act and any person so appointed shall be entitled to the same immunities and compensation as provided in such Act. If the Agency decides to remove and replace the general partner, officers, managers, directors, managing members or partners of the Owner pursuant to its rights under the Act, the Agency may require from the newly appointed officers, managers, directors, managing members or partners a deed to the Project in lieu of foreclosure;

(l) exercise any rights of the Owner under the Plans and Approvals and to take in its name or in the name of Owner such action as the Agency may determine to be necessary pursuant to the assignment of Plans and Approvals (as set forth in Section 29). The Agency may use the Plans and Approvals for any purpose relating to the Project. The Owner irrevocably constitutes and appoints the Agency as the Owner's attorney-in-fact, in the Owner's name or in the Agency's name, to enforce all rights of the Owner under any Plans and Approvals.

Notwithstanding the above enumeration of remedies, the Agency shall have available to it all other remedies provided at law or in equity or any other action permitted by law.

Section 32. Anticipatory Breach

If the Owner threatens to commit a breach of any of the provisions of this Agreement or the other Loan Documents, the Agency shall have the right, without posting bond or other security, to seek injunctive relief or specific performance, it being acknowledged and agreed that any such breach, or threatened breach, will cause irreparable injury to the Agency and that money damages will not provide an adequate remedy.

Section 33. Expenses Due to Default

The Owner hereby acknowledges that if the Project receives Bond financing, the payments to be made by the Owner pursuant to the First Mortgage Note may be used by the Agency to pay interest and principal on the Bonds. In the event that the Owner fails to make any payment due under the First Mortgage Note and the Agency is required to advance funds to pay

interest or principal on the Bonds, the Owner shall be required to pay the Agency interest on any amounts so advanced by the Agency on demand, which interest shall be equal to the applicable interest rate in the First Mortgage Note.

Section 34. Amendments; Notices; Waivers

This Agreement may be amended only by a written instrument executed and acknowledged on behalf of the Agency and the Owner in such manner that the instrument may be recorded.

No waiver by the Agency of any Event of Default or required performance by the Owner and no course of conduct of the parties or failure by the Agency to enforce or insist upon performance of any of the obligations of the Owner under this Agreement, or the other Loan Documents at any time shall preclude enforcement of any of the terms of this Agreement or the other Loan Documents except as expressly set forth in a written waiver signed by the Agency.

Any provision of this Agreement requiring the consent or approval of the Agency for the taking of any action, or the omission of any action or otherwise called for under this Agreement, requires such written consent by the Agency signed by a duly authorized officer of the Agency. Any such consent or approval, unless it expressly states otherwise, is limited to the particular action or omission referred to therein and does not apply to subsequent similar actions or omissions.

Notice provided for under this Agreement shall be given in writing and signed by a duly authorized officer and any notice required to be given hereunder shall be given by hand delivery by recognized private carrier with acknowledgment of delivery by certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto:

Owner: Heritage Village at Ocean LLC
c/o Community Investment Strategies, Inc.
1970 Brunswick Avenue
Lawrenceville, New Jersey
Attention: Christiana Foglio
Telephone: 609-298-2229
Facsimile: 609-298-7708

With a copy to: Gluck Walrath LLP
11 Wharf Avenue, Suite 4
Red Bank, New Jersey 07701
Attention: Chris Walrath, Esq.
Telephone: 732-530-8822
Facsimile: 732-530-6770

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

Investor Member: PNC Bank, National Association
121 S.W. Morrison Street, Suite 1300
Portland, Oregon 97204-3143
Attention: Real Estate Tax Credit Capital

Special Member: Columbia Housing SLP Corporation
121 S.W. Morrison Street, Suite 1300
Portland, Oregon 97204-3143
Attention: Fund Manager

Lender: Prudential Affordable Mortgage Company, LLC
4350 North Fairfax Drive, Suite 700
Arlington, Virginia 22203
Attention: President-Affordable Housing
Telephone: 571-357-7820
Facsimile: 571-357-7877

With a copy to: Prudential Affordable Mortgage Company, LLC
c/o Prudential Asset Resources
2100 Ross Avenue, Suite 2500
Dallas, Texas 75201
Attention: Asset Management Department
Telephone: 214-777-4523
Facsimile: 214-777-4556

And following assignment of the Freddie Mac Loan to Freddie Mac a copy sent to:

Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive
McLean, Virginia 22102
Attention: Senior Director, MF Asset Management

Section 35. Severability

The invalidity of any part or provision hereof shall not affect the validity, legality or enforceability of the remaining portions hereof, and to this end the provisions of this Agreement shall be severable.

Section 36. Personal Liability

Notwithstanding any other provision contained in this Agreement or the other Loan Documents, the Agency agrees, on behalf of itself and any future holder of the Loan Documents, that the liability of the Owner, any general or limited partner, member or shareholder of the Owner and their respective heirs, representatives, successors and assigns, for the payment of its obligations under the Loan Documents, including, without limitation, the payment of principal and interest due and other charges due hereunder and thereunder, shall be limited to the collateral pledged under the Loan Documents, and that the Agency shall have no right to seek a personal judgment against the Owner, any general or limited partner, member or shareholder of the Owner, or their respective heirs, representatives, successors and assigns, individually, except to the extent necessary to subject the collateral pledged under the Loan Documents to the satisfaction of the mortgage debt; provided, however, that the Agency shall retain the right to exercise any and all remedies granted to it under this Agreement and the other Loan Documents, including without limitation the right to sue for injunctive or other equitable relief. The foregoing limitation of liability shall not apply to any party to the extent such party has committed fraudulent, criminal or unlawful acts and, solely as to the Borrower or the Managing Member of the Borrower, shall not apply to such amounts that may be due to the Agency pursuant to Sections 11, 12, 13, 14, 15(c) through (e), 33 and/or 42.

Section 37. Counterparts

This Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original. A fax copy of a signature on this Agreement shall have the same effect as an original provided that an original is received by the other party hereto within two business days thereafter.

Section 38. Disclaimer of Warranties, Liability, Indemnification

(a) The Owner acknowledges and agrees that (i) the Agency has not heretofore and does not make any warranty or representation, either express or implied as to the value, condition, or fitness for particular purpose or any use of the Project or Land or any portions thereof or any other warranty or representation with respect thereto; (ii) in no event shall the Agency or its agents or employees be liable or responsible for any incidental, indirect, special, consequential or punitive damages in connection with or arising out of this Agreement or any of the other Loan Documents or from the acquisition, construction, rehabilitation, reconstruction, repair, improvement, ownership, operation or maintenance of the Project or Land or any items or services provided for in this Agreement or the other Loan Documents; and (iii) during the term of this Agreement and the other Loan Documents and to the fullest extent permitted by law, the Owner shall indemnify and hold the Agency harmless against, and the Owner shall pay any and all liability, loss, cost, damage, claims, judgments or expenses of any and all kinds or nature and however arising, imposed by law, which the Agency may sustain, be subject to, or caused or incurred by reason of any claim, suit or action based upon personal injury, death or damage to property or any other damage or loss sustained, whether real, personal or mixed, or arising out of any alleged violation of the Environmental Laws or the alleged use, storage or disposal of Hazardous Materials by the Owner or by any person or entity or other source related to the Project or Land, or upon or arising out of contracts entered into by the

Owner, or arising out of the Owner's acquisition, construction, rehabilitation, reconstruction, repair, improvement, ownership, operation or maintenance of the Project or Land.

(b) It is mutually agreed by the Owner and the Agency that the Agency and its members, directors, officers, agents, servants, employees and attorneys shall not be liable for any action performed under this Agreement, and that the Owner shall hold them harmless from any claim or suit of whatever nature.

(c) Any claims asserted against the Agency shall be subject to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 *et seq.* (except for N.J.S.A. 59:13-9 thereof). While this statute is not applicable by its terms to claims arising under contracts with the Agency, the Agency and the Owner agree that it shall be applicable to claims arising under this Agreement or the other Loan Documents. It is acknowledged by the parties that the Agency is a public entity covered by the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 *et seq.*

(d) Notwithstanding the provisions of this Section 38, but in no way intending to reduce the obligations of Owner under this Agreement or the other Loan Documents, in the event the Agency takes possession, ownership and/or control of the Project and commences operating the same, Owner shall not be liable for the acts or omissions of the Agency, its employees, agents or representatives from and after the date of such possession, ownership or control.

Section 39. Filing

This Agreement shall be duly recorded in the Office of the Clerk for the county in which the Land is located.

Section 40. Governing Law and Venue

This Agreement shall be governed by the laws of the State of New Jersey.

If any legal action should be filed by any party against any other in connection with this Agreement and/or the other Loan Documents, the venue and forum for such action shall be the New Jersey Superior Court, Mercer County.

Section 41. Equal Opportunity and Non-Discrimination

The Owner covenants and agrees that it will comply with the Agency guidelines with respect to equal opportunity and non-discrimination in its purchase of goods and services for the operation and maintenance of the Project throughout the term of this Agreement.

Section 42. Investment Funding and Return on Investment

The Owner agrees to make an investment in the Project and Land in an amount which is not less than 10% of the total Project cost as determined by the Agency pursuant to the Act. In the event the combined principal sum set forth in the Agency Financing that is advanced to the Owner is determined by the Agency to exceed 90% of the total Project cost, the Owner shall

reimburse the Agency an amount which would reduce the Agency Financing to 90% of the total Project cost.

The total Project cost and the portion thereof that is contributed by the Owner as investment shall be determined by the Agency in accordance with the cost certification procedures under the Act. The calculation for return on equity/investment shall not be applicable due to the loan term.

Section 43. Applicability and Conflict of Terms and Conditions

The terms and conditions of this Agreement are applicable for the entire term of this Agreement (as set forth in Section 9 hereof) unless otherwise set forth in this Agreement. In the event of any conflict or inconsistency between the terms and conditions of any of the Loan Documents and including this Agreement, the terms and conditions of this Agreement shall prevail. Notwithstanding the foregoing, the Owner agrees that the Agency may render a decision concerning the intent and/or applicability of any term or condition of the Loan Documents and unless such decision is found to be arbitrary or capricious by a court of competent jurisdiction, the Agency decision shall be final.

Section 44. Miscellaneous

Unless the context clearly requires otherwise, as used in this Agreement, words of the masculine, feminine or neuter gender shall be construed to include any other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

Section 45. Lender Rider

The Owner and Agency each hereby agree that for so long as the Freddie Mac Loan remains outstanding, this Agreement shall be amended by the terms set forth in the Rider, attached hereto as Schedule B.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, this Agreement is duly executed by the Owner and Agency and by signing below, the Owner acknowledges that it has received a true copy of this Agreement, without charge.

HERITAGE VILLAGE AT OCEAN LLC,
a New Jersey limited liability company

By: CIS Ocean LLC,
a New Jersey limited liability company,
its managing member

By: CIS Ocean LLC,
a New Jersey limited liability company,
its managing member

By: Community Investment Strategies II LLC,
a New Jersey limited liability company,
its managing member

By: CIS Affordable LLC,
a New Jersey limited liability company,
its managing member

By: 
Name: Christiana Foglio
Title: Managing Member

STATE OF NEW JERSEY)
) SS:
COUNTY OF MIDDLESEX)

I CERTIFY that on August 7 2015, Christiana Foglio personally came before me, the subscriber, a notary public and acknowledged under oath, to my satisfaction that (a) she is the Managing Member of CIS Affordable LLC, which is the managing member of Community Investment Strategies II LLC, which is the managing member of CIS Ocean LLC, which is the managing member of HERITAGE VILLAGE AT OCEAN LLC, the Borrower named in this document; and (b) she executed and delivered this document as the voluntary act of the limited liability company duly authorized by the Members.



Notary Public of New Jersey

YVETTE M RAY
Notary Public
State of New Jersey
My Commission Expires Jul 14, 2016

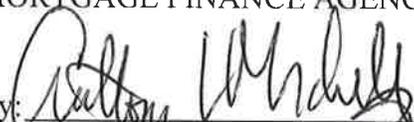
IN WITNESS WHEREOF, this Agreement is duly executed by the Owner and Agency and by signing below, the Owner acknowledges that it has received a true copy of this Agreement, without charge.

(SEAL)
ATTEST:



David Bonomo
Assistant Secretary

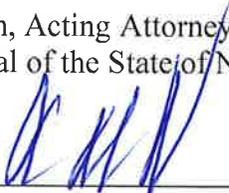
NEW JERSEY HOUSING AND
MORTGAGE FINANCE AGENCY

By: 

Anthony L. Marchetta
Executive Director

This Agreement has been reviewed and approved as to form.

John J. Hoffman, Acting Attorney General
Attorney General of the State of New Jersey

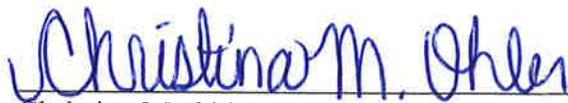


By:

Robert M. Purcell
Deputy Attorney General

STATE OF NEW JERSEY, COUNTY OF MERCER SS:

I CERTIFY that on August 3, 2015 **Anthony L. Marchetta**, personally came before me, a Notary Public of the State of New Jersey, and acknowledged under oath to my satisfaction that a) he is the **Executive Director** of **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**, the Agency named in this document, and b) he executed and delivered this document as the voluntary act of the Agency, duly authorized by a proper resolution of its members, on behalf of the Agency.



Christina M. Ohler

Notary Public of New Jersey

My Commission Expires 11/21, 2016

SCHEDULE A

Legal Description

All that certain lot, tract or parcel of land situate, lying and being in the Township of Ocean, in the County of Monmouth and the State of New Jersey, and being all of Lot 21.02, cap block 1.02 as shown on a map entitled "Final Plat-Major Subdivision Hidden Meadows, Lot 21, cap block 1.02, Township of Ocean, Monmouth County, New Jersey", prepared by Birdsall Engineering, Inc., dated May 28th 1992 and filed in the Monmouth County Clerk's Office on September 4, 1992, as Case No. 2044-11, and being more particularly bounded and described as follows, to wit:

BEGINNING at a concrete monument found in the easterly line of the entire tract as described in Deed Book 5147 Page 502, said point being the following courses from the point of intersection of the aforesaid easterly line of the entire tract with the southeasterly line of Lynn Drive (50' ROW.)

- A. S 60° 38' 57" W (S 50° 51' 02" E, deed), 223.74', thence
- B. N 84° 48' 33" E (S 85° 23' 32" E, deed), 66.88', thence
- C. N 07° 33' 30" E (N 17° 21' 25" E, deed), 683.41', thence
- D. S 84° 27' 48" W (N 85° 44' 17" W, deed), 330.64', thence
- E. N 01° 54' 04" W (N 07° 53' 51" W, deed), 20.04' to the true Point of BEGINNING and running, thence

Running along the division line between Lots 21.01 and 21.02 as shown on the aforementioned filed map, the following five (5) courses:

1. S 84° 27' 48" W (N 85° 44' 17" W, deed), 400.00 feet, passing over a concrete monument found 70.0 feet measured from the terminus of this course, thence
2. N 01° 54' 04" W (N 07° 53' 51" E, deed), 407.27 feet to a concrete monument found, thence
3. N 67° 05' 11" W (N 57° 17' 16" W, deed), 376.52 feet to a concrete monument found, thence
4. N 07° 52' 05" E (N 17° 40' 00" E, deed), 440.00 feet to a point near a leaning concrete monument found, thence
5. S 76° 07' 50" E (S 66° 19' 55" E, deed), 721.03 feet to a concrete monument found in the outside line of the entire tract as shown on the aforementioned filed map, thence
6. S 29° 53' 45" W (S 39° 41' 40" W, deed), 435.00 feet along said outside tract line to a rebar with cap "Birdsall" found, thence
7. S 38° 53' 43" E (S 29° 05' 55" E, deed), 335.05 feet along the same to rebar with cap set, thence
8. S 01° 54' 04" E (S 07° 53' 51" W, deed), 140.27 feet along the same to the Point and Place of BEGINNING.

Together with as set forth in Rights and Easements set forth in the Master Deed of the Hidden Meadows Condominium recorded 11/5/92 in Deed Book 5286 Page 578 and amended by First amendment dated 3/5/93 recorded 3/12/93 in Deed Book 5206 Page 47, Second Amendment dated 7/8/93 recorded 7/22/93 in Deed Book 5234 Page 47, Third Amendment dated 10/7/93 recorded 10/26/93 in Deed Book 5257 Page 450, Fourth Amendment dated 1/25/94 recorded 2/8/94 in Deed Book 5286 Page 578.

The foregoing description was prepared by the undersigned land surveyor for the firm of Maser Consulting PA and is based on a map entitled, "ALTA/ACSM Land Title Survey, Whale Pond Village, for the Township of Ocean, Lot 21.02, Block 1.02, Township of Ocean, Monmouth County, New Jersey" dated January 11, 2013, last revised 6/10/2015.

FOR INFORMATION PURPOSES ONLY: BEING known as Stacey Drive, Tax Lot 21.02, Tax Block 1.02 on the Official Tax Map of Township of Ocean, NJ.

LENDER RIDER

This Lender Rider (the "Rider") is attached to and forms a part of the Financing, Deed Restriction and Regulatory Agreement (the "Regulatory Agreement"), dated as of August 1, 2015, by and between **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY** (the "Agency"), and **HERITAGE VILLAGE AT OCEAN LLC** (together with any successor to its rights, duties and obligations hereunder and as owner of the Project identified herein, the "Borrower").

1. Definitions. Terms used in this Rider as defined terms shall have the meanings given those terms in the Regulatory Agreement. In addition, the following terms shall have the following meanings:

"Freddie Mac Borrower Note" means the \$5,821,000 Multifamily Note dated August 11, 2015 from Borrower to Lender to evidence its indebtedness under the Freddie Mac Loan.

"Freddie Mac Loan Commitment" means, collectively, the commitments for the Freddie Mac Loan with respect to the Project from the Lender and from Freddie Mac.

"Freddie Mac Loan Documents" the documents related to the Freddie Mac Loan, including the Freddie Mac Loan Commitment, the Freddie Mac Borrower Note, the Freddie Mac Mortgage, and any and all other documents, agreements, or instruments which evidence or secure the indebtedness evidenced by the Freddie Mac Borrower Note.

"Freddie Mac Mortgage" means the first-lien priority Multifamily Mortgage, Assignment of Rents, and Security Agreement dated as of August 1, 2015 from Borrower for the benefit of Lender to secure the repayment of the Freddie Mac Borrower Note.

2. Applicability. The provisions of this Rider shall amend and supplement the provisions of, and in the event of a conflict shall supersede the conflicting provisions of, the Regulatory Agreement.

3. Indemnification. Inasmuch as the covenants, reservations and restrictions of the Regulatory Agreement run with the land, the indemnification obligations of the Borrower contained in the Regulatory Agreement will be deemed applicable to any successor in interest to the Borrower, but, it is acknowledged and agreed, notwithstanding any other provision of the Regulatory Agreement to the contrary, that neither Lender nor any successor in interest to Lender will assume or take subject to any liability for the indemnification obligations of the Borrower for acts or omissions of the Borrower prior to any transfer of title to Lender, whether by foreclosure, deed in lieu of foreclosure or comparable conversion of the Freddie Mac Loan. The Borrower shall remain liable under the indemnification provisions for its acts and omissions prior to any transfer of title to Lender. Lender shall indemnify the Agency following acquisition of the Project by Lender, by foreclosure, deed in lieu of foreclosure or comparable conversion of the Freddie Mac Loan, during, and only during, any ensuing period that Lender owns and operates the Project, provided that Lender's liability shall be strictly limited to acts and omissions of Lender occurring during the period of ownership and operation of the Project by

Lender. Lender shall have no indemnification obligations with respect to the Bonds or the Loan Documents. The Borrower shall remain liable under the Regulatory Agreement for its actions and omissions prior to any transfer of title to Lender.

4. Sale or Transfer.

(a) Restrictions on sale or transfer of the Project or of any interest in the Borrower, Agency consents, transferee agreements, transferee criteria and requirements, opinion requirements, assumption fees, transfer fees, penalties and the like shall not apply to any transfer of title to the Project to Lender or to a third party by foreclosure, deed in lieu of foreclosure or comparable conversion of the Freddie Mac Loan or to any subsequent transfer by Lender following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Freddie Mac Loan. No transfer of the Project shall operate to release the Borrower from its obligations under the Regulatory Agreement. Nothing contained in the Regulatory Agreement shall affect any provision of the Freddie Mac Mortgage, or any of the other Freddie Mac Loan Documents that requires the Borrower to obtain the consent of Lender as a precondition to sale, transfer or other disposition of, or any direct or indirect interest in, the Project or of any direct or indirect interest in the Borrower. No covenant obligating the Borrower to obtain an agreement from any transferee to abide by all requirements and restrictions of the Regulatory Agreement shall have any applicability to a transfer to Lender upon foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Freddie Mac Loan by Lender, or to any subsequent transfer by Lender following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Freddie Mac Loan. Any written consent to a sale or transfer obtained from the Agency must be deemed to constitute conclusive evidence that the sale or transfer is not a violation of the transfer provisions.

(b) Notwithstanding anything contained in the Regulatory Agreement to the contrary, Additional Loans (as defined in the First Mortgage) shall not be subject to restrictions on transfers or encumbrances.

(c) Notwithstanding anything contained in Section 4(a) of this Rider to the contrary, in the event that the Agency Financing will remain outstanding following any transfer of title to the Project to Lender or to a third party by foreclosure, deed in lieu of foreclosure or comparable conversion of the Freddie Mac Loan, all applicable provisions of the Act and Agency Regulations, including but not limited to restrictions on sale or transfer of the Project or of any interest in the Borrower, Agency consents, transferee agreements, transferee criteria and requirements, opinion requirements, assumption fees, transfer fees, penalties and the like, shall apply to such transfer (provided that Agency consents shall be granted in accordance with the Agency's then applicable policies and procedures).

5. Enforcement. Notwithstanding anything contained in the Regulatory Agreement or the Indenture to the contrary:

(i) the occurrence of an event of default under the Regulatory Agreement shall not, under any circumstances whatsoever, be deemed or

constitute a default under the Freddie Mac Loan Documents, except as may be otherwise specified in the Freddie Mac Loan Documents;

(ii) upon the occurrence of an event of default under the Regulatory Agreement, the Agency may not seek, in any manner, to (a) cause or direct acceleration of the First Mortgage Loan, (b) enforce the First Mortgage Note, (c) foreclose on the First Mortgage, (d) cause the Trustee to redeem the Bonds or to declare the principal of the Bonds and the interest accrued on the Bonds to be immediately due and payable or (e) cause the Trustee to take any other action under any of the Loan Documents or any other documents which action would or could have the effect of achieving any one or more of the actions, events or results described in the preceding clauses (a) through (d); and

(iii) the occurrence of an event of default under the Regulatory Agreement shall not impair, defeat or render invalid the lien of the Freddie Mac Mortgage.

The foregoing prohibitions and limitations are not intended to limit the rights of the Agency to specifically enforce the Regulatory Agreement or to seek injunctive relief in order to provide for the operation of the Project in accordance with the requirements of the Internal Revenue Code and state law. Accordingly, upon any default by the Borrower, the Agency may seek specific performance of the Regulatory Agreement or enjoin acts which may be in violation of the Regulatory Agreement or unlawful, but the Agency may not seek any form of monetary recovery from the Borrower, although the Agency may seek to enforce a claim for indemnification, provided that no obligation of the Borrower under the Regulatory Agreement, including, without limitation, any indemnification obligation, any other obligation for the payment of money, any claim and any judgment for monetary damages against the Borrower, occasioned by breach or alleged breach by the Borrower of its obligations under the Regulatory Agreement or otherwise, shall be secured by or in any manner constitute a lien on, or security interest in, the Project, whether in favor of the Agency or any other person, and all such obligations shall be, and by this Rider are, subordinate in priority, in right to payment and in all other respects to the obligations, liens, rights (including without limitation the right to payment) and interests arising or created under the Freddie Mac Loan Documents. Accordingly, neither the Agency nor the Trustee shall have the right to enforce any monetary obligation other than directly against the Borrower, without recourse to the Project. In addition, any such enforcement must not cause the Borrower to file a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Borrower under any applicable liquidation, insolvency, bankruptcy, rehabilitation, composition, reorganization, conservation or other similar law in effect now or in the future.

The obligations of any owner under the Regulatory Agreement shall be personal to the person who was the owner at the time that an event, including, without limitation, any default or breach of the Regulatory Agreement, occurred or was alleged to have occurred, and such person shall remain liable for any and all such obligations, including damages occasioned by a default or breach, even after such person ceases to be the owner of the Project. Accordingly, no subsequent owner of the Project shall be liable or obligated for the obligation of any prior owner (including the Borrower), including, but not limited to, any obligation for payment, indemnification or

damages, for default or breach of the Regulatory Agreement or otherwise. The owner of the Project at the time the obligation was incurred, including any obligation arising out of a default or breach of the Regulatory Agreement, shall remain liable for any and all payments and damages occasioned by the owner even after such person ceases to be the owner of the Project, and no person seeking such payments or damages shall have recourse against the Project.

Under no circumstances shall the Agency:

(i) initiate or take any action which may have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal of, interest on, or other amounts due and payable under, the Freddie Mac Loan;

(ii) interfere with or attempt to influence the exercise by Lender of any of its rights under the Freddie Mac Loan, including, without limitation, Lender's remedial rights under the Freddie Mac Loan Documents upon the occurrence of an event of default by the Borrower under the Freddie Mac Loan; or

(iii) upon the occurrence of an event of default under the First Mortgage Loan, take any action to accelerate or otherwise enforce payment or seek other remedies with respect to the First Mortgage Loan.

6. Notice of Violations. Promptly upon determining that a violation of the Regulatory Agreement has occurred, the Agency shall, by notice in writing to the Borrower and Lender, inform the Borrower and Lender that such violation has occurred, the nature of the violation and that the violation has been cured or has not been cured, but is curable within a reasonable period of time, or is incurable; notwithstanding the occurrence of such violation, the Agency shall not have, and the Agency acknowledges that it shall not have, any right to cause or direct acceleration of the First Mortgage Loan, to enforce the First Mortgage Note or to foreclose on the First Mortgage.

7. Amendments. The Regulatory Agreement shall not be amended without the prior written consent of Lender.

8. Fees; Penalties. Lender shall not be liable for the payment of any compensation or any accrued unpaid fees, costs, expenses or penalties otherwise owed by the Borrower or any subsequent owner of the Project prior to the date of acquisition of the Project by Lender, whether such acquisition is by foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Freddie Mac Loan.

9. Subordination. The terms, covenants and restrictions of the Regulatory Agreement, other than those pertaining to federal tax requirements set forth in Sections 3, 4, 7, 9, 17, 18 and this Rider and, so long as the Agency Financing remains outstanding, other than all applicable provisions of the Act and Agency Regulations, are and shall at all times remain subject and subordinate, in all respects, to the liens, rights and interests created under the Freddie Mac Loan Documents. Upon a conveyance or other transfer of title to the Project by foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Freddie Mac Loan, the Person who acquires title to the Project pursuant to such foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Freddie Mac Loan (unless (i) such Person is the Borrower or a

Person related to the Borrower within the meaning of Section 1.103-10(e) of the Regulations or (ii) the Agency Financing remains outstanding following such conveyance or other transfer of title to the Project, in either of which events the Regulatory Agreement shall remain in full force and effect in its entirety) shall acquire such title free and clear of the terms, covenants and restrictions of the Regulatory Agreement, other than those pertaining to federal tax requirements set forth in Sections 3, 4, 7, 9, 17, 18 and this Rider, from and after the date on which such Person acquires title to the Project, the terms, covenants and restrictions of the Regulatory Agreement, other than those pertaining to federal tax requirements set forth in Sections 3, 4, 7, 9, 17, 18 and this Rider, shall automatically terminate and be of no force and effect; provided that the federal tax requirements set forth in Sections 3, 4, 7, 9, 17, 18 and this Rider, shall also terminate and be of no force and effect under the circumstances set forth in Section 9 of the Regulatory Agreement.

10. Third-Party Beneficiary. The parties to the Regulatory Agreement recognize and agree that the terms of the Regulatory Agreement and the enforcement of those terms are essential to the security of Lender and are entered into for the benefit of various parties, including Lender. Lender shall accordingly have contractual rights in the Regulatory Agreement and shall be entitled (but not obligated) to enforce, separately or jointly with the Agency, or to cause the Agency to enforce, the terms of the Regulatory Agreement. In addition, Lender is intended to be and shall be a third-party beneficiary of the Regulatory Agreement.

11. Notices. Copies of all notices under the Regulatory Agreement shall be sent to Lender at the address set forth below or to such other address as Lender may from time-to-time designate:

To the Freddie Mac Lender:

Prudential Affordable Mortgage Company, LLC
c/o Prudential Asset Resources
2100 Ross Avenue, Suite 2500
Dallas, Texas 75201
Attention: Asset Management Department

And following assignment of the Freddie Mac Loan:

Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive
McLean, Virginia 22102
Attention: Senior Director, MF Asset Management

With a copy to:

Prudential Affordable Mortgage Company, LLC
c/o Prudential Asset Resources
2100 Ross Avenue, Suite 2500
Dallas, Texas 75201
Attention: Asset Management Department



Monmouth County Document Summary Sheet



MONMOUTH COUNTY CLERK
PO BOX 1251
MARKET YARD
FREEHOLD NJ 07728

Return Name and Address

Johanna Peña
 Administrative Assistant III
 Tax Credit Services
 NJHMFA
 637 S. Clinton Avenue
 Trenton, NJ 08611

**501J9H****Official Use Only**

Submitting Company	New Jersey Housing and Mortgage Finance Agency
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Document Type	Deed <i>Easement (Amended)</i>
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Document Date (mm/dd/yyyy)	04/06/2018
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Total Number of Pages (Including the cover sheet)	7
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Consideration Amount (If applicable)	\$110.00
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Official Use Only

APR - 9 2018 JB

CHRISTINE GIORDANO HANLON
 COUNTY CLERK
 MONMOUTH COUNTY, NJ

INSTRUMENT NUMBER
2018036403

RECORDED ON
Apr 13, 2018
9:54:32 AM
BOOK:OR-9282
PAGE:4633
 Total Pages: 7

COUNTY RECORDING FEES \$100.00
 TOTAL PAID \$100.00

	Name(s) (Last Name, First Name or Company Name)	Address (Optional)
First Party	New Jersey Housing and Mortgage Finance Agency Heritage Village at Ocean, LLC	1970 Brunswick Ave., Ste. 100 Lawrenceville, NJ 08648

Second Party	Heritage Village at Ocean, LLC New Jersey Housing and Mortgage Finance Agency	1970 Brunswick Ave., Ste. 100 Lawrenceville, NJ 08648
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The Following Section is Required for DEEDS Only

Parcel Information	Municipality	Block	Lot	Qualifier	Property Address
	Ocean Township	1.02	21.02		400 Stacey Drive

Recording Reference to Original Document (if applicable)

Reference Information (Marginal Notation)	Book	Beginning Page	Instrument No.
		OR-9166	8719

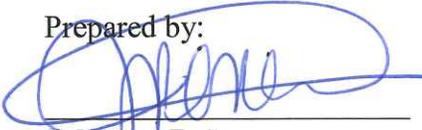
Please do not detach this page from the original document as it contains important recording information and is part of the permanent record.

RECORD & RETURN TO:

*Johanna Peña, Administrative Assistant III
NJ Housing and Mortgage Finance Agency
637 S. Clinton Avenue
Trenton, NJ 08611*

LIHTC #1546

Prepared by:



Johanna Peña

**AMENDMENT TO
DEED OF EASEMENT AND RESTRICTIVE COVENANT
FOR EXTENDED LOW-INCOME OCCUPANCY**

This Amendment to Deed of Easement and Restrictive Covenant (the "Amendment"), dated as of **January 24, 2018**, is entered into between **Heritage Village at Ocean, LLC** and its successors and assigns (the "Project Owner") whose principal address is **1970 Brunswick Avenue, Suite 100, Lawrenceville, NJ 08648**, and the New Jersey Housing and Mortgage Finance Agency, its successors and assigns (the "Agency"), acting as the housing credit agency for the State of New Jersey, as described in Section 42(h)(3) of the Internal Revenue Code, as amended, and to income-eligible members of the public, as defined below. As conditioned below, this Amendment restricts occupancy of the described premises to income eligible-occupants for a specified period of time. This Amendment is made in satisfaction of the requirements of Section 42 of the Federal Tax Reform Act of 1986, P.L. 99-514, as amended (the "Code").

WITNESSETH:

WHEREAS, in conjunction with an allocation of low income housing tax credits, the Owner made and entered into a Deed of Easement and Restrictive Covenant for Extended Low-Income Occupancy (the "Deed of Easement") on **August 11, 2015** with the Agency, encumbering the land, being known as Tax Map Block No. **1.02**, Lot Nos. **21.02**, in the County of **Monmouth** New Jersey, and title to which has been recorded in the County Clerk or Register's Office in Deed Book No. **OR-9166** at Page No. **8719**, and

WHEREAS, it has come to the Owner's and the Agency's attention that **Section one** of the Deed of Easement is inaccurate, to the extent that it states;

- (1) The **one** building, which consist of a total of **95** residential rental units, of which **95** are LIHTC units, and which will constitute a qualified low-income housing project as defined in Section

42(g)(1) of the Code and regulations promulgated thereunder, the rental units which will be rented or available for rental on a continuous basis to members of the general public, shall be known as **Heritage Village at Ocean** (the "Project"). The Project is located at **400 Stacey Drive, Ocean Township NJ, 07712**, Municipal Tax Map Block No. **1.02**, Lot **21.02** in the County of **Monmouth**, New Jersey, and title to which has been recorded in the County Clerk or Register's Office being more fully described as set forth in Attachment "A" hereto.

NOW, THEREFORE, based upon mutual consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree that **Section one** of the Deed of Easement shall be amended to state:

- (1) The **three** building(s), which consist of a total of **95** residential rental units, of which **95** are LIHTC units, and which will constitute a qualified low-income housing project as defined in Section 42(g)(1) of the Code and regulations promulgated thereunder, the rental units which will be rented or available for rental on a continuous basis to members of the general public, shall be known as **Heritage Village at Ocean** (the "Project"). The Project is located at **400 Stacey Drive, Ocean Township NJ, 07712**, Municipal Tax Map Block No. **1.02**, Lot **21.02** in the County of **Monmouth**, New Jersey, and title to which has been recorded in the County Clerk or Register's Office being more fully described as set forth in Attachment "A" hereto.

All other terms and conditions set forth in the original Deed of Easement not specifically amended hereby shall remain in full force and effect as if fully set forth herein.

[THIS SPACE INTENTIONALLY LEFT BLANK]

Signatures: This Covenant is granted by the Project Owner whose duly authorized representative's signature appears below.

Sworn and subscribed to before
The undersigned Notary Public or
Attorney on the date appearing below:

PROJECT OWNER:

Heritage Village at Ocean, LLC
By: CIS Ocean, LLC, its managing member
By: Community Investment Strategies II LLC,
its managing member;
By: CIS Affordable LLC, its managing member

WITNESS: (IF INDIVIDUAL, LLC, OR PARTNERSHIP)

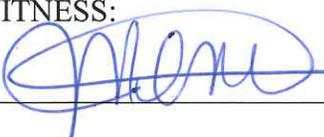


Julia Meister



Barbara K. Schoor
Assistant Secretary

NEW JERSEY HOUSING AND
MORTGAGE FINANCE AGENCY

WITNESS:


By: 

Debra M. Urban
Chief of Legal and Regulatory Affairs

Date: 3/15/18

STATE OF NEW JERSEY, COUNTY OF MERCER

SS:

I CERTIFY that on 3/15/18, 2018, **DEBRA M. URBAN** personally came before me, a Notary Public of the State of New Jersey, and acknowledged under oath to my satisfaction that a) she is the **Senior Director of Programs** of **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**, the Agency named in this document, and b) she executed and delivered this document as the voluntary act of the Agency, duly authorized by a proper resolution of its members, on behalf of the Agency.

Aida Luz Silva

Notary Public of the State of New Jersey

My Commission Expires on July 19, 2022



Attachment "A"

Stewart Title Guaranty Company

OWNER'S POLICY

SCHEDULE C LEGAL DESCRIPTION

Policy No.: O-9301-003034507

File No.: 14-27706

All that certain lot, tract or parcel of land situate, lying and being in the Township of Ocean, in the County of Monmouth and the State of New Jersey, and being all of Lot 21.02, cap block 1.02 as shown on a map entitled "Final Plat-Major Subdivision Hidden Meadows, Lot 21, cap block 1.02, Township of Ocean, Monmouth County, New Jersey", prepared by Birdsall Engineering, Inc., dated May 28th 1992 and filed in the Monmouth County Clerk's Office on September 4, 1992, as Case No. 2044-11, and being more particularly bounded and described as follows, to wit:

BEGINNING at a concrete monument found in the easterly line of the entire tract as described in Deed Book 5147 Page 502, said point being the following courses from the point of intersection of the aforesaid easterly line of the entire tract with the southeasterly line of Lynn Drive (50' ROW.)

- A. S 60° 38' 57" W (S 50° 51' 02" E, deed), 223.74', thence
- B. N 84° 48' 33" E (S 85° 23' 32" E, deed), 66.88', thence
- C. N 07° 33' 30" E (N 17° 21' 25" E, deed), 683.41', thence
- D. S 84° 27' 48" W (N 85° 44' 17" W, deed), 330.64', thence
- E. N 01° 54' 04" W (N 07° 53' 51" W, deed), 20.04' to the true Point of BEGINNING and running, thence

Running along the division line between Lots 21.01 and 21.02 as shown on the aforementioned filed map, the following five (5) courses:

1. S 84° 27' 48" W (N 85° 44' 17" W, deed), 400.00 feet, passing over a concrete monument found 70.0 feet measured from the terminus of this course, thence
2. N 01° 54' 04" W (N 07° 53' 51" E, deed), 407.27 feet to a concrete monument found, thence
3. N 67° 05' 11" W (N 57° 17' 16" W, deed), 376.52 feet to a concrete monument found, thence
4. N 07° 52' 05" E (N 17° 40' 00" E, deed), 440.00 feet to a point near a leaning concrete monument found, thence
5. S 76° 07' 50" E (S 66° 19' 55" E, deed), 721.03 feet to a concrete monument found in the outside line of the entire tract as shown on the aforementioned filed map, thence
6. S 29° 53' 45" W (S 39° 41' 40" W, deed), 435.00 feet along said outside tract line to a rebar with cap "Birdsall" found, thence
7. S 38° 53' 43" E (S 29° 05' 55" E, deed), 335.05 feet along the same to rebar with cap set, thence
8. S 01° 54' 04" E (S 07° 53' 51" W, deed), 140.27 feet along the same to the Point and Place of BEGINNING.

Together with as set forth in Rights and Easements set forth in the Master Deed of the Hidden Meadows Condominium recorded 11/5/92 in Deed Book 5286 Page 578 and amended by First amendment dated 3/5/93 recorded 3/12/93 in Deed Book 5206 Page 47, Second Amendment dated 7/8/93 recorded 7/22/93 in Deed Book 5234 Page 47, Third Amendment dated 10/7/93 recorded 10/26/93 in Deed Book 5257 Page 450, Fourth Amendment dated 1/25/94 recorded 2/8/94 in Deed Book 5286 Page 578.

The foregoing description was prepared by the undersigned land surveyor for the firm of Maser Consulting PA and is based on a map entitled, "ALTA/ACSM Land Title Survey, Whale Pond Village, for the Township of Ocean, Lot 21.02, Block 1.02, Township of Ocean, Monmouth County, New Jersey" dated January 11, 2013, last revised 6/10/2015.

FOR INFORMATION PURPOSES ONLY: BEING known as Stacey Drive, Tax Lot 21.02, Tax Block 1.02 on the Official Tax Map of Township of Ocean, NJ.

Record & Return to:

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

Heritage at Ocean (Whalepond)
HMFA # 2828
SNHTF # 321

FINANCING, DEED RESTRICTION AND REGULATORY AGREEMENT

Between

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

And

HERITAGE VILLAGE AT OCEAN LLC

Prepared by:

Special Needs Housing Trust Fund
THIRD Mortgage Loan
Construction and Permanent Financing



Kellie L. Kiefer Pushko
Deputy Attorney General

THIS FINANCING, DEED RESTRICTION AND REGULATORY AGREEMENT (this "Agreement"), made and entered into as of this 17th day of October, 2013, by and between the **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY** (the "Agency" or "Lender"), a body politic and corporate and an instrumentality exercising public and essential governmental functions of the State of New Jersey (the "State") and **HERITAGE VILLAGE AT OCEAN LLC**, ("Owner" or "Borrower"), a corporation organized and existing pursuant to the laws of the State of New Jersey and duly authorized to transact business in the State of New Jersey.

W I T N E S S E T H

In consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Agency and the Owner hereby agree as follows:

Section 1. Definitions and Interpretation. The following terms, if applicable, shall have the respective meanings set forth below:

"Act" means the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended from time to time, P.L. 1983, c. 530, N.J.S.A. 55:14K-1 et seq., and the regulations promulgated thereunder.

"Agency Financing" means the THIRD Mortgage Loan.

"Agency Regulations" means the regulations promulgated by the Agency pursuant to the Act and any policies, procedures or guidelines issued by the Agency with respect to the housing projects financed by the Agency under the Act, all of the foregoing as they may be amended from time to time, if applicable.

"Amortization Date" means the first day of the first month following the date the Lender determines the Project is substantially complete, if applicable.

"Architect's Contract" means the agreement between the Owner and Architect, or any other agreement executed by the Owner and approved by the Agency, for the design and construction oversight of the Project in accordance with the plans and specifications for the Project approved by the Agency, if applicable.

"Assignment of Leases" means the Assignment of Leases by and between the Owner and Lender of even date herewith.

"Code" means the Internal Revenue Code of 1986, as amended.

"Day" or **"Days,"** whether or not the word is a capitalized term, shall mean calendar day or day(s) unless otherwise specified.

"DDD" means the New Jersey Department of Human Services, Division of Developmental Disabilities, or its successors and assigns, if applicable.

"DMHS" means the New Jersey Department of Human Services, Division of Mental Health Services, or its successors or assigns, if applicable.

"Environmental Laws" shall mean and include any federal, State, or local statute, law, ordinance, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic, or dangerous waste, substance, element, compound, mixture or material, as now or at any time hereafter in effect including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended, 42 U.S.C. Sections 9601 et seq., the Federal Hazardous Materials Transportation Act, as amended 42 U.S.C. Sections 1801 et seq., the Federal Resource Conservation and Recovery Act as amended, 42 U.S.C. Sections 6901 et seq., the Superfund Amendments and Reauthorization Act, 42 U.S.C. Sections 9601 et seq., the Federal Toxic Substances Control Act, 15 U.S.C. Sections 2601 et seq., the Federal Hazardous Material Transportation Act, 49 U.S.C. Sections 1801 et seq., the Federal Clean Air Act, 42 U.S.C. Sections 7401 et seq., the Federal Water Pollution Control Act, 33 U.S.C. Sections 1251 et seq., the Rivers and Harbors Act of 1899, 33 U.S.C. Sections 401 et seq., the Residential Lead-Based Paint Hazard Reduction Act of 1992, 42 U.S.C. Section 4852d, the New Jersey Environmental Cleanup Responsibility Act, as amended, N.J.S.A. 13:1K-6 et seq., the New Jersey Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq., the Spill Compensation and Control Act, as amended, N.J.S.A. 58:10-23.11 et seq., the New Jersey Tank Registration Act, N.J.S.A. 58:10A-21 et seq., the New Jersey Water Pollution Control Act, as amended, N.J.S.A. 58:10A-1 et seq., and all rules and regulations adopted and publications promulgated thereto, or any other so-called "Superfund" or "Superlien" laws, or any other federal, State or local environmental law, ordinance, code, rule, or regulation, order or decree as any of the foregoing have been, or are hereafter amended.

"Environmental Report" means the Phase I Environmental Site Assessment prepared by Maser Consulting, P.A. (MC Project No. 12001680G) dated January 2013.

"Event of Default" means any of the events set forth in Section 31 of this Agreement.

"Hazardous Materials" shall mean and include those elements, materials, compounds, mixtures or substances that are contained in any list of hazardous substances adopted by the United States Environmental Protection Agency (the "EPA") or any list of toxic pollutants designated by Congress, the EPA, or the New Jersey Department of Environmental Protection ("NJDEP"), or that are defined as hazardous, toxic, pollutant, infectious, flammable or radioactive by any of the Environmental Laws, and, whether or not included in such lists, shall be deemed to include all products or substances containing petroleum, asbestos, lead, and polychlorinated biphenyls.

"HUD" means the United States Department of Housing and Urban Development.

"Improvements" means the building together with all fixtures and utility improvements, easements and rights of way that are owned by the Owner and located on the Land.

"IRS Regulations" means the regulations promulgated or proposed by the United States Department of the Treasury or the Internal Revenue Service pursuant to the Code, and to the extent applicable, pursuant to the Internal Revenue Code of 1954, as both may be amended from time to time, including all rules, rulings, policies, and official statements issued by the United States Department of the Treasury or the Internal Revenue Service.

"Land" means the real property described in Exhibit A attached hereto, on which the Project is located.

"Loan Documents" means and includes this Agreement, the Mortgage Note, the Mortgage and Security Agreement the UCC-1 Financing Statement, and Assignment of Leases.

"Loan" means the Mortgage Loan.

"Low Income" means a gross annual household income equal to 50% or less of the median gross annual household income for the same size within the relevant housing region.

"Mortgage" means the mortgage of even date herewith that constitutes a THIRD lien on a fee simple interest in the Project and Land, given by the Owner to the Agency to secure the Mortgage Loan.

"Mortgage Loan" means the loan made to the Owner by the Agency to finance a portion of the cost of the development and/or rehabilitation of the Project that will be located on the real property described in Exhibit A attached hereto, as evidenced by the Mortgage Note and secured by the Mortgage.

"Mortgage Note" or "Note" means the interest bearing non-recourse promissory note that contains the promise of the Owner to pay the sum of money stated therein at the times stated therein and that evidences the obligation of the Owner to repay the Mortgage Loan.

"Permitted Encumbrances" means any

(i) Utility, access and other easements and rights of way, restrictions and exceptions that do not, individually or in the aggregate, materially impair the utility or value of the Project or Land for the purposes for which it is intended;

(ii) Liens that are being contested in good faith and for which the Owner has provided security satisfactory to the Agency;

(iii) Liens subordinate to the Mortgage Loan arising due to any monies loaned in connection with the Project or other monies loaned to the Owner, provided such liens are disclosed to and approved by the Agency in writing; and

(iv) Any other encumbrances approved by the Agency in writing.

"Plans" means all construction, architectural and design contracts and all architectural design plans and specifications.

"Program" means the Special Needs Housing Trust Fund pursuant to the Special Needs Housing Trust Fund Act, P.L. 2005, c.163.

"Program Guidelines" means the guidelines promulgated by the Agency pursuant to the Program and any policies or procedures issued by the Agency with respect to the housing projects financed by the Agency, all of the foregoing as they may be amended from time to time.

"**Project**" means the Improvements located on the Land that together with the Land is financed, in part, with the proceeds of the Loan.

"**Regulations**" means the regulations promulgated or proposed by the United States Department of Housing and Urban Development.

"**Repair and Replacement Reserve**" means the escrow account established pursuant to Section 21 of this Agreement.

"**Servicing Fee**" if applicable, means the servicing fee that is due from the Owner to the Agency as set forth in the First Mortgage Note.

"**Special Needs Trust Escrow**" means the escrow account established pursuant to Section 21 of this Agreement.

"**State**" means the State of New Jersey.

"**Tax Credits**" means low income housing tax credits that the Project may receive pursuant to the Code.

"**UCC-1**" means the UCC-1 Financing Statement(s) of even date herewith.

Unless the context clearly requires otherwise, as used in this Agreement, words of the masculine, feminine or neuter gender shall be construed to include any other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice-versa, when appropriate. This Agreement and all the terms and provisions thereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

Section 2. Background and Purpose. The Owner proposes to acquire or owns the Land, construct, and operate a Project to be located on the Land. The Project will carry an acquisition and permanent loan of \$500,000 at an interest rate of one percent (1%), per annum, during the acquisition and permanent mortgage term of *thirty (30)* years (the "Third Mortgage Loan"). To obtain financing for the Project, the Owner has applied to the Agency for the Agency Financing pursuant to the provisions of the Program. The Agency will hold a *Third* mortgage lien on the Project during the term of the Mortgage Loan. Financing for the Project is derived in part from the Agency's Program funds, and, in addition to the First Mortgage Loan, the Owner has obtained and the Agency has approved funding for the Project as follows:

(a) The Owner received an acquisition and permanent loan in the amount of \$5,325,000 from Connect One Bank;

(b) The Owner received a commitment for financing from NJ Department of Community Affairs pursuant to the Neighborhood Preservation Balanced Housing Program in the amount \$1,300,000;

(c) The Owner has received a loan from the Township of Ocean in the amount of \$500,000; and

(d) The Owner will make an equity investment in the Project pursuant to Section 47 of this Agreement.

In connection with the Mortgage, the Owner and the Agency have entered into this Agreement.

In connection with its application for the Loan, the Owner has furnished to the Agency various details as to the Project, including the description of Land on which it is to be situated, plans and specifications for the construction/rehabilitation of the Project, if applicable, the tenant population that shall be housed in the Project, the number of units of each type to be included therein, the estimated costs of providing the Project, details as to the Project income and expenses of the Project once constructed and/or rehabilitated, if applicable, and placed in operation and arrangements for any tax abatement for the Project.

Section 3. Residential Rental Property. The Owner hereby represents, covenants, warrants and agrees that:

(a) The proposed project is located in the Township of Ocean in the County of Ocean, in a residential neighborhood. Heritage Village at Ocean, located at 400 Stacey Avenue in Ocean, Monmouth County. The project involves the acquisition of a 3-story building with 96 affordable housing units. Each story contains 32 one bedroom units. In addition to the three residential buildings there is a separate one story building housing a manager's office and community room. There are also 116 parking spaces available to the site. Ninety (90) one bedroom units will remain at 680 sq/ft with net rents \$890 at 60% of AMI, and five (5) one bedroom at 50% of AMI are set-aside for individuals with mental illness. One unit will be set aside for the superintendent. Each of the units will offer a standard appliance package, a walk-in closet, spacious layout and stackable washer/dryer. Site amenities include a clubhouse and laundry facility. Tenants also have free access to a pool and tennis courts located within the larger condominium development adjacent to the site. For special needs purposes five one bedroom units will be set aside for individuals with mental illness.

(b) The Project is to be utilized at all times in accordance with the types of use as permitted by the Act and the Program and as may be approved by the Agency. The Project shall be subject to use and occupancy and/or lease agreements between the Owner and the residents.

Section 4. Low Income Tenants. The Owner hereby represents, warrants and covenants that of the 90 units of housing, 5 units will be set aside for individuals with mental illness and shall be occupied or available for occupancy by Low Income Tenants for a period of thirty (30) years from the date hereof.

Section 5. Additional Representations, Covenants and Warranties of the Owner. The Owner represents, warrants and covenants that:

(a) The Owner (i) is a limited liability company, duly organized, validly existing and in good standing under the laws of the State and duly authorized to transact business in the State; (ii) has filed with the Agency a true and complete copy of its Certificate of Formation with all amendments, if any, thereto; (iii) has the power and authority to own or lease its properties and assets, including

the Project and the Land, and to carry on its business as now being conducted (and as now contemplated), and to borrow the proceeds of the Loans; and (iii) has the power to execute and perform all the undertakings of this Agreement and the other Loan Documents.

(b) All necessary legal action has been taken to authorize the execution, delivery and performance of the Loan Documents by the Owner.

(c) The Loan Documents have been duly executed and delivered by the Owner and constitute the valid and legally binding obligations of the Owner, enforceable against the Owner in accordance with their respective terms.

(d) To the best of the Owner's knowledge after due and diligent inquiry, the execution and performance of this Agreement, the Loan Documents and other instruments required pursuant to this Agreement by the Owner, (i) will not violate or, as applicable, have not violated, any provision of law, rule or regulations, any order of any court or other agency or government or any provision of any document to which the Owner is a party, and (ii) will not violate or, as applicable, have not violated, any provision of any indenture, agreement or other instrument to which the Owner is a party, or result in the creation or imposition of any lien, charge or encumbrance of any nature other than the Permitted Encumbrances.

(e) The Owner will, at the time of execution of this Agreement or at the time of the closing of the Loan and subject only to such exceptions as have been disclosed in writing to the Agency and which will not materially interfere with or impact the beneficial use of the Project and Land for purposes of the Project; have good and marketable title to fee simple interest in the premises constituting the Land and the Project free and clear of any lien or encumbrance (subject to Permitted Encumbrances and encumbrances created or contemplated pursuant to this Agreement).

(f) There is, after due and diligent inquiry, no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair its right to carry on business substantially as now conducted, or as contemplated to be conducted under this Agreement, or would materially adversely affect its financial condition.

(g) To the best of the Owner's knowledge after due and diligent inquiry, the operation of the Project in the manner presently contemplated and as described in this Agreement will not conflict with any zoning, water or air pollution or other ordinance, order, law or regulation applicable thereto. The Owner has caused the Project to be designed in accordance with all applicable federal, state and local laws or ordinances (including rules and regulations) relating to zoning, building, safety and environmental quality and will proceed with due diligence to rehabilitate the Project pursuant to the Architectural Contract, if applicable.

Further, the Owner has received or shall obtain all necessary governmental approvals and building permits for construction, rehabilitation and operation of the Project in accordance with the plans and specifications and the Architectural Contract, and shall obtain in a timely manner any and all required extensions of governmental approvals, including, but not limited to, site plan approval. The Owner will continue to retain ownership of the Project and Land during the term of the Mortgage, subject to the terms of this Agreement and the other Loan Documents, the Act, Agency Regulations, the Program, the Program Guidelines, and, if applicable, the Code.

(h) The Owner has filed, caused to be filed by it, or shall file all federal, state and local tax returns which are required to be filed by it, if any, and has paid or caused to be paid all taxes as shown on said return or on any assessment received by it, to the extent that such taxes have become due.

(i) To the best of the Owner's knowledge, after due and diligent inquiry, the Owner is not in material default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any material agreement or instrument to which it is a party that may materially affect this Project.

(j) The information contained in the Project description provided in the applications for the Loan is accurate in all material respects and does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(k) Except for Leases contemplated by the Project and Section 17 of this Agreement, the Owner shall not during the term of this Agreement sell, transfer or exchange, the Project or the Land (or any part thereof or any interest therein) at any time except in accordance with the terms of the Mortgage, this Agreement, the Act and the Agency Regulations promulgated pursuant to the Act, and the Program Guidelines and unless such sale, transfer or exchange shall have been approved by the Agency. The Owner shall notify in writing and obtain the agreement in writing of any buyer or successor or other person acquiring the Project or Land or any interest therein, in a form acceptable to the Agency that such acquisition is subject to the requirements of this Agreement. This provision shall not act to waive any other restriction on such sale, transfer or exchange.

(l) The Owner has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof and the Mortgage, and in any event, the requirements of this Agreement and the Mortgage are paramount and controlling as to the rights and obligations herein and in the Mortgage and such requirements shall supersede any other requirements in conflict herewith and therewith.

(m) All statements contained in all applications, correspondence or other materials delivered to the Agency by the Owner in connection with its consideration of the Loan to the Owner or relating to the Project are materially true and correct.

(n) The representations, covenants and warranties of the Owner contained in this Agreement on the date of its execution are true and shall continue to be true at all times during the term of this Agreement.

(o) No event has occurred and no condition exists which constitutes an Event of Default under this Agreement or the Mortgage or which, but for a requirement of notice or lapse of time, or both, would constitute such an Event of Default.

(p) As of the date of this Agreement, if applicable, the Architectural Contract is in full force and effect and no default has occurred thereunder, and a true copy of the entire Architectural Contract with all modifications and addenda to date has been filed with the Agency.

Section 6. Covenants to Run With the Land. The covenants, reservations and restrictions set forth herein shall be deemed covenants running with the Land and, except as provided in Section 5 hereof, shall pass to and be binding upon the Owner's assigns and successors in title to the Land or

the Project; provided, however, that upon the termination of this Agreement in accordance with the terms hereof said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Land or the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions of the Land or Project are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Project and Land.

Section 7. Term. This Agreement shall remain in full force and effect until all indebtedness from the Owner to the Agency in respect to the Project shall have been paid in full in accordance with the provisions of this Agreement, the Mortgage Note and the other Loan Documents.

Section 8. Construction or Rehabilitation of Project. If applicable, the Owner covenants and agrees to comply with all the provisions of the Architectural Contract and/or Construction Contract, as applicable. The Owner covenants and agrees diligently to pursue the construction or rehabilitation of the Project to completion in accordance with the plans and specifications set forth in the Owner's application for the Loan and the Architectural Contract and as approved by the Agency.

The Owner shall not approve or allow to occur any material change in the scope of plans and specifications for the Project without the express approval of the Agency. Construction or rehabilitation shall at all times be subject to the discretionary inspection, discretionary review, regulation and approval of the Agency and its duly authorized representatives. Any such inspection, regulation, review or approval of the Agency shall be solely for its benefit for the purpose of assuring that the programs and goals of the Project are being fulfilled.

The Owner shall not knowingly do any act which would cause the release, in whole or in part, of the surety bond or bonds issued in connection with the Architectural Contract or Construction Contract, as applicable, including, without limitation, deviation from the payment schedule, waiver of any material requirements imposed on the architect or any contractor or subcontractor under the Architectural Contract or Construction Contract, as applicable, or consent to any major change in the in the scope of plans and specifications or scope of the work, unless such act would not cause any release because the surety has consented thereto.

Section 9. Funding and Conditions Precedent to Advance.

A. Funding of Construction or Rehabilitation:

Upon and subject to the terms and conditions of this Agreement, the Mortgage and Mortgage Note, the Agency agrees to advance and disburse the principal sum of \$500,000 as follows:

The balance of the Principal Sum of \$500,000 remaining after disbursement of acquisition costs shall be made only after the Agency has received and approved, subject to its sole discretion, all items required for closing on the Agency Document Checklist for Construction and Permanent Financing.

B. Conditions Precedent to Advance:

The Agency's obligations to make the other disbursement as applicable under the Mortgage shall be subject to the satisfaction of the following conditions precedent, any of which may be waived in whole or part by the Agency.

1. Each of the Owner's covenants, agreements, representations and warranties contained in this Agreement shall continue to be true and shall not be breached.
2. If applicable, the full amount of the previous advance shall have been expended for Land acquisition, costs and discharge of any related lien.
3. All work performed and material furnished for the Project shall be in accordance with the plans and specifications for the Project and all work shall have been properly performed to the satisfaction of the Agency, if applicable.
4. No event shall have occurred and no conditions shall exist that would prevent the advance from becoming a valid first mortgage lien on the Project and the Land or secured by a prior protected security interest on any other collateral mentioned in the Mortgage. If the Agency shall deem it necessary or desirable, all or part of the advance may be disbursed in escrow to a title insurance company licensed to do business in the State of New Jersey for the purpose of discharging any construction or other lien on the Project and Land or any other security mentioned in the Mortgage; and the Owner agrees to certify in writing that the foregoing conditions have been satisfied.

Section 10. Insurance; Condemnation. During the term of the Agency Financing, the Owner shall cause all the buildings on the premises and the fixtures and articles of personal property covered by the Loan Documents to be insured against loss by fire and against loss by such other hazards as may be required by the Agency for the benefit of the Agency including, but not by way of limitation, flood insurance if any part of the Project is located in an area designated by or on behalf of the federal government as having specific flood hazard. Such insurance shall be written by companies, in forms as are satisfactory to the Agency, and in amounts not less than the full replacement value of the Project. The Owner shall assign and deliver the policies to the Agency. All such insurance policies which are obtained by the Owner during the term of the loan shall fully comply with all Agency requirements for property and liability insurance, including but not limited to the Agency requirement that the insurer must meet certain rating standards. The Agency shall be listed as first mortgagee, loss payee and additional insured under such policies. Such policies shall provide that the insurer may not cancel the policy and will not refuse to renew the policy except after thirty (30) days written notice to the Agency. If the Owner does not provide the Agency with the evidence of insurance as required herein, the Agency may (but shall not be required to) obtain such coverage. The Owner shall reimburse the Agency on demand for any premiums paid for insurance procured by the Agency, and until so reimbursed, the amount of such premiums shall be added to the principal sum of the First Mortgage Note and shall bear interest at the same interest rate as in the First Mortgage Note.

In the event of substantial damage to the Project by the occurrence of an insured casualty or the taking of a substantial portion of the Project by condemnation, if, in the sole judgment of the Agency (which judgment shall be conclusive): (a) the Project can be replaced or restored in whole or in part, and (b) the Project as so replaced will produce sufficient income to meet the obligations

of the Owner under the Loan Documents, the proceeds of insurance or condemnation, together with any other money available for such purpose, if sufficient, shall be made available to the Owner, subject to the approval of the Agency. To the extent the Project is not replaced or restored, the balance of such proceeds shall be applied to the indebtedness secured thereby. Nothing in this Section shall affect the lien of this Agreement and the obligation of the Owner under the Loan Documents to pay the entire balance of the Loan.

The Owner shall maintain continuously in effect such other insurance coverage of the types and in the amounts specified by the Agency, including workers' compensation insurance and other insurance required by law with respect to employees of the Owner, and liability insurance, protecting the Owner and the Agency against any loss or liability or damage for personal injury or property damage with respect to the Project. Owner shall also maintain use and occupancy insurance covering loss of revenues derived from the Project by reason of interruption, total or partial, of the use of the Project resulting from loss or physical damage thereto in an amount not less than one year's gross rental income. The Owner shall carry fidelity bond insurance covering all employees of the Owner authorized to handle the revenues derived from the Project in an amount equal to one-half times the maximum monthly rent roll.

Section 11. Taxes or Payments in Lieu of Taxes. Unless the Owner has received a full tax exemption for the taxes on the Project at the time the Owner takes title to the Project, the Owner covenants and agrees to pay any valid municipal taxes, payments in lieu of taxes, charges, assessments, water charges and/or sewer charges, and in default thereof the Agency may pay the same. Any such sum or sums so paid by the Agency shall be added to the principal sum secured by the Mortgage, as determined by the Agency, and shall bear interest at the then current rate being received by the Agency on its investment as determined in good faith by the Agency.

Section 12. Liens. The Owner covenants and agrees to maintain its right, title and interest in the Project and Land and all items enumerated in Section 7 of the Mortgage free and clear of all liens and security interests, except Permitted Encumbrances, those exceptions identified and set forth in title insurance commitments and title insurance commitment number 12-25861 issued by Stewart Title Guaranty Company dated September 2, 2013, and continued to the date of this Agreement, as accepted by the Agency. Except with the written consent of the Agency, the Owner will not install any item of tangible personal property as part of the fixtures or furnishings of the Project, which is subject to a purchase money lien or security interest.

The Agency may, at its sole option, pay the amount necessary to discharge any such lien, and the Owner shall promptly reimburse the Agency for any amounts so paid. Until reimbursement of the Agency of any amounts so paid, such amount shall be added to the Principal Sum as defined in and secured by the Mortgage, as determined by the Agency, and shall bear interest at the then current rate being received by the Agency on its investments as determined in good faith by the Agency.

Section 13. Encumbrances - Sale of Project. The Owner covenants and agrees not to sell, lease or otherwise encumber the Project or the Land, or any part thereof, or the rents or revenues thereof without prior written consent of the Agency, except by leasing to eligible residential tenants as provided by the Mortgage and this Agreement.

Section 14. Maintenance, Repair and Replacement. The Owner covenants and agrees to maintain the Project and the appurtenant equipment and grounds in good repair and condition so as to provide decent, safe and sanitary housing accommodations.

Following completion of construction or rehabilitation, the Owner will not make any substantial alteration in the Project without the consent of the Agency, nor will the Owner permit the removal of any fixtures or articles of personal property except in connection with the replacement thereof with appropriate property of at least equal value and free of all liens or claims.

The Owner will not permit any waste with respect to the Project or any of its real or personal property without the consent of the Agency, or make any alteration which will increase the hazard of fire or other casualty.

Section 15. Advance Amortization Payments. The Owner shall not make any advance principal repayment except as allowed by the Program and Program Guidelines.

Section 16. Compliance with the Program, the Act, Agency's Regulations and Any Federal or State Subsidy Source. The Owner covenants and agrees to comply with the Program, the Act and any regulations promulgated pursuant thereto, and with any amendments or supplements to the Program, the Act or regulations. Throughout the term of this Agreement, the Owner further covenants and agrees to comply with any and all requirements imposed upon it as a condition of any federal or state grant, subsidy or loan.

Section 17. Use of Project - Leasing. Except as otherwise expressly provided in Section 3 and 4 of this Agreement or as otherwise agreed to in writing by the Agency, and except for facilities approved by the Agency as normally appurtenant to residential projects for non-transients (such as laundry facilities), the Project shall be used solely (or as otherwise may be approved by the Agency) to provide affordable housing units, including five (5) units for a special needs population(s), under the Agency's Program.

Section 18. Consideration for Lease. The Owner covenants and agrees not to require as a condition of the occupancy or leasing of any dwelling unit in the Project and not to accept or allow any employee or agent to accept any consideration other than the prepayment of the first month's rent, plus a security deposit not in excess of one (1) month's rent to guarantee the performance of the covenants of the rent agreement or lease.

Section 19. Security Deposit The Owner covenants and agrees to deposit all moneys paid to the Owner by any resident, if any, as a security deposit for the payment of rent or other allowable charges under any use and occupancy agreement and/or lease in a separate interest bearing bank account held and maintained in accordance with applicable law.

Section 20. Account for Project Revenues/Operating Account. The Owner covenants and agrees to establish an account for Project Revenues specific to the Project. "Project Revenues" shall mean all rents and other revenues of any type whatsoever received in respect of the Project or the Owner, except for Loan disbursements. Project Revenues shall be deposited in such account and all operating expenses should be paid from this account.

Section 21. Reserve and Escrow Payments. On the date of the execution of this Agreement, the Owner will deposit an amount (as shown on the Project's Form 10) as agreed upon between the Borrower and the Agency for the Project as a reserve for repairs and replacement of items at the Project and initial project costs, excluding social service and/or operating costs. This reserve shall be known as the Repair and Replacement Reserve.

All reserve payments required pursuant to this Section shall be held in the Repair and Replacement Reserve under the sole control of the Agency and shall be paid out for the benefit of the Project as needed on request of the Owner or on the Agency's own initiative. Any interest which may be earned on such reserves shall remain in the Repair and Replacement Reserve and shall be used for similar purposes unless the Owner and Agency mutually agree to apply the funds to some other Project purpose.

If the Agency determines that the payments specified herein are insufficient to properly fund painting, decorating, repair and replacement needs with respect to the Project, then the Agency may require an increase in the minimum required escrow amounts necessary to assure proper funding.

Section 22. Inspection of Premises. The Owner covenants and agrees to permit the Agency, its agents or representatives, to inspect the Project at any and all reasonable times with or without notice, pursuant to the provisions of the Act and the Program.

Section 23. Books and Records. The Owner covenants and agrees to maintain adequate books and records of its transactions, including the social services provided to the Project's residents, with respect to the Project in the Owner's standard form. Such books and records shall be available for inspection and audit by the Agency or its agents at any time during business hours, with notice, pursuant to the provisions of the Act and the Program. The Owner further covenants and agrees to cause the financial affairs with respect to the Project to be audited by independent certified public accountants and shall furnish the Agency with its audit report of such accountants as may from time to time be required by the Agency.

The Owner shall furnish to the Agency such other information and reports respecting the Project as may from time to time be required by the Agency.

Section 24. Management Contract. The Owner may, and if the Agency so elects, shall contract for the services of a firm experienced in real estate management to act as the managing agent for the Project. The selection of any such managing agent, the scope of the agent's duties and the basis of the agent's compensation shall be the subject of a consultation between the Agency and the Owner and any contract for the employment of any managing agent shall provide that such contract may be terminated by the Agency at any time by notice of such determination by the Agency given to the Owner and managing agent.

Section 25. Prohibited Actions. Except with the express approval of the Agency, which approval shall not be unreasonably withheld, the Owner shall not with Project Revenues (as defined in Section 20 hereof), Loan disbursements or grant advances:

1. incur any liabilities, except in connection with the acquisition, rehabilitation and rental of the Project and its operation and maintenance;
2. engage in any business activity except the ownership and operation of the Project;
3. pay more than fair market value thereof for goods or services; and
4. pay compensation to any officer, director or partner in such capacity or make any cash distribution to any of the foregoing.

Section 26. Transfers of Ownership Interests. The Owner shall not transfer or sell any interest in the Project, except in accordance with the Agency's regulations governing such transfers.

Section 27. Statutory Powers and Restrictions. The Mortgage shall be subject to the restrictions in the Act and the Program, and in connection therewith, the Agency shall have the powers set forth in the Act, the Program and the regulations now or hereafter promulgated pursuant to the Act and the Program and the Owner hereby consents to such restrictions and agrees to be bound thereby. Such powers and restrictions shall be in addition to and not in limitation of the rights of the Agency expressly set forth in this Agreement.

Section 28. Accounting in Event of Default; Estoppel. Upon the occurrence of an Event of Default and within ten (10) business days of demand therefore by the Agency, and otherwise within ten (10) business days of written demand by the Agency, the Owner will furnish to the Agency in writing a statement of the principal amount remaining due on the Loan, together with a statement of any known defenses which may exist as to any liability of the Owner on the Notes or otherwise thereunder.

Section 29. Financing Statements. The Owner hereby irrevocably authorizes the Agency to execute on its behalf one or more financing statements or renewals thereof in respect to any of the security interests granted by the Mortgage.

Section 30. Assignment by Agency. The Owner hereby consents to any assignment of any Loan Document by the Agency.

Section 31. Defaults. Each of the following shall be an Event of Default:

(a) failure by the Owner to pay more than thirty (30) calendar days after the due date any installment of principal or interest on the Loan or any other payment required by the Owner to the Agency or any other person pursuant to the terms of this Agreement, the Mortgage or the other Loan Documents; provided, however, that interest shall accrue on any payment made beyond its due date;

(b) commission by the Owner of any act prohibited by the terms of this Agreement, the Mortgage or any other Loan Document, failure by the Owner to perform or observe in a timely fashion any action or covenant required by any of the terms of this Agreement, the Mortgage or any other Loan Document, or failure by the Owner to produce satisfactory evidence of compliance therewith;

(c) the filing by the Owner under any federal or state bankruptcy or insolvency law or other similar law of any petition in bankruptcy or for reorganization or composition with creditors or the making of an assignment for the benefit of creditors;

(d) the filing against the Owner of a petition seeking its adjudication as a bankrupt or the appointment of a receiver for the benefit of its creditors which shall not have been dismissed within sixty (60) calendar days of the filing thereof, or the adjudication of the Owner as a bankrupt or the appointment of a receiver for the benefit of its creditors; or the appointment by court order of a custodian (such as a receiver, liquidator or trustee) of the Owner or of any of its property or the taking of possession of the Owner or any of its property for the benefit of its creditors and such order remains in effect or such possession continues for more than sixty (60) calendar days;

(e) the occurrence of substantial destruction of the Project by an uninsured casualty or the inability to replace or restore the Project in accordance with Section 11, or failure to maintain insurance that fully complies with the Agency insurance requirements set forth at Section 11 or in Agency insurance specifications minimum requirements, or failure to provide, immediately or no later than 30 days from notice, replacement insurance to meet Agency insurance requirements as set forth in Section 10 during the term of the Third Mortgage Loan;

(f) any representation in conjunction with the Loan and the Project by or on behalf of the Owner that is knowingly false or misleading in any respect or warranty of the Owner that is breached;

(g) any breach by the Owner of its obligations or any failure to observe its covenants under this Agreement, and the other Loan Documents; and

(h) failure to acquire the Project.

(i) failure or refusal to acquire, rehabilitate, operate and/or maintain the Project in accordance with the Program.

The events set forth in the subsections (b) and (g) of this Section shall not constitute Events of Default until the prohibited acts, failure to perform or observe, or breaches shall remain uncured for a period of thirty (30) calendar days after the Agency's written notice to the Owner, specifying such prohibited act, failure or breach and requesting that it be remedied, unless the Agency shall agree in writing to an extension of such time prior to its expiration; provided, however, that after the acquisition period only, if the prohibited act, failure, or breach stated in each notice is correctable, but cannot be corrected within the 30-day period, the Agency may not unreasonably withhold its consent to an extension of up to 120 calendar days from the delivery of the written notice referred to herein if corrective action is instituted by the Owner, within the initial 30-day period and diligently pursued.

The failure of the Owner to comply with any of the provisions of Section 25 or 31 of this Agreement shall not be deemed an Event of Default hereunder unless such failure has not been corrected within a period of 60 calendar days, have actual or constructive knowledge of such failure or after the Agency's written notice to the owner, whichever is earlier.

Section 32. Remedies. Upon the occurrence of any Event of Default, the Agency may at its option take any one or more of the following actions or remedies and no failure to exercise any remedy or take any action enumerated shall constitute a waiver of such right or preclude a subsequent exercise by the Agency of any such remedy:

(a) declare the entire principal sum of the Mortgage together with all other liabilities of the Owner under the Note to be immediately due and payable;

(b) cease making disbursements to the Owner of any funds under the Loan or from reserves held by the Agency;

(c) apply any reserves held by the Agency or the balance in the accounts for Project disbursements and revenues, or any combination of these monies, to the payment of the Owner's liabilities hereunder;

(d) foreclose the lien of the Mortgage on the Project and Land or a portion thereof, including without limitation all Improvements existing or hereafter placed in or on the Project and Land. In any action to foreclose, the Agency shall be entitled to the appointment of a receiver of the rents and profits of the Project as a matter of right and without notice, with power to collect the rents, uses and profits of said Project, due and becoming due during the pendency of such foreclosure suit, such rents and profits being hereby expressly assigned and pledged as additional security for the payment of the indebtedness secured by the Mortgage without regard to the value of the Project or the solvency of any person or persons liable for payment of the mortgaged indebtedness. The Owner for itself and any such subsequent owner hereby waives any and all defenses to the application for a receiver as above and hereby specifically consents to such appointment without notice, but nothing herein contained is to be construed to deprive the holder of the Mortgage of any other right, remedy or privilege it may now have under the law to have a receiver appointed. The provisions for the appointment of a receiver of the rents and profits and the assignment of such rents and profits, is made an express condition upon which the Loan hereby secured are made. Upon such foreclosure the Agency shall have the right to have a receiver appointed for the Project and the rent from the Project;

(e) pursuant to its rights under the Act and the Program, remove the Project Manager(s) after consultation with the Owner, or, if the Agency, after consultation with the Owner, decides, it is in the best interest of the Project and Clients, hereinafter defined, the Owner shall deed the Project and Land to the Agency;

(f) take possession of the Project and Land or a portion thereof;

(g) without judicial process, collect all rents and other revenue including federal and State subsidies as the agent of the Owner (which upon the occurrence of any Event of Default the Agency is deemed to have been irrevocably appointed by the Owner), and apply the same at the Agency's option either to the operation and maintenance of the Project or to the liabilities of the Owner under the Mortgage;

(h) act as landlord of the Project and rent or lease the same on any terms approved by it, or dispossess by summary proceedings or other available means any tenant defaulting under the terms of the lease of a dwelling unit;

(i) take possession of equipment, appliances or other tangible personal property in which a security interest has been granted by this Agreement or the Mortgage and dispose of the same in any commercially reasonable manner. The Agency shall have the option to dispose of any such equipment and personal property either separately from the Project and Land or in conjunction with a sale of the Project and Land, and the Owner agrees that either method of disposition shall be commercially reasonable;

(j) make effective an assignment of the Architectural Contract by the Owner to the Agency, in which event the Agency is specifically empowered by the Owner to exercise any and all rights of the Owner under the Architectural Contract, and at the option of the Agency to proceed with the rehabilitation of the Project, in which event all payments by the Owner made with respect to the Architectural Contract shall be treated as disbursements on the Loan;

(k) subject to Section 40 hereof, sue the Owner for a mandatory injunction or other equitable relief requiring performance by the Owner of any of its obligations under this Agreement or the Mortgage or the other Loan Documents. The Owner agrees with the Agency that the Agency's remedy at law for the violation or nonperformance of the Owner's obligations under the Mortgage or this Agreement or the other Loan Documents is not adequate by reason, among other things, of the Agency's public purpose to provide adequate, safe and sanitary dwelling units;

(l) after consultation with the Owner, sue under the Architectural Contract or on a warranty to recover any amount payable to the Owner pursuant to the Architectural Contract or payable to the Owner pursuant to any such warranty and to settle any such claim or liability and release the same and apply the proceeds of any such suit, settlement or release to the liabilities of the Owner under this Agreement or the Mortgage;

(m) if the Owner commits a breach or threatens to commit a breach of any of the provisions of the Mortgages or other Loan Documents, the Agency shall have the right, without posting bond or other security, to seek injunctive relief or specific performance, it being acknowledged and agreed that any such breach, or threatened breach, will cause irreparable injury to the Agency and that money damages will not provide an adequate remedy; and/or

(n) to undertake reasonable maintenance and make reasonable repairs to the Project and to add the cost thereof to the principal balance of the Mortgages; and

(o) notwithstanding the above enumeration of remedies, the Agency shall have available to it all other remedies provided at law or in equity or any other action permitted by law subject to the provisions of Section 40 of this Agreement.

Section 33. Expenses Due to Default. All expenses (including reasonable attorneys' fees and costs and allowances) incurred in connection with an action to foreclose the Mortgage or in exercising any other remedy provided by the Mortgage or this Agreement or the other Loan Documents, including the curing of any Event of Default, shall be paid by the Owner, together with interest at the then current rate being received by the Agency on its investments as determined in good faith by the Agency. Any such sum or sums and the interest thereon shall be a further lien on the Project, Land and Improvements, and shall be secured by this Agreement and the Mortgage.

Section 34. Burden and Benefit. The Agency and the Owner hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the Land in that the Owner's legal interest in the Land and the Project is rendered less valuable thereby. The Agency and the Owner hereby further declare their understanding and intent that the benefit of such covenants touch and concern the Land by enhancing and increasing the enjoyment and use of the Land and part of the Project as housing for persons with developmental disabilities.

Section 35. Uniformity; Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project and Land.

Section 36. Remedies; Enforceability. The provisions hereof are imposed upon and made applicable to the Land and shall run with the Land and shall be enforceable against the Owner or any other person or entity that has or had an ownership interest in the Project at the time of such violation or attempted violation. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to

obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation hereof at any later time or times.

Section 37. Amendments; Notices; Waivers. This Agreement and the Mortgage may be amended only by an instrument in writing executed and acknowledged on behalf of the Agency and the Owner in such manner that the instrument may be recorded.

No waiver by the Agency in any particular instance of any Event of Default or required performance by the Owner and no course of conduct of the parties or failure by the Agency to enforce or insist upon performance of any of the obligations of the Owner under this Agreement, the Mortgage, or under the other Loan Documents at any time shall preclude enforcement of any of the terms of this Agreement, the Mortgage, the Note, or the other Loan documents thereafter.

Any provisions of this Agreement, the Mortgage or other Loan Documents requiring the consent or approval of the Agency for the taking of any action or the omission of any action requires such consent by the Agency in writing signed by a duly authorized officer of the Agency. Any such consent or approval, unless it expressly states otherwise, is limited to the particular action or omission referred to therein and does not apply to subsequent similar actions or omissions.

Notice provided for under this Agreement shall be given in writing signed by a duly authorized officer and any notice required to be given hereunder shall be given by recognized private carrier with acknowledgment of delivery or by confirmed facsimile, with a hard copy sent by certified mail, return receipt requested, or by certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto.

Agency: Executive Director
New Jersey Housing and Mortgage Finance Agency
637 South Clinton Avenue, CN 18550
Trenton, NJ 08650-2085

Owner: Heritage Village at Ocean LLC
1970 Brunswick Avenue
Lawrenceville, New Jersey 08648

All notices shall be deemed given when received.

Section 38. Severability. The invalidity of any part or provision hereof shall not affect the validity, legality and enforceability of the remaining portions hereof, and to this end the provisions of this Agreement shall be severable.

Section 39. Successors and Assigns. This Agreement and all rights, duties, obligations and interests arising hereunder shall bind and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

Section 40. Personal Liability. Notwithstanding any other provision contained in this Agreement, the other loan documents or any other document or instrument executed by the owner in connection herewith or therewith, the Agency agrees, on behalf of itself and any future holder of the Note, that the liability of the Owner, any general or limited partner, member or shareholder of the

Owner, if applicable, and its respective heirs, representatives, successors and assigns, for the payment of its obligations hereunder and under the other loan documents, including, without limitation, the payment of principal, interest and other charges due hereunder and thereunder, shall be limited to the collateral pledged under the mortgage and the other loan documents, and that the Agency shall have no right to seek a personal judgment against the Owner, any general or limited partner, member or shareholder of the Owner, if applicable and its respective heirs, representatives, successors and assigns, individually, except to the extent necessary to subject the collateral (including the Project and Land) pledged under the Mortgage and the other loan documents to the satisfaction of the Mortgage debt, and provided, however, that the Agency shall retain the right to exercise any and all remedies granted to it under the Mortgage, this Agreement and the other loan documents, including without limitation the right to sue for injunctive or other equitable relief. The foregoing limitation of liability shall not apply to any party to the extent such party has committed fraudulent, criminal or other unlawful acts and shall not apply to such amounts due to the Lender pursuant to Sections 10, 11, 12, 13, 14, 33 of this Agreement.

Section 41. Reserved.

Section 42. Disclaimer of Warranties, Liability; Indemnification/Defense.

A. The Owner acknowledges and agrees that (i) the Agency has not heretofore and does not make any warranty or representation, either express or implied, as to the value, condition, or fitness for particular purposes of the Project or any portions thereof or any other warranty or representation with respect thereto; (ii) in no event shall the Agency or its agents or employees be liable or responsible for any incidental, indirect, special or consequential damages in connection with or arising out of this Agreement or any of the other Loan Documents or the development of the Project or the existence, functioning or use of the Project or any items or services provided for in this Agreement or the other Loan Documents; and (iii) during the term of this Agreement and the other Loan Documents and to the fullest extent permitted by law, the Owner shall indemnify, defend and hold the Agency harmless against, damage, claims, judgments or expenses of any and all kinds or nature and however arising, imposed by law, which the Owner and the Agency including reasonable attorneys' fees and costs, may sustain, be subject to, or be caused to incur by reason of any claim, suit or action based upon personal injury, death or damage to property, whether real, personal or mixed, or upon or arising out of contract entered into by the Owner, or arising out of the Owner's ownership of the Project or out of the construction, rehabilitation, operation or management of the Project.

B. It is mutually agreed by the Owner and the Agency that the Agency and its directors, officers, agents, servants and employees shall not be liable for any action performed under this Agreement, and that the Owner shall hold them harmless from any claim or suit of whatever nature.

C. Any claims asserted against the Agency shall be subject to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq. While this statute may not be applicable by its terms to claims arising under contracts with the Agency, the Owner agrees that it shall be applicable to any claims arising under the Loan Documents. It is acknowledged by the parties that the Agency is a public entity covered by the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1, et seq.

Section 43. Recording. This Agreement shall be duly recorded in the Office of the Clerk for the county in which the Land is located within ten (10) days following its execution.

Section 44. Governing Law. This Agreement shall be governed by the laws of the State of New Jersey. The parties agree that any cause of action that may arise under this Agreement or the Loan Documents shall have jurisdiction and venue only in the Courts of the State of New Jersey in and for the County of Mercer.

Section 45. Equal Opportunity and Non-Discrimination. The Owner covenants and agrees that it will comply with the Agency guidelines with respect to equal opportunity and non-discrimination in its purchase of goods and services for the operation and maintenance of the Project throughout the term of this Agreement.

Section 46. Counterparts. This Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original. A fax copy of a signature on this Agreement shall have the same effect as an original provided that an original is received by the other party hereto within two business days thereafter.

Section 47. Investment Funding The Owner agrees to make an investment in the Project and Land in an amount which is not less than 20% of the total Project cost as determined by the Agency pursuant to the Act and the Program. In the event the principal sum set forth in the Agency Financing that is advanced to the Owner is determined by the Agency to exceed 80% of the total Project cost, the Owner shall reimburse the Agency an amount that would reduce the Agency Financing to 80% of the total Project cost.

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

WITNESS/ATTEST



WITNESS/ATTEST



Darryl B. Applegate, Assistant Secretary

OWNER:

HERITAGE VILLAGE AT OCEAN LLC

By: CIS OCEAN LLC, Its Managing Member

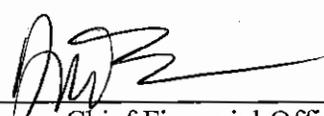
By: Community Investment Strategies, II, Inc.
Its Managing Member

By: CIS Affordable, LLC
Its Managing Member

By: 
Elsie Dailey, Treasurer

LENDER:

**NEW JERSEY HOUSING AND
MORTGAGE FINANCE AGENCY**

By: 
David Bonomo, Chief Financial Officer

This Agreement is approved as to form:

John J. Hoffman, Acting Attorney General
ATTORNEY GENERAL OF NEW JERSEY

By: 
Kellie L. Kiefer Pushko
Deputy Attorney General

SCHEDULE A
(Legal Description)

STEWART TITLE GUARANTY COMPANY

File Number: 12-25861

LEGAL DESCRIPTION

All that certain Lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Township of Ocean, County of Monmouth, State of New Jersey and being more particularly described as follows:

BEGINNING at a concrete monument found in the easterly line of the entire tract as described in Deed Book 5147 Page 502, said point being the following courses from the point of intersection of the aforesaid easterly line of the entire tract with the southeasterly line of Lynn Drive (50' ROW.)

- A. S 60° 38' 57" W (S 50° 51' 02" E, deed), 223.74', thence
- B. N 84° 48' 33" E (S 85° 23' 32" E, deed), 66.88', thence
- C. N 07° 33' 30" E (N 17° 21' 25" E, deed), 683.41', thence
- D. S 84° 27' 48" W (N 85° 44' 17" W, deed), 330.64', thence-
- E. N 01° 54' 04" W (N 07° 53' 51" W, deed), 20.04' to the true Point of BEGINNING and running, thence

Running along the division line between Lots 21.01 and 21.02 as shown on the aforementioned filed map, the following five (5) courses:

1. S 84° 27' 48" W (N 85° 44' 17" W, deed), 400.00 feet, passing over a concrete monument found 70.0 feet measured from the terminus of this course, thence
2. N 01° 54' 04" W (N 07° 53' 51" E, deed), 407.27 feet to a concrete monument found, thence
3. N 67° 05' 11" W (N 57° 17' 16" W, deed), 376.52 feet to a concrete monument found, thence
4. N 07° 52' 05" E (N 17° 40' 00" E, deed), 440.00 feet to a point near a leaning concrete monument found, thence
5. S 76° 07' 50" E (S 66° 19' 55" E, deed), 721.03 feet to a concrete monument found in the outside line of the entire tract as shown on the aforementioned filed map, thence
6. S 29° 53' 45" W (S 39° 41' 40" W, deed), 435.00 feet along said outside tract line to a rebar with cap "Birdsall" found, thence
7. S 38° 53' 43" E (S 29° 05' 55" E, deed), 335.05 feet along the same to rebar with cap set, thence
8. S 01° 54' 04" E (S 07° 53' 51" W, deed), 140.27 feet along the same to the Point and Place of BEGINNING.

The foregoing description was prepared by the undersigned land surveyor for the firm of Maser Consulting PA and is based on a map entitled, "ALTA/ACSM Land Title Survey, Whale Pond Village, for the Township of Ocean, Lot 21.02, Block 1.02, Township of Ocean, Monmouth County, New Jersey" dated January 11, 2013.

NOTE: Being Lot: 21.02, Block: 1.02; Tax Map of the Township of Ocean, County of Monmouth, State of New Jersey.

**NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
MULTI-FAMILY CONDUIT BOND PROGRAM**

SCHEDULE 10-A: PROJECT DESCRIPTION-CONSTRUCTION (ONLY) AND

CONSTRUCTION & PERMANENT LOANS

<input checked="" type="checkbox"/>	Inducement	Date Action Taken	8/14/14	Indicate Closing Type By Date	HMFA#	02828
<input checked="" type="checkbox"/>	Commitment	2/26/15			Date:	8/6/15
	Re-Commitment				Home Express:	
	Mig. Extension				Special Needs:	10/17/13
	Bond Sale				Other:	
<input checked="" type="checkbox"/>	Closing	8/11/15		Other:		

Prepared by: Drew Tedeschi
Reviewed by: [Signature]

Project Name: Heritage Village at Ocean
 Project Street Address: 400 Stacey Drive
 Zip Code: 07712

Municipality: Ocean Block No. 1.02 Lot No. 21.0200
 County: Monmouth

Type of Development
(Select either Family or Senior Citizens (NOT BOTH))

Family:
 Senior Citizens:

Provide the following:
 Legislative District: 11
 Congressional District: 6
 Census Tract: 8065.01

No. of dwelling units: 96
 No. of currently occupied DU's: 90
 Construction Term: 24 (mos.)
 Rent-up Period: 2 (mos.)

Type of Loan

Construction Loan Only:
 Construction & Permanent Loan:
 Permanent Loan Only:

Type of Transaction

Preservation:
 Traditional Multifamily:

Cost of Land and/or Improvements: _____
 Construction Cost: _____
 Total Project Cost: _____

Types of Residential Structures*	No. of Bldgs.	No. of Stories Each	Unit Type (No. of BR's)	Unit Size in Sq. Ft.	No. of Units	Net Rentable = Area
Low Rise	3	3	1	687	96	65,952

Types of Residential Structures*	No. of Bldgs.	No. of Stories Each	Unit Type (No. of BR's)	Unit Size in Sq. Ft.	No. of Units	Net Rentable = Area
Garage & Parking						
Commercial Space						
Common/Other Space			community room and common space			13,056

Totals: 3 Buildings UNITS: 96 79,008 Sq. Ft.

*Low - Rise (1 - 3), Mid/Hi - Rise (4 + stories), Townhouse or Semi-detached
 ** 40-60 set-aside means 40% or more of the residential units will be restricted and occupied by households whose income is 60% or less than the area median income.
 *** 20-50 set-aside means 20% or more of the residential units will be rent restricted and occupied by households whose income is 50% or less of area median income.

Type of Construction

New Construction:
 Modular:
 Moderate Rehabilitation:
 Substantial Rehab.:
 Conversion:
 Rehabilitation/Occupied:

Parking

Total Number of Parking Spaces: 116
 Ratio of parking to D.U.'s: 1.21 : 1

Type of Financing

Tax Exempt:
 Taxable:

Tax Credits Check One
 4%:
 9%:
 Historic:

Affordability - Check One

** 40% AT 60%:
 *** 20% AT 50%:
 Small Rental Proj.: 80% AMI or less

\$74,219 per DU
 \$19,244 per DU
 \$132,881 per DU

Amortization Period: 35
 Term of Mortgage (in years): 17
 Construction Interest Rate: 0.70%
 Principle and Interest Rate: 2.20%
 Credit Enhancement Rate/Fee: 2.59%
 Private Lender Fee/Rate: _____
 HMFA Annual Admin Fee: _____
 Stacked Rate/Total: 4.79%

QCT: N
 Smart Growth: Y
 Planning Area: _____
 (designate area)

ENTER DOLLAR AMOUNT

Type of Subsidy

City Living: \$ _____
 FRM-CDBG: \$ _____
 Amt. Of FRM-CDBG/Unit: _____
 Green Funds: \$ _____
 Fire Suppression: \$ _____
 Balanced Housing: \$ _____
 Ready to Rent (Bal. Hous. Funds): \$ _____
 Small Rental Project: _____
 Loan: \$ _____
 Subsidy: \$ _____

Type of Enhancement

FHA 221d4: _____
 Freddie Mac:
 Fannie Mae: _____
 Ginny Mae: _____
 Letter of Credit: _____

Type of Purchase

Public:
 Direct: _____
 Private: _____

Expiration Year of Current Subsidy/Mtg

Section 8 Project: _____
 Section 236 Project: _____
 Year Current Mtg Expires: _____
 Year Current HAP or IRP Expires: _____
 HMFA Portfolio: _____

SCHEDULE 10-B: EST. DEVELOPMENT COSTS AND CAPITAL REQUIREMENTS

HMFA# 02828
 Prepared by: Draw Tedeschi
 Reviewed by: *[Signature]*
 (Director of Technical Services)
 (Director of MF Programs & Credit)
 Chief of Credit and Business Development: *[Signature]*
 Senior Director of Programs: *[Signature]*
 Will loan/s be repaid from project revenues? Y, or N, or G
 Date _____
 Date _____

1. SOURCES OF FUNDS DURING CONSTRUCTION:

	Grant/Loan Here	Y, or N, or G	
a) HMFA 1st. Mortgage, NOTE I	N/A		\$ 5,895,000
b) LIHTC I - PNC	\$3,464,952		\$ 346,495
c) Balanced Housing	\$1,300,000		\$ 1,300,000
d) PNC Bridge Loan - source for construction	\$2,476,830		\$ 2,401,498
e) SNHTF	\$500,000		\$ 500,000
f) Township Note	\$500,000		\$ 500,000
g) Income from Operations	\$361,975		\$ 361,975
h) Deferred Developer's Fee			\$ 795,987
i) Sponsor Equity (paid)			258,618
TOTAL SOURCES OF CONSTRUCTIONS FUNDS:			\$ 12,359,573

2. USES OF FUNDS DURING CONSTRUCTION:

A. ACQUISITION COSTS:

		% of Cons't Cost	OR Cost/Unit
a) Land	@ (\$ per Acre) \$ 330,000		
b) Building Acquisition	includes payoff of Connect One Bank loan \$5,308,374		\$74,219
c) Acquisition Costs			
d) Other:			
Total Acquisition as a percent of Total Project Costs:	55.85%		7,125,000

B. CONSTRUCTION COSTS

a) Demolition	NOTE: Payment and Performance bonds are required through the const and for a two-year period after the Certificate of Occupancy.		
b) Off-site Improvements			
c) Residential Structures			1,525,000
d) Additional Capitalized Residential Structee Costs			102,437
e) Environmental Clearances			
f) Surety & Bonding	should be between .75% and 2% of Construction Costs		
g) Building Permits			
h) Garage Parking	garage should be approx \$15,000/space; parking lot around \$700/space		
i) General Requirments	should be about 6% of construction costs		100,000 6.14%
j) Contractor Overhead & Profit	should not exceed 8% of cons't costs total - usually 2% for Overhead and 6% for Profit		120,000 7.37%
k) Fire Suppression System			
l) Green Features (for Solar and LEED Certification costs)			
m) Other			
Total Cons't Costs as a percent of Total Project Costs:	15.85%		1,847,437

C. DEVELOPERS FEE:

6.47% HMFA Policy is that the Developer fee is earned as a percentage of construction completion. **838,429**

D. CONTINGENCY

Non-Deferred Amt.: \$361,726 **2.79%**

a) Hard Costs	10.000% 5% for New Construction & 10% for Rehabilitation		174,500
b) Soft Costs	1.000% should be a Maximum of 5%		16,461
Total Contingency			190,961

E. PROFESSIONAL SERVICES

476,703

a) Appraisal & Market Study		\$ 20,000	
b) Architect		70,000	
c) Engineer - inclusive of surveyor		30,000	
d) Attorney		140,000	
e) Cost Certification/Audit - should not exceed \$35,000		30,000	
f) Environmental Consultant			
g) Additional Paid Prof Svcs		135,000	
h) Geotechnical Engineering Report			
i) Surveyor			
j) Permits and approvals - inclusive of building permits		40,000	
k) LEED Provider contract fees, etc.			
Total Professional fees as a % of Total Project Costs:	3.65%		465,000

F. PRE-OPERATIONAL EXPENSES *

* Non-eligible costs in TC basis

Should Not Exceed \$250.00

a) Operator fees (pre-construction completion) *		\$	
b) Advertising and Promotion (pre-construction completion)*		25,000	
c) Staffing and Start-up Supplies (pre-construction completion)*		32,000	
d) Other: * social services		30,000	
e) Other: *			
Total Pre Opt Costs as a % of Total Project Costs:	0.68%		87,000

G. CARRYING AND FINANCING COSTS DURING CONSTRUCTION

(percentage of total development costs)

9.64%

a) Interest @ 0.7000% for (18 mos.) on \$ 5,895,715		61,905	
b) R.E. Tax \$ 51,594 (per annum) x 1.00 Yrs.		51,594	
c) Insurance \$ 60,000 (per annum) x 1.00 Yrs.		60,000	
d) Title Insurance and Recording Expenses		65,000	
e) HMFA Non Amortizing Debt Fee- 2 pts	2.0%	on \$ 5,895,715	101,478
f) HMFA Issuance Fee- 50 bp	0.5%	on \$ 5,895,715	29,475
g) FF&E		80,000	
h) Other Lender Construction Financing Fee		190,390	
i) Tax Credit Fees		32,000	
j) Negative Arbitrage	If the HMFA will be selling Bonds for the project either before or during the time the Development is under construction, these costs should be accounted for during the construction period.		(ESTIMATE)
k) Cost of Issuance (If Bonds are sold during Construction)		118,914	(ESTIMATE)
l) Loan Interest Freddie Mac - 18mos		410,028	
m) Loan Interest LIHTC Bridge		29,325	
Total Carrying/Fin. Costs as % of Total Project Costs:	9.64%		1,230,109

H. Working Capital Escrow

a) Debt Service & Operating Expenses		
b) Rental Agent Rent-up Fee (during Rent-up)		
c) Advertising and Promotion (during Rent-up)		

I. Other Escrows

a) Insurance (1/2 YR.)		\$ 33,600
b) Taxes (1 Qtr.)		\$ 12,956
c) Debt Service Payment & Servicing Fee for 1 Month		\$ 29,082
d) Mortgage Insurance Premium (MIP) 1 year plus 3 months		\$
e) Repair & Replacement Reserves		\$
f) HMFA Operating Deficit Reserve		\$
g) Othr Development Fee in SNHTF Financing		\$ 200,000
h) Othr SNHTF financing escrows and fee		\$ 97,195
i) Othr Closing costs in SNHTF Financing		\$ 202,805
Total Escrows as a % of Total Project Costs:	4.51%	

3. USES OF FUNDS DURING CONSTRUCTION:

\$ 12,359,573

4. BALANCE OF FUNDS NEEDED FOR CONSTRUCTION (overage / shortage):

\$ 0

5. SOURCES OF FUNDS FOR PERMANENT CLOSE-OUT:

	Y, or N, or G	
a) LIHTC II - PNC - Construction Completion		\$ 150,032
b) LIHTC III - PNC - Cost Cert		\$ 2,910,214
c) LIHTC IV - PNC - 8609		\$ 58,211
d)		\$
e) Freddie Mac Direct Loan - Prudential		\$ 5,895,000
f)		\$
TOTAL SOURCES FOR PERMANENT CLOSE-OUT:		\$ 9,013,457

6. USES OF FUNDS FOR PERMANENT CLOSE-OUT:

A. DEVELOPER'S FEE:		\$ 319,284
B. CONSTRUCTION LOAN PAYOFF		\$ 5,895,715
C. PNC Bridge Loan Payoff		\$ 2,401,498
D. Cost of Issuance (ESTIMATE)	Non-eligible costs in TC basis	\$
E. Tax Credit Fees		\$ 32,000
F. Other: syndicator required reserve		\$ 364,960
7. TOTAL of NUMBER 6 A-F ABOVE:	Total Costs at Perm. Closeout as % of Total Project Costs: 21.94%	\$ 9,013,457
8. BALANCE NEEDED TO CLOSE (overage / shortage):		\$
9. TOTAL PROJECT COSTS		\$ 12,756,533
10. MAXIMUM MORTGAGE LOAN	46.22 % of Item 10	\$ 5,895,715

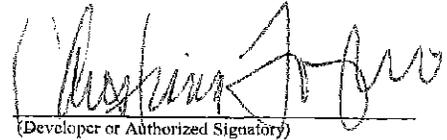
11. 55% of Basis Test:

	Aggregate Basis:	\$	Check each line item for Eligibility
		9,379,329	
	55% of Basis (estimated):	5,158,631	
	Less 1st Mtg., 1st Note:	5,895,715	
	Equals 1st Mtg., 2nd Note Needed:	(737,084)	

12. REPAYMENT OF SECOND NOTE (IF APPLICABLE)

	Principal	\$	Total	\$	List Source
Interest @ _____ (_____) mos.		\$		\$	
		\$		\$	
		\$		\$	
		\$		\$	

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

By: 
(Developer or Authorized Signatory)

By: _____
NJHMFA Executive Director or Designee

SCHEDULE 10-C: OPERATING EXPENSES

Borrowing Entity: Heritage Village at Ocean LLC
 Dev. Name: Heritage Village at Ocean

HMFA# 02828
 Prepared by: Drew Tedeschi
 Reviewed by: _____
 Director of Property Management

08/06/15

 Date

I. ADMINISTRATIVE EXPENSE

Stationery & Suppl.	1,500
Telephone	10,000
Dues & Sub.	
Postage	1,000
Insp. & Other Fees	10,000
Advertising	10,000
Legal Services	5,000
Auditing (Year End)	16,000
Soc. Serv. Suppl.	2,500
Misc. Adm. Expenses	1,500
Bookkeeping/Accounting and/or Computer Charges	7,315
Other:	
TOTAL \$	64,815

II. SALARIES & RELATED CHARGES

	# of Employees	Total Wages inc benefits
Superintendent	1.00	18,000
Janitorial	0.50	10,000
Grounds & Landscaping		
Security		
Social Services		
Site Office & Admin	1.00	28,000
Maintenance		
Other Salaries/benefits package		10,000
Empl. Benefits		
Empl. Payroll Taxes		
Worker's Comp.		
Other:		
TOTAL \$	2.50	66,000

III. MAINTENANCE AND REPAIRS

Masonry	2,000
Carpentry	1,500
Plumbing	2,000
Electrical	1,500
Kitchen Equipment	
Elevator	
Windows & Glass	
Vehicles & Equip.	
Snow Removal	
Grounds & Landscaping	
Paint & Dec. Supl.	8,000
Small Equip. & Tools	500
Janit. Sup. & Tools	1,500
HVAC Supplies	6,000
Misc. Maint. Suppl.	5,000
Other:	
TOTAL \$	28,000

IV. MAINTENANCE CONTRACTS

Security	1,300
Elevator	2,500
Rubbish Removal	
Heating & AC Maint.	1,800
Grounds, Parking & Landscaping	18,000
Exterminating	1,500
Cyclical Apt. Painting	11,200
Other:	
TOTAL \$	36,300

V. UTILITY EXPENSE

Water Charges	30,000
Sewer Charges	40,000
Electricity	35,000
Gas	5,000
Fuel	
Less Solar Energy Savings	
TOTAL \$	110,000

VI. REAL ESTATE TAX CALCULATION FOR TAX ABATEMENT

Gross Rents	\$	1,005,600
Less Vacancy	(-)	70,392
Less Utilities (if applicable)	(-)	110,000
Gross Sheltered Rents	\$	825,208
x Rate	x	6.28 %
Real Estate Taxes	\$	51,823

OR

ACTUAL TAXES
IF NO P.I.L.O.T.

SCHEDULE 10-E : SUMMARY OF ANTICIPATED ANNUAL INCOME AND EXPENSES

Borrowing Entity: Heritage Village at Ocean LLC

HMFA# 02828

Dev. Name: Heritage Village at Ocean

Prepared by: Drew Tedeschi

08/06/15

Reviewed by: _____
(Director of Property Management - Expenses Only)

Date

RENTAL INCOME

Apartment Rents		\$	1,005,600
Vacancy Loss	(7.00 %)		70,392
NET APT. RENTS			935,208
Commercial Income	_____ per Sq. Ft.	\$	_____
Garage & Parking	_____ per Sq. Ft.		_____
Commercial Vacancy	_____ %		_____
NET COMMERCIAL RENTALS			_____
TOTAL RENTAL INCOME		\$	935,208

OTHER INCOME

Laundry Machines		\$	9,600
Other app fees + misc			5,700
TOTAL OTHER INCOME		\$	15,300

TOTAL REVENUE \$ 950,508

EXPENSES

Administrative (Schedule I)		\$	64,815
Salaries (Schedule II)			66,000
Maint. & Repairs (Schedule III)			28,000
Maint. Contracts (Schedule IV)			36,300
Utilities (Schedule V)			110,000
Management Fee 52.01 per unit			59,916 * Should be between \$50 & \$65 per unit
P.L.O.T. on Commercial Income(_____ %)			_____
Real Estate Taxes (Schedule VI)			51,823
Insurance \$700 per Unit			67,200 2-Story & below - \$500; 3-Story & above - \$550
Reserve for Repair and Replacement 440.00 per unit			42,240

TOTAL EXPENSES \$ 526,294

NET OPERATING INCOME

\$ 424,214

DEBT SERVICE

1. Principal and Interest		\$	348,979
2. Mortg & Bond Serv Fee _____ %			_____
3. MIP _____ %			_____
4. Debt Service on Other			_____
Mortgage Loans \$ _____		\$	_____
AGENCY DEBT SERVICE		\$	348,979

DEBT SERVICE NOT TO BE CONSIDERED IN DSR \$ _____

TOTAL DEBT SERVICE \$ 348,979

NET INCOME

\$ 75,235

Less Return on Equity (_____ % on \$ _____) - \$ _____

Project Profit/(Loss) \$ 75,235

DEBT SERVICE RATIO CALCULATION :

DSR = $\frac{\text{NET OPERATING INCOME}}{\text{AGENCY DEBT SERVICE}}$ = 1.21559

New Mortgage Amount
5,895,715

DEVELOPMENT: Heritage Village at Ocean
 HMFA #: 02828
 LOAN OFFICER: Drew Tedeschi
 DATE: 8/6/15

DEVELOPMENT: Heritage Village at Ocean
 HMFA #: 02828
 LOAN OFFICER: Drew Tedeschi
 DATE: 8/6/15

2nd Note/Mortgage (Amortizing)
 Interest Rate: 3.00%
 Term in Years: 30
 Annual Payment: \$0.00
 Servicing Fee: \$0.00

FRM-CDBG
 Interest Rate Annually: 0.00%
 First Years Balance: 0

Permanent Mortgage (1st Note)
 Interest Rate: 4.82%
 Term: 35
 Annual Payment: \$48,979
 Servicing Fee: \$0.00
 MIP: \$0.00

PILOT Calculation
 Rental Income: 1,005,600
 Less: Vacancy: -70,392
 Net Rental Income: 935,208
 Less: Operating Utilities: -119,000
 Basis for PILOT Calc.: 825,208
 PILOT Rate: 6.28
 PILOT Payment Estimate: \$51,923
 Commercial: 13,056
 Less: Vacancy: (0.00)
 Net Commercial Income: 0.00%
 PILOT Rate: 0.00%
 PILOT Payment Estimate: 0

	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22
Commercial Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Garage & Parking	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Commercial Vacancy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET COMMERCIAL RENTALS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL RENTAL INCOME:	1,116,687	1,150,188	1,184,694	1,220,234	1,256,841	1,294,547	1,333,363	1,373,364	1,414,566	1,457,024	1,500,734	1,545,756	1,592,128	1,639,883	1,689,090	1,738,762
OTHER INCOME	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Laundry Machines	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600
Other/prop fees + misc	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700
TOTAL OTHER INCOME	15,300	15,300	15,300	15,300	15,300	15,300	15,300	15,300	15,300	15,300	15,300	15,300	15,300	15,300	15,300	15,300
TOTAL REVENUE	1,131,987	1,165,488	1,199,994	1,235,534	1,272,141	1,309,847	1,348,663	1,388,664	1,429,866	1,472,324	1,516,034	1,561,056	1,607,428	1,655,183	1,704,390	1,755,062
OPERATING EXPENSES																
Administrative	64,815	67,408	70,104	72,908	75,825	78,858	82,012	85,292	88,704	92,252	95,942	99,780	103,771	107,922	112,239	116,729
Salaries and Benefits	66,000	68,640	71,386	74,241	77,211	80,299	83,511	86,851	90,326	93,928	97,668	101,550	105,588	109,785	114,141	118,662
Maintenance & Repairs	3,282	3,406	3,532	3,660	3,791	3,926	4,064	4,205	4,350	4,500	4,653	4,810	4,971	5,136	5,306	5,481
Maintenance Contracts	3,378	3,502	3,628	3,756	3,887	4,021	4,158	4,298	4,442	4,590	4,741	4,895	5,052	5,212	5,375	5,541
Utilities	\$1,146	\$1,146	\$1,146	\$1,146	\$1,146	\$1,146	\$1,146	\$1,146	\$1,146	\$1,146	\$1,146	\$1,146	\$1,146	\$1,146	\$1,146	\$1,146
Management Fee	52.01	59,916	67,822	75,728	83,634	91,540	99,446	107,352	115,258	123,164	131,070	138,976	146,882	154,788	162,694	170,600
PILOT on Housing	3540	51,823	55,767	59,711	63,655	67,599	71,543	75,487	79,431	83,375	87,319	91,263	95,207	99,151	103,095	107,039
Insurance	3700	59,898	72,684	85,470	98,256	111,042	123,828	136,614	149,400	162,186	174,972	187,758	200,544	213,330	226,116	238,902
Replacement Reserves	3440	42,240	42,240	42,240	42,240	42,240	42,240	42,240	42,240	42,240	42,240	42,240	42,240	42,240	42,240	42,240
PILOT on Comm.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	526,294	545,431	564,299	583,963	604,214	625,319	647,228	669,973	693,564	718,097	743,544	769,964	797,382	825,868	855,432	886,127
Total Per Unit Cost	5,482	5,682	5,878	6,069	6,254	6,434	6,610	6,782	6,950	7,114	7,274	7,438	7,600	7,759	7,916	8,071
Expense/Income Ratio	0.55	0.56	0.56	0.57	0.57	0.57	0.57	0.57	0.58	0.58	0.59	0.59	0.59	0.60	0.60	0.61
INCOME AVAIL. FOR DEBT	424,114	433,133	443,164	453,344	463,671	474,143	484,789	495,515	506,409	517,438	528,597	539,883	551,291	562,817	574,454	586,197
Debt Service-1st Mortgage	348,979	348,979	348,979	348,979	348,979	348,979	348,979	348,979	348,979	348,979	348,979	348,979	348,979	348,979	348,979	348,979
Debt Service-2nd Note/Mortgage (amortizing)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service	348,979	348,979	348,979	348,979	348,979	348,979	348,979	348,979	348,979	348,979	348,979	348,979	348,979	348,979	348,979	348,979
Debt Service Ratio	1.22	1.24	1.27	1.30	1.33	1.36	1.39	1.42	1.45	1.48	1.51	1.55	1.58	1.61	1.65	1.68
DSR for Operations and Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CASH FLOW After Debt Service	75,235	84,154	84,185	104,365	114,692	125,164	135,790	146,536	157,430	168,459	179,618	190,904	202,312	213,838	225,475	237,218
FRM-CDBG	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Remaining Cash Flow	75,235	84,154	84,185	104,365	114,692	125,164	135,790	146,536	157,430	168,459	179,618	190,904	202,312	213,838	225,475	237,218
OPERATING RESERVE:																
Beginning Reserve Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Neg. Cash Flow	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Reserve Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

6

CHRISTINE GIORDANO HANLON
COUNTY CLERK
MONMOUTH COUNTY, NJ

INSTRUMENT NUMBER
2016112067

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NOV 09, 2016

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BOOK: OR-9197

PAGE: 2966

Total Pages: 9

COUNTY RECORDING

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MONMOUTH COUNTY
HOME INVESTMENT PARTNERSHIPS PROGRAM
AFFORDABLE HOUSING DEED RESTRICTION



400WZ5

Effective Date October 4, 2016

- LENDER:** COUNTY OF MONMOUTH, a municipal corporation of the State of New Jersey, having its principal offices located at the Office of Community Development, Monmouth County Division of Planning, 1 East Main Street, Freehold, NJ 07728.
- BORROWER/OWNER:** Heritage Village at Ocean LLC, a limited liability company organized under the laws of the State of New Jersey, having an address located at 1970 Brunswick Ave, Suite 100, Lawrenceville, New Jersey 08648.
- PROJECT PROPERTY:** The Property mortgaged to Lender is located in the Township of Ocean, County of Monmouth, and State of New Jersey known on the tax map of Ocean Township as Block 1.02, Lot 21.02, more commonly known as 400 Stacey Drive, Ocean Township, NJ 07712.
- PROJECT:** Rehabilitation of two (2) undesignated "floating" affordable rental units ("HOME Units") as part of a project for the rehabilitation of ninety-five (95) affordable residential affordable rental units and one (1) superintendent's unit.
- LOAN AMOUNT:** \$110,095.00
- LOAN TERM:** Thirty (30) years from the date hereof.
- COMPLIANCE TERM:** For twenty (20) Years, Monmouth County will monitor for HUD compliance.
- AFFORDABILITY PERIOD:** Thirty (30) years from the date hereof.

WHEREAS, the above named Lender has entered into a HOME Investment Partnership Agreement pursuant to Title II of the National Affordable Housing Act with United States Department of Housing and Urban Development (hereinafter "HUD"), by which HUD provides funding for eligible projects; and

WHEREAS, the Lender has been designated to implement a HOME Investment Partnerships Program (hereafter referred to as the "HOME Program") in accordance with applicable regulations, including 24 CFR Part 92; and

WHEREAS, the Note is secured by that certain Mortgage dated October 4, 2016 from Borrower to Lender (the "Mortgage"), which Mortgage was recorded in the office of the Clerk of Monmouth County, New Jersey on _____; and

RTR
(No charge)
RTR via Interoffice
mail to:
Community Development
ATTN: Sabrina Dunn

Not Certified Copy

WHEREAS, the Project is subject to the terms of that certain Home Investment Partnerships Program - Loan Agreement by and between the County of Monmouth and Heritage Village at Ocean LLC; and

WHEREAS, the Borrower has requested funding to undertake the above described Project; and

WHEREAS, the proposed Project is eligible for funding if carried out pursuant to HUD's rules and regulations; and

WHEREAS, the HOME Program requires eligible project properties be subject to a deed restriction, reflecting that said properties are for the purpose of providing housing for families of certain income levels as established by HUD; and

WHEREAS, Borrower has agreed to comply with this condition by signing and delivering this document.

NOW, THEREFORE, in consideration of the foregoing and the terms and conditions contained herein, the above-named Borrower/Owner grants to the above-named Lender, its successors and assigns the rights stated in this document on the above-described Project Property ("Premises"), which Property is described in Exhibit A attached hereto, for the purpose of ensuring retention of affordable rental housing for occupancy by low and very low-income persons and families.

1. Purpose. The purpose of this Affordable Housing Restriction is to assure that low and very low-income households will retain the Premises as affordable housing for occupancy.

2. Nature and Term of Covenants. The Borrower intends, declares and covenants, on behalf of itself and its successors and assigns, that the covenants and restrictions set forth in this Affordable Housing Restriction regulating and restricting the use, occupancy and transfer of the Premises (a) shall be and are covenants running with the land, encumbering the Premises for a term of THIRTY (30) YEARS from the date of execution hereof; (b) are binding upon the Borrower's successors in title and all subsequent owners of the Premises, (c) are not merely personal covenants of the Borrower, and (d) shall bind the Borrower and its successors and assigns and the benefits shall inure to the Lender and to any present or prospective tenant of the Premises. The Borrower acknowledges that it has received assistance from the Lender in developing the Premises as affordable rental housing, which assistance includes a loan from the Lender under the HOME Program. This Affordable Housing Restriction shall continue in force for its stated term regardless of the prior repayment of such loan.

3. Notice of Covenants. Each and every contract, deed or other instrument hereafter executed conveying the Premises or portion thereof shall expressly provide that such conveyance is subject to this Affordable Housing Restriction. The covenants contained herein shall survive and be effective regardless of whether such contract, deed or other instrument hereafter executed conveying the Premises or portion thereof actually provides that such conveyance is subject to this Affordable Housing Restriction.

4. Unit Standards. The Premises shall be used for up to ninety-six (96) units of rental housing, as described above. Each of the HOME Units shall contain complete facilities for

living, sleeping, eating, cooking and sanitation that are to be used on other than a transient basis. Each of the HOME Units shall meet the housing quality standards set forth in the regulations of the HOME Investment Partnership Program at 24 CFR Part 92, Section 92.251 or any successor thereto.

5. Discrimination Prohibited. The Borrower shall not discriminate on the basis of race, creed, color, sex, age, handicap, marital status, sexual preference, national origin or any other basis prohibited by law in the lease, use and occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project. The Borrower shall not discriminate against, or refuse to lease, rent or otherwise make available units in the Project to a holder of a certificate of family participation under the Federal Rental Certificate Program (24 CFR Part 882) or a rental voucher under the Federal Rental Voucher Program (24 CFR Part 887) or a holder of a comparable document evidencing participation in a HOME Program, tenant-based assistance program because of the status of the prospective tenant as a holder of such certificate of family participation, rental voucher or comparable HOME Program tenant-based assistance document. Notwithstanding the above, the project shall be age restricted as per the regulations of the Housing for Older Persons Act.

5.1. Nondiscrimination Policies. The Borrower shall adopt and submit resident selection policies and criteria to Lender and Lender shall have the right of approval thereof. Said policies and criteria shall comply with the following requirements:

(a) They shall be consistent with the purpose of providing housing for "Low Income Families" and "Very Low Income Families", as defined below in Section 6 and required herein;

(b) They shall be reasonably related to HOME Program eligibility of prospective tenants and to the prospective tenants' ability to perform the obligations of the Borrower's form lease;

(c) They shall give reasonable consideration to the housing needs of families that would have preference under 24 CFR Part 960.211 (Federal selection preferences for admission to public housing); and

(d) They shall provide for (i) the selection of residents from a written waiting list in the chronological order of their application, insofar as practicable, and (ii) the prompt written notification to any related applicant of the grounds for any rejection.

Lender must approve any changes to these policies and criteria in writing. The Borrower shall also provide the Lender with an affirmative marketing plan acceptable to the Lender.

The approved marketing plan and the approved resident selection policies and criteria shall be adhered to in every respect.

6. Tenant Income Standards. During the term of this Affordable Housing Restriction the HOME Units shall be leased to Families or individuals whose annual incomes are at or less than SIXTY PERCENT (60%) of the median income for the Area (as defined below). A "Family" is defined as one or more individuals occupying a unit and satisfying the standards adopted by HUD for the so-called Section 8 Program under the United States

Housing Act of 1937 and promulgated at 24 CFR Part 812. The "Area" is defined as the Monmouth-NJ PMSA. A Family's annual income shall be the anticipated total income from all sources received by the Family head and spouse (even if temporarily absent) and by each additional member of the Family (other than children under the age of 18 years), including all net income derived from assets for the 12-month period following the effective date of certification of income. Annual Income specifically includes and excludes certain types of income as set forth in, and shall be determined in accordance with, 24 CFR Part 813.106 (or any successor regulations).

7. Rental Amount Limits. Rental amounts shall comply with the following:

a. The monthly rent charged for the HOME Units to be rented to families whose incomes are at or below sixty percent (60%) of median area income shall not be greater than thirty percent (30%) of the monthly gross income of a Family and less than the established Low Home Rent for that year (or such higher or lower percentage as may be established by HUD pursuant to applicable regulations under the HOME Program) of the median income for the Area, as determined by HUD, with adjustment for number of bedrooms in the unit using average occupancy per unit assumptions provided by HUD. The monthly rent charged for the HOME Units to be rented to families whose incomes are above sixty percent (60%) of median area income shall not be greater than the lesser of the Fair Market Rent for Monmouth County as established by HUD or thirty percent (30%) of the monthly gross income of a Family whose income equals sixty-five percent (65%) (or such higher or lower percentage as may be established by HUD pursuant to applicable regulations under the HOME Program) of the median income for the Area, as determined by HUD, with adjustment for number of bedrooms in the unit using average occupancy per unit assumptions provided by HUD. In determining the maximum monthly rent that may be charged for a unit under this clause the Borrower shall subtract from the above amount a monthly allowance for any utilities and services (excluding telephone) to be paid by the Family. Further, Annual Income shall be determined pursuant to 24 CFR part 92.203

b. Borrower shall make the determination of whether a Family meets the income requirements set forth herein at the time of leasing of a HOME Unit and thereafter at least annually on the basis of the current income of such Family.

8. Initial Proposed Rents. Prior to initial occupancy of a HOME Unit and annually thereafter as part of the annual reports required under Section 9 below, Borrower shall submit to Lender a proposed schedule of monthly rents and monthly allowances for utilities and services for all HOME Units in the Project. The rent schedule shall include both the maximum rents applicable to units as described above as well as the actual rents to be charged to over-income Families or Individuals. Such schedule shall be subject to the approval of Lender for compliance with the requirements of this Affordable Housing Restriction.

9. Records and Reporting to Lender. Borrower shall maintain as part of its Project records copies of all leases of the HOME Units and all initial and annual income certifications by tenants of the HOME Units. Within 60 days after the end of each calendar year of occupancy of any portion of the Project, the Borrower shall provide to the Lender annual reports consisting of certifications regarding the annual and monthly gross and adjusted income of each Family occupying any of the HOME Units. With respect to Families or Individuals who move to the HOME Units in the prior year, the annual report shall also

include certifications regarding the annual and monthly gross and adjusted incomes of such Families at the time of the initial occupancy of a HOME Unit. The annual report shall be in a form approved by the Lender and shall contain such supporting documentation as the Lender shall reasonably require. In addition to the foregoing, Borrower shall keep such additional records and prepare and submit to lender such additional reports as Lender may deem necessary to ensure compliance with the requirements of this Affordable Housing Restriction and of the HOME Program.

10. **Increases in Rental Amounts.** Rents for the HOME Units shall not be increased without the Lender's prior written approval of either (a) a specific request by Borrower for a rent increase or (b) the next annual schedule of rents and allowances. Notwithstanding the foregoing, rent increases shall be subject to the provisions of outstanding leases and shall not be implemented without at least 30 days' prior written notice by Borrower to all affected tenants.

11. **Prohibited Lease Provisions.** The Borrower shall not include in any lease for a HOME Unit in the Project any of the following provisions:

a. Agreement by the tenant to be sued, to admit guilt or to a judgment in favor of the Borrower in a lawsuit brought in connection with the lease.

b. Agreement by the tenant that the Borrower may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the unit after the tenant has moved out of the unit. The Borrower may dispose of such personal property in accordance with New Jersey law.

c. Agreement by the tenant not to hold the Borrower or the Borrower's agents legally responsible for any action or failure to act, whether intentional or negligent.

d. Agreement of the tenant that the Borrower may institute a lawsuit without notice to the tenant.

e. Agreement by the tenant that the Borrower may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties.

f. Agreement by the tenant to waive any right to a trial by jury.

g. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease.

h. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the Borrower against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

12. **HOME Unit Lease Terms and Lease Terminations.** All leases for HOME Units in the Project shall be for terms of not less than one (1) year, unless by mutual agreement between the tenant and the Borrower, and shall require tenants to provide information

required for the Borrower to meet its reporting requirements hereunder. Borrower may not terminate the tenancy or refuse to renew the lease of an occupant of the Project except for (a) for serious or repeated violations of the terms and conditions of the lease; (b) violations of applicable federal, state or local law or (c) other good cause. Any termination or refusal to renew must be preceded by not less than 90 days by Borrower's service on the tenant of a written notice specifying the grounds for the action. Lender must be copied on any such notice for units relating to this restriction.

13. **Transfer or Sale of Project Property.** The Borrower may not sell, transfer or exchange all or any portion of the Project without the Lender's prior written consent. Any sale, transfer or change of title shall require either full payment of the outstanding obligation under the mortgage or such other requirements as the Lender may specify.

14. **Demolition or Reduction of Project Property.** The Borrower shall not demolish any part of the Project or substantially subtract from any real or personal property of the Project except in conjunction with renovation or rehabilitation of the Project or construction of a new project on the Premises, in either case subject to the prior written consent of the Lender, which consent may be granted or withheld in the Lender's reasonable judgment. The Borrower shall not permit the use of any residential unit for any purpose other than rental housing.

15. **Destruction or Damage of Project Property.** If the Project, or any part thereof, shall be damaged or destroyed, the Borrower shall use its best efforts to repair and restore the Project to substantially the same condition as existed prior to the event causing such damage or destruction, and the Borrower represents, warrants and agrees that the Project shall thereafter continue to operate in accordance with the terms of this Affordable Housing Restriction.

16. **Use of Project Property.** Any use of the HOME Units or activity thereon which is inconsistent with the express conditions or purpose of this Affordable Housing Restriction is expressly prohibited. Borrower shall carry out each activity provided for in this Affordable Housing Restriction in compliance with all applicable federal laws and regulations described in 24 CFR Part 92.251 (Property Standards), Part 92.252 (Qualifications as Affordable Housing: Rental Housing), Part 92.253 (Tenant and Participation Protections), Part 92.257 (Religious Organizations), Part 92.303 (Tenant Participation Plan), Part 92.350 (Equal Opportunity and Fair Housing), Part 92.351 (Affirmative Marketing), Part 92.352 (Environmental Review), Part 92.353 (Displacement, Relocation and Acquisition), Part 92.354 (Labor), Part 92.355 (Lead-based Paint), Part 92.356 (Conflict of Interest), Part 92.357 (Executive Order 12372). Lender and its duly authorized representatives shall have the right to enter the Premises at reasonable times and in a reasonable manner for the purpose of inspecting the Premises to determine compliance with this Affordable Housing Restriction.

17. **Enforcement of Restrictions.** Lender shall have the right to enforce this Affordable Housing Restriction by appropriate legal proceedings and to obtain injunctive and other equitable relief against any violations including, without limitation, relief requiring restoration of the Premises to its condition prior to any such violation, it being agreed that the Lender will have no adequate remedy at law, and shall be in addition to, and not in limitation of, any other rights and remedies available to the Lender. Borrower covenants and agrees to reimburse Lender all reasonable costs and expenses (including without

limitation reasonable counsel fees) incurred in enforcing this Affordable Housing Restriction or in taking reasonable measures to cure any violation hereof, provided that a violation of this Affordable Housing Restriction is acknowledged by Borrower or determined by a court of competent jurisdiction to have occurred. By its acceptance of this Affordable Housing Restriction, Lender does not undertake any liability or obligation relating to the condition of the Premises.

18. Notice of Restrictions. The Lender shall have the right to record or file any notices or instruments appropriate to assuring the enforceability of this Affordable Housing Restriction and the Borrower, on behalf of itself and its successors and assigns, appoints the Lender its attorney-in-fact to execute, acknowledge and deliver any such instruments on its behalf. Without limiting the foregoing, the Borrower and its successors and assigns agree to execute any such instruments upon request.

19. Conditional Relief from Restrictions. Notwithstanding anything herein to the contrary, but subject to the next succeeding paragraph, if the holder of record of a first mortgage granted to a state or national bank, state or federal savings and loan association, cooperative bank, mortgage company, trust company, insurance company or other institutional lender shall acquire the Property by reason of foreclosure or similar remedial action under the provisions of such mortgage or upon conveyance of the property in lieu of foreclosure, and provided that the holder of such mortgage (a) has given Lender not less than 60 days' prior written notice of its intention to foreclose upon its mortgage or to accept a conveyance of the Property in lieu of foreclosure and (b) agrees to recognize any contractual or legal rights of public agencies, non-profit sponsors, or others to take actions that would avoid termination of low-income affordability of the Project, then the rights and restrictions herein contained shall not apply to such holder upon such acquisition of the Property or to any purchaser of the Property from such holder, so long as the purchaser of the Property or holder of the Property repays from the proceeds of such sale 100% of the net proceeds after superior liens have been settled, if any, not to exceed the outstanding balance of the HOME loan, at such time such Property shall, subject to the next two succeeding sentences, thereafter be free from all such rights and restrictions.

20. No Relief from Restrictions on Certain Transfers. The rights and restrictions contained herein shall not lapse if any portion of the Project Property is acquired through foreclosure or deed in lieu of foreclosure by (a) Borrower, (b) any person with a direct or indirect financial interest in Borrower, (c) any person related to a person described in "b" by blood, adoption or marriage, (d) any person who is or at any time was a business partner of a person described in "b" and (e) any entity in which any of the foregoing have a direct or indirect financial interest (each a "Related Party"). Furthermore, if all or a portion of the Premises is acquired by a Related Party during the period in which this Affordable Housing Restriction would be in effect but for provisions providing for its termination, this Affordable Housing Restriction shall be revived and shall apply to the Property as though it had never lapsed.

21. In the event a person having the right to do so pursues a foreclosure or other proceeding enforcing its rights under a mortgage or other instrument and the Property is sold for a price in excess of the sum of the outstanding principal balances of all notes secured by mortgages of the Property plus all future advances, accrued interest and all reasonable costs and expenses which the holders thereof are entitled to recover pursuant to the terms of such mortgages, such excess proceeds shall be shared equitably with the

Lender in consideration of the loss of the value and benefit of the rights and restrictions herein contained and released by the Lender pursuant to this Section in connection with such proceeding. In the event that such excess shall be so paid to the Lender, the Lender shall thereafter indemnify such holder against loss or damage to such holder resulting from any claim made by the mortgagor of such mortgage to the extent that such claim is based upon payment of such excess by such holder to the Lender in accordance herewith, provided that such holder shall give the prompt notice of any such claim and shall not object to intervention by the Lender in any proceeding relating thereto. To the extent the Borrower possesses any interest in any amount which would otherwise be payable to the Lender under this paragraph, to the full extent permissible by law, the Borrower hereby assigns its interest in such amount to said holder for payment to the Lender.

22. Notices. Any notice, request or other communication which either party hereto may be required or may desire to give hereunder shall be made in writing, and shall be deemed to have been properly given if hand delivered or if mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Lender:
County of Monmouth
Office of Community Development
Monmouth County Division of Planning
1 East Main Street
Freehold, NJ 07728

If to Borrower:
Heritage Village at Ocean LLC
1970 Brunswick Ave, Suite 100
Lawrenceville, NJ 08648

With a copy to:

Columbia Housing SLP Corporation
121 S.W. Morrison Street, Suite 1300
Portland, Oregon 97204-3143

or such other address as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice. A notice sent by first class mail shall be deemed given two days after mailing; a notice delivered by hand shall be deemed given upon receipt.

23. Effective Date. The Borrower and the Lender intend that the restrictions arising hereunder take effect on the effective date as written above. HOME Units (2) shall be considered to be qualified HOME units when the units have been rented to Qualified Tenants and the project data is completed in the HUD Integrated Disbursement and Information System (IDIS) and is given an IDIS status code of complete or "CP".

24. Lender shall have the right to assign its interest in this Affordable Housing Restriction.

25. This Affordable Housing Restriction may not be amended, nor may any obligation hereunder be waived or released, without first obtaining the written consent of the Lender.

26. If any provision of this Affordable Housing Restriction shall be declared to be invalid by a court of competent jurisdiction, the remainder shall not be affected.

In witness whereof and intending to be bound thereby, the Borrower and Lender have caused this Affordable Housing Deed Restriction to be executed by its duly authorized agent on the date reported.

BORROWER:

Heritage Village at Ocean LLC, a New Jersey limited liability company

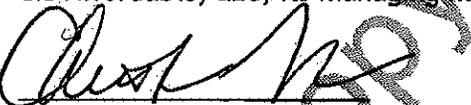
By: CIS Ocean LLC, its managing member

By: Community Investment Strategies II LLC, its managing member

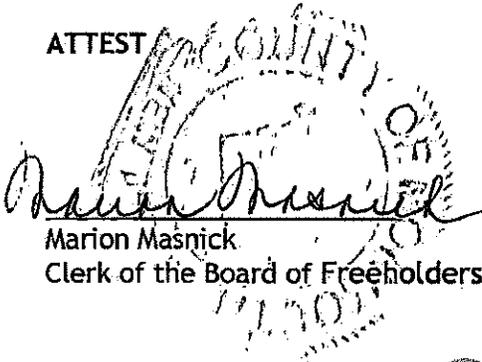
By: CIS Affordable, LLC, its managing member

ATTEST:



By: 
_____ Christiana Foglio, Managing Member

ATTEST


Marion Masnick
Clerk of the Board of Freeholders

LENDER:

County of Monmouth

By: 
_____ Thomas A. Arnone
Director, Board of Chosen Freeholders

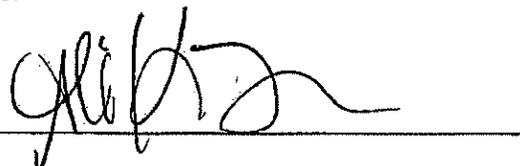
ACKNOWLEDGMENT

STATE OF NEW JERSEY)

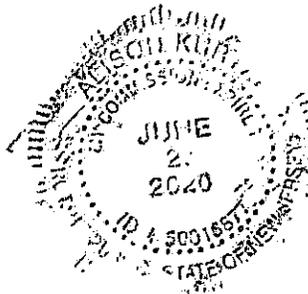
) SS:

COUNTY OF MERCER

I CERTIFY that on September 19 2016, Christiana Foglio personally came before me, the subscriber, an Attorney at Law of the State of New Jersey, and acknowledged under oath, to my satisfaction that (a) she is the Managing Member of CIS Affordable, LLC, the managing member of Community Investment Strategies II LLC, the managing member of CIS Ocean LLC, which is the managing member of Heritage Village at Ocean LLC, the limited liability company named in this document; and (b) she executed and delivered this document as the voluntary act of the limited liability company duly authorized by the Members.



ALISON KURTZ
ID # 60016877
NOTARY PUBLIC
STATE OF NEW JERSEY
My Commission Expires June 2, 2020



**Heritage Village at Ocean, LLC
LIHTC #1546**

Schedules of Development Costs and Funding

December 31, 2016

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Independent Auditor's Report

To the Members of Heritage Village at Ocean, LLC (the "Company")
and to the New Jersey Housing and Mortgage Finance Agency ("NJHMFA")

We have audited the attached schedules ("Schedules") detailing the development costs and funding for Heritage Village at Ocean, LLC, LIHTC #1546 (the "Project") as of December 31, 2016 and the related notes to the schedules.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Schedules in accordance with the basis of accounting specified by the New Jersey Housing and Mortgage Finance Agency (NJHMFA), this includes determining that the specified basis of accounting is an acceptable basis for the preparation of the Schedules in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedules. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Schedules present fairly, in all material respects, the development costs and funding for permanent loan closing of the Project in conformity with the basis of accounting described below.

Basis of Accounting

The accompanying Schedules were prepared for the purpose of complying with, and on the basis of, the requirements specified by the New Jersey Housing and Mortgage Finance Agency (NJHMFA) and is not intended to be a presentation in conformity with generally accepted accounting principles. These requirements specify that eligible basis, as presented in Schedule C, includes only those costs specified by Section 90 of the Internal Revenue Code of 1986, as amended (the "Code").

Other Matters

For purposes of complying with the requirements of NJHMFA, we confirm that:

- The financial books and records on which the Schedules were prepared may be made available to the NJHMFA and we know that the NJHMFA intends to rely upon the Schedules in its final needs evaluation pursuant to Section 42(m)(2) of the Code.
- We have no financial interest in this Project other than in the practice of our profession.

Restrictions on Use

This report is intended solely for the information and use of the Company's Management and NJHMFA and is not intended to be and should not be used by anyone other than these specified parties.



March 20, 2017
Toms River, New Jersey

HERITAGE VILLAGE AT OCEAN, LLC
SCHEDULE A: EQUITY CONTRIBUTIONS
December 31, 2016

EQUITY CONTRIBUTIONS	SOURCE	NET PRICING (proceeds to project / tax credits \$)	ADVANCED TO DATE	BALANCE PAYABLE	TOTAL	NOTE
CASH CONTRIBUTIONS						
EARNED DEVELOPER FEE CONTRIBUTED BACK TO THE PROJECT						
EQUITY GENERATED BY LOW INCOME HOUSING TAX CREDITS		1.01	499,172	2,992,544	3,491,716	A
UPWARD ADJUSTER FOR LOW INCOME HOUSING TAX CREDITS				25,064	25,064	D
EQUITY GENERATED BY HISTORIC TAX CREDITS						
OTHER EQUITY CONTRIBUTIONS:						
NONE						
			499,282	3,017,608	3,516,890	
TOTAL EQUITY CONTRIBUTIONS			\$ 499,282	\$ 3,017,608	\$ 3,516,890	

NOTES:
A - Equity contributions made by the investor member for a 99.99% interest in the Company
B - Equity contributions made by the special member for a .0% interest in the Company
C - Cash contribution from managing member for a .01% interest in the Company
D - Additional equity required from investor member due to additional credits earned

HERITAGE VILLAGE AT OCEAN, LLC
SCHEDULE B: BUILDINGS COMPRISING PROJECT
December 31, 2016

PROJECT NAME	HERITAGE VILLAGE AT OCEAN	LIHTC # 1546
OWNER	HERITAGE VILLAGE AT OCEAN, LLC	PARTNERSHIP OR LLC TAX ID #: 46-2067773
OWNER ADDRESS	1970 BRUNSWICK AVE, SUITE 100 LAWRENCEVILLE, NJ 08648	

BUILDING	1	2	3	4	5
BUILDING ID #	NJ-92313-01	NJ-92313-02	NJ-92313-03		
BUILDING ADDRESS (must include zip code)	100 Stacey Drive Apt. # 101-133 Ocean Twp, NJ 07712	300 Stacey Drive Apt. # 301-333 Ocean Twp, NJ 07712	200 Stacey Drive Apt. # 201-233 Ocean Twp, NJ 07712		
TYPE OF BUILDING (New Construction, Rehabilitation, or Acquisition)	Acquisition	Acquisition	Acquisition		
Placed in Service (mm / dd / yy)	8/1/2015	8/1/2015	8/1/2015		
First Year of Compliance	2015	2015	2015		
Qualified Basis per Building	\$2,355,600	\$2,355,600	\$2,355,600		
Applicable Fraction	100	100	100		
% Aggregate Basis Financed with Tax Exempt Bonds	N/A	N/A	N/A		
QCT or DDA Increase	100%	100%	100%		
Applicable Tax Credit Percentage	3.27%	3.27%	3.27%		
Low Income Tax Credits Available on Project's Acquisition Basis	\$77,028	\$77,028	\$77,028		

The accompanying notes are an integral part of the schedules of development costs and funding.

HERITAGE VILLAGE AT OCEAN, LLC
SCHEDULE B: BUILDINGS COMPRISING PROJECT
December 31, 2016

PROJECT NAME HERITAGE VILLAGE AT OCEAN

OWNER HERITAGE VILLAGE AT OCEAN, LLC

OWNER ADDRESS 1970 BRUNSWICK AVE, SUITE 100
LAWRENCEVILLE, NJ 08648

LIHTC # 1546

PARTNERSHIP OR LLC TAX ID #: 46-2067773

BUILDING	1	2	3	4	5
BUILDING ID #	NJ-92313-01	NJ-92313-02	NJ-92313-03		
BUILDING ADDRESS (must include zip code)	100 Stacey Drive Apt. # 101-133 Ocean Twp, NJ 07712	300 Stacey Drive Apt. # 301-333 Ocean Twp, NJ 07712	200 Stacey Drive Apt. # 201-233 Ocean Twp, NJ 07712		
TYPE OF BUILDING (New Construction, Rehabilitation, or Acquisition)	Rehabilitation	Rehabilitation	Rehabilitation		
Placed in Service (mm / dd / yy)	11/1/2015	5/11/2016	12/1/2015		
First Year of Compliance	2015	2016	2015		
Qualified Basis per Building	\$3,577,150	\$3,577,150	\$3,577,149		
Applicable Fraction	100	100	100		
% Aggregate Basis Financed with Tax Exempt Bonds	N/A	N/A	N/A		
QCT or DDA Increase	100%	100%	100%		
Applicable Tax Credit Percentage	3.20%	3.21%	3.18%		
Low Income Tax Credits Available on Project's Qual Basis	\$39,090	\$39,212	\$38,845		

The accompanying notes are an integral part of the schedules of development costs and funding.

**HERITAGE VILLAGE AT OCEAN, LLC
SCHEDULE C: BREAKDOWN OF COSTS & BASIS
December 31, 2016**

Project Name: HERITAGE VILLAGE AT OCEAN	Total Units 96 (include Super units)	Date: 20-Mar-17
Municipality: OCEAN	QCT / DDA N (Y or N)	Signatures: _____
County: MONMOUTH	Special Needs N (Y or N)	Sponsor/G.P./Voting Member _____
	Scattered Site Single/Duplex N (Y or N)	First Mortgagee _____
		Investor _____
		Indep CPA (Determ, Carry, 8609) Jump, Perry and Company, LLP

	<i>Development Cost</i>	<i>Non-Depreciable Costs</i>	<i>Non-Eligible Costs</i>	<i>Eligible Basis for Rehab / NC</i>	<i>Eligible Basis for Acquisition</i>
ACQUISITION					
Building	\$ 6,795,000	\$ -	\$ -	\$ -	\$ 6,795,000
Relocation	-	-	-	-	-
Other:	-	-	-	-	-
CONSTRUCTION					
Demolition	-	-	-	-	-
Off-Site Improvements	-	-	-	-	-
Residential Structures	1,717,547	-	-	1,717,547	-
Environmental Clearances	-	-	-	-	-
Surety & Bonding	-	-	-	-	-
Building Permits	-	-	-	-	-
Community Service Facility	-	-	-	-	-
Parking	-	-	-	-	-
Fire Suppression System	-	-	-	-	-
Other: FF&E	67,041	-	-	67,041	-
Other: OTHER CONSTRUCTION COSTS	151,697	-	-	151,697	-
CONTRACTOR FEE					
Contractor Overhead & Profit	120,000	-	-	120,000	-
General Requirements	-	-	-	-	-
CONTINGENCY					
Hard Contingency 5.24%	-	-	-	-	-
Soft Contingency 1.94%	-	-	-	-	-
PROFESSIONAL SERVICES					
Appraiser & Market Study	6,300	-	-	6,300	-
Architect	80,261	-	-	80,261	-
Attorney	299,250	10,000	-	289,250	-
Cost Certification / Audit	38,864	-	-	38,864	-
Engineering	3,400	-	-	3,400	-
Environmental Consultant	23,909	-	-	23,909	-
Historical Consultant	-	-	-	-	-
Development Permit/Approval Fees	-	-	-	-	-
Soil Investigation	-	-	-	-	-
Surveyor	200	-	-	200	-
CARRYING & FINANCING					
Interest	523,722	523,722	-	-	-
Points & Bank Fees	606,593	43,821	-	562,772	-
R.E. Taxes	25,242	25,242	-	-	-
Insurance	123,022	123,022	-	-	-
Title Insurance & Recording	72,846	-	-	72,846	-
Utility Connection Fees	-	-	-	-	-
Other Impact Fees	-	-	-	-	-
Tax Credit Fees	68,782	68,782	-	-	-
Other: Negative Arbitrage	50,685	50,685	-	-	-
Other:	-	-	-	-	-
SUB-TOTAL	\$ 10,774,361	\$ 845,274	\$ -	\$ 3,134,087	\$ 6,795,000
DEVELOPER FEE 4.92%	\$ 530,561	\$ -	\$ -	\$ 530,561	\$ -
DEVELOPER FEE	271,800	-	-	-	271,800
LAND	330,000	330,000	X	X	-
ORGANIZATIONAL COSTS	-	-	X	X	-
SYNDICATION EXPENSES	-	-	X	X	-
MARKETING EXP & HAS FEE	88,464	88,464	X	X	-
ASSET MANAGEMENT FEE	-	-	X	X	-
ESCROWS:					
Special Services	240,288	240,288	X	X	-
Replacement Reserves	96,000	96,000	X	X	-
HMFA Operating Deficit Reserve	364,960	364,960	X	X	-
Debt & Insurance	32,755	32,755	X	X	-
Tax	8,100	8,100	X	X	-
TOTAL	\$ 12,737,289	\$ 2,005,841	\$ -	\$ 3,664,648	\$ 7,066,800

Eligible Basis Limit	Not Applicable	
Lesser of Total or Limit	3,664,648	
x QCT / DDA Adjustment	100%	
= Basis as Adjusted	3,664,648	
x Applicable Fraction	100%	100%
= Qualified Basis	\$ 3,664,648	\$ 7,066,800
x Tax Credit Percentage	3.197%	3.270%
	<small>(Blended Rate)</small>	
= Tax Credits based on Qualified Basis	\$ 117,147	\$ 231,084
Maximim LIHTC	\$ 117,147	\$ 231,084
Total Maximim LIHTC	\$ 348,231	

NEEDS ANALYSIS			
FUNDING SOURCE	INTEREST RATE	AMORTIZATION	AMOUNT
Freddie Mac First Mortgage	4.79%	30 YEARS	\$ 5,821,000
Balanced Housing	0.01%	30 YEARS	1,300,000
Special Needs Trust Fund	1.00%	30 YEARS	500,000
Ocean Twp Note Payable	0.01%	30 YEARS	500,000
HOME FUNDS	0.01%	30 YEARS	110,095
Deferred Developer Fee			123,581
Mandatory Deferred Fee			212,212
Operating Income			653,621
INVESTOR PROCEEDS FROM FED LOW INC HSG TAX CREDITS			\$ 3,516,780
SYNDICATOR	PNC BANK, NATIONAL ASSOCIATION		
LP or Non-Voting Member %	99.99%		
PRICING	\$1.0100		
FEDERAL LOW INCOME HOUSING TAX CREDITS BASED ON NEED			\$ 348,231
Funding Gap			\$0

Development Cost / Unit	\$132,680
Construction Cost / Unit	\$21,420

HERITAGE VILLAGE AT OCEAN, LLC
SCHEDULE D: DETAILS TO BREAKDOWN OF COSTS & BASIS
December 31, 2016

CONSTRUCTION COSTS			
Direct Construction Cost		\$	1,617,547
General Conditions			
Contractor Fee Per Contract			120,000
Contractor Fee Per Change Orders			-
Bond			
=====			
TOTAL CONSTRUCTION COST		\$	1,737,547
Construction Retention:		\$	-
POINTS & BANK FEES			
Points		\$	-
Site Inspection			1,200
Field Supervision			
Other:			
	Issuance Fee-Construction-PNC		27,870
	Acquisition Fees		95,453
	Processing Fees-Acquisition		10,000
	Other Fees-Construction-NJHMFA		500
	NJHMFA Commitment fee		2,500
	PNC Legal-Construction		42,500
	Freddie Mac-Legal Perm		15,000
	Prudential Other Fee-Const/Perm		36,216
	Prudential Issuance Fee-Conduit Bonds		87,315
	Application Fee-Freddie Mac		5,821
	NJHMFA Bond Issuance Fee		29,475
	NJHMFA Note Fee		101,478
	Bond Issuance Costs		130,765
	HOME Funds fee		5,500
	Special Needs Fees-Permanent		15,000
=====			
POINTS & BANK FEES		\$	606,593
DEVELOPER FEE			
Developer Fee		\$	802,361
Developer Overhead			-
Development Consultant			-
Financial Consultant			-
Construction Manager / Monitoring			-
Acquisition/Rehab Fees			-
Other:			-
=====			
DEVELOPER FEE		\$	802,361
MARKETING EXPENSES			
Selling & Rent-Up Expenses		\$	56,450
Advertising & Promotion			32,014
Other:			-
=====			
MARKETING EXPENSES		\$	88,464
ESCROWS			
Debt Service	\$	17,039	mo
Insurance		2,619	mo
Property Taxes		2,025	mo
Syndicator Reserve			
Form 8609 Reserve			
NJHMFA Special Needs Trust Fund Escrow			
HMFA Operating Deficit Reserve			364,960
Special Services Escrow			240,288
Replacement Reserves		-	/ unit
Working Capital		-	mo
=====			
ESCROWS		\$	742,103

The accompanying notes are an integral part of the schedules of development costs and funding.

HERITAGE VILLAGE AT OCEAN, LLC
SCHEDULE E: CONSTRUCTION DEBT FINANCING
December 31, 2016

The following chart lists all debt used to fund the construction of the Project.

	Funding Source	Amount	Points & Bank Fees	Interest Rate	Term of Loan	Capitalized Interest	Expensed Interest	Accrued Interest and Other Income
1	NJHMFA	\$ 5,895,000	\$ 492,401	4.79%	24	\$ -	\$ 395,003	
2								
3								
4								
5								

The accompanying notes are an integral part of the schedules of development costs and funding.

HERITAGE VILLAGE AT OCEAN, LLC
SCHEDULE F: BRIDGE DEBT FINANCING
December 31, 2016

The following chart lists all bridge debt funding sources used by the Project.

	Funding Source	Amount	Points and Other Charges	Interest Rate	Term of Loan	Capitalized Interest	Expensed Interest	Accrued Interest and Other Income	Repayment Source
1	PNC Bank	\$ 2,374,000	\$ 70,370	Libor + 2%	18 months	\$ -	\$ 128,719	-	NJHMFA
2									
3									

HERITAGE VILLAGE AT OCEAN, LLC
SCHEDULE G: PERMANENT DEBT FINANCING
December 31, 2016

Project Name: HERITAGE VILLAGE AT OCEAN
Municipality: OCEAN
County: MONMOUTH

The following chart lists all permanent debt funding sources used by the Project. None of the loan instruments contain forgiveness features and there is a realistic expectation that the loans can be repaid by the Partnership.

Lien Priority	Funding Source	Amount	Points and Bank Fees	Interest Rate	Compounding Frequency	Term of Loan	Amortizing Term	Payment Frequency	Accrued Interest and Other Income
1	Freddie Mac First Mortgage	5,621,000 \$	23,321	4.79%	Monthly	30 YEARS	30 YEARS	Monthly	-
2	Seabreeze Housing	1,500,000		0.01%	Annually	30 YEARS	30 YEARS	Annually-based on cash flow	-
3	Ocean Park Note Payable	500,000	15,000	0.01%	Annually	30 YEARS	30 YEARS	Annually-based on cash flow	-
4	Ocean Park Note Payable	500,000		0.01%	Annually	30 YEARS	30 YEARS	Annually-based on cash flow	-
5	HOME FUNDS	110,995	5,500	0.01%	Annually	30 YEARS	30 YEARS	At conclusion of term	-
6									

HERITAGE VILLAGE AT OCEAN, LLC
SCHEDULE K: AGGREGATE BASIS PERCENTAGE
December 31, 2016

Project Name: HERITAGE VILLAGE AT OCEAN
Municipality: OCEAN
County: MONMOUTH

Building ID #: NJ-92313-01
33%

	<i>Development Cost</i>	<i>Aggregate Basis</i>
ACQUISITION		
Building	\$ 2,265,000	\$ 2,265,000
Relocation	-	-
Other:	-	-
CONSTRUCTION		
Demolition	-	-
Off-Site Improvements	-	-
Residential Structures	572,515	572,515
Environmental Clearances	-	-
Surety & Bonding	-	-
Building permits	-	-
Program Management Services	-	-
Parking	-	-
Other: FF&E	22,347	22,347
Other: OTHER CONSTR	50,566	50,566
Other:	-	-
CONTRACTOR FEE		
Contractor Overhead & Profit	40,000	40,000
General Requirements	-	-
CONTINGENCY		
Hard Contingency	-	-
Soft Contingency	-	-
PROFESSIONAL SERVICES		
Appraiser & Market Study	2,100	2,100
Architect	26,754	26,754
Attorney	99,750	96,417
Cost Certification / Audit	12,955	12,955
Engineering	1,133	1,133
Environmental Consultant	7,970	7,970
Historical Consultant	-	-
Development Permit/Approval Fees	-	-
Soil Investigation	-	-
Surveyor	67	67
CARRYING & FINANCING		
Interest	174,574	-
Points & Bank Fees	202,197	187,590
R.E. Taxes	8,414	-
Insurance	41,007	-
Title Insurance & Recording	24,282	24,282
Other Impact Fees	-	-
Utility Connection Fees	-	-
Tax Credit Fees	22,927	-
Other: Negative Arbitrage	16,895	-
SUB-TOTAL	\$ 3,591,452	\$ 3,309,694
DEVELOPER FEE	\$ 176,853	\$ 176,853
DEVELOPER FEE	90,600	90,600
LAND	110,000	X
ORGANIZATIONAL COSTS	-	X
SYNDICATION EXPENSES	-	X
MARKETING EXPENSES	29,488	X
ASSET MANAGEMENT FEE	-	X
ESCROWS	247,367	X
TOTAL	\$ 4,245,761	\$ 3,577,148
Total Qualified Basis of all Buildings		\$ 10,731,448
VOLUME CAP TAX EXEMPT BOND FINANCING		\$ 5,821,000
<small>NJHMFA/FREDDIE MAC</small>	<small>\$</small>	<small>5,821,000</small>
AGGREGATE BASIS PERCENTAGE		54.2424%

The accompanying notes are an integral part of the schedules of development costs and funding.

HERITAGE VILLAGE AT OCEAN, LLC
SCHEDULE K: AGGREGATE BASIS PERCENTAGE
December 31, 2016

Project Name: HERITAGE VILLAGE AT OCEAN
Municipality: OCEAN
County: MONMOUTH

Building ID #: NJ-92313-02
33%

	<i>Development Cost</i>	<i>Aggregate Basis</i>
ACQUISITION		
Building	\$ 2,265,000	\$ 2,265,000
Relocation	-	-
Other: _____	-	-
CONSTRUCTION		
Demolition	-	-
Off-Site Improvements	-	-
Residential Structures	572,515	572,515
Environmental Clearances	-	-
Surety & Bonding	-	-
Building permits	-	-
Program Management Services	-	-
Parking	-	-
Other: <u>FF&E</u>	22,347	22,347
Other: <u>OTHER CC</u>	50,566	50,566
Other: _____	-	-
CONTRACTOR FEE		
Contractor Overhead & Profit	40,000	40,000
General Requirements	-	-
CONTINGENCY		
Hard Contingency	-	-
Soft Contingency	-	-
PROFESSIONAL SERVICES		
Appraiser & Market Study	2,100	2,100
Architect	26,754	26,754
Attorney	99,750	96,417
Cost Certification / Audit	12,955	12,955
Engineering	1,133	1,133
Environmental Consultant	7,970	7,970
Historical Consultant	-	-
Development Permit/Approval Fees	-	-
Soil Investigation	-	-
Surveyor	67	67
CARRYING & FINANCING		
Interest	174,574	-
Points & Bank Fees	202,197	187,590
R.E. Taxes	8,414	-
Insurance	41,007	-
Title Insurance & Recording	24,282	24,282
Other Impact Fees	-	-
Utility Connection Fees	-	-
Tax Credit Fees	22,927	-
Other: <u>Negative Arbitrage</u>	16,895	-
SUB-TOTAL	\$ 3,591,452	\$ 3,309,694
DEVELOPER FEE	\$ 176,853	\$ 176,853
DEVELOPER FEE	90,600	90,600
LAND	110,000	X
ORGANIZATIONAL COSTS	-	X
SYNDICATION EXPENSES	-	X
MARKETING EXPENSES	29,488	X
ESCROWS	247,367	X
TOTAL	\$ 4,245,761	\$ 3,577,148
Total Qualified Basis of all Buildings		\$ 10,731,448
VOLUME CAP TAX EXEMPT BOND FINANCING		\$ 5,821,000
NJHMF/FFREDDIE MAC	5,821,000.00	
AGGREGATE BASIS PERCENTAGE		54.2424%

The accompanying notes are an integral part of the schedules of development costs and funding.

HERITAGE VILLAGE AT OCEAN, LLC
SCHEDULE K: AGGREGATE BASIS PERCENTAGE
December 31, 2016

Project Name: HERITAGE VILLAGE AT OCEAN
Municipality: OCEAN
County: MONMOUTH

Building ID #: NJ-92313-03
33%

	<i>Development Cost</i>	<i>Aggregate Basis</i>
ACQUISITION		
Building	\$ 2,265,000	\$ 2,265,000
Relocation	-	-
Other:	-	-
CONSTRUCTION		
Demolition	-	-
Off-Site Improvements	-	-
Residential Structures	572,515	572,515
Environmental Clearances	-	-
Surety & Bonding	-	-
Building permits	-	-
Program Management Services	-	-
Parking	-	-
Other: <u>FF&E</u>	22,347	22,347
Other: <u>OTHER CC</u>	50,566	50,566
Other:	-	-
CONTRACTOR FEE		
Contractor Overhead & Profit	40,000	40,000
General Requirements	-	-
CONTINGENCY		
Hard Contingency	-	-
Soft Contingency	-	-
PROFESSIONAL SERVICES		
Appraiser & Market Study	2,100	2,100
Architect	26,754	26,754
Attorney	99,750	96,417
Cost Certification / Audit	12,955	12,955
Engineering	1,133	1,133
Environmental Consultant	7,970	7,970
Historical Consultant	-	-
Development Permit/Approval Fees	-	-
Soil Investigation	-	-
Surveyor	67	67
CARRYING & FINANCING		
Interest	174,574	-
Points & Bank Fees	202,197	187,590
R.E. Taxes	8,414	-
Insurance	41,007	-
Title Insurance & Recording	24,282	24,282
Other Impact Fees	-	-
Utility Connection Fees	-	-
Tax Credit Fees	22,927	-
Other: <u>Negative Arbitrage</u>	16,895	-
SUB-TOTAL	\$ 3,591,452	\$ 3,309,694
DEVELOPER FEE	\$ 176,853	\$ 176,853
DEVELOPER FEE	90,600	90,600
LAND	110,000	X
ORGANIZATIONAL COSTS	-	X
SYNDICATION EXPENSES	-	X
MARKETING EXPENSES	29,488	X
ESCROWS	247,367	X
TOTAL	\$ 4,245,761	\$ 3,577,148
Total Qualified Basis of all Buildings		\$ 10,731,448
VOLUME CAP TAX EXEMPT BOND FINANCING		\$ 5,821,000
NJHMFA/FREDDIE MAC	5,821,000.00	
AGGREGATE BASIS PERCENTAGE		54.2424%

The accompanying notes are an integral part of the schedules of development costs and funding.

HERITAGE VILLAGE AT OCEAN, LLC
NOTES TO THE SCHEDULES OF DEVELOPMENT COSTS AND FUNDING
DECEMBER 31, 2016

ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES, AND REGULATIONS
GOVERNING THE LOW INCOME HOUSING TAX CREDIT

1. Business Purpose and Organization

Heritage Village at Ocean, LLC (the "Company") was formed as a limited liability company under the laws of the State of New Jersey on February 19, 2013. The purpose of the Company was to acquire, rehabilitate and equip a 96-unit apartment project for rental to low income seniors, with and without disabilities located in Ocean Township, New Jersey.

2. Basis of Presentation

These Schedules have been prepared utilizing the format prescribed by NJHMFA. The purpose of these Schedules is to facilitate the review and determination of the project's compliance with both the 2015 Qualified Allocation Plan ("Plan") and the Project's 2015 Application for Tax Credits ("Application"), and its eligible basis for the low income housing tax credit, as described below.

3. Accounting Method

The Company records transactions in compliance with, and on the basis of, the requirements specified by the NJHMFA. Capitalized costs have been designated between acquisition, construction and other non-qualifying uses to conform to the Internal Revenue Code of 1986, as amended (the "Code"). The presentation is not intended to be in conformity with generally accepted accounting principles.

4. Estimates

The preparation of the Schedules requires management to make estimates and assumptions that affect certain reported amounts and disclosures.

5. Related Party Transactions

Community Investment Strategies, Inc. is the developer of the project and is to be paid a developer fee in the amount of \$802,361. The fee is considered earned once certain benchmarks have been met. At December 31, 2016, 100% of the developer fee has been earned. Of the total developer fee, \$392,442 has been paid and the remaining \$409,919 is deemed payable. The deferred portion of the fee is expected to be paid from development sources and available cash flow. The deferred balance shall be due in full on the expiration of the thirteenth year of the compliance period.

HERITAGE VILLAGE AT OCEAN, LLC
NOTES TO THE SCHEDULES OF DEVELOPMENT COSTS AND FUNDING
DECEMBER 31, 2016

5. Related Party Transactions (Continued)

CIS Construction, LLC is the general contractor on the project. The original contract was \$1,745,000 with change orders increasing it to \$1,837,547. CIS Construction, LLC is related to the Managing Member through common ownership.

The Company entered into a bridge financing agreement PNC Bank, National Association to borrow a maximum of \$2,374,000. The bridge loan has an interest rate of LIBOR+2%. As of December 31, 2016, loan proceeds of \$2,374,000 have been drawn and are secured by the property. Interest incurred through December 31, 2016 totaled \$128,719 with additional amounts expected to be incurred through permanent loan closing. All interest incurred will be expensed and none will be capitalized into the project.

6. Low Income Housing Tax Credit

The Project received a determination letter regarding low income housing tax credits from the NJHMFA stating the project is eligible for approximately \$348,231 per year. The aforementioned amount is subject to the NJHMFA's needs analysis under Section 42(m) of the Code.

7. Construction Financing

The Company entered into a construction loan with New Jersey Housing and Mortgage Finance Agency. The construction loan is a maximum of \$5,895,000 and has an interest rate 4.79%. Interest is being paid by construction loan drawdowns. As of December 31, 2016, loan proceeds of \$5,895,000 have been drawn and are secured by the property. Interest incurred through December 31, 2016 totaled \$395,003 with additional amounts expected to be incurred through permanent loan closing. All interest incurred will be expensed and none will be capitalized into the project.

8. Capital Contributions

Pursuant to the Amended and Restated Operating Agreement, dated August 1, 2015 and made effective as August 1, 2015 (the "Operating Agreement"), profits, losses and tax credits are allocated 0.01% to CIS Ocean, LLC (the "Managing Member") and 0.00% to Columbia Housing SLP Corporation (the "Special Member") and 99.99% to PNC Bank, National Association (the "Investor Member"). Pursuant to the terms of the Operating Agreement, the Managing Member has agreed to contribute \$100, the Special member has agreed to contribute \$10 and the Investor member is required to make capital contributions totaling \$3,491,716 subject to potential adjustments based on the amount of low-income housing tax credits ultimately allocated to the project in addition to other potential occurrences as more fully described in the Operating Agreement. The potential upward adjuster due from the Investor Member for additional eligible basis is calculated to be \$25,064. As of December 31, 2016, Managing Member capital contributions totaled \$100 and Special Members capital contributions totaled \$10. As of December 31, 2016 the Investor Member capital contributions totaled \$499,172.

HERITAGE VILLAGE AT OCEAN, LLC
NOTES TO THE SCHEDULES OF DEVELOPMENT COSTS AND FUNDING
DECEMBER 31, 2016

9. Subsequent events

Subsequent events were evaluated through March 20, 2017, which is the date the Schedules were available to be issued.

Heritage Village at Ocean Renovation Scope of Work

Buildings – Exterior

Roofing – replace roofs on all buildings

Gutters – replace gutters on all buildings

Building Entry Doors

- Replace exterior doors on residential buildings except main glass doors
- Replace glass sliders on clubhouse

Exterior Siding

- Replace siding on all buildings
- Clean dryer vents and replace caps

Install Security Cameras

Buildings – Common Areas

Painting

- Paint common areas and hallways in residential buildings
- Paint clubhouse

Flooring

- Install new vinyl flooring in common areas and hallways in residential buildings
- Install new vinyl flooring in clubhouse

Clubhouse Renovations

- Relocate door to office
- Repair kitchen cabinets, install new countertop
- Install new fireplace hearth and surround
- New lighting

Plumbing, Insulation, Drywall, and Trim repairs if needed

Buildings – In-Unit Renovations

Kitchen Renovations

- Replace countertops, sink, and faucet in each unit

Appliances

- Replace all refrigerators older than 1 year
- Replace all stoves/ranges older than 1 year
- Replace 11 aging hot water heaters

Bathroom Fixtures

- New vanity with sink and faucet in each unit

Flooring

- New VCT over existing VCT in unit kitchens and foyers

Site Work

Backup Generators

- Install generators servicing emergency functions in all buildings

Paving

- Repair sidewalk as needed
- Repair parking lot paving as needed, apply sealcoat

Signage

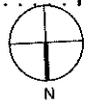
Costs for Whalepond Construction Contract Work

Categories	Cost
General Conditions	\$ 100,000
Tenant Relocation	\$ 41,600
Security Cameras	\$ 15,746
Roofing	\$ 287,000
Gutters	\$ 20,867
Dryer Vents	\$ 11,520
Plumbing	\$ 9,900
Entry Doors	\$ 25,500
Siding	\$ 248,600
Insulation	\$ 8,964
Generators	\$ 237,600
Drywall Repairs	\$ 9,774
Kitchen Renovations	\$ 120,000
Appliances	\$ 153,600
Trim	\$ 19,504
Clubhouse Renovations	\$ 35,000
Paint	\$ 15,292
Bathroom Fixtures	\$ 38,400
Flooring - Common Areas	\$ 75,600
Flooring - Units	\$ 67,200
Sidewalk	\$ 13,000
Signage	\$ 2,000
GC Fee	\$ 120,000
Final Cleaning	\$ 14,364
Bonding and Insurance	\$ 49,972
Permits	\$ 3,997
Total Contract	\$ 1,745,000

Community Investment Strategies Inc.
 1970 Brunswick Ave Lawrenceville NJ 086
 T 609 288 2229 F 609 288 7708

Parsons + Fernandez-Castellano PC
 Architects
 29 Hunting Ave East Hampton NY 11937
 T 212 431 4310

P+FC



05-01-2015

Revisions

A-01

PROPOSED FLOOR PLAN

3/16" = 1'-0"

12-28-2014

Date

**WHALEPOND VILLAGE
 CLUB HOUSE**

400 Stacey Drive Ocean NJ

REPLACE EXISTING ENTRY WALL DOOR
 SCAFFES, TO BE SELECTED BY ARCHITECT
 PAINT EXISTING SHUTTERS BLACK, SEMI
 GLOSS FINISH, TYP OPPOSITE SIDE

REPAIR AND PAINT EXISTING KITCHEN
 CABINETS, REPLACE DOOR PULLS, TO BE
 SELECTED BY ARCHITECT

PROVIDE NEW 35" WIDE REFRIGERATOR
 COUNTERTOP, PAVEN

PROVIDE AND INSTALL NEW TEMPGREEN
 SYNTEG-MRL 48"-72"x4" OR SIMILAR FLOORING
 TO REPLACE ALL TILED AND CARPETED
 AREAS, EXCEPT BATHROOMS, MECHANICAL
 AND STORAGE ROOMS

PROVIDE AND INSTALL NEW FREPLACE
 ABOVE FURNISH, CEMENTSTONE PAPER,
 HOME FINISH

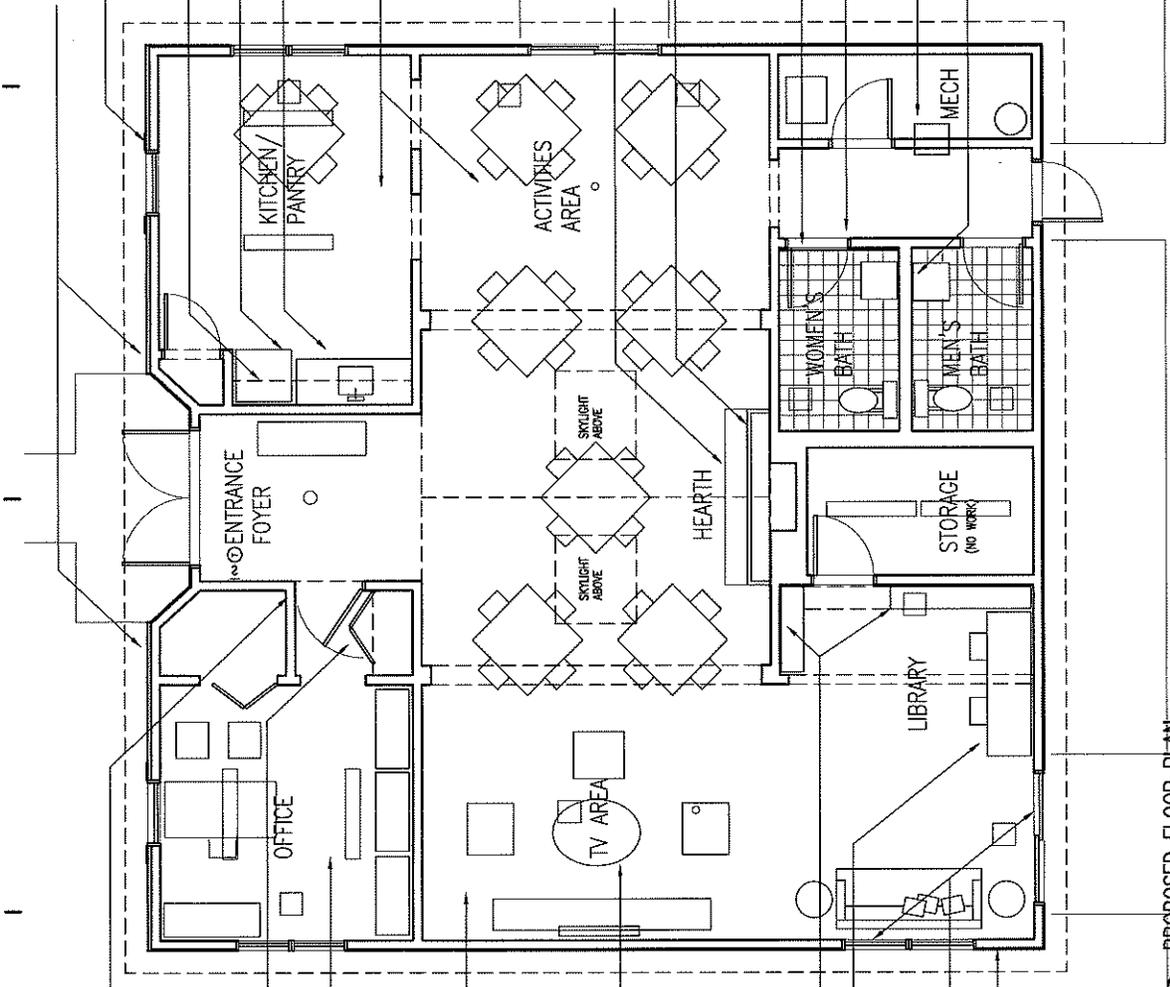
PROVIDE AND INSTALL PAINTED WOOD
 CABINET TO EXISTING MIRRORED
 HEARTH. SEE DRAWING A-03

PROVIDE AND INSTALL NEW STORAGE FOR
 BOTH BATHROOM DOORS

PAINT EXISTING BATHROOMS AND
 MECHANICAL AREA DOORS AND FRAMES,
 TYP

FIRE EXTINGUISHER TO REMAIN

PROVIDE AND INSTALL NEW LED FIXTURE
 ABOVE BOTH BATHROOM SINKS



RELOCATED EXISTING DOOR, HARDWARE AND
 FRAME

REPLACE BI-FOLD DOOR MIRROR PANE

EXISTING OFFICE FURNITURE AND
 EQUIPMENT TO REMAIN

PAINT ALL CEILING BENJAMIN MOORE
 SUPER WHITE, FLAT FINISH

PAINT ALL WALLS ABOVE WAINSCOTING
 BENJAMIN MOORE ROCKPORT GRAY, FLAT
 FINISH, EXCEPT BATHROOMS, MECHANICAL
 AND STORAGE AREAS

PAINT WOOD WAINSCOT AND ALL WALLS
 BELOW WAINSCOTING LINE BENJAMIN MOORE
 COPLEY GRAY, SEMI GLOSS FINISH EXCEPT
 BATHROOMS, MECHANICAL, AND STORAGE
 AREAS

BOOKCASES (NIC)
 COMPUTER STATION (NIC)

PROVIDE AND INSTALL NEW CURTAINS FOR
 SLIDING DOORS, TYPICAL

CLEAN EXISTING SIDING, THREE SIDES

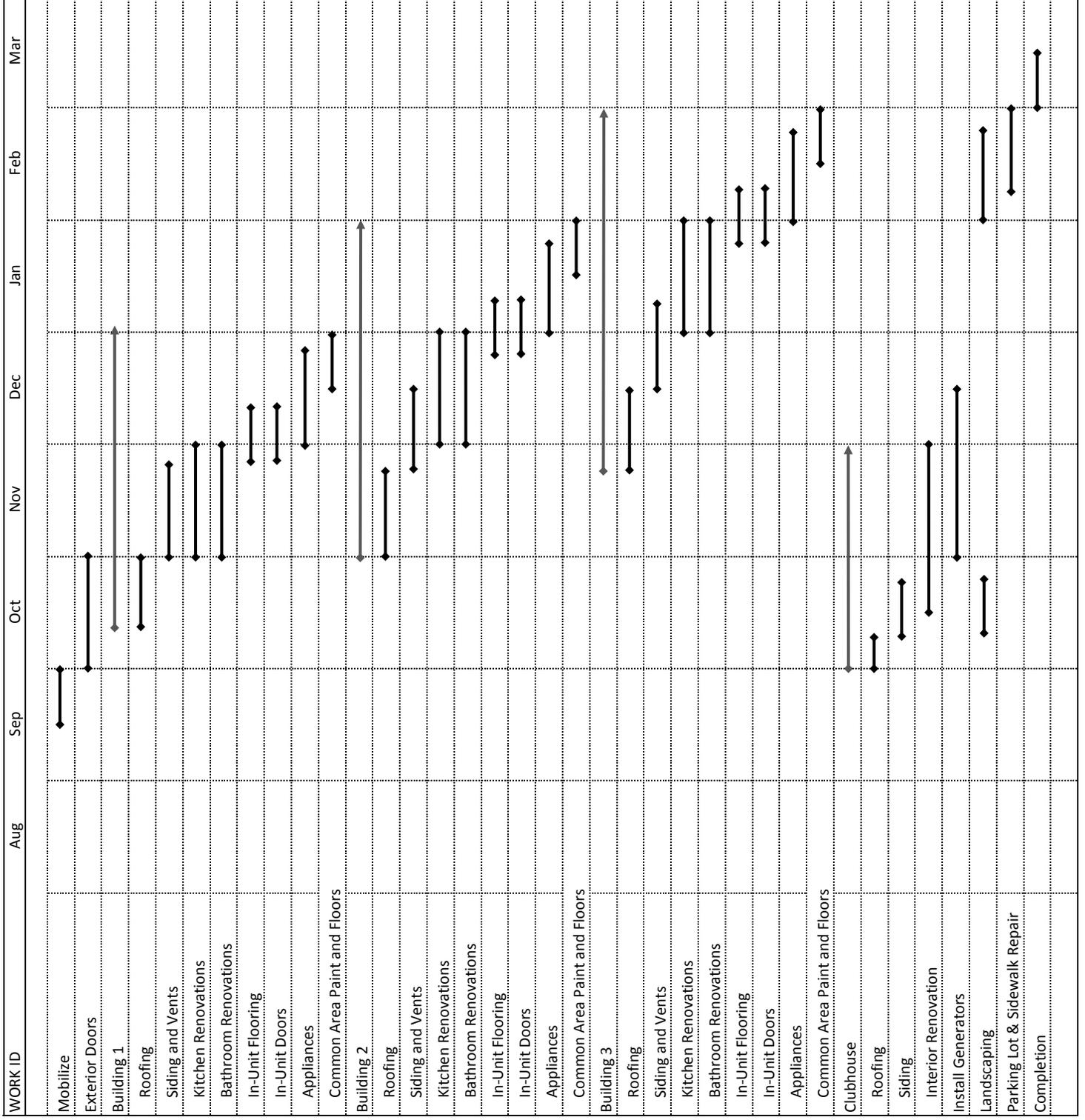
PL1 PROPOSED FLOOR PLAN

All units at Heritage Village at Ocean are accessible to people with disabilities. The unit bathrooms, galley kitchens, and doorways and hallways, as well as the building access and elevators, were designed to meet ADA and NJ Barrier Free code requirements.

CIS is prepared to provide further reasonable accommodations to tenants to meet demonstrated accessibility needs. Currently one unit has a roll-in shower in place of the standard bathtub that was installed to meet the needs of the tenant. Otherwise, the property is fully-occupied with tenants who have not requested special handicapped accommodations.

HERITAGE VILLAGE at OCEAN - Rehab Construction Schedule

7-Aug-15



CONTINUATION PAGE

PROJECT: Heritage Village at Ocean Renovation
 APPLICATION #: 8 Final
 DATE OF APPLICATION: 05/10/2016
 PERIOD THRU: 05/10/2016
 PROJECT #s:

Payment Application containing Contractor's signature is attached.

A ITEM #	B WORK DESCRIPTION	C SCHEDULED AMOUNT	D COMPLETED WORK		E AMOUNT THIS PERIOD	F STORED MATERIALS (NOT IN D OR E)	G TOTAL COMPLETED AND STORED (D + E + F)	H BALANCE TO COMPLETION (C-G)	I RETAINAGE (If Variable)
			AMOUNT PREVIOUS PERIODS	AMOUNT THIS PERIOD					
1	General Conditions	\$100,000.00	\$97,000.00	\$3,000.00	\$0.00	\$0.00	\$100,000.00	\$0.00	
2	Tenant Relocation	\$41,600.00	\$41,600.00	\$0.00	\$0.00	\$0.00	\$41,600.00	\$0.00	
3	Security Fob System	\$15,746.00	\$15,746.00	\$0.00	\$0.00	\$0.00	\$15,746.00	\$0.00	
4	Roofing	\$287,000.00	\$287,000.00	\$0.00	\$0.00	\$0.00	\$287,000.00	\$0.00	
5	Gutters	\$20,867.00	\$20,867.00	\$0.00	\$0.00	\$0.00	\$20,867.00	\$0.00	
6	Dryer Vents	\$11,520.00	\$11,520.00	\$0.00	\$0.00	\$0.00	\$11,520.00	\$0.00	
7	Plumbing	\$9,900.00	\$9,900.00	\$0.00	\$0.00	\$0.00	\$9,900.00	\$0.00	
8	Entry Doors	\$25,500.00	\$25,500.00	\$0.00	\$0.00	\$0.00	\$25,500.00	\$0.00	
9	Siding	\$248,600.00	\$248,600.00	\$0.00	\$0.00	\$0.00	\$248,600.00	\$0.00	
10	Insulation	\$8,964.00	\$8,964.00	\$0.00	\$0.00	\$0.00	\$8,964.00	\$0.00	
11	Generators	\$237,600.00	\$213,840.00	\$23,760.00	\$0.00	\$0.00	\$237,600.00	\$0.00	
12	Drywall Repairs	\$9,774.00	\$9,774.00	\$0.00	\$0.00	\$0.00	\$9,774.00	\$0.00	
13	Kitchen Renovations	\$120,000.00	\$120,000.00	\$0.00	\$0.00	\$0.00	\$120,000.00	\$0.00	
14	Appliances	\$153,600.00	\$153,600.00	\$0.00	\$0.00	\$0.00	\$153,600.00	\$0.00	
15	Clubhouse Renovations	\$35,000.00	\$35,000.00	\$0.00	\$0.00	\$0.00	\$35,000.00	\$0.00	
16	Trim	\$19,504.00	\$19,504.00	\$0.00	\$0.00	\$0.00	\$19,504.00	\$0.00	
	SUB-TOTALS	\$1,345,175.00	\$1,318,415.00	\$26,760.00	\$0.00	\$0.00	\$1,345,175.00	\$0.00	

CONTINUATION PAGE

PROJECT: Heritage Village at Ocean Renovation
 APPLICATION #: 8 Final
 DATE OF APPLICATION: 05/10/2016
 PERIOD THRU: 05/10/2016
 PROJECT #s:

Payment Application containing Contractor's signature is attached.

A ITEM #	B WORK DESCRIPTION	C SCHEDULED AMOUNT	D COMPLETED WORK		E AMOUNT THIS PERIOD	F STORED MATERIALS (NOT IN D OR E)	G TOTAL COMPLETED AND STORED (D + E + F)	H BALANCE TO COMPLETION (C-G)	I RETAINAGE (If Variable)
			AMOUNT PREVIOUS PERIODS	AMOUNT THIS PERIOD					
17	Paint	\$15,292.00	\$15,292.00	\$0.00	\$0.00	\$0.00	\$15,292.00	\$0.00	
18	Bathroom Fixtures	\$38,400.00	\$38,400.00	\$0.00	\$0.00	\$0.00	\$38,400.00	\$0.00	
19	Flooring - Common Area	\$75,600.00	\$75,600.00	\$0.00	\$0.00	\$0.00	\$75,600.00	\$0.00	
20	Flooring - Units	\$67,200.00	\$67,200.00	\$0.00	\$0.00	\$0.00	\$67,200.00	\$0.00	
21	Sidewalk	\$13,000.00	\$0.00	\$13,000.00	\$0.00	\$0.00	\$13,000.00	\$0.00	
22	Signage	\$2,000.00	\$1,500.00	\$500.00	\$0.00	\$0.00	\$2,000.00	\$0.00	
23	Final Cleaning	\$14,364.00	\$14,364.00	\$0.00	\$0.00	\$0.00	\$14,364.00	\$0.00	
24	Bond and Insurance	\$49,972.00	\$49,972.00	\$0.00	\$0.00	\$0.00	\$49,972.00	\$0.00	
25	GC Fee	\$120,000.00	\$116,700.00	\$3,300.00	\$0.00	\$0.00	\$120,000.00	\$0.00	
26	Permits	\$3,997.00	\$3,997.00	\$0.00	\$0.00	\$0.00	\$3,997.00	\$0.00	
27	Change Order # 1	\$31,465.00	\$31,465.00	\$0.00	\$0.00	\$0.00	\$31,465.00	\$0.00	
28	Change Order # 2	\$54,684.00	\$54,684.00	\$0.00	\$0.00	\$0.00	\$54,684.00	\$0.00	
29	Change Order # 3	\$6,398.00	\$0.00	\$6,398.00	\$0.00	\$0.00	\$6,398.00	\$0.00	
	TOTALS	\$1,837,547.00	\$1,787,589.00	\$49,958.00	\$0.00	\$0.00	\$1,837,547.00	\$0.00	

Unit Information - New Construction																							
Municipality Name:	Ocean Township	County:	Monmouth	Project Number (to be assigned by COAH)																			
Muni Code:																							
Project / Program:	Heritage Village at Ocean (LIHTC Project)																						
1	2	3	4	5	6	7	14	15	16	17													
Address	Unit / Apt #	age-restricted/ family (select one)	income level (select one)	rental / for-sale (select one)	bedroom type (select one)	handicap adaptable (✓)	handicap accessible (✓)	handicap adapted (✓)	Housing Type (select type)	effective date of affordability controls (mm/dd/yyyy)	last sale/transfer date (mm/dd/yyyy)	Perpetual Lien (✓)	length of affordability controls (years)										
Stacey Drive, Ocean Township NJ 07712	101	Age Restrict	Moderate (80%)	Rental	IBR	Yes	Barrier Free		Apartment	10/24/2013	10/16/2013	(✓)	30										
Stacey Drive, Ocean Township NJ 07712	102	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	103	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	104	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	105	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	106	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	107	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	108	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	109	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	110	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	111	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	112	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	113	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	114	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	115	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	116	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	117	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	118	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	119	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	120	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	121	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	122	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	123	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	124	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	125	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	126	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	127	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										

Unit Information - New Construction																							
Municipality Name:	Ocean Township	County:	Monmouth	Project Number (to be assigned by COAH)																			
Muni Code:																							
Project / Program:	Heritage Village at Ocean (LIHTC Project)																						
1	2	3	4	5	6	7	14	15	16	17													
Address	Unit / Apt #	age-restricted/ family (select one)	income level (select one)	rental / for-sale (select one)	bedroom type (select one)	handicap adaptable (✓)	handicap accessible (✓)	handicap adapted (✓)	Housing Type (select type)	effective date of affordability controls (mm/dd/yyyy)	last sale/transfer date (mm/dd/yyyy)	Perpetual Lien (✓)	length of affordability controls (years)										
Stacey Drive, Ocean Township NJ 07712	128	Age Restrict	Moderate (80%)	Rental	IBR	Yes	Barrier Free		Apartment	10/24/2013	10/16/2013	(✓)	30										
Stacey Drive, Ocean Township NJ 07712	129	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	130	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	131	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	132	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	133	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/24/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	201	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	202	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	203	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	204	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	205	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	206	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	208	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	209	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	210	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	211	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	212	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	213	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	214	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	215	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	216	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	217	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	218	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	219	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	220	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	221	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	222	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										

Unit Information - New Construction																							
Municipality Name:	Ocean Township	County:	Monmouth	Project Number (to be assigned by COAH)																			
Muni Code:																							
Project / Program:	Heritage Village at Ocean (LIHTC Project)																						
1	2	3	4	5	6	7	14	15	16	17													
Address	Unit / Apt #	age-restricted/ family (select one)	income level (select one)	rental / for-sale (select one)	bedroom type (select one)	handicap adaptable (✓)	handicap accessible (✓)	handicap adapted (✓)	Housing Type (select type)	effective date of affordability controls (mm/dd/yyyy)	last sale/transfer date (mm/dd/yyyy)	Perpetual Lien (✓)	length of affordability controls (years)										
Stacey Drive, Ocean Township NJ 07712	223	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013	(✓)	30										
Stacey Drive, Ocean Township NJ 07712	224	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	225	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	226	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	227	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	228	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	229	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	230	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	231	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	232	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	233	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	301	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	302	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	303	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	304	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	305	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	308	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	309	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	310	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	311	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	312	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	313	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	314	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	315	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	316	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	317	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										
Stacey Drive, Ocean Township NJ 07712	318	Age Restrict	Moderate (80%)	Rental	IBR	Yes			Apartment	10/16/2013	10/16/2013		30										

**Heritage Village at Ocean
Utility Allowances
(Eff. 8/1/19 TC, 12/1/2018 S8)**

HMFA#02828

LITC#1546

Placed in Service 12-1-15

*****Effective 6/1/19—Vacant Units will Reset to Max Rent*****

<u>1 Bedroom (Eff. 8/1/19)</u> \$71	<u>Section 8</u> <u>1 Bedroom (Eff. 12/1/18)</u> \$101

Utility Services

Heating
Natural Gas

Cooking
Natural Gas

Other Electricity

Air Conditioning

Water Heating
Natural Gas

<p>Heritage Village at Ocean Rent:</p> <p align="center"><u>Effective 1/1/19</u></p> <p>60% 1BR \$908.00 \$926.00</p> <p>96 Units (includes Supers Unit #326)</p> <p>5 Project –Based SRAP Units (Units cannot change):</p> <p>106 218 332 126 302 (Contract 4/1/2015—3/31/2025)</p>	<p align="center"><u>Eff. 6/1/19</u> <u>Max Rent</u></p> <p align="center">\$1,081.00</p>	<p align="center"><u>Effective 5/30/19</u></p> <p>2019 60% Income Limits:</p> <p>1 Person \$43,020 2 Person \$49,140</p> <p>2018 60% Max Gross Rent:</p> <p>Max Gross Rent 1BR \$1,152</p>
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**Heritage Village at Ocean
Utility Allowances
(Eff. 8/1/19 TC, 12/1/2018 S8)**

HMFA#02828

LITC#1546

Placed in Service 12-1-15

*****Effective 6/1/19—Vacant Units will Reset to Max Rent*****

1 Bedroom (Eff. 8/1/19)

\$71

Section 8

1 Bedroom (Eff. 12/1/18)

\$101

Security Deposit Amounts:

Rent \$908.00	Security \$1,362.00
Rent \$926.00	Security \$1,389.00
Rent \$1,047.00	Security \$1,570.50
Rent \$1,081.00	Security \$1,621.50

2019 Income Limits (Eff. 5/30/19)

60% Income Limits:
1 Person \$43,020
2 Person \$49,140

**Max Gross Rent
For Vacant Units as of 6/1/2019:**

BR	Max Gross Rent		Utility Allowance		Max Rent
1	\$1,152.00	-	\$71.00	=	\$1,081.00

**Heritage Village at Ocean Rent
Existing Residents prior to 4/1/19:**

Eff. 1/1/19

60% 1BR \$908.00 **\$926.00**

Eff. 4/1/19

60% 1BR \$1047.00

96 Units (includes Supers Unit #326)

**Rent Reset at Vacancy
Max Rent as of 6/1/19**

\$1,081.00

Heritage Village at Ocean Utility Allowances

Vacant Units Reset to Max Rent History

Max Gross Rent For Vacant Units Effective 4/1/19:

BR	Max Gross Rent	-	Utility Allowance	=	Max Rent
1	\$1,118.00	-	\$71.00	=	\$1,047.00

Max Gross Rent For Vacant Units as of 6/1/2019:

BR	Max Gross Rent	-	Utility Allowance	=	Max Rent
1	\$1,152.00	-	\$71.00	=	\$1,081.00

**Heritage Village at Ocean Rent
Existing Residents prior to 4/1/19:**

Eff. 1/1/19

60% 1BR \$908.00 **\$926.00**

Eff. 4/1/19

60% 1BR \$1047.00

96 Units (includes Supers Unit #326)

**Rent Reset at Vacancy
Max Rent as of 6/1/19**

\$1,081.00



ENERGY/BUILDING CONSULTANTS & ENGINEERS

701 East Gate Drive • Mount Laurel, NJ 08054 • 1-888-MAGRANN • www.magrann.com

New Jersey • Pennsylvania • Kentucky • Ohio

June 13, 2019

Jeffrey Oakman
Community Investment Strategies
1917 Brunswick Avenue, Suite 100
Lawrenceville, New Jersey, 08505

Re: Community Investment Strategies Utility Analysis – Heritage Village at Ocean

Dear Mr. Oakman:

Per your request, we have completed energy modeling for the Heritage Village at Ocean project in Ocean Township, New Jersey in order to provide an estimate of monthly utility cost for each model of apartment.

Please review the attached report detailing the results of this analysis and contact me should you have any questions regarding its contents.

Sincerely,

Brian Stanfill
Technical Analyst

encl.



PARTNER OF THE YEAR 2008

MaGrann Associates
We Help You Build a Better Green Home

ESTIMATING UTILITY USAGE
Heritage Village at Ocean
Ocean Township, NJ

June 13, 2019

Prepared by:

MAGRANN ASSOCIATES

701 EAST GATE DRIVE • MT. LAUREL, NJ 08054

MaGrann Associates
We Help You Build a Better Green Home

1.0 Executive Summary

MaGrann Associates was contracted by Jeffrey Oakman of Community Investment Strategies to perform energy modeling on the Heritage Village at Ocean project located in Ocean Township, New Jersey in order to provide an estimate of monthly utility cost for each model of apartment in the property.

The modeling was performed using the REM/Rate Version 14.6.4 software incorporating all of the specifications noted on the plans that were provided by the client. A detailed list of specifications & any assumptions made in the model is attached to the end of this report.

The "energy consumption model" used for each unit type is in compliance with IRS regulation 1.42-10 (4)(ii)(E). The energy consumption model took into account unit size, building orientation, design & materials, mechanicals systems, appliances, and characteristics of the building location. The estimates are limited to only residential units and do not include common areas. The estimates are based on current utility rates obtained from the local electric & gas companies serving this property. A summary table of the results & a list of specifications & assumptions used in the modeling are attached to this report.

2.0 Results

Project/Buildings	Model Type	Unit Type	Area (sq ft)	# BR	Annual End-Use Cost (\$/yr)					
					Heating	Cooling	Water Heating	Lights & Appliances	Service Charges	Total per Unit
Heritage Village at Ocean	1BR	Lower End	713	1	\$226	\$82	\$140	\$291	\$155	\$894
	1BR	Lower Inner	700	1	\$156	\$76	\$140	\$289	\$155	\$816
	1BR	Middle End	713	1	\$183	\$85	\$140	\$291	\$155	\$854
	1BR	Middle Inner	700	1	\$135	\$77	\$140	\$289	\$155	\$796
	1BR	Upper End	713	1	\$230	\$94	\$140	\$291	\$155	\$910
	1BR	Upper Inner	700	1	\$181	\$85	\$140	\$289	\$155	\$850

Bedrooms	Average Cost per Unit Type (\$/yr)
1	\$853

1BR
 $853 \div 12 = 71.083*$

These results are based on the current utility rates inclusive of all taxes and other fees as from the utility companies directly listed below:

JCP&L Electric Company:
 Monthly Service Charge = \$4.23
 \$/kWh = \$0.129

NJNG Gas Company:
 Monthly Service Charge = \$8.70
 \$/Therm = \$0.931

3.0 Specifications & Assumptions Used in Energy Model

Slab-on-grade floors: R-5 edge insulation & R-5 under insulation 2' in (based on plans)

Ceilings: R-30 insulation (based on plans)

Walls: R-13 batt insulation in 2x4 wooden studs (based on plans)

Windows: U-value = 0.50 & SHGC = 0.60 (based on plans)

Gas Water Heaters: 40 gallon, 0.59 Energy Factor (based on plans)

Air Conditioning: 10.6 SEER (based on plans)

Heating: 80% AFUE gas furnace (based on plans)

Thermostat Set Points: Heating = 68°F, Cooling = 78°F (estimate)

Infiltration: 0.69 Winter Natural ACH & 0.36 Summer Natural ACH (estimate)

Duct Leakage: Software Default

Permanent Light Fixtures: 100% pin-based fluorescent or CFL lighting (based on plans)

Refrigerator Use: 691 kWh/yr (software default)

Gas Cooking Use: Software default

Plug Loads: Approx. (1.05*conditioned square footage) kWh/yr (usage based on data provided by EPA)

Dishwasher: 0.46 Energy Factor (software default)

Gas Dryer: Software default

Washing Machine: Software default

Weather Data: Normalization based on weather data for Lakehurst, NJ climate location

Determination of Maximum Income Limits

HV @ Ocean

Monmouth County, NJ	
Vintage of Maximum Income Limits	
Placed In Service Date	Maximum Income Limits
On or before 12/31/2008	<u>FY2019</u>
1/1/2009 to 5/13/2010	<u>FY2019</u>
5/14/2010 to 5/31/2011	<u>FY2019</u>
6/1/2011 to 11/30/2011	<u>FY2019</u>
12/01/2011 to 12/10/2012	<u>FY2019</u>
12/11/2012 to 12/17/2013	<u>FY2019</u>
12/18/2013 to 3/05/2015	<u>FY2019</u>
* 3/06/2015 to 3/27/2016	<u>FY2019</u>
3/28/2016 to 4/13/2017	<u>FY2019</u>
4/14/2017 to 3/31/2018	<u>FY2019</u>
4/01/2018 to 4/23/2019	<u>FY2019</u>
4/24/2019 to Present	<u>FY2019</u>

Housing Program: 2. Tax Credits

MUD Area: 25 MORRISTOWN COUNTY

Effective date: 06/24/2019

INCOME	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
30%	21,500	24,500	27,650	30,700	33,200	35,650	39,010	43,430
40%	28,680	32,760	36,840	40,920	44,200	47,480	50,760	54,040
50%	35,850	40,950	46,050	51,150	55,250	59,350	63,450	67,550
60%	43,020	49,140	55,260	61,380	66,300	71,220	76,140	81,060
80%	52,850	60,400	67,950	75,500	81,550	87,600	93,650	99,700
RENT BY BEDROOM SIZE								
30%	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom	
40%	537	576	691	798	891	1,030	1,310	
50%	717	768	921	1,064	1,187	1,310	1,637	
60%	896	960	1,151	1,330	1,483	1,637	1,965	
80%	1,075	1,152	1,381	1,596	1,780	1,965	2,416	
	1,321	1,415	1,698	1,963	2,190	2,416		

max
 rent
 * 1,152.00+
 * 71.00-
 * 1,081.00*+

security
 deposit
 1,081.00 x
 1.5 =
 1,621.50*+

From: New Jersey HMFA <njhmfanews@njhmfa.gov>
Sent: Tuesday, March 19, 2019 7:01 AM
To: Cheryl Lessing
Subject: NJHMFA New Rule, Proposals Improve Efficiency for Affordable Housing Developers and Residents



NEW JERSEY HOUSING
AND MORTGAGE
FINANCE AGENCY
WWW.NJHOUSING.GOV

NJHMFA New Rule, Proposals Improve Efficiency for Affordable Housing Developers and Residents

The New Jersey Housing and Mortgage Finance Agency is pleased to announce the following rule adoption and proposals published in the New Jersey Register yesterday. These amendments have been made in an effort to provide greater consistency among and efficiency within the affordable housing programs administered by the Agency:

Rent Reset

NJHMFA adopted a new rent reset rule that allows apartment rents to be adjusted when a unit is vacated, without pre-approval of the increase from NJHMFA. The new rule allows NJHMFA property owners to raise rents on vacant units to meet current affordability standards, thereby increasing operating revenue to ensure a better quality building over the long term. NJHMFA will continue to monitor all properties to ensure they are in compliance and meet affordable rent rules.

Prepayment Lockout-Term Reduction

To make NJHMFA financing more flexible to meet the needs of development partners, the Agency proposes to reduce the "lockout" period for the prepayment of Agency mortgages from 20 years to 15 years. Once the lockout period ends, developers looking to refinance will be able to do so and thereby be better able to renovate and maintain quality buildings for their residents.



December 1, 2018

New Jersey Housing Mortgage & Finance Agency has approved a CPI rent increase of 2% for all residents of Heritage Village at Ocean to be effective beginning **January 1, 2019**. Section 36 – Attachment J - Rent Restriction of your lease states the following:

Section 36 – Attachment J - Rent Restriction

"The Tenant understands that the monthly rent and Tenant Contribution, may be raised or lowered during the term of this Lease ... The Landlord will provide thirty (30) days advance notice. Upon the Landlord's notice, the Tenant will have the right to vacate the apartment by providing thirty (30) days advance written notice of intent to vacate during the Landlord's thirty (30) days' notice".

The following schedule will describe the amounts of the increase:

	<u>Current Rent</u>	<u>Increase</u>	<u>New Rent</u>
One Bedroom 60% Annual Median Income	\$908.00	\$18.00	\$926.00

Your security deposit will also be increased to reflect the requirements set forth in Heritage Village at Ocean's Resident Selection Plan. The security deposit must be equivalent to 1.5 times your monthly rent.

	<u>Current Security Deposit</u>	<u>New Security Deposit</u>
One Bedroom 60% Annual Median Income	\$1,362.00	\$1,389.00

Please be advised that this will not affect YOUR rent until your recertification anniversary.



To: Owners, Managing Agents and Site Managers
Tax Credits and Market Projects

Date: October 16, 2018

From: Carmen Santiago 
Assistant Director of Property Management

Subject: Rent Increase Based upon CPI

As you know, in an attempt to simplify the rent increase approval process for Market and Tax Credit developments, NJHMFA published new rent increase regulations in The New Jersey Register on March 17, 2003. These revised regulations allow NJHMFA financed Tax Credit and Market properties to implement a rent increase annually without prior NJHMFA approval, provided the increase is the lesser of 3% or the applicable overall Consumer Price Index (CPI) at September 30th of the preceding year.

The just published applicable overall CPI for 9/30/18 is 2%. **Therefore, the maximum rent increase that can be implemented without prior NJHMFA approval for the year January 1, 2019 through December 31, 2019 is 2%.** Please be reminded if you decide to implement this increase that all tenants must be notified in accordance with the terms of their existing lease. In addition, it is required that notification of the increase also be forwarded to the assigned Housing Management Officer.

Please note that these 2003 revisions affect only NJHMFA financed Market and Tax Credit properties and do not override any tax credit maximum rent rules. All HUD subsidized developments (Section 236 and Section 8) must continue to follow existing rent increase rules.

If you have any questions, please contact the assigned Housing Management Officer.

C Michael Floyd
Rosie Jackson
Lavern Henry
Debbie Keramas
HMOs
Occupancy Specialists

rs/dr/memos/cpi.2018

Summary Allowance for Tenant-Furnished Utilities and Other Services

Locality : New Jersey Department of Community Affairs		Average							Date : 10/01/2018
5287 AHDD		Monthly Dollar Allowances							
Unit Type	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	
Mobile Home (Manufactured Home)*									
a. Natural Gas	23	28	36	46	58				
b. Electric	36	43	56	72	90				
c. Bottle Gas	97	117	151	193	242				
d. Oil	70	85	110	141	176				
High-Rise with Elevator									
a. Natural Gas	24	27	32	39	44	55	63	72	
b. Electric	33	40	49	60	75	87	100	113	
Row House/Garden Apt (Rowhouse/Townhouse)*									
a. Natural Gas	23	31	42	52	63	73	84	95	
b. Electric	36	48	65	81	98	113	130	147	
c. Bottle Gas	96	128	174	216	262	305	350	396	
d. Oil	70	93	126	158	191	222	255	288	
Two-Three Family/Duplex (Semi-Detached)*									
a. Natural Gas	28	36	48	59	69	79	91	103	
b. Electric	43	56	74	92	107	122	140	159	
c. Bottle Gas	116	150	198	246	289	328	377	427	
d. Oil	84	109	144	179	210	239	275	311	
Older Multi-Family (Low Rise)*									
a. Natural Gas	25	33	44	54	65	75	86	97	
b. Electric	39	51	68	84	101	116	133	150	
c. Bottle Gas	104	136	182	225	270	310	357	404	
d. Oil	76	99	132	164	197	226	260	294	
Older Home Converted (Semi Detached)*									
a. Natural Gas	27	34	46	57	68	76	87	99	
b. Electric	41	53	71	88	105	117	135	153	
c. Bottle Gas	111	142	190	236	281	316	363	410	
d. Oil	81	103	139	172	205	230	264	299	
Single Family Detached									
a. Natural Gas	30	41	49	62	70	82	94	107	
b. Electric	47	64	77	96	109	127	146	165	
c. Bottle Gas	127	172	206	259	293	341	392	443	
d. Oil	92	125	150	189	213	248	285	322	
All Unit Types-Cooking									
a. Natural Gas	4	6	8	9	12	13	14	16	
b. Electric	10	12	17	21	26	28	32	36	
c. Bottle Gas	18	24	32	39	48	52	60	68	
✓ All Unit Types-Electricity	33	43	57	71	88	95	109	123	
All Unit Types-Water Heat									
a. Natural Gas	5	7	9	12	14	16	18	20	
b. Electric	12	16	21	26	32	35	40	46	
c. Bottle Gas	23	29	39	49	60	65	75	84	
d. Oil	15	20	27	33	41	44	51	57	
Range (Tenant Owned)	4	4	5	5	5	5	5	5	
Refrigerator (Tenant Owned)	4	4	4	5	5	5	5	5	
Water	28	36	43	52	58	65			
Sewer	52	52	52	52	52	52			

**Summary - Air Conditioning
Allowance for Tenant-Furnished
Utilities and Other Services**

Locality : New Jersey Department of Community Affairs		Average				Effective 10/01/2018
						Expires 09/30/2019
5287 AHDD		Monthly Dollar Allowances				
Unit Type	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Mobile Home (Manufactured Home)*	15	19	25	32	38	
High-Rise with Elevator	9	12	16	20	24	28
Row/House Garden Apt. (Rowhouse/Townhouse)*	10	13	17	22	26	29
Two-Three Family Duplex (Semi-Detached)*	10	13	17	22	26	29
✓ Older Multi-Family (Low Rise)*	9	12	16	20	24	26
Older Home Converted (Semi-Detached)*	10	13	17	22	26	29
Single Family Detached	18	22	30	37	44	50

1 BR

33.00+
6.00+
43.00+
7.00+
12.00+
101.00*+

Contract Number _____

This SRAP: Housing Assistance Contract ("Contract") is entered into between the NJ Department of Community Affairs, Division of Housing and Heritage Village at Ocean, LLC ("Owner"). The purpose of this contract is to provide housing assistance payments on behalf of eligible Families (families) leasing decent, safe, and sanitary facilities from the owner. The DCA will make housing assistance payments to the Owner on behalf of the Households in accordance with this Contract.

Contract Unit, Household and Lease.

A). This Contract applies only to dwelling units ("Contract units") designated in this section

Contract units: (Address of Contract units, including apartment numbers, if any, City, State and Zip Code)

106 Stacey Drive, 126 Stacey Drive, 218 Stacey Drive, 302 Stacey Drive, and 332

Stacey Drive, Ocean, NJ 07712

All units are one bedroom

Effective Date, Term and Contents of Contract



The following paragraphs A. and B. are applicable if the contract units are not to be completed and accepted in stages.

- A. (Effective date of contract) The effective date of this contract is 4/1/2015 (This date shall be no earlier than the date of the PHA inspection and acceptance of the unit and related facilities.)
- B. Term of Contract. The term of this contract begins on the effective date of the Contract, and ends on 3/31/2025. (insert a date which is no later than 10 years.)

[] The following paragraphs A.B. are applicable if the contract units are to be completed and accepted in stages.

- A. Effective Date Of Contract. The effective date of the contract for each stage is outlined on the attached exhibit and must be signed no earlier than the date of the PHA inspection and acceptance of the unit and related facilities in that stage. [for each stage, insert the effective date for the stage.
- B. Term of contract. The term of this contract for each stage is 10 years beginning on the effective date of the contract for that stage. The last day of the contract term for each stage is to be no later than 10 years.

B). The Owner shall lease the Contract unit to the Household. The Lease to be executed by the Household and the Owner for the Contract unit has been approved by the DCA, and shall be executed in the form approved. The Lease shall contain all provisions required by DCA, and shall not contain any provisions prohibited by DCA. (No changes shall be made in the Lease unless the changes have been approved in writing by DCA).

C). The amount of the monthly rent payable by the Household to the Owner is determined by the provisions of the Housing Assistance Payments contract between the Owner and the DCA. The amount of the monthly rent under the Lease may not be increased during the first year of the term of such Lease. The Contract may provide for increase in such monthly rent after the first year of the term, if the Owner gives at least sixty days written notice to DCA. The notice shall state both the new rental amount and, and the date from which the increased rent is payable.

Term of Contract.

The term of this Contract shall be for 120 consecutive months beginning on 4/1/2015, and shall end on the last day of 3/31/2025. This Contract shall end in any event if the DCA determines, that available funding is insufficient to support continued assistance.

Housing Assistant Payment.

A). Each month the DCA shall make a housing assistance payment to the Owner on behalf of the Household. The monthly assistance payment by the DCA shall be credited by the Owner toward the monthly rent payable by the Household to the Owner under the Lease. If the housing assistance payment for a month is less than the full amount of the monthly rent, the Household shall be responsible for the payment of the balance.

The amount of the monthly assistance payment to the Owner shall in no event be more than the amount of the monthly rent (and the owner shall immediately return excess payment to DCA).

B). The amount of the housing assistance payment by the DCA to the owner is subject to change, and shall be determined by the DCA in accordance with SRAP regulations and other requirements. Initially and until such change the amount of the housing assistance payment shall be **\$890 Gross Rent** per month. The DCA has no duty to pay the owner any balance of the monthly rent in excess of the housing assistance payment. The obligation of the DCA is limited to making housing assistance payments on behalf of the Household in accordance with this Contract. If 180 days has passed since the date of the last housing payment, this Contract shall terminate automatically.

C). DCA cannot assist a household in this project if the household is awarded a Housing Choice Voucher. DCA will continue to make payments for a period not to exceed 120 days from the month in which the family receives the Housing Choice Voucher.

D) DCA may terminate housing assistance payments under this contract because of action or inaction by the Household, in the following cases:

(1). If the Household has committed any fraud in connection with any Federal housing assistance program.

(2). If the Household has violated any of the Household's obligations under the SRAP Program, or

(3). If the Household has breached an agreement with DCA.

D). The DCA shall notify the Owner in writing of a decision to terminate housing assistance payments under section 3 (C) and that housing assistance payments under this Contract shall terminate at the end of the calendar month which follows the calendar month in which the DCA gives such notice to the Owner.

Maintenance, Operation and inspection.

(A). The Owner agrees to maintain and operate the Contract unit and related facilities to provide decent, safe and sanitary housing in accordance with Housing Quality Standards per SRAP Rules and agrees to provide all the services, maintenance and utilities as agreed to in the Lease. The DCA shall not make any housing assistance payment for the Contract unit if the unit does not meet the Housing Quality Standards unless the Owner promptly corrects the defect and the DCA verifies the correction.

(B). The DCA shall have the right to inspect the Contract unit and related facilities at least annually, and at such other times as the DCA determines necessary, to assure that the unit is decent, safe and sanitary condition, and that the Owner is providing all the services, maintenance and utilities agreed to under the lease.

(C). If the DCA determines that the Contract unit does not meet the space requirements of the SRAP Housing Quality Standards because of an increase in Household size or a change in Household composition, the DCA may terminate the subsidy upon notice to the Owner.

(D). Maintenance and replacement (including redecoration) shall be in accordance with the standard practice for the building concerned as established by the Owner.

Monthly Payment to Owner.

(A). The Owner shall be paid under this Contract on or about the first day of the month for which payment is due. The Owner agrees that the endorsement on the check:

(1). Shall be conclusive evidence that the Owner has received the full amount of the housing assistance payment for the month, and

(2). Shall be a certification by the Owner that:

(i). The Contract unit is decent, safe and sanitary in accordance with the SRAP Housing Quality Standards, and the Owner is providing all the services, maintenance and utilities as agreed to in the lease.

(ii). The Contract unit is leased to the Household named in section 1 (A). and the Lease is in accordance with section 1(B).

(iii). The amount of the monthly housing assistance payment to the Owner is not more than the amount of the monthly rent payable by the Household to the Owner under the Lease.

(iv). The Household and the DCA do not own, or have any interest in the Contract unit.

(v). Except for the housing assistance payment under this Contract, the Owner has not received and will not receive any of the following with respect to the contract unit during the term of the Contract: section 8 or section 23 housing assistance, section 101 rent supplements, section 236 rental assistance payments or other duplicative Federal, State or local housing subsidy as determined by DCA.

(vi). To the best of the Owner's knowledge, the members of the Household occupy the Contract unit, and the unit is used solely for residence by the Household, and as the Household's principal place of residence.

(B). If the DCA determines that the Owner is not entitled to the payment or any part of it, the DCA, in addition to other remedies, may deduct the amount of the overpayment from any amounts due the Owner (including amounts due under any other housing assistance payments contract or housing voucher contract).

Security Deposits for Unpaid Rent and Damages.

(A). The Owner shall comply with State law regarding security deposits from a Household, and shall not collect a security deposit which is more than the amount permitted by State law.

(B). The owner must follow the provisions set forth under the "Security Deposit Law" (NJSA 46:8 - 19 et. Seq.

No payment After Household Moves.

Housing assistance payments shall be made by the DCA to the Owner under this Contract only for the period during which the Contract unit is leased and occupied by the Household. If the Household moves out, the Owner shall promptly notify the DCA, and the DCA shall make no additional housing assistance payments to the Owner for any month after the month in which the Household moves. The Owner may retain the housing assistance payment for the month in which the Household moves.

Termination of the Contract

This contract may be terminated upon at least 30 days written notice to the OWNER by the PHA if the PHA determines that the contract units were not selected in accordance with the PHA approved written selection policy or that the contract units were not eligible for selection in conformity with DCA policies.

Termination of Tenancy.

(A). The Owner shall not terminate the tenancy of the Household except for:

(1). Serious or repeated violation of the terms and conditions of the Lease;

(2). Violation of Federal, State or local law which imposes obligations on the Household in connection with occupancy and use of the dwelling unit and surrounding premises; or

(3). Other good causes.

(B). The Owner may evict the Household from the Contract unit only by instituting a court action. The Owner must notify the DCA in writing of the commencement of procedures for termination of tenancy, at the same time that the Owner gives notice to the Household under

State or local law. The notice to the DCA may be given by furnishing to the DCA a copy of the notice to the Household.

Nondiscrimination In Housing.

(A). The Owner shall not, in the provision of services, or in any other manner, discriminate against any person on the ground of age, race, color, creed, religion, sex, handicap or national origin. Unwed parents, households with children born out of wedlock.

Rights of DCA if Owner Breaches the Contract.

(A). Any of the following shall constitute a breach of this Contract:

(1). If the Owner has violated any obligation under this contract

(2). If the Owner has committed any fraud or made any false statement to the DCA in connection with this Contract, or has committed fraud or made any false statement in connection with any Federal housing assistance program.

(B). If the DCA determines that a breach has occurred, the DCA may exercise any of its rights or remedies under this Contract. The DCA shall notify the Owner in writing of such determination, including a brief statement of the reasons for the determination. The notice by the DCA to the Owner may require the Owner to take corrective action (as verified by the DCA) by a time prescribed in the notice. The DCA rights and remedies under this Contract include recovery of overpayments, termination or reduction of housing assistance payments, and termination of this Contract.

(C). Any termination or reduction of housing assistance payments, or termination of this Contract by the DCA in accordance with this Contract, shall take effect in accordance with a written notice by the DCA to the Owner.

(D). The DCA's exercise or non-exercise of any remedy for Owner breach of this Contract shall not constitute a waiver of the right to exercise that or any other right or remedy at any time.

DCA Relation to Third Parties

(A). The DCA does not assume any responsibility for injury to, or any liability to, and person injured as a result of the Owner's action or failure to act in connection with the implementation of this Contract, or as a result of any other action or failure to act by the Owner.

(B). The Owner is not the agent of the DCA, and this Contract does not create or affect any relationship between the DCA and any lender to the Owner or any suppliers, employees, contractors or subcontractors used by the Owner in connection with implementation of this Contract.

(C). Nothing in this Contract shall be construed as creating any right of the Household or other third party to enforce any provision of this Contract, or to assert any claim against DCA or the Owner under this Contract.

Conflict of Interest.

No present or former member or officer of the DCA no employee of the DCA who formulates policy or influences decisions with respect to the SRAP Program, and no public official or member of a governing body or State or local legislator who exercises functions or responsibilities with respect to the SRAP Program shall have any direct or indirect interest, during this person's tenure or for one year thereafter, in this Contract or in any proceeds or benefits arising from this Contract.

Transfer of the Contract.

The Owner has not made and will not make any transfer in any form of his Contract without the prior written consent of the DCA. A change in ownership of the Owner, such as a stock transfer or transfer of the interest of a limited partner, is not subject to the provisions of this section. Transfer of the interest of a general partner is subject to the provisions of this section. The DCA shall give its consent to a transfer of this Contract if the transferee agrees in writing (in a form acceptable to the DCA) to comply with all the terms and conditions of this Contract. The transferee shall give the DCA a copy of the executed agreement.

Conditions for Housing Assistance Payments.

The right of the Owner to receive housing assistance payments under this Contract shall be subject to compliance with all the provisions of this Contract.

Entire Agreement; Interpretation.

(A). This Contract contains the entire agreement including exhibits between the Owner and the DCA. No changes in this Contract shall be made except in writing signed by both the Owner and the DCA.

Warranty of Legal Capacity And Condition of Unit.

(A). The Owner warrants (1) that the Contract unit is in decent, safe, and sanitary condition as defined by SRAP rules, and (2) that the Owner has the legal right to lease the dwelling unit covered by this Contract during the Contract term.

(B). The party, if any, executing this Contract on behalf of the Owner hereby warrants that authorization has been given by the Owner to execute it on behalf of the Owner.

Signatures: _____

Housing Agency

DCA	_____	Owner	<u>Heritage Village at Ocean, LLC</u>
BY	<u>[Signature]</u>	BY	<u>[Signature]</u>
	<u>Deputy Director</u>		_____
	(Official Title)		(Official Title)

MAIL			
TO:	NAME	<u>Heritage Village at Ocean, LLC</u>	PAYMENTS

ADDRESS 1970 Brunswick Ave, Suite 100

CITY/STATE Lawrence, NJ 08648

FEDERAL ID# or Social Security No. _____

DATE 2/23/15

DATE 2/23/15

APPENDIX E

Monmouth County Interlocal Services Agreement and
Housing Improvement Program Operating Manual

CONTRACT

Agreement Between the County of Monmouth and Certain Municipalities Located Therein for the Establishment of a Cooperative Means of Conducting Certain Community Development Activities

WHEREAS, Title I of the Housing and Community Development Act of 1974, as amended, commonly known as the Community Development Block Grant Program, provides for substantial Federal funds being made to certain urban counties for use therein, and

WHEREAS, this act establishes certain criteria which must be met in order for a county to be the recipient of said funding, and

WHEREAS, the Inter-local Services Act (N.J.S.A. 40:8A-et seq.) provides a mechanism through which counties and municipalities may enter into agreements for the provision of joint services, it is therefore agreed by the County of Monmouth and the Township of Ocean as follows:

A. Community Development Planning Process

1. Nature and Extent of Services

- (a.) Purpose: The purpose of this agreement is to establish a legal mechanism through which the county government may apply for, receive, and disburse Federal funds available to eligible urban counties under Title I of the Housing and Community Development Act of 1974, as amended commonly known as Community Development Block Grant Program, and to take such actions in cooperation with the participating municipalities as may be necessary to participate in the benefits of this program. Federal funds received by the county shall be for such functions as community renewal, water and sewer facilities, neighborhood facilities, public facilities, housing rehabilitation, open space and such other purposes as are authorized by the Act. Nothing contained in this agreement shall deprive any municipality or other unit of local government of any powers of zoning, development control or other lawful authority which presently possesses, nor shall any participant be deprived of any State or Federal aid to which it might be entitled in its own right, except as herein provided.
- (b.) Establishment of Committee: There is hereby established a cooperative Community Development Block Grant Committee, consisting of one representative from each participating

municipality and two representatives of the County government, each to be appointed for one year period coinciding with calendar year. The chief executive with the consent of the governing body of each participating agency shall make the one appointment.

(c.) Responsibilities of Committee:

- (1) The Committee shall elect a Chairperson, and shall take formal action only upon a two-thirds vote of the members present.
- (2) With the concurrence of the Board of Chosen Freeholders and Administrative Liaison Officer shall be designated. He shall be an employee of the County. He shall, within the limits of resources available, provide technical and administrative support to the Committee, and shall provide liaison between the Committee and the Board of Chosen Freeholders.
- (3) The Committee shall meet promptly after its establishment and thereafter as often as required. It shall establish rules of procedure as may be required.
- (4) The Committee shall study and discuss the community development needs of the county which affect the participating local governments and shall determine the most effective and acceptable utilization of Community Development Block Grant funds available to the county government. It shall recommend to the Board of Chosen Freeholders an application (Consolidated Plan) for participation in Federal funding, and toward that end it shall, in the matter herein prescribed, be authorized to develop required plans for the County, including a Housing Assistance Plan, and such other documents and certifications of compliance as are required by the Federal Government for participation by the County in the Community Development Block Grant Program. Funds applied for may be those available for "urban counties"; SMSA balances may also be applied for subject to approval of the participating municipalities.
- (5) The Committee shall develop, in full consultation with the Monmouth County Community Development Office and all affected agencies of the local governments involved, priorities for the actual utilization of such funds as are made available from the Federal Government under this Title. The

Committee shall recommend for each project or activity to be carried out with these funds a specific means of accomplishment. This may be for the County to carry out the project or function, for a municipality to receive the monies to carry it out, or for some other combination of local or State agencies. Such implementation mechanism shall be established either by means of a separate contract entered into between the county government, upon the approval of this Committee, and the municipality or municipalities in which the activity or function is to take place, pursuant to the provisions of the Inter-local Services Act, or Section C of this agreement, subject to the same approvals. The implementation mechanism shall be established before submission of the application to HUD, and any relevant document becomes part of this agreement and should be submitted to HUD with it.

2. Standards of Performance

Every Inter-local Services Agreement established pursuant to this agreement shall contain standards of performance as required by the Inter-local Services Act and by the Housing and Community Development Act of 1974, as amended. Annually a report shall be prepared for the Committee by each recipient of funds describing whether the desired objectives have been attained. The Committee shall thereupon report its findings to all participating local governments, and shall submit such reports to the Board of Chosen Freeholders, as may be required for submission to the Federal Government. Pursuant to 24 CFR 570.501(b), all units of local government are subject to the same requirements applicable to subrecipients, including the requirement of a written agreement described in 24 CFR 570.503. This agreement includes, by reference, all provisions authorized by State and local laws that legally obligate the cooperating units to undertake the necessary action, as determined by the County, to carry out a community development program and the approved CHAS, and/or meet other requirements of the CDBG program and other applicable laws.

3. Standards Applicable to Real Property Acquired or Improved in Whole or in Part with CDBG Funds

The following standards apply to real property acquired or improved in whole or in part using CDBG funds that are within the control of the municipality:

- (a.) The municipality must notify the county in a timely manner of any modifications or change in the use of real property from that planned at the time of acquisition of improvement including disposition;
- (b.) The municipality shall reimburse the county an amount equal to the current fair market value (less any portion thereof attributable to expenditures of non-CDBG funds) of property acquired or improved with CDBG funds that is sold or transferred for a use which does not qualify under CDBG regulations; and
- (c.) Program income generated from disposition or transfer of property prior to or subsequent to close-out, change of status or termination of the cooperation agreement between the county and the municipality shall be paid to the county.

4. Estimated Cost and Allocation Thereof

The amount of Federal funds involved shall be the amount applied for by the Board of Chosen Freeholders pursuant to the recommendation of the Committee, subject to any modification made by HUD. Any Federal funds received by letter of credit or otherwise shall be placed in a County Trust Funds established and maintained pursuant to regulations promulgated by the Director of the Division of Local Government Services in the New Jersey Department of Community Affairs. This fund shall be in a separate bank account subject to the control of the County government, which shall be the designated recipient for the funds provided by the Federal act. Upon authorization by the County, and in compliance with State law and promulgated regulations, funds may be expended from this Trust Funds by the County by payment to the particular municipality pursuant to a specific contract. Neither the committee, the county government, nor any participating local government may expend or commit funds except as may be authorized pursuant to this agreement and in full compliance with State and Federal laws and regulations. No participant under this contract may in any way be obligated to expend funds of its own unless the grandfathering provision is enacted prior to the official allocation of CDBG funds for FY 1990.

5. Duration of Contract

This contract shall be effective for the three (3) program years (Federal Fiscal Years 2012, 2013, and 2014 appropriations) for which the County is to qualify to receive

CDBG entitlement funding and from any program income generated from the expenditure of such funds, including such additional time as may be required for the expenditure of any such funds granted to the participating unit of local government. The population of participating municipalities included in the urban county under this agreement shall be included in the population of the urban county for three (3) successive years which will include the federal fiscal years 2012, 2013, and 2014. This agreement will automatically be renewed for participation in successive three-year qualification periods, unless the county or the municipality provides written notice it elects not to participate in a new qualification period.

A copy of the notice must be sent to the HUD Field Office. By the date specified in HUD's urban county qualification notice for the next qualification period, the urban county will notify the participating unit of general local government in writing of its right not to participate. A copy of the county's notification to the jurisdiction must be sent to the HUD Field Office by the date specified in the urban county qualification notice.

Failure by either party to adopt an amendment to the agreement incorporating changes necessary to meet the requirements for cooperation agreements set forth in the Urban County Qualification Notice applicable for the subsequent three-year urban county qualification period, and to submit such amendment to HUD as provided in the urban county qualification notice will void the automatic renewal of such qualification period.

This Agreement remains in effect until the CDBG and HOME funds and income received with respect to activities carried out during the three-year qualification period (and any successive qualification period under agreements that provide for automatic renewals) are expended and the funded activities completed, and that the County and participating unit of general local government cannot terminate or withdraw from this Agreement while the Agreement remains in effect.

By executing the CDBG cooperation agreement, the cooperating unit of general local government understands that it:

- (a) may not apply for grants under the Small Cities or State CDBG Programs from appropriations for fiscal years during the period in which it is participating in the urban county's program; and
- (b) may receive a formula allocation under the HOME Program only through the urban county. Thus, even if the urban county does not receive a HOME formula allocation, the participating unit(s) of local government cannot form a HOME consortium with other local governments. This does not preclude the urban county or a unit of government participating with the urban county from applying to the state for HOME funds, if the state allows.
- (c) may receive a formula allocation under the ESG Program only through the urban county. This does not preclude the urban county or a unit of government participating with the urban county from applying to the state for ESG funds, if the state allows. Thus, even if the urban county does not receive an Emergency Solutions Grant (ESG) formula allocation, the participating unit(s) of local government cannot form an ESG consortium with other local governments.

6. Duration of General Agent

The Administrative Liaison Officer selected pursuant to section A 1 C (2) of this Agreement is hereby designated as the administrative agent of the Board of Chosen Freeholders for purposes of compliance with statutory and regulatory responsibilities. He shall be accountable to the Board of Chosen Freeholders, and for this purpose shall be subject to the supervision of the Board.

B. Qualification as Urban County

In addition to such assurances and agreements as may have been made by previously executed ordinances in order to meet the criteria for funding eligibility as an "urban county" the County and the cooperating unit of general local government agree to cooperate to undertake, or assist in undertaking, community renewal and lower income housing assistance activities, e.g., urban renewal and publicly assisted housing. The County and the cooperating unit of general local government agree to take all actions necessary to assure compliance with the urban county's certification required by section 104(b) of Title I of the Housing and

Community Development Act of 1974, as amended, including Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 109 of Title I of the Housing and Community Development Act of 1974, the Americans with Disabilities Act of 1990, and other applicable laws. No urban county funding shall be provided for activities in or in support of any cooperating unit of general local government that does not affirmatively further fair housing within its own jurisdiction or that impedes the county's actions to comply with the county's fair housing certification. This provision is required because noncompliance by a unit of general local government included in an urban county may constitute noncompliance by the grantee (i.e. the entire urban county) which can, in turn, provide cause for funding sanctions or other remedial actions by the U.S. Department of Housing and Urban Development. This agreement shall be effective only when sufficient municipalities have signed the contract so that 200,000 population is represented, and when all other Federal eligibility criteria for designation as an "urban county" under the Act have been satisfied. In the event that sufficient municipalities to meet these criteria should not sign this Agreement within the time period set forth by the United States Department of Housing and Urban Development, the Freeholder Director shall so notify all signatories and the Agreement shall thereupon be null and void.

In order to comply with Federal requirements, the County Government, through the Board of Chosen Freeholders, shall be the applicant for community development funds, and shall have final responsibility as applicant and shall have final responsibility for selecting activities and annually filing Final Statements with HUD. The County shall also have the authority to carry out activities which will be funded from Annual Community Development Block Grant from Federal Fiscal Years 2009, 2010, and 2011 appropriations and from any program income generated from the expenditure of such funds.

C. Agreement as to Specific Activities

The specific activities to be included in this Section will be developed in cooperation with the parties to this agreement and shall be adopted by the Community Development Committee.

This Agreement covers the CDBG Entitlement, the HOME Investment Partnership, and Emergency Shelter (Solutions) Grant programs.

D. Program Income

1. That the municipality must inform the County of any program income generated by the expenditure of CDBG funds received by the municipality;

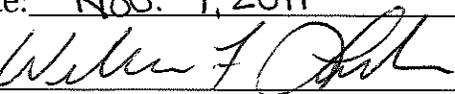
2. That any such program income must be paid to the County or that the municipality may retain the program income subject to the acceptance of a written agreement by all parties;
 3. That any program income the municipality is authorized to retain may only be used for eligible activities in accordance with all CDBG requirements as may then apply;
 4. That the County has the responsibility for monitoring and reporting to HUD on the use of any such program income thereby requiring appropriate recordkeeping and reporting by the municipality as may be needed for this purpose;
 5. That in the event of close-out or change in status of the municipality, any program income that is on hand or received subsequent to the close-out or change in status shall be paid to the County.
- E. This contract may be executed in substantially similarly worded counterparts, each of which shall be signed by the Freeholder Director and the chief executive of a participating municipality. Each signatory agency agrees to cooperate with all other signatories and be bound as if all had signed the same Agreement.
- F. Severability and Modification Clause
- In the event that any portion of the agreement shall be made inoperative by reason of judicial or administrative law ruling, the remainder of shall continue in effect. In the event that any modification of work activity shall be come necessary, the Community Development Block Grant Committee may increase or decrease the cost of any project by not more that 10%, subject to concurrence by HUD, the County and the municipalities involved.
- G. This agreement shall supplement any previous agreements on this subject and shall replace and supersede any previously agreed upon provisions only to the extent of conflict of purpose.
- H. In no case may any party to this Agreement obstruct the implementation of the approved Consolidated Plan during the three (3) program years (Federal Fiscal Years 2009, 2010, and 2011 appropriations) in which this contract is in effect. The County has final responsibility for selecting CDBG, HOME, and ESG activities and submitting the Consolidated Plan

to HUD, unless the county is a member of a HOME consortium, and then the consortium submits the Plan developed by the County.

- I. The County and the cooperating unit of general local government have adopted and are enforcing:
 - A. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
 - B. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within the jurisdiction.

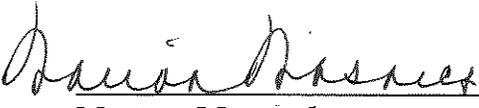
Township of Ocean
Municipality

County of Monmouth:

Date: Nov. 9, 2011
By: 
Mayor
William F. Larkin

Date: 12/15/11
By: 
Robert D. Clifton
Director of the Board of
Chosen Freeholders


(Municipal/Clerk)
Vincent Buttiglieri


Marion Masnick
Clerk of the Board of
Chosen Freeholders

RESOLUTION

AUTHORIZING THE MAYOR AND MUNICIPAL CLERK TO EXECUTE AN AGREEMENT WITH MONMOUTH COUNTY FOR COOPERATIVE PARTICIPATION IN THE COMMUNITY DEVELOPMENT PROGRAM PURSUANT TO THE INTERLOCAL SERVICES ACT

WHEREAS, certain Federal funds are potentially available to Monmouth County under Title I of the Housing and Community Development Act of 1974, as amended, commonly known as the Community Development Block Grant Program; and

WHEREAS, it is necessary to establish a legal basis for the County and its people to benefit from this program; and

WHEREAS, an Agreement has been proposed under which the Township of Ocean and the County of Monmouth in cooperation with other municipalities will establish an Interlocal Services Program pursuant to N.J.S.A. 40:8B-1; and

WHEREAS, it is in the best interest of the Township of ocean to enter such an agreement.

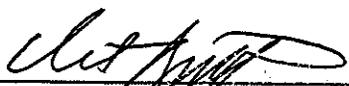
NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Ocean that the agreement entitled "AGREEMENT BETWEEN THE COUNTY OF MONMOUTH AND CERTAIN MUNICIPALITIES LOCATED HEREIN FOR THE ESTABLISHMENT OF A COOPERATIVE MEANS OF CONDUCTING CERTAIN COMMUNITY DEVELOPMENT ACTIVITIES", a copy of which is attached hereto, be executed by the Mayor and Municipal Clerk in accordance with the provisions of law; and

BE IT FURTHER RESOLVED that this resolution shall take effect immediately upon its enactment.

Record of Vote	Deputy Mayor Siciliano	Councilman Evans	Councilman Garofalo	Councilwoman Scheiga	Mayor Larkin
Motion To Approve			X		
Motion to Second				X	
Approved		X	X	X	X
Opposed					
Not Voting/Recuse					
Absent/Excused	X				

CERTIFICATION

*I hereby certify that this is a true copy of a resolution passed by the Township of Ocean Governing Body at their meeting held on **November 7, 2011.***


 Vincent Buttiglieri, RMC/CMC/MMC
 Township Clerk

County of Monmouth

ANDREA I. BAZER, ESQ.
County Counsel
abazer@co.monmouth.nj.us



HALL OF RECORDS
1 East Main Street, Room 236
Freehold, New Jersey 07728
Telephone: 732-683-8640
Fax: 732-431-0437

August 4, 2014

U.S. Department of Housing and Urban Development
451 7th Street S.W.
Washington, D.C. 20410

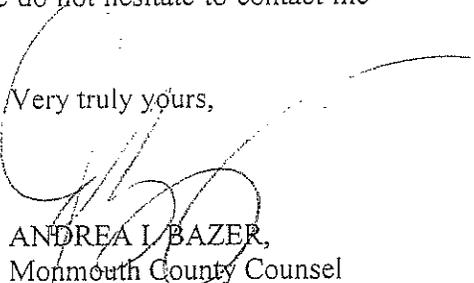
Re: Updated HUD Requirements for Cooperation Agreements

Dear Sir or Madam:

I have reviewed the Cooperation Agreement and Amendments thereto entered into between the County of Monmouth and the Township of Ocean concerning, generally, Community Development Block Grant Program entitlement funding. It is my legal opinion that the Cooperation Agreement and Amendments thereto are fully authorized under State and local law and that the agreement provides full legal authority for the County of Monmouth.

Thank you for your attention to this matter. Please do not hesitate to contact me with any questions.

Very truly yours,


ANDREA I. BAZER,
Monmouth County Counsel

RESOLUTION AUTHORIZING THE MAYOR/DEPUTY MAYOR AND MUNICIPAL CLERK TO EXECUTE AN AMENDMENT TO THE 2012-14 AGREEMENT WITH MONMOUTH COUNTY FOR COOPERATIVE PARTICIPATION IN THE COMMUNITY DEVELOPMENT PROGRAM PURSUANT TO THE INTERLOCAL SERVICES ACT

WHEREAS, certain Federal funds are potentially available to Monmouth County under Title I of the Housing and Community Development Act of 1974, as amended, commonly known as the Community Development Block Grant Program; and

WHEREAS, it is necessary to establish a legal basis for the County and its residents to benefit from this program; and

WHEREAS, an Agreement has been adopted under which the Township of Ocean and the County of Monmouth in cooperation with other municipalities will establish an Interlocal Services Program pursuant to N.J.S.A. 40:8B-1; and

WHEREAS, it is in the best interest of the Township of Ocean to enter into such an agreement.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Governing Body of the Township of Ocean, that the amendment to the agreement entitled "AGREEMENT BETWEEN THE COUNTY OF MONMOUTH AND CERTAIN MUNICIPALITIES LOCATED HEREIN FOR THE ESTABLISHMENT OF A COOPERATIVE MEANS OF CONDUCTING CERTAIN COMMUNITY DEVELOPMENT ACTIVITIES", a copy of which is attached hereto, be and same is hereby approved.

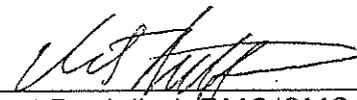
BE IT FURTHER RESOLVED that the Mayor/Deputy Mayor and Municipal Clerk be and same are hereby authorized to execute said amendment in accordance with the provisions of law; and

BE IT FURTHER RESOLVED that this resolution shall take effect immediately upon its enactment.

Record of Vote	Deputy Mayor Siciliano	Councilman Evans	Councilman Garofalo	Councilwoman Schepiga	Mayor Larkin
Motion To Approve			X		
Motion to Second				X	
Approved	X		X	X	
Opposed					
Not Voting/Recuse					
Absent/Excused		X			X

CERTIFICATION

I hereby certify that this is a true copy of a resolution passed by the Township of Ocean Governing Body at their meeting held on August 13, 2014.



 Vincent Buttiglieri, RMC/CMC/MMC
 Township Clerk

**AMENDMENT TO AGREEMENT BETWEEN THE COUNTY OF MONMOUTH AND THE
TOWNSHIP OF OCEAN FOR THE ESTABLISHMENT OF A COOPERATIVE MEANS
OF CONDUCTING CERTAIN COMMUNITY DEVELOPMENT ACTIVITIES**

WHEREAS, the County of Monmouth and the Township of Ocean are parties to an Agreement dated November 9, 2011 concerning, generally, the cooperation between participating municipalities and the County to receive CDBG entitlement funding; and

WHEREAS, the U.S. Department of Housing and Urban Development: Community Planning and Development ("HUD"), has issued additional requirements for what must be included in all cooperation agreements entered into between counties and participating municipalities; and

WHEREAS, the Agreement dated November 4, 2011 must be amended to legally conform to HUD's new requirements; and

WHEREAS, the Township of Ocean and the County of Monmouth have decided that it is in its residents' best interests to amend the Agreement to conform to HUD's cooperation agreement requirements; and

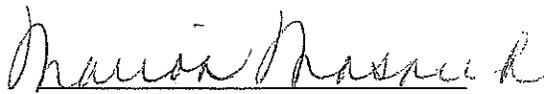
NOW, THEREFORE, the County and Township of Ocean hereby agree as follows:

- Section J shall be adopted and shall contain the following language:

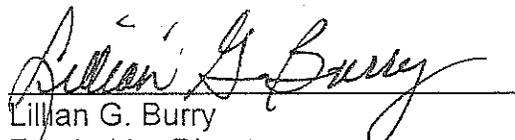
A unit of general local government may not sell, trade, or otherwise transfer all or any portion of such funds to another such metropolitan city, urban county, unit of general local government, or Indian tribe, or insular area that directly or indirectly receives CDBG funds in exchange for any other funds, credits or non-Federal considerations, but must use such funds for activities eligible under Title I of the Transportation, Housing and Urban Development, and Related Agencies Appropriates Act, 201, Pub. L. 113-76.

- All other provisions of the original Agreement shall remain in place and not be affected by this amendment.

ATTEST:


Marion Masnick
Clerk to the Board of Chosen
Freeholders

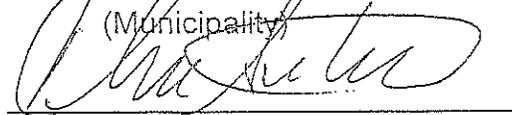
MONMOUTH COUNTY BOARD OF
CHOSEN FREEHOLDERS


Lillian G. Burry
Freeholder Director

ATTEST:


Vincent Buttiglieri, RMC/CMC/MMC
Title: Municipal Clerk

TOWNSHIP OF OCEAN
(Municipality)


Name: Christopher P. Siciliano
Title: Deputy Mayor

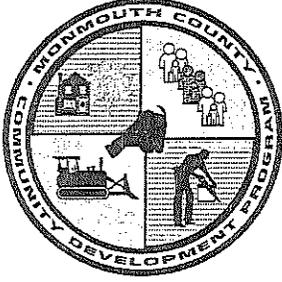
Record of Vote	Deputy Mayor Siciliano	Councilman Evans	Councilman Garofalo	Councilwoman Schepiga	Mayor Larkin
Motion To Approve:			X		
Motion to Second:				X	
Approved:	X		X	X	
Opposed					
Not Voting/Recuse					
Absent/Excused		X			X

CERTIFICATION

*I hereby certify that this is a true copy of a resolution passed by the Township of Ocean Governing Body at their meeting held on **August 20, 2014.***



 Vincent Buttiglieri, RMC/CMC/MMC
 Township Clerk



COMMUNITY DEVELOPMENT

Hall of Records Annex
One East Main Street
Freehold, NJ 07728
Office (732) 431-7460
Fax (732) 308-2995

MEMORANDUM

DATE: May 22, 2014

TO: Mayors and Governing Bodies c/o Municipal Clerks
Vincent Buttiglieri
Ocean Township
399 Monmouth Rd.
Oakhurst NJ 07755

FROM: Owen P. Redmond, Community Development Director *OPR*

SUBJECT: CONTINUED PARTICIPATION IN THE COMMUNITY DEVELOPMENT
BLOCK GRANT PROGRAM (CDBG)

Based on your current 2012-2014 Inter-Local Services Agreement with Monmouth County your municipality is eligible for Community Development money to fund public service projects, economic development projects, and physical improvements for your municipality. In addition your qualified residents are to be eligible to apply for housing rehabilitation assistance and emergency and barrier-free housing repairs. Also your municipality is eligible for HOME funds.

Your existing Inter-Local Services Agreement expires on 31 December 2014 and will be automatically renewed for a three year period (1 January 2015 – 31 December 2017). Since your municipality will be part of the County's Community Development Program it will be ineligible for assistance from New Jersey's Small Cities Program.

I look forward to your continued participation in the Monmouth County CDBG Urban County Consortium. However, if you are not certain about continuing your participation in the County's Community Development Block Grant Program, please call me or Sharon S. Rafter, Assistant Community Development Director, so we may explain the benefits of participation in detail.

If you then decide not to participate, **you must advise both the Community Development staff and the U.S. Department of Housing and Urban Development in writing no later than 20 June 2014.** HUD's address is:

Ms. Annemarie Uebbing, Director
Community Planning and Development Division
U.S. Department of Housing and Urban Development
New Jersey State Office
One Newark Center
Newark NJ 07102-5260

and Community Development's address is:

Mr. Owen P. Redmond, Director
Community Development Program
Hall of Records Annex
One East Main Street
Freehold NJ 07728-1255

I sincerely hope that your municipality continues its participating in the County's CDBG Urban County Consortium. Please contact me at extension 6479 or Ms. Rafter at 732-431-7460 at extension 7546 if you have any questions.

THE TOWNSHIP OF OCEAN
MONMOUTH COUNTY

399 MONMOUTH ROAD
OAKHURST, NJ 07755-1589



OFFICE OF THE TOWNSHIP CLERK
(732) 531-5000
FAX (732) 531-5286

August 22, 2014

Owen P. Redmond, Director
Monmouth County Community Development
1 East Main Street
Freehold, New Jersey 07728

RE: Amendment to the Inter-local Services Agreement

Dear Mr. Redmond:

Attached please find certified copies of the following resolutions which were approved at the August 20, 2014 Governing Body meeting:

- 14-164 Authorize the Mayor/Deputy Mayor and Municipal Clerk to execute an amendment to the 2012-14 Agreement for participation in the Community Development Program
- 14-165 Amendment to the Agreement for the establishment of a cooperative means of conducting certain Community Development activities

If you have any questions or require any additional information, feel free to contact me at 732-531-5000 ext. 3321.

Sincerely,


Vincent Buttiglieri, RMC/MMC/CTC
Township Clerk/Deputy Tax Collector

Dovedytis, Debra

From: Rafter, Sharon
Sent: Wednesday, April 19, 2017 2:34 PM
To: 'Alida Manco'; 'Allyson Cinquegrana'; 'Ann Marie Friscia'; 'April Claudio'; 'Barbara Ilaria, CMR, RMC'; 'Beth Kara'; 'Christine Pfeiffer'; 'Cindy Dye'; 'Corinne DiCorcia'; 'Dana Tyler'; 'Debra L. Sopranyi'; 'Dina Partusch'; 'Dwayne Harris (dharris@highlandsborough.org)'; 'Dwayne M. Harris'; 'Evelyn Grandi'; 'Heidi R. Brunt'; 'James Rogers'; 'Jan Delonardo'; 'Janet Delonardo'; 'Jeanne Smith'; 'Joseph Delaney'; 'Joyce Escalante'; 'Julie Martin'; 'Karen Ventura'; 'Karen Wynne'; 'Kathleen P. Krueger, R.M.C.'; 'Kathy Schmelz'; 'Kelly Barrett'; 'Kimberly A. Jungfer'; 'Laurie Gavin'; 'Lori Cole'; 'Lori L. Osborn'; 'Lori Reibrich'; 'Lorraine Carafa'; 'Louise A. Mekosh'; 'Maria Dellasala'; 'Marilyn Simons'; 'Maureen Doloughy'; 'Maureen L. Muttie'; 'Pam Borghi'; 'Penny A. Wollman'; 'Peter Gorbaturk'; 'Regina Preteroti'; 'Richard J. Cuttrel'; 'Roberta Lang'; 'Tammy Brown'; 'Teresa Warner'; 'Thomas Nolan'; 'Thomas P. Cusick'; 'Thomas S. Rogers'; 'Timothy M. Gallagher'; 'Traci L. DiBenedetto'; 'Valerie T. Heilweil'; 'Vincent Buttiglieri'
Cc: Jacinto, Alexandra
Subject: CONTINUED PARTICIPATION IN THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

Dear Municipal Clerk,

Please share the notification below, which is required to comply with Federal Community Development Block Grant regulations, with your Mayor and Governing Body.

SUBJECT: CONTINUED PARTICIPATION IN THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

Dear Mayor & Governing Body,

Based on your current 20015-2017 Inter-Local Services Agreement with Monmouth County, your municipality is eligible for Community Development money to fund public service projects, economic development projects, and physical improvements for your municipality, as a member of the Monmouth County CDBG Urban County Consortium. In addition, your residents may be eligible for assistance with emergency and barrier-free housing repairs. This Agreement also makes your municipality and/or residents eligible to participate in the HOME Investment Partnership and Emergency Solutions Programs.

The current Agreement expires on December 31, 2017 and will automatically renew for a three year period (January 1, 2018 to December 31, 2020). As a part of the County's CDBG Consortium, your municipality will be ineligible for assistance from New Jersey's Small Cities Program.

If you wish to continue to participate in the CDBG Consortium, you do not need to respond to this letter. However, if you are uncertain about continuing your participation, please call me to discuss the benefits of participation in detail. If you then decide not to participate, **you must advise both** the County's Office of Community Development (at the above address) **and** the U.S. Department of Housing and Urban Development **in writing** no later than June 12, 2017. HUD's address is:

Ms. Annemarie Uebbing, Director, Community Planning and Development Division
U.S. Department of Housing and Urban Development
New Jersey State Office
One Newark Center
Newark NJ 07102-5260

I sincerely hope that your municipality continues its participating in the County's CDBG Urban County Consortium. Please contact me at 732-431-7460 if you have any questions.

Best regards,

Sharon S. Rafter
Director
Office of Community Development
Monmouth County Division of Planning
1 East Main Street
Freehold, NJ 07728
732-431-7460 x7546
Fax 732-308-2995
Sharon.Rafter@co.monmouth.nj.us

NOTICE OF CONFIDENTIALITY

This message, including any prior messages and attachments, may contain advisory, consultative and/or deliberative material, confidential information or privileged communications of the County of Monmouth. Access to this message by anyone other than the sender and the intended recipient(s) is unauthorized. If you are not the intended recipient of this message, any disclosure, copying, distribution or action taken or not taken in reliance on it, without the expressed written consent of the County, is prohibited. If you have received this message in error, you should not save, scan, transmit, print, use or disseminate this message or any information contained in this message in any way and you should promptly delete or destroy this message and all copies of it. Please notify the sender by return e-mail if you have received this message in error.

Township of Ocean

Monmouth County
399 Monmouth Road
Oakhurst NJ 07755-1589



Department of
Community Development

732-531-5000 x 3350
732-531-7696 FAX

April 30, 2020

Monmouth County Home Improvement Program
Monmouth County Division of Planning
Office of Community Development
Hall of Records Annex
One East Main Street
Freehold, NJ 07728

To Whom It May Concern;

The Township of Ocean has been part of Monmouth County's Community Development Block Grant and Housing Improvement Plan programs for decades and will continue to do so through July of 2025.

As history has demonstrated, the Township is willing to take whatever steps necessary to insure complete compliance with these programs.

Please feel free to contact this office at 732-531-5000 x 3350 should you have any questions or concerns.

Sincerely,

Ronald J. Kirk, CPM
Director of Community Development

C: Township Manager



COUNTY OF MONMOUTH

HOUSING IMPROVEMENT PROGRAM

PROCEDURAL GUIDE

Sponsored By:

Monmouth County Board of Chosen Freeholders
Gary J. Rich, Sr. Director
Serena DiMaso, Deputy Director
John P. Curley
Thomas A. Arnone
Lillian G. Burry

Program Administrator:

Division of Planning
Office of Community Development

(732) 431-7460 – Phone

(732) 308-2995 – Fax

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INTRODUCTION

The Monmouth County Division of Planning/Office of Community Development Housing Improvement Program focuses on the REHABILITATION AND LEAD ABATEMENT OF SINGLE-FAMILY OWNER OCCUPIED DWELLING UNITS.

The Division of Planning/Office of Community Development is located on the second floor of the Hall of Records Annex, One East Main Street, Freehold, New Jersey, 07728. The office is open Monday through Friday, 8:30 am to 4:30 pm.

**SECTION I.
GENERAL GUIDELINES**

A. ELIGIBLE PARTICIPANTS

This program is open to all residents living in participating municipalities (see Section I D for listing of participating municipalities) who own their homes and reside in them all year.

B. ELIGIBLE UNITS

Units are not eligible for improvement if they are listed for sale. Rehabilitation is limited to single family, year-round, owner-occupied structures with no more than two dwelling units per structure (duplex). In a duplex unit only the owner occupied unit will be rehabilitated, except for shared or common appurtenances such as a roof or heating unit.

C. INCOME LIMITS FOR PARTICIPATION *

The occupants of the units must have incomes that fall within the following income guidelines:

	<u>Family Size</u>	<u>Maximum Income*</u>
2014 Income Limits		
	1	\$ 44,750.00
	2	\$ 51,150.00
	3	\$ 57,550.00
	4	\$ 63,900.00
	5	\$ 69,050.00
	6	\$ 74,150.00
	7	\$ 79,250.00
	8	\$ 84,350.00

When administering Mt. Laurel programs, the County will use income limits determined by the Council on Affordable Housing (COAH).

* Maximum incomes are based upon HUD's Section 8 Income Limits and change yearly.

D. ELIGIBLE AREAS

Participants in the MONMOUTH COUNTY COMMUNITY DEVELOPMENT HOUSING IMPROVEMENT PROGRAM must reside within a municipality participating in the Urban County Consortium. These municipalities include:

Aberdeen	Highlands	Oceanport
Allenhurst	Holmdel	Red Bank
Allentown	Howell	Roosevelt
Atlantic Highlands	Interlaken	Rumson
Avon-by-the-Sea	Keansburg	Sea Bright
Belmar	Keyport	Sea Girt
Bradley Beach	Lake Como	Shrewsbury Borough
Brielle	Loch Arbour Village	Shrewsbury Township
Colts Neck	Manalapan	Spring Lake
Deal	Manasquan	Spring Lake Heights
Eatontown	Marlboro	Tinton Falls
Englishtown	Matawan	Union Beach
Fair Haven	Millstone	Upper Freehold
Farmingdale	Monmouth Beach	Wall
Freehold Borough	Neptune City	West Long Branch
Freehold Township	Neptune Township	
Hazlet	Ocean Township	

E. PROGRAM BENEFITS

Eligible homeowners may receive up to an average maximum of \$20,000.00 for eligible property improvements in the Monmouth County Housing Improvement Program, in the form of a ten-year interest-free, deferred payment loan. The Housing Improvement Program will perform the general rehabilitation necessary to bring the structure into compliance. The Program Director has the option of increasing this limit on a case by case basis if the situation warrants. (Average maximums for Mt. Laurel programs are determined by the municipality.) The loan will be totally forgiven if the homeowner resides in his/her unit for ten years. If title to the property is sold, transferred, or conveyed within a ten-year period from the date of the loan, the interest-free loan shall become payable in full upon the date of such sale or transfer. In the event of the death of all of the persons named on the deed, the loan is an immediate obligation of the heirs and/or estate.

F. REHABILITATION STANDARDS

The rehabilitation standard used in the Monmouth County Housing Improvement Program is the New Jersey State Rehabilitation Subcode. The

New Jersey State Rehabilitation Subcode is incorporated herein by reference.

G. ELIGIBILITY OF THE STRUCTURE

In order for a structure to be eligible for rehabilitation it must have at least one health, safety or code violation and/or one or more of the major systems must substantial repair or replacement.

H. ELIGIBLE IMPROVEMENTS

Housing Improvement Program funds may be used only for work and repairs required to make a unit standard and alleviate any health or safety and code violations. Work or repairs, including finishing and painting, must be directly related to maintaining the structural integrity of the house. Eligible repairs include plumbing (both regular and sanitary plumbing, electrical wiring, fixtures or systems, structural, roofing, heating/air conditioning/ventilation, weatherization, and remediation of lead-based paint hazards. Lead-based paint hazards, if present, must be mitigated or eliminated in conjunction with other eligible repairs.

I. INELIGIBLE IMPROVEMENTS

Improvements which are strictly cosmetic and do not correct substandard conditions or code violations are ineligible. The purchase of appliances, not including refrigerators and stoves, is ineligible. Refrigerators and stoves are required for habitability under housing code standards.

J. ECONOMIC FEASIBILITY

Repairs must be deemed "economically feasible" by the Housing Improvement Program. As a general rule, economic feasibility means that the after rehabilitation assessed value of the structure to be rehabilitated must be greater than the total indebtedness of the property plus the financial assistance provided by the Housing Improvement Program. The Program reserves the right to deem a project economically *infeasible* based on the availability of funds.

If, after the work write-up is completed, the Cost Estimator determines that the work required to complete the minimum of the essential livable housing needs is economically infeasible, the case will be reviewed with the Program Director, who will make the final decision as to the feasibility of the rehabilitation of the home.

The Program Director has the authority to close a case if the house is found to be economically infeasible to rehabilitate.

K. SUBORDINATION POLICY

- There is no right to subordination without the written consent of the Monmouth County Community Development Housing Improvement Program and/or the County.
- The Monmouth County Development Housing Improvement Program and/or the County will only consider a subordination request upon the receipt of the following:
 - Written statement from the homeowner requesting subordination and explaining the reason for the request;
 - Mortgage Commitment from lender stipulating rate and term of proposed financing;
 - Mortgage Application;
 - Title Binder;
 - Closing costs (dollar amount);
 - HUD1/Good Faith Estimate;
 - An appraisal submitted within 90 days of the proposed financing's closing.
- The Monmouth County Community Development Home Improvement Program and/or the County will not agree to subordinate to financings that provide cash to the borrower (including payment for points), unless 20% equity is maintained in the home after the proposed financing (based upon an appraisal submitted within 90 days of the proposed financing's closing).
- The proposed financing must close within 90 days of the subordination request.
- Applicant must submit final HUD1 before the Monmouth County Community Development Home Improvement Program and/or the County will send out executed subordination.
- Upon approval of the application, the applicant will receive an executed subordination within four weeks of receipt of the final signed HUD1.

L. RECAPTURE

In the event of a foreclosure on the property within the restricted period, the net proceeds (if any) of the foreclosure sale shall be used to repay in full (one-hundred percent) of the loan secured by the Mortgage and Note. Net proceeds are the funds remaining after the superior lien(s) are satisfied. If there are no net proceeds there is no recapture obligation.

**SECTION II.
ADMINISTRATIVE PROCEDURES**

STEP I APPLICATION

Once a year or as often as is necessary, the Monmouth County Community Development Program will publish an advertisement in the Asbury Park Press and other local weekly newspapers announcing that it will accept coupons from residents who are interested in having their homes rehabilitated. The advertisement will be of the display variety published in the non-legal sections of the newspapers. When the advertisement appears in the newspapers, interested homeowners will be instructed to complete and return the coupon through the mail by a specific date. Any coupons not postmarked by the deadline date will not be eligible for the lottery. In addition, municipal Community Development Representatives will be notified by mail that the County will be advertising for persons interested in home repairs. Applicants will be selected through a lottery system. Those chosen shall be taken in turn. At that time, homeowners will be asked to fill out an application and submit necessary information.

STEP II ELIGIBILITY CERTIFICATION

To be eligible an applicant must meet the established income guidelines. Income eligibility must be re-reviewed if the closing is not held within 120 days (6 months) of qualification. Complete income information is essential to eligibility determination.

Eligibility shall be based upon the combined income of all adults within the household. Every household member 18 years of age or older who lives in the house to be rehabilitated and receives income shall be required to provide income documentation as applicable and determined by the Program.

Generally, estimated gross annual income figures shall be based on income reported to the IRS. Income includes but is not limited to, wages, salaries, tips, commissions, alimony, overtime, pensions, social security, unemployment compensation, AFDC, disability, net income from business or real estate, and income from assets such as savings, CDs, Money Market, Mutual Funds, stocks and bonds.

The applicant must provide and income eligibility shall be based on a review and verification of the following documents:

1. Copies of IRS Form 1040 filed for two years prior to the date of the application.
2. Employer's statement of present annual income (VOE) and four consecutive pay stubs dated within the previous 120 days.
3. A letter or appropriate reporting form verifying benefits such as Social Security or Pension income or unemployment income (monthly or annually).
4. A letter or appropriate reporting form verifying any other sources of income claimed by the applicant.
5. Reports that verify income from assets to be submitted by banks or other financial institutions managing trust funds, money market accounts, stocks or bonds.
6. Evidence or reports of income from assets that are directly held by any eligible household member.
7. Evidence or reports that verify assets that do not earn regular income such as non-income producing real estate or savings that do not earn interest.
8. Authorization to release information.

NOTE: If COAH eligibility requirements differ from those above, COAH standards will be used to determine eligibility for Mt. Laurel programs, both Indigenous Need (Owner-occupied and rental occupied housing rehabilitation) and Regional Contribution Agreement Programs.

STEP III DETERMINATION

The Housing Intake Officer shall verify the following:

- Property is located in a participating municipality in Monmouth County and is a single family, year-round structure.
- Possible historical status of structure. (Refer to the Monmouth County Historical Sites Inventory List). If a structure is identified as being on the state or Federal Historic registers, is eligible for listing on either register, or located in an historic district, the program shall contact the Monmouth County Parks System [(732) 842-4000 extension 259] and the Office of New Jersey Heritage [(609) 292-2023]. For historic districts the following information is required:
 - a. copy of the work write-up;
 - b. photographs of the exterior of the structure;
 - c. site diagram;
 - d. photographs of the streetscape.

The following information is required for structures listed on either of the registers or that are potentially eligible for listing,:

- a. copy of the work write-up;
 - b. photographs of the exterior of the structure;
 - c. photographs of the interior of the structure where work is to be performed; and
 - d. a site diagram
- Flood insurance applicability (REFER TO HUD FIRM MAPS). Where flood insurance is required the amount of the insurance must not be less than \$20,000.00 (or the cost of the improvements, whichever is greater).
 - Verify that the subject Property is not listed for sale.
 - Verify from all mortgage holders indicating that all mortgage payments are current. The applicant shall provide these letters at the time of eligibility determination.
 - Verify with municipal tax collector to verify that property, water, and sewer tax payments are current. Property taxes must not be delinquent for any tax year unless the homeowner has entered into a written agreement with the taxing authority outlining a payment plan for delinquent taxes and is abiding by the written agreement.
 - Verify with local water and sewer utilities and/or companies to verify that

utility payments are current.

- Request a title search to verify ownership, check for unposted title transfers, and outstanding liens.
- Verify that there is a health, safety or code violation or at least one of the major systems must need substantial repair or replacement. The major systems are: plumbing, sanitary plumbing, electrical, structural, roof, heating/air conditioning/ventilation, weatherization and remediation of lead-based paint hazards. (See G in Section I, General Guidelines.)

Rejection - If the homeowner does not meet the program guidelines due to income, ownership or other reason, the Housing Intake Officer will send a rejection letter stating the reason(s) for the action and close the homeowner's file.

Approval - If the homeowner meets all the program guidelines, the Housing Intake Officer shall send the homeowner an approval letter stating that they have been granted preliminary approval. If the structure to be rehabilitated was constructed prior to 1978, the Housing Intake Officer shall request a lead inspection of the structure by the Monmouth County Health Department. The Housing Intake Officer will prepare a cost estimator folder with homeowners name, address, file number, block, lot, and telephone number. If the structure is historic, the Housing Intake Officer shall indicate on the cost estimator's folder that the property is historic. The Housing Intake Officer will give the folder to the cost estimator.

STEP IV ASSIGNMENT OF HIP/MOUNT LAUREL/FTHB CASES

The Housing Intake Officer will then assign the housing rehabilitation project to an estimator on a rotating basis.

STEP V HOUSING INSPECTION

A complete inspection of the home will be made using the HIP Eligible Repair List and the Section 8 Property Standards Checklist as guides.

Under the Housing and Urban Development regulations, all homes in the Housing Improvement Program will now be subject to lead testing (See Step III, Approval). If the home tests positive, lead-based paint intervention will be undertaken during the rehabilitation of the home. This additional cost will be added to the lien on the property. In addition, all children between the ages of six months and six years old who live in the home shall be tested for elevated

lead levels in their blood. If the parents or guardians of the child(ren) refuse to have the child(ren) tested, the parents or guardians must sign a release form. If the test results show an elevated lead level and the structure has tested positive for lead-based paint hazards, the Housing Improvement Program's highest priority must be given to removing the lead-based paint hazards from the home.

Lead abatement shall be governed by the municipality for whom the Mt. Laurel program is being administered.

A detailed work write-up (abating all code violations and incorporating any required lead abatement work) shall be prepared by the Cost Estimator. It will include a breakdown of each major work item by category and will contain information as to the scope of work and specifics on materials such as type, quantity, cost and location within the structure. The work write-up may include alternate bid item(s). The acceptance of the alternate bid item(s) or the regular bid will be decided on a case-by-case basis, budgetary constraints and requirements by the local building code officials.

The write-up shall be reviewed by the Program Director, for eligible repairs and economic feasibility. If necessary, appropriate revisions will be made. The work write-up is proofread and signed and dated by the Cost Estimator and the Program Director.

If a cost estimator notes two or more of the following situations, he must write a memorandum to the Program Director documenting the findings. Two or more of the following situations may indicate the structure is not a single-family structure:

- more than one or two electric meters;
- two kitchens;
- separate entrances with no passageway between the units (that does not require a key to open);
- separate hot water heaters; and/or
- separate heating systems.

Step VI COST ESTIMATES

Cost estimates must not be saved on the hard drives of the Cost Estimators' computers in order to protect the integrity of the Housing Improvement Program's bidding process. Work write- shall be typed and saved in the individual computers. One copy of the work write-up shall be printed. The cost estimator shall neatly hand write the costs for each of the items on one copy of the work write-up, seal it in an envelope and tape the envelope flap and

initial on the tape. The envelope shall then be put in the lock box labeled "Sealed Cost Estimates". The envelope will list the homeowner's name, address, and file number. This way, the only copy of the cost estimate will be sealed in the lock box and the integrity of our bidding process will be ensured.

STEP VII WORK WRITE-UP AND HOMEOWNER AGREEMENT

The Housing Intake Officer makes an appointment with the homeowner to sign the Homeowners Agreement and the work write-up. The signing takes place in the Community Development office unless the homeowner is handicapped or disabled; then, it is done at the homeowner's house.

At the work write-up interview the following items are discussed and explained:

- (a) Program guidelines and benefits
- (b) Eligible repairs
- (c) Contractors (homeowner is asked if there are any contractors they know of who they want to bid on their house)
- (d) Homeowner Agreement
- (e) Power of Attorney
- (f) Work write-up

The client indicates acceptance by signing the Homeowner's Agreement, Power of Attorney, and work write-up. A Notary Public will be present to witness all applicable documents.

Power of Attorney:

The client is required to execute a limited Power of Attorney, which grants the Program Director the authority to do the following:

- Execute checks on the client's behalf for payment to the contractor as per the Construction Agreement (see Step IX)
- Execute necessary documents as required as a result of the Program's Conflict Resolution Procedures (see Section III).

The Power of Attorney shall not be affected by the client's disability and cannot be revoked by the client until the project is closed out by the Program.

Disapproval of Work Write-up:

If the homeowner disapproves of the work write-up, he/she shall indicate in writing by initialing next to the offending items and supplying the reason(s) for the disapproval. The work write-up shall be reviewed by the Cost Estimator and the Program Director. If any changes are made the revised write-up shall

be mailed to the homeowner for approval.

If the homeowner signs the Homeowners Agreement and revised work write-up, he/she will be certified as eligible and will be notified in writing. If the homeowner refuses to sign the Agreement or the write-up (after 2 disapprovals), they will be certified as ineligible and a letter will be sent by certified mail notifying them and stating the reasons for the action.

Cancellation of Homeowners Agreement:

The Program Director has the authority to cancel the Homeowners Agreement for the following reasons:

- If the homeowner does not comply with the terms of the Homeowner Agreement (as determined by the Program Director).
- If a determination is made by the Program Director that the homeowner has no justification and willfully and arbitrarily refuses to give approval of voucher.
- Determination of a falsified application.

If the Homeowner Agreement is cancelled due to the failure of the Homeowner(s) to comply with the Homeowner's Agreement, as determined by the Program Director, the Homeowner will be responsible for immediate payment of expenses incurred by the Contractor(s) through and including the time up to the Director's determination of cancellation.

STEP VIII CONTRACTOR PRE-QUALIFICATION AND INSURANCE REQUIREMENTS

A contractor who wants to be certified as a bidder in the Monmouth County Community Development Housing Improvement Program must complete a Contractor's Application Form and submit it to the Program. After the application is received by the program, the program will check the applicant against the New Jersey and Federal debarred contractor's list and the Monmouth County Consumer Affairs.

If the applicant is found to be debarred, suspended or ineligible the contractor shall be notified in writing that their application has been denied and the reason(s) for the denial.

If the applicant is not suspended, debarred or ineligible and has no serious unresolved complaints with the County Department of Consumer Affairs, the

Program Director shall contact the applicant and set up a meeting.

At the meeting the Program Director shall explain to the contractor how the program works, including but not limited to bidding procedures, payments, and inspections. The Program Director shall give the contractor a copy of the Monmouth County Housing Rehabilitation Specifications. In addition, the contractor is told that they and/or their crew must take the lead-based paint hazards Safe Work Practices class and receive their certificate. The contractor shall provide the Program with a copy of the certificates for all of the crew members that took the class.

A new contractor bidding for the first time shall be considered to be on probation until he/she has proven to the Program that their work standards as acceptable to the Program. In addition, the contractor shall be awarded the first bid that they win. If the contractor successfully completes the job to the satisfaction of the Program, he/she will be allowed to bid on and receive more than one job.

If the contractor's workmanship is not acceptable to the Program and/or the job is not completed on time, the Program may continue the contractor's probationary status. If the Program decides that the contractor's workmanship or work ethics are not compatible with Program requirements, the contractor may not be allowed to continue to bid in the Monmouth County Community Development Housing Improvement Program.

STEP IX COST PROPOSALS PROCESS

A cost proposal package will be prepared, which will include the final approved work write-up and a cover sheet which lists the homeowner's name, address, telephone number, file number, and a cost proposal due date and time.

Contractors will pick-up the cost proposals and sign for them. Contractors must submit bids in sealed envelopes prior to the specified due date. Each envelope will be stamped with the date and time it is received by the Program and given to the Program Director who will lock them in the fire-rated security box.

Approximately fifteen minutes before the cost proposal opening, the Program Director and another person (other than a CD Program or HIP staff) shall open each sealed cost estimate and record the total on the Cost Proposal Summary Sheet and shall calculate the acceptable range for bids.

The Program Director shall lock the cost estimates and Summary Sheet in a secure place. At the bid opening the Program Director and the Cost Estimator

and at least one other person (other than CD/HIP staff) shall be present. Opening will be open to the public. The Program Director will open and read aloud all bids. They will be recorded in ink on the Comparison Sheet. Any change made on the Comparison Sheet shall be initialed. The following will be kept on file: (a) copy of cost proposal package; (b) cost proposal tally sheet; (c) cost proposal summary sheet.

All bids will be reviewed by the Program Director as soon as possible. Bids shall be rejected for the following reasons:

- Bid is not written in ink or typed.
- Bid is received after time and date specified in the cost proposal package for cost proposal receipt.
- Bid is not itemized.
- Bid is more than 5% over or 10% under the Program's cost estimate.
- The sum of all line items does not equal the bid total.
- Changes or corrections are crossed out without being initialed in ink by the contractor.
- Corporate or business name, address and telephone number is not completed on the cover sheet.
- Inability to read a number(s) on the bid and therefore unable to determine the total (without guessing).
- Bid is not signed in ink by the contractor on both cover sheet and total page.

If less than 2 bids are received for any job, the job must be re-bid after review by the Program Director and the Cost Estimator. If after a second bid attempt, less than two bids are received, the following occurs: (a) if one bid is received, the bid will be accepted only if it is within the high/low split; and (b) if no bids are received, the homeowner may obtain a contractor to perform the work (within the high/low split). If rejected, Program Director will send letter to applicant telling them that their cost estimate will have to be re-bid.

Based on the review of the cost proposals, the Program Director will award the winning cost proposal. Copies shall be made of the Cost Proposal Summary Sheet and distributed. The certified cost proposal tally sheet will be available for inspection each Monday following opening of the cost proposals.

The Program Director will send a cost proposal acceptance letter to the approved contractor with a copy to the homeowner.

**STEP X PRECONSTRUCTION CONFERENCE/ CONTRACT/CLOSING
DOCUMENTS SIGNING**

After award of the bids, a preconstruction conference and document signing is scheduled (referred to as "Closing Conference"). The homeowner must accept the contractor selected through the bid process or the file will be closed.

The Program notifies the homeowner and the contractor of the date, time, and location of the Closing Conference. At this meeting, the following documents will be explained to and signed by the homeowner: (a) Mortgage; (b) Mortgage Note; (c) Affidavit of Title; (d) Construction Agreement; (e) Three Day Right of Recision. Questions regarding scheduling, property access, etc. will also be addressed. The homeowner will be provided with copies of all the above documents. A Notary Public will be present to witness all applicable documents.

A proceed to work order will be issued at the Closing Conference by the Program Director. Rehabilitation work shall begin no later than fifteen (15) calendar days from the expiration of the homeowner's Three-Day-Right-of-Recision, and shall be completed no later than 45 days from that start date, for a total of 60 calendar days. Lead-based paint mitigation or elimination work shall begin no later than fifteen (15) calendar days from the expiration of the homeowner's Three-Day-Right-of-Recision, and shall be completed no later than 60 days from that start date, for a total of 75 calendar days. Extensions, for good reason, will be granted by the Program Director upon written request of the contractor.

If the homeowner refuses to sign either the Mortgage, Mortgage Note or the Construction Agreement the Program Director shall send a rejection letter stating the reason(s) for the action and close the homeowner's file.

If the contractor does not sign the Construction Agreement within three days of the closing conference, the contract will be awarded to the second lowest bidder within the high/low split. The Cost Estimator shall inform the Program Director.

STEP XI CONSTRUCTION CONTRACT ADMINISTRATION:

A. General Contract Provisions

Permits:

It is the responsibility of the contractor to secure all necessary building permits prior to beginning work. Contractors must post the permits in a front window or door of the residence as prescribed by law. It is the contractor's responsibility to notify the assigned Cost Estimator, and local building officials before closing up walls on plumbing and electrical improvements.

Copies of all required permits or a letter from the municipal building department that permits are not required must be on file with the Program before payment is made. Failure to comply with these requirements will result in a delay of payment or nonpayment to the contractor.

Liability and Workers Compensation Insurance:

All contractors shall provide up-to-date and adequate liability and workers compensation insurance. At each closing, the contractor shall provide the Housing Improvement Program with a current Certificate of Insurance for all required coverage, to be kept on file in the Housing Improvement office and in the homeowner's file. The certificate of insurance shall specifically name the Housing Improvement Program and the homeowner (whose house will be rehabilitated) as the insured parties.

The contractor shall indemnify and hold harmless the homeowner and County of Monmouth from liability for any injury or damages to persons or property resulting from his prosecution of work under this agreement. Coverage shall be not less than \$500,000.

The contractor must carry and require all subcontractors to carry full and complete workers compensation insurance for all of his employees and those of subcontractor(s) engaged in work on the contract premises. Further, the contractor shall procure and maintain all insurance necessary to compensate and indemnify the homeowner and the County of Monmouth Housing Improvement Program for any or all claims arising from the contract.

Warranty:

The contractor must warrant for a period of one year that all work under the contract is free from defect arising from the equipment, material, and workmanship of the contractor and any subcontractor. All warranty and guarantee periods will be effective from the date the client authorizes final payment to the contractor.

The Contractor will be allowed thirty (30) days to resolve a valid warranty complaint. Emergency warranty items (i.e. no heat in winter, burst pipes, etc.) require action within 24 hours of verbal notification of a problem. If a valid complaint is not resolved within the appropriate time frame, another contractor will be brought in to correct any defects. The repairs will be at the expense of the original contractor.

Licenses:

If jobs require electrical and/or plumbing work, the contractor or subcontractor MUST hold a current, valid license to perform said work from the State of New Jersey.

Lead-based Paint

In order to become eligible to bid on housing rehabilitation and maintain their bidding eligibility in the Monmouth County Community Development Housing Improvement Program, all contractors and/or their crew must take the lead-based paint hazards Safe Work Practices class and receive their certificate. The contractor shall provide the Program with a copy of the certificates for all of the crew members that took the class.

Classes in safe work practices are offered free of charge periodically around the state.

Cancellation of Construction Agreement:

With written documentation, the Program Director will cancel the Construction Agreements for the following reasons:

- Failure of contractor to comply with the terms of the Construction Agreement;
- Failure of the contractor to provide acceptable workmanship as determined by the Program;
- Failure of the homeowner and/or contractor to create and maintain a reasonable working relationship;
- Actions necessitated by binding decision and/or arbitration (See Section III);
- Failure of the homeowner to comply with the terms of the Homeowner Agreement; and
- Failure of the homeowner to comply with the Construction Agreement.

If the remaining work to be done is less than \$2500, the job will not be re-bid. A simple agreement with a contractor selected through the solicitation of at least three competitive quotations will be executed by the homeowner, new contractor and Cost Estimator after discussions with the Program Director.

If the Construction Agreement is cancelled for any reason and the remaining work to be completed is more than \$2500, the job must be re-bid. The re-bid will follow procedures outlined in Step VI.

Assignment:

The contractor shall not assign the Construction Agreement in whole, to a subcontractor or to another contractor without the prior written consent of the homeowner and the Housing Improvement Program.

Extension:

If the work cannot be completed by the date specified in the Proceed to Work Order, the contractor must submit a Contractor's Request for Extension form which explains why an extension is needed. The Request for Extension must be submitted prior to the Completion Date. The Program Director will meet with the Cost Estimator to review the request for extension and arrive at a decision.

Approval - If the request is approved, the Program Director and the Cost Estimator will sign the Request for Extension form, along with the contractor and homeowner.

Disapproval - If the request is denied and the contractor does not complete the work within the prescribed time limits as set forth in the Construction Agreement, the contractor will be penalized at the rate of 1/2 of 1% of the contract sum for each day, or part thereof, that the work is incomplete. This amount will be deducted from the final payment to the contractor upon completion and inspection of the work.

Master Specification Index:

All construction work must comply with Monmouth County Housing Improvement Program Master Rehabilitation Specifications Index. The document is incorporated by reference.

Arbitration: See Section III.

B. Inspections

Progress Inspections:

The assigned Cost Estimator will make periodic inspections of the house to monitor the progress of property improvements. This is necessary to ensure that the ongoing improvements coincide with the scope of work outlined in the work write-up.

The Cost Estimator shall make the final determination of acceptable workmanship and it shall be subject to the concurrence of the Program Director. The determination shall be binding upon the homeowner and the contractor.

Change Orders:

Change orders shall address previously undiscovered code violations and emergency conditions ONLY. No substitutions or additional work items will be permitted. Change orders will require the approval of the homeowner, the assigned Cost Estimator, Assistant County Counsel and the Program Director.

Change orders must be accompanied by a written explanation detailing the reason(s) for the change order. Non-emergency change orders will require the solicitation of at least three price quotations.

An emergency change order is defined as any situation which would render the house uninhabitable, i.e., no water, no heat, roof open, no toilet, etc.

If immediate action is required due to an emergency condition, the Contractor shall contact the Cost Estimator immediately. The Cost Estimator will obtain the Program Director's verbal approval to make the repairs. If the Cost Estimator is not available, the contractor shall call the Program Director directly. The assigned Cost Estimator shall document the approval in the homeowner's file and obtain the client's signature and date of signature on the change order paperwork as soon as possible. Emergency change order work must be left uncovered for inspection.

Final Inspection:

The Cost Estimator shall conduct a final inspection to make sure that the required property improvements are complete and meet program quality standards. If the work is satisfactory, the Cost Estimator shall obtain the client's signature on the Certificate of Completion and related paperwork. The Cost Estimator will also confirm that the Contractor has provided the client with a copy of operation manuals and available warranty information for all equipment installed.

STEP XII PAYMENTS

A. General Information:

The first payment made to a contractor shall be in an amount not less than 25% nor more than 72% of the total contract. A minimum of 25% or a maximum of 75% of the contract price shall be retained until the final payment. Contractors shall not receive more than 75% of the contract price unless the job is completed.

Payments to the contractor may be made twice a month, based upon the County's Finance Department schedule. Checks will be available for pick-up by the contractor in the Community Development Offices on the 1st and 3rd Thursdays of each month. The Program Director will receive the check from the Finance Department and endorse the check on the clients' behalf by Power of Attorney.

The contractor (or authorized representative) must pick-up the check and sign a receipt. Upon request, the check will be mailed to the contractor by registered mail.

B. Payment Authorization

All change orders shall be on individual vouchers, separate from regular progress payment vouchers.

Only complete, typed vouchers and change orders shall be presented by the Cost Estimator to the homeowner and contractor for signature. No voucher, change order, or certificate of completion shall be signed in anticipation of completion of the work - **NO EXCEPTIONS.**

The Program Director will review and initial the voucher package before forwarding it to the Program Financial Officer. All voucher packages must include a homeowner-initialed work write-up indicating work completed to date, and a partial payment form in order to be processed. In addition,

The final voucher for payment must be accompanied by:

- executed Certificate of Completion;
- **Certificate of Standard (if applicable);**
- copies of all applicable municipal permits;
- copies of all applicable municipal inspection approvals; and
- a work write-up fully initialed by the homeowner.

STEP XIII MORTGAGE RECORDING / PROJECT CLOSE-OUT

The Program secretary shall file the mortgage and the mortgage note and any modifications with the Office of the County Clerk. The mortgage documents will be filed at the end of the three day rescission period. Mortgage modifications will be signed and recorded after the rehabilitation work is complete. The Program secretary shall send copies of: the executed certificate of completion; checks and vouchers; any change orders; recorded mortgage documents and modifications; and HIP Post-Rehabilitation Questionnaire to the client at the completion of the rehabilitation project.

SECTION III. CONFLICT RESOLUTION

A. CONSTRUCTION AND WARRANTY COMPLAINTS

Complaints will be logged-in by the Clerical or Housing Intake staff. Copies of the complaint form will be forwarded to the Program Director and Cost Estimator.

All complaints will be referred to the assigned Cost Estimator for inspection and resolution. If it is determined by the Cost Estimator and confirmed by the Program Director that a complaint is valid, the complaint will be referred to the Contractor for correction/resolution within the time frame outlined in Step VIII (Warranty) above.

The assigned Cost Estimator will take the necessary corrective action, complete the lower portion of the complaint form and forward it to the Program Director. The Program Director will review the complaint form to determine if the situation has been adequately resolved and file the form in the client's file.

B. CLIENTS REFUSAL OF SIGNATURES

If a homeowner refuses to sign a voucher, the following procedures will be implemented:

The Cost Estimator will discuss the complaint with the homeowner and the contractor and attempt to resolve the problem.

If the complaint cannot be settled informally, the homeowner must submit a written report within five (5) calendar days from the date of the refusal to sign the voucher to the Program Director indicating the reason(s) why.

The Program Director will assign a second Cost Estimator to review the case and submit a written opinion to the Program Director as to a solution. If no settlement can be made after the second Cost Estimator's review, the case will be referred to the Program Director for review and binding decision as to payment. All decisions will be documented and filed.

Still, if no settlement is reached, the matter will be referred to arbitration.

C. ARBITRATION

Should the procedures outlined above fail to resolve any dispute between the parties, the following shall apply:

Unresolved claims or disputes arising out of the Construction Agreement or the breach thereof shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association unless the parties mutually agree otherwise. Notice of the demand for arbitration shall be filed in writing with the other party to the Construction Agreement and with the American Arbitration Association and shall be made within a reasonable time after the dispute has arisen, but not later than thirty (30) days thereafter.

SECTION IV. CONTRACTOR RELATED PROCEDURES

A. CONTRACTOR REMOVAL FROM PROGRAM

The Program Director has the authority to remove a contractor from the HIP Approved Contractor List for the following reasons:

- Unacceptable workmanship
- Failure to complete the job on time
- Failure to comply with construction agreement and/or Program procedures
- Failure to actively participate in the quote procedures for 6 consecutive bid cycles

The Program will advise the contractor of the action and reasons for the decision in writing.

B. CONTRACTOR SANCTIONS

Probation:

In those instances where a contractor has failed to comply with the terms of the Construction Agreement, however not to the degree warranting dismissal from the program, the Program Director) shall place the contractor on probation.

Probation removes the contractor from the qualified bid list for a period to be determined by the Program Director and upon re-instatement the contractor will be awarded only one job until his/her performance is approved.

Before a contractor is put on probation he/she will be put on notice, sent a letter giving seven days notice, that if he/she doesn't meet the terms of the construction agreement he'll be in default. If no response, contractor will be sent another notice stating he/she is in default, in breach of contract and stating actions to be taken.

These controls shall be implemented for the following reasons:

- Late start or late completion without an approved extension.
- Lack of expedient repair of one year warranty items.

- Failure to comply with all terms of the Construction Agreement.
- Inability to cooperate with clients and/or lack of professionalism.

Removal from the Qualified Bidder's List:

SECTION V. MAINTENANCE OF RECORDS AND CLIENT FILES

The Monmouth County Community Development Housing Improvement Program staff will be responsible for establishing and maintaining individual files for each unit. Each record file will contain the following:

- Application form
- Income verification calculations and documentation
- Housing inspection report
- Photographs or Videotape (before and after)
- Cost Estimates
- Work Write-up
- Homeowner Agreement
- Construction Agreement
- Affordability Controls: Mortgage, Mortgage Note
- Copies of Payments: checks, vouchers

A computerized Rehabilitation Log will be maintained by the Community Development Housing Improvement Program staff that depicts the status of all applications in progress.

APPENDIX I - ELIGIBLE REPAIRS

The Housing Improvement Program's main objective is to correct building code violations and fire/safety hazards. Eligible items for repair or replacement include the following:

- Heating
- Sanitary Plumbing
- Plumbing
- Structural
- Electrical
- Roof
- Weatherization

Cosmetic/luxury repairs are NOT eligible!

NOTE: ELIGIBLE REPAIRS ARE SUBJECT TO BUDGET RESTRAINTS AND MUST CORRECT CODE VIOLATIONS OR SUBSTANDARD CONDITIONS.

APPENDIX II

SAMPLE COPIES OF ALL FORMS AND AGREEMENTS

The following sample documents are contained in this appendix:

1. Homeowner Application Form
2. Income Verification Form
3. Section 8 Housing Inspection Form
4. Work Write-Up form & Cost Proposal Cover Sheet
5. Homeowner Agreement
6. Power of Attorney
7. Construction Agreement (between the homeowner and the contractor)
8. Proceed to Work Order
9. Mortgage
10. Mortgage Note
11. Affidavit of Title
12. 3-Day Right of Rescission Form
13. Mortgage Modification Agreement
14. Sample Monmouth County Voucher
15. Request for Extension of Time
16. Change Order Form
17. Contractor Application



**Monmouth County Division of Planning
Office of Community Development**

Hall of Records Annex
One East Main Street
Freehold, NJ 07728
Office (732) 431-7460
Fax (732) 308-2995

AFFADAVIT OF ACKNOWLEDGEMENT

STATE OF NEW JERSEY)
)
COUNTY OF MONMOUTH)

The undersigned, being duly sworn, deposes and says that:

I, _____ (“homeowner”) have on this date _____
submitted an application for a ten-year interest-free, deferred payment second mortgage loan from the MONMOUTH COUNTY HOUSING IMPROVEMENT PROGRAM, an Agency of Monmouth County (“Lender”) which would be secured by a mortgage encumbering the premises located at _____, (the “Premises”).

Borrower hereby acknowledges receipt of the **Monmouth County Housing Improvement Program Policy Guidelines (“Policy Guidelines”)**.

Borrower hereby acknowledges that he/she has read and understands all of the terms as set forth in the Policy Guidelines and acknowledge these polices and agree to adhere to these procedures in resolving any difference or disputes which may arise during the course of and upon completion or rehabilitation work on the above listed property.

This Affidavit is made to induce Lender to make the Loan to Borrower secured by the Mortgage covering said Premises, knowing that Lender will rely on the statements.

Dated: _____

By: _____
Applicant Signature

Sworn and Subscribed to before me
This ___ day of 2015

Notary Public
State of New Jersey



APPENDIX F

Primrose Place Crediting Documentation, including:

- Resolution of Approval
- Developer's Agreement and Authorizing Resolution
- Certificates of Occupancy
- Deed Restriction
- Unit Census

Approved

October 26, 2009

TOWNSHIP OF OCEAN PLANNING BOARD RESOLUTION
GRANTING CONDITIONAL USE APPROVAL, WITH VARIANCES,
TO OCEAN SENIORS, LLC

File
Applicant
Tax
Building
Clerk
Twp Atty
Engineer
TOSA
Higgins
Original

WHEREAS, OCEAN SENIORS, LLC, hereinafter referred to as Applicant", is the owner of certain property known as Block 1.02, Lot 72 as shown on the official tax map of the Township of Ocean, which property is located at 20 Hidden Meadows Drive in the Township of Ocean, County of Monmouth, and State of New Jersey; and

WHEREAS, the Applicant has made application for a conditional use permit with variances along with preliminary and final site plan approval; and

WHEREAS, the Applicant previously received approval for the construction of 124 age-restricted units, and subsequently a Zoning Ordinance Modification creating a new conditional use in the zone; and

WHEREAS, after proper notice, public meetings on the within application were held on June 1, 2009, July 27, 2009, September 14, 2009 and October 26, 2009; and

WHEREAS, the Board has considered the reports of the Board Engineer dated May 30, 2009, July 25, 2009, September 11, 2009 and October 23, 2009; the Township Engineer's letter of June 17, 2009 and Estimate of July 28, 2009; the Board Planner's reports dated May 22, 2009, July 22, 2009 and October 22, 2009; the Director of Community Development comments for Public Works dated

April 20, 2009; the Director of Community Development letter for Police Department dated May 1, 2009; the Monmouth County Planning Board letter dated April 13, 2009; the Applicant's Engineer's Letter of June 24, 2009; the Applicant's Traffic Engineer's Report dated April 8, 2009; and

WHEREAS, the Board carefully considered the evidence and documents presented to it, by or on behalf of the Applicant, together with the comments of the Township's Professionals at the hearings and the concerns of property owners, if any, voiced at the public hearings; and

WHEREAS, after carefully considering all the evidence presented to it, the Board has made the following findings of fact:

1. The Applicant is the owner of property known as Block 1.02, Lot 72, located at 20 Hidden Meadows Drive in the Township of Ocean, County of Monmouth, and State of New Jersey.

2. The Applicant previously received approval for the construction of 124 age-restricted units. The project has been constructed and partially occupied for several years. In 2008, the Applicant requested and received a Zoning Ordinance Modification creating a new conditional use in the zone, which would allow an age-restricted development to convert to "Affordable Apartment Flats" and remove the age-restriction if affordable housing units were added, provided the number and

administration of the units is consistent with the current regulations of the State Council on Affordable Housing (COAH).

3. The Applicant has submitted an application and plan that proposes the construction of an additional 20 units to be added above the existing two-story section of the building on the south side of the otherwise 3-story building. A total of 19 of the 20 units will be affordable units. The plan also proposes additional parking to accommodate the additional units. The parking will be accessed through the existing parking garage since there is no room on the site to access the uplands area by going around the building.

The Applicant has submitted an overall layout plan for the site, and detailed plans for the new parking area. Revised plans submitted for the July 27, 2009 hearing showed curbing around the entire perimeter of proposed and existing parking areas, existing and proposed landscaping, and a 10' wide to 12' paved emergency access drive on the south side of the building where a gravel drive was previously proposed.

4. The site is a 20.675 acre parcel. It is accessed via Hidden Meadows Drive. Approximately 2/3 of the site consists of wetlands, with the developable portion of the site being located in the southeast corner.

5. The site is bordered by the Hidden Meadows development to the north and east, Route 18 to the west, and the Greek

Orthodox Church, which is under construction, to the south.

6. The site is in the AR3-PRD Zone.

7. The proposed use is a conditional use within the AR3-PRD Zone. The conditional use requirements include both bulk or physical requirements for the site and buildings, and operational requirements.

8. The application meets the following bulk or physical requirements of the Ordinance:

Minimum Lot Area: 15 acres required - 20.675 acres proposed;

Minimum Front Yard Setback: 50' required - 50.5' proposed;

Minimum Side and Rear Yard Setbacks: 25' required - 25.5' (side) and 340' (rear) proposed;

Maximum Density: 7 units per acre (144) permitted) - 7 units per acre (144) proposed;

Maximum Building Height: 50' - 46.5' proposed (as indicated on the engineer's plan--the architectural plans do not dimension the height, which scales to around 50') with the Board noting that in no event will the proposed addition exceed the height of the existing building or the 50 ft. permitted maximum;

Maximum Stories Above Grade: 3 permitted - 3 proposed;

Maximum Number of Bedrooms Per Unit: 2 permitted except that the required number of affordable 3-bedroom units shall be provided. The plan proposes a total of four 3-bedroom units.

9. The total number of affordable units shall be based on

current COAH regulations and, depending upon whether the Applicant intends to satisfy Round 2 or Round 3 requirements, the total number of units will equal 15% of the existing units (Round 2) or 20% of the existing units (Round 3). In this instance, the Applicant is proposing 19 affordable units, which would satisfy the Round 2 requirement of 15% of the existing units.

The Applicant is also required to bond for the cost of all of the proposed COAH units until such time as those units are constructed and have received a Certificate of Occupancy.

The Ordinance also requires additional recreational amenities to accommodate anticipated families with children, including play equipment.

10. The following bulk variances are necessary:

Ordinance Section 21-44.1.j. Sign in a Residential Zone - The Ordinance permits a maximum 2 sq. ft. sign for any residential use in a residential zone, and a maximum 12 sq. ft. sign for any religious or institutional use. The site has 5' x 15' monument located on the right side of the driveway at the entrance to the site, which has a 3' x 13' (39 sq. ft.) sign on its face. This is a previously approved variance that is not impacted by this application.

Ordinance Section 21-45.5.b. Curbed Landscaped Islands in Parking Areas - The Ordinance requires that all rows of parking have curbed, landscaped islands at each end, and limits the length of

each row to 20 spaces without such a curbed island. The row of parking along the eastern side of the site (the previously green-banked parking) has 25 spaces without a landscaped island, and the new rear parking area to the west of the building has a row of 28 spaces without the required island. The site has significant wetlands that limit the ability of the Applicant to provide parking. The site plan provides parking spaces which meets the RSIS requirement. The revised plans submitted for the July 27, 2009 hearing eliminated the need for this variance in the new rear parking area, and were a significant improvement over the previously submitted plan. Compliance would mean the loss of a parking space and the need for a variance for number of parking spaces. The plans comply with the intent of the Ordinance, which is to provide a significant number of landscaped islands in the parking areas, and the Board grants this variance based on satisfaction of the intent of the Ordinance. The Applicant provided satisfactory testimony from its Traffic Engineer as to the need of the parking in relation to the islands.

Ordinance Section 21-45.5.c. Parking Space Width - The Ordinance requires that parking spaces be 10' wide. The plans provide 9' wide spaces. The Board has previously approved this variance for all other parking spaces on the site. Strict compliance would result in a significant loss of parking on the site. The

Applicant provided satisfactory testimony from its Traffic Engineer as to the adequacy of the width.

Ordinance Section 21-45.5.d. Parking Aisle Width - The Ordinance requires that parking aisles that access 90-degree parking spaces be 24' wide. The proposed aisle on the east side of the building is 20' wide for a distance of approximately 40' opposite the access ramp to the building. The Applicant provided satisfactory testimony from its Traffic Engineer as to the adequacy of this driveway width.

Ordinance Section 21-45.17.a. Parking in a Front Yard - The Ordinance prohibits parking in any front yard of any residential use within any zone except for driveway parking for a single-family residence. The plan proposes 50 parking spaces in the front yard, which technically is the entire eastern side of the site. The intent of this Ordinance provision is to limit parking along a street line. In this instance, the "front yard" does not abut a street line, but abuts a wooded area that is not likely to be developed or cleared in the foreseeable future. The Board finds that this variance can be granted because of compliance with the intent of the Ordinance.

Ordinance Section 21-47.1.c.1. Landscaping Area Along a Front Property Line - The Ordinance requires a 25' wide landscaped area along all front property lines. The current approved plan proposes 20' of landscaping along the proposed 8 parking spaces

facing the eastern property line and between 5' and 20' along the reserved parking spaces facing the east property line. The new plan reduces this distance to approximately 2', although no dimensions are provided and the 1"=40' scale does not allow accurate scaling of the distance. In addition, the existing trash compactor is within this 25' area, approximately 3' from the property line. The Board finds that since there is a vacant wooded adjacent site that will not be developed, there is no significant negative impact. The Applicant provided satisfactory testimony as to the need and impact of the variance and provided satisfactory information as to the landscaping treatment of the 2' area between the parking and property line.

Ordinance Section 21-47.1.c.2. Landscaping Area Along a Side

Property Line - The Ordinance requires a 10' wide landscaped area along all side and rear property lines. The plan proposes a 5' wide landscaped area along a portion of the side property line abutting the Greek Orthodox Church site to the south. The variance is created by the need to provide a 10' wide emergency access area to the rear of the building. In order to do this and to avoid impacting existing site amenities, it is necessary to move a portion of the driveway to within 5' of the property line. The Applicant provided satisfactory testimony that there will be no substantial negative impact.

10. The following waiver is requested:

Ordinance Section 21-55.2.a. Tree Location and Preservation Plan

and Tree Size - A tree location and preservation plan was not provided as required by Ordinance. There are a substantial number of trees located in the area of proposed development. Approximately 80 to 90 trees will be eliminated from the parking area. This would require a donation of between \$28,000 and \$31,500 to the Township Shade Tree Fund. The Board's findings on this matter are as more particularly set forth in paragraph 15 below.

11. At the hearing on July 27, 2009, the Applicant, through its principal and/or attorney, stipulated to the following conditions during the course of the construction of the improvements in question, which the Board finds are critical to the Board's granting of this Application:

No parking on Hidden Meadows Drive;

No standing (queuing) on Hidden Meadows Drive;

No closure of Hidden Meadows Drive;

No trailers, materials shall be stored on Hidden Meadows Drive or within the Hidden Meadows development. The developer agrees to notify the Hidden Meadows Condominium Association of the anticipated commencement of its site work;

No disruption of access through Hidden Meadows Drive;

No work shall be performed upon, to or within the Hidden Meadows Drive right of way;

The developer shall repair or reimburse the costs of repair

of any damage to Hidden Meadows Drive caused by the developer or its contractors and subcontractors;

No parking within the Hidden Meadows Condominium development; and

No turning of construction vehicles within the Hidden Meadows Condominium development.

12. At the hearing on July 27, 2009, the Applicant agreed to submit a revised landscape plan for review and approval by the Board Planner to satisfy the Planner's concerns in his July 22, 2009 report.

13. At the hearing on September 14, 2009, Applicant submitted a Construction and Staging Plan dated August 6, 2009, and the Board's approval herein is contingent upon Applicant complying with same.

14. The Board notes that concerns were raised by the residents of Hidden Meadows Drive as to the impact on the Hidden Meadows Drive right-of-way by the use of construction vehicles/equipment traveling to/from the Applicant's site. The Applicant takes the position that it has a legal right to utilize Hidden Meadows Drive to access its site by virtue of the existing easement however in order to address concerns of the neighbors, the Applicant testified that it took steps to negotiate an agreement with the St. George Greek Orthodox Church to gain access through that property for its construction

vehicle/equipment so that Hidden Meadows Drive would not be the access during construction. At the October 26, 2009 hearing the Applicant testified about and placed on the record a "Temporary Construction Access Easement Agreement" ("Easement Agreement") between it and the adjacent owner, St. George Greek Orthodox Church which is incorporated herein by reference. The Applicant has stipulated that it shall construct and maintain a temporary construction road over the St. George Greek Orthodox Church property consistent with the terms and conditions of said Easement Agreement and the terms of the Board's Approval herein and that it will have all construction vehicles and equipment utilize this construction road throughout its construction project and not Hidden Meadows Drive. Additionally, the Applicant stipulates that it will take all good faith reasonable steps to complete its construction project within the time granted under the Easement Agreement and to prevent the early termination of the Easement Agreement. The Board finds that approval of the within Application is in part, in reliance on the Applicant acting in good faith to comply with these representations in this Paragraph.

15. In light of the expenses anticipated to comply with the commitments on the construction easement in the preceding paragraph, the Board finds that the donation to the Township Shade Tree Fund ("Fund"), referred to in paragraph 8 above, shall

be modified from the Board Planner's report figures of up to \$31,500 and the Board finds and the Applicant stipulates that the donation amount shall be reduced dollar for dollar based on the strict terms of and procedure set forth in this Paragraph. The Applicant shall have the opportunity to reduce its payment to the Fund of \$31,500 based on actual dollars expended in hard costs for the construction, maintenance and later removal of the construction road referred to in paragraph 14 above and if submitted strictly within the time herein. There shall be no credit for soft costs such as for engineering, legal fees or the donation to the Church involved and the credit can be no more than the amount of \$31,500. These credits, based on proofs of payment for labor and material shall be submitted to and approved by the Township Engineer. Any credit requested must be made prior to the Applicant's request for the issuance of any Temporary or Permanent Certificate of Occupancy for the first of the COAH units and the final determination of credit by the Township Engineer and the payment by Applicant of any net amount due and owing to the Shade Tree Fund shall be made to the Township prior to the issuance of any Temporary or Permanent Certificate of Occupancy for the first of any of the COAH units.

WHEREAS, the Board finds that the granting of the conditional use approval, with variances and preliminary and final site plan approval as set forth herein, and subject to the

various conditions set forth herein, will result in the overall improvement and enhancement to the zone plan and will be without any substantial detriment to the public welfare and without substantial impairment to the intent and purpose of the zoning plan or zoning ordinance; and

WHEREAS, the Board finds that the purpose of the Municipal Land Use Law will be advanced by the approval of the proposed conditional use, with variances, and that the benefits substantially outweigh any possible detriments to the within application.

NOW, THEREFORE, BE IT RESOLVED that the Planning Board of the Township of Ocean hereby approves the application for conditional use, and preliminary and final site plan approval with variances for the property known as Block 1.02, Lot 72, as shown on the official tax map of the Township of Ocean, and in accordance with the application submitted, subject to the following conditions:

A. Applicant shall submit a revised Landscape Plan, which shall be subject to review and approval by the Board Planner.

B. Approval is conditioned upon the Applicant providing the required number of affordable housing units with the appropriate bedroom mix required by COAH within the confines of the approval being granted by this Resolution.

C. The Applicant is required to work with the Township to

assure that the leasing of the affordable housing units is consistent with current and future COAH requirements and procedures, and more particularly must satisfy the Board Attorney and Planner of said compliance which may include the preparation of and recording of appropriate documentation with the County and/or State which shall be completed prior to the issuance of any Temporary or Permanent Certificate of Occupancy for any of the COAH units.

D. Applicant shall strictly abide by the terms of its stipulations and the Easement Agreement with the St. George Greek Orthodox Church regarding construction vehicles/equipment to/from the Applicant's property via the St. George Greek Orthodox Church easement during the course of the construction subject of this Approval.

E. Approval is subject to Applicant substantially complying with the staging and timing of construction details submitted at the hearing on September 14, 2009, and as set forth in the Plan entitled "Preliminary/Final Site Plan, Lot 72, Block 1.02, Primrose Place, Construction Staging Plan, Sheet 1 of 1", and prepared by Matthew J. Robinson, P.E. of LGA Engineering, Inc., dated August 6, 2009, with no revisions.

F. Approval is subject to satisfaction of all of the recommendations set forth in the Board Engineer's reports including July 25, 2009.

G. Publication by the Applicant of a notice of this decision in the official newspaper serving the Township of Ocean and return of proof of publication to the Planning Administrator.

H. Payment by the Applicant of all taxes, escrows and assessments to date. No building permit or certificate of occupancy is to be issued and no map is to be signed or filed until proof is furnished to the Planning Administrator of the Planning Board that there are no taxes, escrows or assessments due or delinquent on the property in question.

I. The Applicant shall obtain all proper building permits for construction, and shall construct same in accordance with the documents marked at the hearing, and in compliance with the testimony of Applicant and Applicant's experts at the hearing. As part of this requirement, the Applicant shall strictly comply with all of the stipulations set forth in this Resolution, which it represented to the Board including but in no way limited to the payment of any monies to the Shade Tree Fund as set forth more particularly in Paragraph 14 of this Resolution.

J. The Applicant shall fully comply with all bonding requirements under the Ordinance and Township, and COAH for the 19 units, and shall enter into any appropriate developer's agreement and pay the appropriate fees/bonds prior to renting any units on the Property to non-age restricted tenants. For failure to comply with the items set forth in K below, and no extension

is granted by this Board, the Township shall have the right to exercise its rights under the bond.

K. The Applicant must apply for construction for all the COAH units within ninety (90) days from the date of the adoption of this Resolution and must receive all Certificates of Occupancies for all COAH units within one year from the date of application for said construction.

L. Compliance by the Applicant with any and all other requirements of this Municipality and any other governmental subdivisions as set forth in any laws, ordinances or regulations and obtainment of any permits or approvals required thereunder.

BE IT FURTHER RESOLVED that a copy of this Resolution, certified by the Secretary of the Planning Board to be a true copy, be forwarded to the Township Manager, the Township Construction Official, the Board Engineer, the Township Clerk, the Township Tax Collector, the Township Tax Assessor, the Township Attorney and the Applicant herein.

BE IT FURTHER RESOLVED that this Resolution shall serve as the official action taken by this Board at its meeting on October 26, 2009.

The foregoing Resolution was offered by Thomas Means and seconded by Warren Goode and adopted on Roll Call by the following vote:

ROLL CALL:

In Favor: Brody, Goode, Klose, Levy, Verrilli, Garofalo, Means

Opposed: None

Abstained: None

Ineligible: Andrisano, Sariosotis

Absent: Gallello, Nadell

The foregoing is a true copy of a Resolution adopted by the Planning Board of the Township of Ocean on the 26th day of October 2009.



MARGO SIMPSON
Secretary, Planning Board

MAY 13 2010

14



DEVELOPER'S AGREEMENT
(Ocean Seniors, LLC)

THIS AGREEMENT, entered into this 13th day of April, 2010

BETWEEN THE TOWNSHIP OF OCEAN, a municipal corporation of the State of New Jersey, located in the County of Monmouth, 399 Monmouth Road, Oakhurst, New Jersey 07755 (hereinafter referred to as the "Township")

And

OCEAN SENIORS, LLC, located at 1065 Route 22 West, Bridgewater, New Jersey 08807 (hereinafter referred to as the "Developer")

WHEREAS, the Developer is the owner of certain property known as Block 1.02, Lot 72 as shown on the official tax map of the Township of Ocean, which property is located at 20 Hidden Meadows Drive in the AR3-PRD (Affordable Housing) Zone in the Township of Ocean, County of Monmouth, State of New Jersey; and

WHEREAS, the Developer has received Conditional Use Approval with Variances by the Township of Ocean Planning Board by way of Resolution dated October 26, 2009 to construct an additional 20 units to be added above the existing two-story section of the building on the south side of the 3-story building and other site improvements.

A total of 19 of the 20 units will be affordable units with additional parking to accommodate the additional units. The parking will be accessed through the existing parking garage since there is no room on the site to access the uplands area by going around the building; and

RTR (37)
Township of P
Ocean
399 Monmouth
Road
Oakhurst NJ
07755-1589

M. CLAIRE FRENCH, CTY CLK
MONMOUTH COUNTY, NJ
INSTRUMENT NUMBER
2010043360
RECORDED ON
May 13, 2010
12:25:21 PM
BOOK: DR-8832
PAGE: 864
Total Fees: \$4

COUNTY RECORDING FEES \$8.00
TOTAL PAID \$8.00
1

Monmouth County, New Jersey by Matthew J. Robinson, P.E. of LGA Engineering, Inc., consisting of eleven (11) sheets dated March 20, 2009 and last updated January 7, 2010; and

WHEREAS, the project must be completed in accordance with the Performance Guarantee Estimate (attached hereto as "Schedule A") prepared by Township of Ocean Engineer, Louis J. Lobosco, P.E., P.P. dated January 13, 2010, the Preliminary/Final Site Plan Map and the Resolution of the Township of Ocean Planning Board.

NOW, THEREFORE, and in consideration of the mutual promises as described in this Agreement together with all other goods and valuable consideration, the parties hereto do hereby covenant and agree as follows:

1. To insure the faithful performance by Developer of the obligations of Developer to be performed under and by virtue of terms of this Agreement, its successors and assigns agrees to furnish Township a performance guarantee in total sum of \$504,480.00, ten percent (10%)(~~\$50,448.00~~) of which shall be in cash and deposited with the Township in accordance with the ordinances of the Township, and the remaining ninety percent (90%) (\$454,032.00) of which may be in the form of Cash, Letter of Credit or Surety Performance Bond, in which the Developer shall be principal to be provided by an acceptable surety company licensed to do business in the State of New Jersey, or such other guaranty as may be acceptable to the Township of Ocean. Said performance guarantee shall be conditioned upon completion of the improvements shown on the aforesaid map to which reference has heretofore been made and which improvements are

set forth in a statement attached hereto as "Schedule A" and made a part hereof. All improvements as set forth in this Agreement and covered by the performance guarantee shall be completed on or before two (2) years from the date of this Agreement, unless further extended. Failure to complete within said original two (2) year period of time, as may be extended, shall be considered a default, and the Township may pursue its remedies pursuant to the performance guarantee against the Developer and/or the maker of the Surety or Performance Bond, or other guarantor, for the completion of said improvements or for any damages; time for the aforesaid shall be of the essence. A comprehensive general liability insurance policy shall be filed by the Developer at the same time as they file their performance guarantee.

2. When Developer, its successors and assigns has completed all of the improvements of the site plan to the satisfaction of the Township Engineer, and said Township Engineer has approved same in writing to the Township Council, then and in that event the Developer shall be relieved from any other further obligations with respect thereto, except to the extent provided hereinafter.

3. Developer, its successors and assigns does hereby agree to pay for all inspection fees of the Township Engineer in connection with and relating to the aforesaid improvements and the legal fee of the Township for preparing this Agreement in accordance with the Township ordinances. Developer shall initially deposit with the Township Treasurer a cash sum of \$22,520.00, which sum shall be applied and used for payment of inspection costs of the Township Engineer.

4. Upon final approval by the Township of the improvements set forth herein

be applied and used for payment of inspection costs of the Township Engineer.

4. Upon final approval by the Township of the improvements set forth herein and release and discharge of the performance guarantee referred to above, Developer, its successors and assigns do hereby agree to furnish to Township a maintenance guarantee by way of Cash, Letter of Credit or Surety Performance Bond in a sum equal to fifteen percent (15%) (\$83,060.00) of the amount of the performance guarantee. Said bond shall remain in full force and effect for a period of two (2) years after approval by the Township Engineer of the improvements for which provision is made herein and shall provide that the Developer guarantees to maintain said improvements for said period of two (2) years from such approval and make good any defects thereon which become apparent during said two (2) year period.

5. The Escrow Fund for Stormwater Management will be addressed under a separate Agreement.

6. The Bonding to satisfy the requirements under Ordinance #2123 for the cost of the COAH units will be addressed under the separate Agreement attached hereto as "Schedule B" and bonds shall be posted in accordance with the provisions.

7. The approval granted herein shall be assignable to a successor in interest by conveyance or assignment only in the event the new purchaser or assignee executes an Agreement, in writing, agreeing to all of the terms, conditions and provisions of this Agreement.

8. All the work and improvements set forth in this Agreement shall be in

IN WITNESS WHEREOF, the parties hereunto interchangeably set their hands, seals or caused their proper corporate seals to be hereunto affixed, the day and year first above written.

ATTEST:

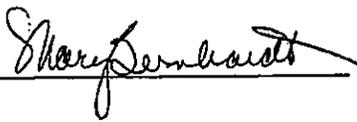
TOWNSHIP OF OCEAN,
COUNTY OF MONMOUTH

By: 
Vincent Buttiglieri, Township Clerk

By: 
William F. Larkin, Mayor

ATTEST:

OCEAN SENIORS, LLC

By: 

By: 
Arthur J.
Corsini Jr
Authorized Manager

STATE OF NEW JERSEY

:
:SS

S

COUNTY OF MONMOUTH :

BE IT REMEMBERED on this 19th day of April, 2010, 2010, before me the subscriber, personally appeared Arthur J. Corsini Jr, in Ocean who, being by me duly sworn on (his)(her) oath, deposes and makes proof to my satisfaction, that he is the Authorized Manager of the Corporation/Limited Liability Companies named in the within Instrument, that _____ is the _____ of said Corporation/Limited Liability Companies; that the execution, as well as the making of this Instrument, has been duly authorized by a proper Resolution of the Board of Directors of said Corporation (not required for L.L.C.'s); that deponent will know the corporate seal of said corporation (not required for L.L.C.'s); and that the seal affixed to said Instrument is the proper corporate seal and was thereto affixed and said Instrument was signed and delivered by said _____ as and for the voluntary act and deed of said Corporation not required for L.L.C.'s), in the presence of deponent, who thereupon subscribed (his)(her) name thereto as attesting witness.



Sworn and subscribed to before me on the date aforesaid.

Nancy Campanelli
Notary Public of New Jersey
My Commission Expires September 23, 2014

STATE OF NEW JERSEY :
:SS

COUNTY OF MONMOUTH :

BE IT REMEMBERED that on this 19th day of April, 2010 before me, the subscriber, personally appeared Vincent G. Buttiglieri, who being by me duly sworn on his oath, deposes and makes proof of my satisfaction, that he is the Clerk of the Township of Ocean, the Corporation named in the within Instrument, that William F. Larkin is the Mayor of said Township; that the execution, as well as the making of this Instrument has been duly authorized by a proper Resolution of the Township Committee of said Township; that deponent well knows the corporate seal of said Township and that the seal affixed to said Instrument is the proper corporate seal and was thereto affixed and said Instrument was signed and delivered by said Mayor as and for said voluntary act and deed of said Township, in the presence of deponent, who thereupon subscribed his name thereto as attesting witness.

Sworn and subscribed to before me on the date aforesaid.

Jessie M. Joseph
Notary Public of New Jersey

Vincent G. Buttiglieri
Vincent G. Buttiglieri, Township Clerk

JESSIE M. JOSEPH
Notary Public of New Jersey
My Commission Expires August 5, 2013
No. 32002

"SCHEDULE A"

L S A	Leon S. Avakian, Inc.	Title OCEAN SENIORS	BLOCK 1.02
	Consulting Engineers	Preliminary and Final Major Site Plan	LOT 72
		JOB # OT10-06	DATE 1-13-10
		APPLICANT Ocean Seniors LLC	BOND AMOUNT \$604,480.00
		MUNICIPALITY Ocean Township	
LGA Engineering, Inc. Plans 11 of 11 dated 3-20-09 w/latest revisions dated 11-10-09			

ITEM NO.	DESCRIPTION	QUANTITY	UNITS	UNIT PRICE	AMOUNT	WORK COMPLETED	REDUCED AMOUNT
Soil Erosion Control							
1	Inlet protection	6	ea	\$70.00	\$420.00	0%	\$420.00
2	Silt fence	1500	lf	\$2.25	\$3,375.00	0%	\$3,375.00
3	Stone tracking pad	2	LS	\$500.00	\$1,000.00	0%	\$1,000.00
Clearing and Demolition							
4	Clearing & grubbing (medium to 12" dia.)	0.6	AC	\$10,000.00	\$5,000.00	0%	\$5,000.00
5	Removal of Curb	250	lf	\$2.50	\$625.00	0%	\$625.00
6	Removal of Pavement	500	sf	\$1.00	\$500.00	0%	\$500.00
7	Removal of Pavers	100	sf	\$2.00	\$200.00	0%	\$200.00
Surveying & Traffic Control							
8	Surveying of curb	2700	lf	\$1.00	\$2,700.00	0%	\$2,700.00
9	Surveying of grading and excavation	1	LS	\$1,000.00	\$2,000.00	0%	\$2,000.00
10	Surveying of storm drains	1950	lf	\$1.00	\$1,950.00	0%	\$1,950.00
Earthwork							
11	Stripping	400	cy	\$3.00	\$1,200.00	0%	\$1,200.00
12	Cut (parking lot/drive/landscape area)	300	cy	\$4.00	\$1,200.00	0%	\$1,200.00
13	Fill (parking lot/drive/landscape area)	800	cy	\$4.00	\$3,200.00	0%	\$3,200.00
14	Borrow	500	cy	\$10.00	\$5,000.00	0%	\$5,000.00
Storm Sewer							
15	Reset Grate	1	ea	\$250.00	\$250.00	0%	\$250.00
16	Drainage Inlet type B	5	ea	\$1,900.00	\$9,500.00	0%	\$9,500.00
17	Storm sewer MH, 4' DIA. doghouse	1	ea	\$2,000.00	\$2,000.00	0%	\$2,000.00
18	Storm sewer MH, 4' DIA.	6	ea	\$2,000.00	\$12,000.00	0%	\$12,000.00
19	Concrete headwall 10"	1	ea	\$400.00	\$400.00	0%	\$400.00
20	Concrete headwall 24"	1	ea	\$1,000.00	\$1,000.00	0%	\$1,000.00
21	Outlet control structure	1	ea	\$3,500.00	\$3,500.00	0%	\$3,500.00
22	Manentry unit	1	ea	\$10,000.00	\$10,000.00	0%	\$10,000.00
23	Trench Drain	25	lf	\$50.00	\$1,250.00	0%	\$1,250.00
24	Storm Sewer pump	1	ea	\$500.00	\$500.00	0%	\$500.00
25	Rip - Rap apron	10	cy	\$100.00	\$1,000.00	0%	\$1,000.00
26	Stone Detention basin	1	LS	\$20,000.00	\$20,000.00	0%	\$20,000.00
27	Infiltration basin (964' of 18" perf pipe)	964	lf	\$45.00	\$43,380.00	0%	\$43,380.00
28	Storm sewer 2" pvc	50	lf	\$8.00	\$400.00	0%	\$400.00
29	Storm sewer 4" perforated HDPE	105	lf	\$10.00	\$1,050.00	0%	\$1,050.00
30	Storm sewer 10" HDPE	60	lf	\$20.00	\$1,200.00	0%	\$1,200.00
31	Storm sewer 12" RCP class V	509	lf	\$28.00	\$14,252.00	0%	\$14,252.00
32	Storm sewer 24" RCP	395	lf	\$32.00	\$12,640.00	0%	\$12,640.00
33	As-built Drawings	1	LS	\$1,500.00	\$1,500.00	0%	\$1,500.00
Concrete							
34	Concrete curb 6"x6"x18"	2712	lf	\$14.00	\$37,968.00	0%	\$37,968.00
35	Concrete sidewalk	380	sf	\$5.00	\$1,900.00	0%	\$1,900.00
36	Concrete ramp slab	1128	sf	\$6.00	\$6,768.00	0%	\$6,768.00
Pavement							
37	Stone subbase course 6" thick	4242	sy	\$6.00	\$25,452.00	0%	\$25,452.00
38	Bituminous stabilized base course 3" thick	4242	sy	\$12.00	\$50,904.00	0%	\$50,904.00
39	Bituminous concrete surface course 2" thick	5178	sy	\$8.00	\$41,424.00	0%	\$41,424.00
40	Parking lot striping	1	LS	\$3,000.00	\$3,000.00	0%	\$3,000.00

L S A	Leon S. Avakian, Inc.	Title OCEAN SENIORS	BLOCK 1.02
	Consulting Engineers	Preliminary and Final Major Site Plan	LOT 72
		JOB # OT10-06	DATE 1-13-10
		APPLICANT Ocean Seniors LLC	BOND AMOUNT \$604,480.00
		MUNICIPALITY Ocean Township	
LGA Engineering, Inc. Plans 11 of 11 dated 3-20-09 w/ latest revisions dated 11-10-09			

ITEM NO.	DESCRIPTION	QUANTITY	UNITS	UNIT PRICE	AMOUNT	WORK COMPLETED	REDUCED AMOUNT
	Miscellaneous						
41	Handicap Signs	2	ea	\$120.00	\$240.00	0%	\$240.00
42	Retaining wall (gabion)	1000	sf	\$20.00	\$20,000.00	0%	\$20,000.00
43	Tot Lot	1	LS	\$15,000.00	\$15,000.00	0%	\$15,000.00
44	Split rail fence	180	lf	\$14.00	\$2,680.00	0%	\$2,680.00
45	Bollards	9	ea	\$80.00	\$720.00	0%	\$720.00
46	Lighting standards & fixtures (25')	16	ea	\$2,200.00	\$35,200.00	0%	\$35,200.00
	Landscaping						
47	Shade trees 2.5" caliper	7	ea	\$250.00	\$1,750.00	0%	\$1,750.00
48	Ornamental trees (6-8')	6	ea	\$220.00	\$1,320.00	0%	\$1,320.00
49	Evergreen Trees (6-8')	30	ea	\$175.00	\$5,250.00	0%	\$5,250.00
50	Shrubs (1-2')	25	ea	\$30.00	\$750.00	0%	\$750.00
51	Shrubs (4-6') evergreen	15	ea	\$75.00	\$1,125.00	0%	\$1,125.00
52	Turf restoration	1	LS	\$500.00	\$500.00	0%	\$500.00
53	Irrigation	1	LS	\$1,997.00	\$1,997.00	0%	\$1,997.00
54	Topsoil, lime, fertilize, seed or mulch	4000	sf	\$0.30	\$1,200.00	0%	\$1,200.00
55	Mulch	3600	sf	\$0.30	\$1,080.00	0%	\$1,080.00

TOTAL COST OF SITE IMPROVEMENTS		\$420,400.00	\$420,400.00
a) Performance Guarantee Amount (120%)		\$504,480.00	\$604,480.00
	Surety Portion		\$454,032.00
	Cash Portion		\$50,448.00
	TOTAL		\$604,480.00

- b) Original deposit for Engineering Inspection Fees \$22,820.00
- c) Escrow Fund for Storm Water Management Inspection & Maintenance \$9,700.00

Notes:
1. Includes all items noted on Plan
2. Includes installation and maintenance
3. Engineering Inspection fee to include Performance Guarantee Estimate preparation, inspection of bonded improvements, As-built review, Certificate of Occupancy administration and Performance and Maintenance Guarantee Releases, etc. Administration and engineering costs to include the Performance Guarantee Estimate preparation, Certificate of Occupancy administration, As-built review, and Performance and Maintenance Guarantee Releases are estimated to be \$1500.00

"SCHEDULE B"

**AGREEMENT FOR COAH REQUIREMENTS
BETWEEN THE TOWNSHIP OF OCEAN AND OCEAN SENIORS, LLC**

THIS AGREEMENT, entered into this _____ day of _____, 2010

BETWEEN THE TOWNSHIP OF OCEAN, a municipal corporation of the State of New Jersey, located in the County of Monmouth, 399 Monmouth Road, Oakhurst, New Jersey 07755 (hereinafter referred to as the "Township")

And

OCEAN SENIORS, LLC, located at 1065 Route 22 West, Bridgewater, New Jersey 08807 (hereinafter referred to as the "Developer")

WHEREAS, the Developer is the owner of certain property known as Block 1.02, Lot 72 as shown on the official tax map of the Township of Ocean, which property is located at 20 Hidden Meadows Drive in the AR3-PRD (Affordable Housing) Zone in the Township of Ocean, County of Monmouth, State of New Jersey; and

WHEREAS, the Developer has received Conditional Use Approval with Variances by the Township of Ocean Planning Board by way of Resolution dated October 26, 2009 to construct an additional 20 units to be added above the existing two-story section of the building on the south side of the 3-story building, of which 19 will be affordable units; and

WHEREAS, condition "J" of the Township of Ocean Planning Board Resolution dated October 26, 2009 requires the Developer to fully comply with all bonding requirements under Township Ordinance #2123 and the applicable COAH requirements for the 19 units and pay the appropriate fees/bonds prior to renting any units on the property to non-age restricted tenants; and

WHEREAS, the performance bonds to be posted shall be in the amounts determined by Gregory S. Blash, P.E. of Leon S. Avakian, Inc. in a performance bond letter dated February 24, 2010 (attached hereto as "Schedule A").

NOW, THEREFORE, and in consideration of the mutual promises as described in this Agreement together with all other goods and valuable consideration, the parties hereto do hereby covenant and agree as follows:

1. To insure the faithful performance by Developer of the obligations of Developer to be performed under and by virtue of terms of this Agreement, its successors and assigns agrees to furnish Township performance guarantees of which may be in the form of Cash, Letter of Credit or Surety Performance Bond, in which the Developer shall be principal to be provided by an acceptable surety company licensed to do business in the State of New Jersey, or such other guaranty as may be acceptable to the Township of Ocean as follows:

a) \$296,000.00 for Four (4) One-Bedroom Units; b) \$1,182,000.00 for Eleven (11) Two-Bedroom Units; c) \$460,000.00 for Four (4) Three-Bedroom Units

Said performance guarantees shall be remain in full force and effect until such time as all of the units are constructed and have received a Certificate of Occupancy.

IN WITNESS WHEREOF, the parties hereunto interchangeably set their hands, seals or caused their proper corporate seals to be hereunto affixed, the day and year first above written.

ATTEST:

**TOWNSHIP OF OCEAN,
COUNTY OF MONMOUTH**

By: _____
Vincent Buttiglieri, Township Clerk

By: _____
William F. Larkin, Mayor

ATTEST:

OCEAN SENIORS, LLC

By: _____

By: _____

STATE OF NEW JERSEY :
:SS
COUNTY OF MONMOUTH :

BE IT REMEMBERED on this _____ day of _____, 2010,
before me the subscriber, personally appeared _____
who, being by me duly sworn on (his)(her) oath, deposes and makes proof to my
satisfaction, that he is the _____ of the Corporation/Limited
Liability Companies named in the within Instrument, that _____ is
the _____ of said Corporation/Limited Liability Companies; that the
execution, as well as the making of this Instrument, has been duly authorized by a
proper Resolution of the Board of Directors of said Corporation (not required for
L.L.C.'s); that deponent well knows the corporate seal of said corporation (not required
for L.L.C.'s); and that the seal affixed to said Instrument is the proper corporate seal and
was thereto affixed and said Instrument was signed and delivered by said
_____ as and for the voluntary act and deed of said Corporation not
required for L.L.C.'s), in the presence of deponent, who thereupon subscribed (his)(her)
name thereto as attesting witness.

Sworn and subscribed to
before me on the date aforesaid.

Notary Public of New Jersey

STATE OF NEW JERSEY :
:SS
COUNTY OF MONMOUTH :

BE IT REMEMBERED that on this _____ day of _____, 2010
before me, the subscriber, personally appeared Vincent G. Buttiglieri, who being by me
duly sworn on his oath, deposes and makes proof of my satisfaction, that he is the Clerk
of the Township of Ocean, the Corporation named in the within Instrument, that William
F. Larkin is the Mayor of said Township; that the execution, as well as the making of this
Instrument has been duly authorized by a proper Resolution of the Township Committee
of said Township; that deponent well knows the corporate seal of said Township and that
the seal affixed to said Instrument is the proper corporate seal and was thereto affixed
and said Instrument was signed and delivered by said Mayor as and for said voluntary
act and deed of said Township, in the presence of deponent, who thereupon subscribed
his name thereto as attesting witness.

Sworn and subscribed to
before me on the date aforesaid.

Notary Public of New Jersey

Vincent G. Buttiglieri, Township Clerk

"SCHEDULE A"

PHASE 02/02

LEON S. AVAKIAN, INC. *Consulting Engineers*

788 WAYSIDE ROAD • NEPTUNE, NEW JERSEY 07753

LEON S. AVAKIAN, P.E., P.L.E. (1983-0001)
PETER K. AVAKIAN, P.E., P.L.E., P.P.
MEHRYAN SHAKAL, P.E., P.P.
GREGORY S. BLASH, P.E., P.P.
LOUIS J. LOBOCCO, P.E., P.P.

February 24, 2010

Ms. Marianne Wilensky, Director
Community Development
Township of Ocean
399 Monmouth Road
Oakhurst, NJ 07755

Re: Performance Bond
Ocean Seniors
Block 1,02, Lot 72
Our File OT 10-06

Dear Ms. Wilensky:

Enclosed please find the revised performance bond calculation for the above referenced project. The original letter dated July 28, 2009 had incorrectly calculated the amount to be posted for the four (4) one-bedroom units. The corrected value is now shown in the tabulation table. There is no change to the total value.

Four (4) Three-bedroom Units 4,600 s.f. x \$100/square foot =	\$ 460,000.00
Eleven (11) Two-bedroom Units 11,820 s.f. x \$100/square foot =	\$1,182,000.00
Four (4) One-bedroom Units 2,960 s.f. x \$100/square foot =	\$ 296,000.00
TOTAL	\$1,938,000.00

The performance bond to be posted by the Applicant shall be \$1,938,000.00

The cost of construction of the proposed units was determined to be \$100.00/s.f. because the existing foundation will be utilized for construction.

Should you have any questions regarding this matter, please call our office.

Very truly yours,

LEON S. AVAKIAN, INC.

Gregory S. Blash, P.E.
Office of Township Engineer

GSB:mfl
cc: Marty Arbus, Esq.

PHONE (732) 922-9229 FAX (732) 922-0044

RESOLUTION

WHEREAS, the Developer has received Conditional Use Approval with Variances by the Township of Ocean Planning Board by way of Resolution dated October 26, 2009 to construct an additional 20 units to be added above the existing two-story section of the building on the south side of the 3-story building. A total of 19 of the 20 units will be affordable units with additional parking to accommodate the additional units. The parking will be accessed through the existing parking garage since there is no room on the site to access the uplands area by going around the building; and

WHEREAS, this Agreement relates to a Site Plan Map entitled Preliminary/Final Site Plan, Primrose Place, Lot 72, Block 1.02, Ocean Township, Monmouth County, New Jersey by Matthew J. Robinson, P.E. of LGA Engineering, Inc. consisting of eleven (11) sheets dated March 20, 2009 and last updated January 7, 2010; and

WHEREAS, the Agreement requires the Developer to install certain improvements in accordance with the Performance Guarantee Estimate dated January 13, 2010 prepared by the Township of Ocean Engineer, Louis J. Lobosco, P.E., P.P. of Leon S. Avakian, Inc.

NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Ocean, County of Monmouth, State of New Jersey as follows:

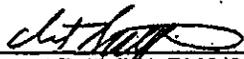
1. It hereby authorizes the Mayor to execute and the Township Clerk to attest to a Developer's Agreement between the Township of Ocean and Ocean Seniors, LLC, subject to the following conditions first being met:
 - a. All All required certificates of insurance be properly filed with the Office of the Township Clerk
 - b. Posting of Performance Guarantees in the total amount of \$504,480.00 and Inspection Fees in the amount of \$22,520.00.

BE IT FURTHER RESOLVED that a certified copy of this resolution shall be provided by the Township Clerk to each of the following:

1. Township Engineer
2. Director of Finance
3. Director of Community
4. Construction Official
5. Arthur J. Corsini, Jr.

CERTIFICATION

I hereby certify that this is a true copy of a resolution passed by the Township of Ocean Governing Body at their meeting held on April 19, 2010.


 Vincent Buttiglieri, RMC/CMC
 Township Clerk

Resolution No.	Adopted	Amended	Repealed	Rescinded	Withdrawn
10-046b			X		
10-046a	X				
10-046c	X	X	X	X	X
10-046d					
10-046e					
10-046f					



CERTIFICATE

01/31/2011

Date Issued
Control #
Permit #

20100932

IDENTIFICATION

Block 102 Lot 72 Qualifier

Work Site Location

20 HIDDEN MEADOWS DR

OCEAN, NJ 07712

Owner in Fee/Occupant

OCEAN SENIORS, L.L.C.

Address

1065 ROUTE 22 WEST

BRIDGEWATER NJ 08807

Tel.

908-967-9753

Contractor:

DCM CONSTRUCTION

Address:

4 LAKESIDE DRIVE SOUTH

LACEY, NJ 08731

Lic. No. or Bldrs. Reg. No.

Federal Emp. No.

260970805

Fax:

CERTIFICATE OF OCCUPANCY

This serves notice that said building or structure has been constructed in accordance with the New Jersey Uniform Construction Code and is approved for occupancy.

CERTIFICATE OF APPROVAL

This serves notice that the work completed has been constructed or installed in accordance with the New Jersey Uniform Construction Code and is approved. If the permit was issued for minor work, this certificate was based upon what was visible at the time of inspection.

TEMPORARY CERTIFICATE OF OCCUPANCY/COMPLIANCE

If this is a temporary Certificate of Occupancy of Compliance, the following conditions must be met not later than or the owner will be subject to fine or order to vacate:

Home Warranty No.

Type of Warranty Plan:

STATE PRIVATE

Use Group R-2

Maximum Live Load

Construction Classification

Maximum Occupancy Load SF

Description of Work/Use:

TENANT FIT-OUT / UNIT #236

CERTIFICATE OF CLEARANCE - LEAD ABATEMENT 5:17

This serves notice that based on written certification, lead abatement was performed as per NJAC 5:17, to the following extent:

- Total removal of lead-based paint hazards in scope of work
- Partial or limited time period (years); see file

CERTIFICATE OF CONTINUED OCCUPANCY

This serves notice that based on a general inspection of the visible parts of the building there are no imminent hazards and the building is approved for continued occupancy.

CERTIFICATE OF COMPLIANCE

This serves notice that potentially hazardous equipment has been installed and/or maintained in accordance with the New Jersey Uniform Construction Code and is approved for use until

Fee \$286.00

Paid Check No. 12403

Collected by CV

2/1/11

CONSTRUCTION OFFICIAL



CERTIFICATE

01/31/2011

Date Issued
Control #
Permit #

20100931

IDENTIFICATION

Block 1.02 Lot 72 Qualifier

Home Warranty No.

Work Site Location

Type of Warranty Plan:

20 HIDDEN MEADOWS DR
OCEAN, NJ 07712

Use Group **R-2**

STATE PRIVATE

Owner in Fee/Occupant

OCEAN SENIORS, L.L.C.

Maximum Live Load

1065 ROUTE 22 WEST

Construction Classification

BRIDGEWATER NJ 08807

Maximum Occupancy Load **SF**

908-967-9753

Description of Work/Use:

DCM CONSTRUCTION

TENANT FIT-OUT / UNIT #238

4 LAKESIDE DRIVE SOUTH

Address:

LACEY, NJ 08731

Lic. No. or Bidders. Reg. No.

Federal Emp. No.

260970805

Fax:

CERTIFICATE OF OCCUPANCY

This serves notice that said building or structure has been constructed in accordance with the New Jersey Uniform Construction Code and is approved for occupancy.

CERTIFICATE OF APPROVAL

This serves notice that the work completed has been constructed or installed in accordance with the New Jersey Uniform Construction Code and is approved. If the permit was issued for minor work, this certificate was based upon what was visible at the time of inspection.

TEMPORARY CERTIFICATE OF OCCUPANCY/COMPLIANCE

If this is a temporary Certificate of Occupancy of Compliance, the following conditions must be met not later than or the owner will be subject to fine or order to vacate:

CERTIFICATE OF CLEARANCE - LEAD ABATEMENT 5:17
This serves notice that based on written certification, lead abatement was performed as per NJAC 5:17, to the following extent:

- Total removal of lead-based paint hazards in scope of work
- Partial or limited time period (years); see file

CERTIFICATE OF CONTINUED OCCUPANCY

This serves notice that based on a general inspection of the visible parts of the building there are no imminent hazards and the building is approved for continued occupancy.

CERTIFICATE OF COMPLIANCE

This serves notice that potentially hazardous equipment has been installed and/or maintained in accordance with the New Jersey Uniform Construction Code and is approved for use until

Fee **\$286.00**

Paid Check No. **12403**

Collected by **CV**

CONSTRUCTION OFFICIAL



CERTIFICATE

01/31/2011

Date Issued
Control #
Permit #

20100930

IDENTIFICATION

Block 1.02 Lot 72 Qualifier

Home Warranty No. _____

Work Site Location: 20 HIDDEN MEADOWS DR

Use Group: R-2

Owner in Fee/Occupant: OCEAN, NJ 07712

Maximum Live Load: _____

Address: 1065 ROUTE 22 WEST

Construction Classification: _____

Tel.: 908-967-9753

Contractor: DCM CONSTRUCTION

Maximum Occupancy Load SF: _____

Address: 4 LAKESIDE DRIVE SOUTH

Description of Work/Use: _____

Lic. No. or Bldrs. Reg. No. _____

Federal Emp. No. 260970805

Fax: _____

TENANT FIT-OUT / UNIT #240

CERTIFICATE OF OCCUPANCY
This serves notice that said building or structure has been constructed in accordance with the New Jersey Uniform Construction Code and is approved for occupancy.

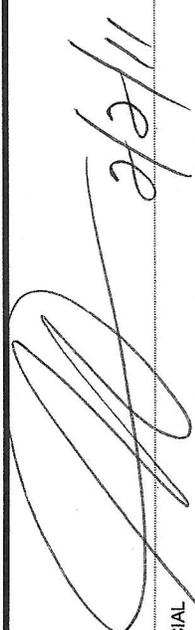
CERTIFICATE OF APPROVAL
This serves notice that the work completed has been constructed or installed in accordance with the New Jersey Uniform Construction Code and is approved. If the permit was issued for minor work, this certificate was based upon what was visible at the time of inspection.

TEMPORARY CERTIFICATE OF OCCUPANCY/COMPLIANCE
If this is a temporary Certificate of Occupancy of Compliance, the following conditions must be met not later than or the owner will be subject to fine or order to vacate:

CERTIFICATE OF CLEARANCE - LEAD ABATEMENT 5:17
This serves notice that based on written certification, lead abatement was performed as per NJAC 5:17, to the following extent:
 Total removal of lead-based paint hazards in scope of work
 Partial or limited time period (___ years); see file

CERTIFICATE OF CONTINUED OCCUPANCY
This serves notice that based on a general inspection of the visible parts of the building there are no imminent hazards and the building is approved for continued occupancy.

CERTIFICATE OF COMPLIANCE
This serves notice that potentially hazardous equipment has been installed and/or maintained in accordance with the New Jersey Uniform Construction Code and is approved for use until



Fee \$286.00

Paid Check No. 12403

Collected by CV

CONSTRUCTION OFFICIAL



CERTIFICATE

01/31/2011

Date Issued
Control #
Permit #

20100929

IDENTIFICATION

Block 1.02 Lot 72 Qualifier

Home Warranty No.

Work Site Location

20 HIDDEN MEADOWS DR

Type of Warranty Plan:

STATE PRIVATE

OCEAN, NJ 07712

Use Group **R-2**

Owner in Fee/Occupant

OCEAN SENIORS, L.L.C.

Maximum Live Load

Address

1065 ROUTE 22 WEST

Construction Classification

BRIDGEWATER NJ 08807

Maximum Occupancy Load **SF**

Tel.

908-967-9753

Description of Work/Use:

Contractor:

DCM CONSTRUCTION

Address:

4 LAKESIDE DRIVE SOUTH

LACEY, NJ 08731

TENANT FIT-OUT / UNIT #242

City, No. or Bldgs. Reg. No.

Federal Emp. No.

260970805

Fax:

CERTIFICATE OF OCCUPANCY

This serves notice that said building or structure has been constructed in accordance with the New Jersey Uniform Construction Code and is approved for occupancy.

CERTIFICATE OF APPROVAL

This serves notice that the work completed has been constructed or installed in accordance with the New Jersey Uniform Construction Code and is approved. If the permit was issued for minor work, this certificate was based upon what was visible at the time of inspection.

TEMPORARY CERTIFICATE OF OCCUPANCY/COMPLIANCE

This is a temporary Certificate of Occupancy of Compliance, the following conditions must be met not later than or the owner will be subject to vacate or order to vacate:

CERTIFICATE OF CLEARANCE - LEAD ABATEMENT 5:17
This serves notice that based on written certification, lead abatement was performed as per NJAC 5:17, to the following extent:

- Total removal of lead-based paint hazards in scope of work
- Partial or limited time period (years); see file

CERTIFICATE OF CONTINUED OCCUPANCY

This serves notice that based on a general inspection of the visible parts of the building there are no imminent hazards and the building is approved for continued occupancy.

CERTIFICATE OF COMPLIANCE

This serves notice that potentially hazardous equipment has been installed and/or maintained in accordance with the New Jersey Uniform Construction Code and is approved for use until

Fee \$284.00

Paid Check No. 12403

Collected by CV

CONSTRUCTION OFFICIAL



CERTIFICATE

01/31/2011

Date Issued
Control #
Permit #

20100928

IDENTIFICATION

Block 1.02 Lot 72 Qualifier

Work Site Location

20 HIDDEN MEADOWS DR

OCEAN, NJ 07712

Owner in Fee/Occupant

OCEAN SENIORS, L.L.C.

Address

1065 ROUTE 22 WEST

BRIDGEWATER NJ 08807

Tel.

908-967-9753

Contractor:

DCM CONSTRUCTION

Address:

4 LAKESIDE DRIVE SOUTH

LACEY, NJ 08731

Lic. No. or Bldrs. Reg. No.

Federal Emp. No.

260970805

Fax:

CERTIFICATE OF OCCUPANCY

This serves notice that said building or structure has been constructed in accordance with the New Jersey Uniform Construction Code and is approved for occupancy.

CERTIFICATE OF APPROVAL

This serves notice that the work completed has been constructed or installed in accordance with the New Jersey Uniform Construction Code and is approved. If the permit was issued for minor work, this certificate was based upon what was visible at the time of inspection.

TEMPORARY CERTIFICATE OF OCCUPANCY/COMPLIANCE

If this is a temporary Certificate of Occupancy of Compliance, the following conditions must be met not later than or the owner will be subject to fine or order to vacate:

Home Warranty No.

Type of Warranty Plan:

STATE PRIVATE

Use Group R-2

Maximum Live Load

Construction Classification

Maximum Occupancy Load SF

Description of Work/Use:

TENANT FIT-OUT / UNIT #244

CERTIFICATE OF CLEARANCE - LEAD ABATEMENT 5:17

This serves notice that based on written certification, lead abatement was performed as per NJAC 5:17, to the following extent:

- Total removal of lead-based paint hazards in scope of work
- Partial or limited time period (___ Years); see file

CERTIFICATE OF CONTINUED OCCUPANCY

This serves notice that based on a general inspection of the visible parts of the building there are no imminent hazards and the building is approved for continued occupancy.

CERTIFICATE OF COMPLIANCE

This serves notice that potentially hazardous equipment has been installed and/or maintained in accordance with the New Jersey Uniform Construction Code and is approved for use until

CONSTRUCTION OFFICIAL

Fee \$298.00

Paid Check No. 12403

Collected by CV



CERTIFICATE

01/31/2011

Date Issued
Control #
Permit #

20100927

IDENTIFICATION

Block 1.02 Lot 72 Qualifier

Home Warranty No.

Work Site Location

20 HIDDEN MEADOWS DR

Type of Warranty Plan:

STATE : PRIVATE

OCEAN, NJ 07712

Use Group R-2

Owner in Fee/Occupant

OCEAN SENIORS, L.L.C.

Maximum Live Load

1065 ROUTE 22 WEST

Construction Classification

BRIDGEWATER NJ 08807

Maximum Occupancy Load SF

908-967-9753

Description of Work/Use:

DCM CONSTRUCTION

Contractor:

4 LAKESIDE DRIVE SOUTH LACEY

Address:

NJ 08731

TENANT FIT-OUT / UNIT #245

City, No. or Bldgs. Reg. No.

Federal Emp. No.

2060970805

Fax:

CERTIFICATE OF OCCUPANCY

This serves notice that said building or structure has been constructed in accordance with the New Jersey Uniform Construction Code and is approved for occupancy.

CERTIFICATE OF APPROVAL

This serves notice that the work completed has been constructed or installed in accordance with the New Jersey Uniform Construction Code and is approved. If the permit was issued for minor work, this certificate was based upon what was visible at the time of inspection.

TEMPORARY CERTIFICATE OF OCCUPANCY/COMPLIANCE

This is a temporary Certificate of Occupancy of Compliance, the following conditions must be met not later than or the owner will be subject to fine or order to vacate:

CERTIFICATE OF CLEARANCE - LEAD ABATEMENT 5:17

This serves notice that based on written certification, lead abatement was performed as per NJAC 5:17, to the following extent:

- Total removal of lead-based paint hazards in scope of work
- Partial or limited time period (___ years); see file

CERTIFICATE OF CONTINUED OCCUPANCY

This serves notice that based on a general inspection of the visible parts of the building there are no imminent hazards and the building is approved for continued occupancy.

CERTIFICATE OF COMPLIANCE

This serves notice that potentially hazardous equipment has been installed and/or maintained in accordance with the New Jersey Uniform Construction Code and is approved for use until

Fee \$284.00

Paid Check No. 12403

Collected by CV

CONSTRUCTION OFFICIAL



CERTIFICATE

01/31/2011

Date Issued
Control #
Permit #

20100926

IDENTIFICATION

Block 1.02 Lot 72 Qualifier

Work Site Location

20 HIDDEN MEADOWS DR

OCEAN, NJ 07712

OCEAN SENIORS, L.L.C.

1065 ROUTE 22 WEST

BRIDGEWATER NJ 08807

908-967-9753

DCM CONSTRUCTION

4 LAKESIDE DRIVE SOUTH

LACEY, NJ 08731

i.c. No. or Bldrs. Reg. No.

Federal Emp. No.

260970805

Fax:

CERTIFICATE OF OCCUPANCY

This serves notice that said building or structure has been constructed in accordance with the New Jersey Uniform Construction Code and is approved for occupancy.

CERTIFICATE OF APPROVAL

This serves notice that the work completed has been constructed or installed in accordance with the New Jersey Uniform Construction Code and is approved. If the permit was issued for minor work, this certificate was based upon what was visible at the time of inspection.

TEMPORARY CERTIFICATE OF OCCUPANCY/COMPLIANCE

This is a temporary Certificate of Occupancy of Compliance, the following conditions must be met not later than or the owner will be subject to fine or order to vacate:

Home Warranty No.

Type of Warranty Plan:

Use Group R-2

Maximum Live Load

Construction Classification

Maximum Occupancy Load SF

Description of Work/Use:

TENANT FIT-OUT / UNIT #247

CERTIFICATE OF CLEARANCE - LEAD ABATEMENT 5:17

This serves notice that based on written certification, lead abatement was performed as per NJAC 5:17, to the following extent:

Total removal of lead-based paint hazards in scope of work

Partial or limited time period (years); see file

CERTIFICATE OF CONTINUED OCCUPANCY

This serves notice that based on a general inspection of the visible parts of the building there are no imminent hazards and the building is approved for continued occupancy.

CERTIFICATE OF COMPLIANCE

This serves notice that potentially hazardous equipment has been installed and/or maintained in accordance with the New Jersey Uniform Construction Code and is approved for use until

2/21/11

CONSTRUCTION OFFICIAL

Fee \$286.00

Paid Check No. 12403

Collected by CV



CERTIFICATE

01/31/2011

Date Issued
Control #
Permit #

20100925

IDENTIFICATION

Block 1.02 Lot 72 Qualifier

Home Warranty No.

Work Site Location

20 HIDDEN MEADOWS DR

Type of Warranty Plan:

STATE PRIVATE

OCEAN, NJ 07712

Use Group R-2

Owner in Fee/Occupant

OCEAN SENIORS, L.L.C.

Maximum Live Load

1065 ROUTE 22 WEST

Construction Classification

BRIDGEWATER NJ 08807

Maximum Occupancy Load SF

908-967-9753

Description of Work/Use:

DCM CONSTRUCTION

Contractor:

4 LAKESIDE DRIVE SOUTH

Address:

LACEY, NJ 08731

TENANT FIT-OUT / UNIT #249

City, No. or Bldgs. Reg. No.

Federal Emp. No.

260970805

Fax:

CERTIFICATE OF OCCUPANCY

This serves notice that said building or structure has been constructed in accordance with the New Jersey Uniform Construction Code and is approved for occupancy.

CERTIFICATE OF APPROVAL

This serves notice that the work completed has been constructed or installed in accordance with the New Jersey Uniform Construction Code and is approved. If the permit was issued for minor work, this certificate was based upon what was visible at the time of inspection.

TEMPORARY CERTIFICATE OF OCCUPANCY/COMPLIANCE

This is a temporary Certificate of Occupancy of Compliance, the following conditions must be met not later than or the owner will be subject fine or order to vacate:

CERTIFICATE OF CLEARANCE - LEAD ABATEMENT 5:17

This serves notice that based on written certification, lead abatement was performed as per NJAC 5:17, to the following extent:

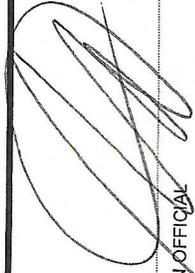
- Total removal of lead-based paint hazards in scope of work
- Partial or limited time period (___ years); see file

CERTIFICATE OF CONTINUED OCCUPANCY

This serves notice that based on a general inspection of the visible parts of the building there are no imminent hazards and the building is approved for continued occupancy.

CERTIFICATE OF COMPLIANCE

This serves notice that potentially hazardous equipment has been installed and/or maintained in accordance with the New Jersey Uniform Construction Code and is approved for use until

 2/1/11

Fee \$286.00

Paid Check No. 12403

Collected by CV

CONSTRUCTION OFFICIAL



CERTIFICATE

01/31/2011

Date Issued
Control #
Permit #

20100924

IDENTIFICATION

Block 1.02 Lot 72 Qualifier

Work Site Location

20 HIDDEN MEADOWS DR

OCEAN, NJ 07712

Owner in Fee/Occupant

OCEAN SENIORS, L.L.C.

Address

1065 ROUTE 22 WEST

BRIDGEWATER NJ 08807

Tel.

908-967-9753

Contractor:

DCM CONSTRUCTION

Address:

4 LAKESIDE DRIVE SOUTH

OCEAN, NJ 07712

City, No. or Bldgs. Reg. No.

Federal Emp. No.

260970805

Fax:

CERTIFICATE OF OCCUPANCY

This serves notice that said building or structure has been constructed in accordance with the New Jersey Uniform Construction Code and is approved for occupancy.

CERTIFICATE OF APPROVAL

This serves notice that the work completed has been constructed or installed in accordance with the New Jersey Uniform Construction Code and is approved. If the permit was issued for minor work, this certificate was based upon what was visible at the time of inspection.

TEMPORARY CERTIFICATE OF OCCUPANCY/COMPLIANCE

This is a temporary Certificate of Occupancy of Compliance, the following conditions must be met not later than or the owner will be subject to vacate or order to vacate:

Home Warranty No.

Type of Warranty Plan:

STATE PRIVATE

Use Group R-2

Maximum Live Load

Construction Classification

Maximum Occupancy Load SF

Description of Work/Use:

TENANT FIT-OUT / UNIT #251

CERTIFICATE OF CLEARANCE - LEAD ABATEMENT 5:17
This serves notice that based on written certification, lead abatement was performed as per NJAC 5:17, to the following extent:

- Total removal of lead-based paint hazards in scope of work
- Partial or limited time period (___ years); see file

CERTIFICATE OF CONTINUED OCCUPANCY

This serves notice that based on a general inspection of the visible parts of the building there are no imminent hazards and the building is approved for continued occupancy.

CERTIFICATE OF COMPLIANCE

This serves notice that potentially hazardous equipment has been installed and/or maintained in accordance with the New Jersey Uniform Construction Code and is approved for use until

Fee \$288.00

Paid Check No. 12403

Collected by CV

CONSTRUCTION OFFICIAL



CERTIFICATE

01/31/2011

Date Issued
Control #
Permit #

20100923

IDENTIFICATION

Block 1.02 Lot 72 Qualifier

Home Warranty No.

Work Site Location

Type of Warranty Plan:

STATE PRIVATE

Use Group **R-2**

Owner in Fee/Occupant

Maximum Live Load

Address

Construction Classification

20 HIDDEN MEADOWS DR

Maximum Occupancy Load SF

Tel.

908-967-9753

Contractor:

DCM CONSTRUCTION

Address:

4 LAKESIDE DRIVE SOUTH

City, No. or Bldrs. Reg. No.

LACEY, NJ 08731

Federal Emp. No.

260970805

Fax:

TENANT FIT-OUT / UNIT 253

CERTIFICATE OF OCCUPANCY

This serves notice that said building or structure has been constructed in accordance with the New Jersey Uniform Construction Code and is approved for occupancy.

CERTIFICATE OF APPROVAL

This serves notice that the work completed has been constructed or installed in accordance with the New Jersey Uniform Construction Code and is approved. If the permit was issued for minor work, this certificate was based upon what was visible at the time of inspection.

TEMPORARY CERTIFICATE OF OCCUPANCY/COMPLIANCE

This is a temporary Certificate of Occupancy of Compliance, the following conditions must be met not later than or the owner will be subject to fine or order to vacate:

CERTIFICATE OF CLEARANCE - LEAD ABATEMENT 5:17

This serves notice that based on written certification, lead abatement was performed as per NJAC 5:17, to the following extent:

- Total removal of lead-based paint hazards in scope of work
- Partial or limited time period (years); see file

CERTIFICATE OF CONTINUED OCCUPANCY

This serves notice that based on a general inspection of the visible parts of the building there are no imminent hazards and the building is approved for continued occupancy.

CERTIFICATE OF COMPLIANCE

This serves notice that potentially hazardous equipment has been installed and/or maintained in accordance with the New Jersey Uniform Construction Code and is approved for use until

ONSTRUCTION OFFICIAL



Fee \$286.00

Paid Check No. 12403

Collected by CV



CERTIFICATE

01/31/2011

Date Issued
Control #
Permit #

20100921

IDENTIFICATION

Block 1.02 Lot 72 Qualifier

Work Site Location

20 HIDDEN MEADOWS DR

OCEAN, NJ 07712

Owner in Fee/Occupant

OCEAN SENIORS, L.L.C.

Address

1065 ROUTE 22 WEST

BRIDGEWATER NJ 08807

Tel.

908-967-9753

Contractor:

DCM CONSTRUCTION

Address:

4 LAKESIDE DRIVE SOUTH

LACEY, NJ 08731

City, No. or Bldrs. Reg. No.

Federal Emp. No.

260970805

Fax:

CERTIFICATE OF OCCUPANCY

This serves notice that said building or structure has been constructed in accordance with the New Jersey Uniform Construction Code and is approved for occupancy.

CERTIFICATE OF APPROVAL

This serves notice that the work completed has been constructed or installed in accordance with the New Jersey Uniform Construction Code and is approved. If the permit was issued for minor work, this certificate was based upon what was visible at the time of inspection.

TEMPORARY CERTIFICATE OF OCCUPANCY/COMPLIANCE

This is a temporary Certificate of Occupancy of Compliance, the following conditions must be met not later than or the owner will be subject to fine or order to vacate:

Home Warranty No.

Type of Warranty Plan:

STATE PRIVATE

Use Group R-2

Maximum Live Load

Construction Classification

Maximum Occupancy Load SF

Description of Work/Use:

TENANT FIT-OUT / UNIT #336

CERTIFICATE OF CLEARANCE - LEAD ABATEMENT 5:17

This serves notice that based on written certification, lead abatement was performed as per NJAC 5:17, to the following extent:

- Total removal of lead-based paint hazards in scope of work
- Partial or limited time period (__ years); see file

CERTIFICATE OF CONTINUED OCCUPANCY

This serves notice that based on a general inspection of the visible parts of the building there are no imminent hazards and the building is approved for continued occupancy.

CERTIFICATE OF COMPLIANCE

This serves notice that potentially hazardous equipment has been installed and/or maintained in accordance with the New Jersey Uniform Construction Code and is approved for use until

Fee \$284.00

Paid Check No. 12403

Collected by CV

ONSTRUCTION OFFICIAL



CERTIFICATE

01/31/2011

Date Issued
Control #
Permit #

20100919

IDENTIFICATION

Block 102 Lot 72 Qualifier

Home Warranty No.

Work Site Location

20 HIDDEN MEADOWS DR

Type of Warranty Plan:

STATE PRIVATE

OCEAN, NJ 07712

Use Group **R-2**

Owner in Fee/Occupant

OCEAN SENIORS, L.L.C.

Maximum Live Load

Address

1065 ROUTE 22 WEST

Construction Classification

BRIDGEWATER NJ 08807

Maximum Occupancy Load **SF**

Tel.

908-967-9753

Description of Work/Use:

Contractor:

DCM CONSTRUCTION

Address:

4 LAKESIDE DRIVE SOUTH

LACEY, NJ 08731

TENANT FIT-OUT / UNIT #340

-ic. No. or Bldrs. Reg. No.

Federal Emp. No.

260970805

Fax:

CERTIFICATE OF OCCUPANCY

This serves notice that said building or structure has been constructed in accordance with the New Jersey Uniform Construction Code and is approved for occupancy.

CERTIFICATE OF APPROVAL

This serves notice that the work completed has been constructed or installed in accordance with the New Jersey Uniform Construction Code and is approved. If the permit was issued for minor work, this certificate was based upon what was visible at the time of inspection.

TEMPORARY CERTIFICATE OF OCCUPANCY/COMPLIANCE

This is a temporary Certificate of Occupancy of Compliance, the following conditions must be met not later than or the owner will be subject to one or order to vacate:

CERTIFICATE OF CLEARANCE - LEAD ABATEMENT 5:17
This serves notice that based on written certification, lead abatement was performed as per NJAC 5:17, to the following extent:

- Total removal of lead-based paint hazards in scope of work
- Partial or limited time period (___ years); see file

CERTIFICATE OF CONTINUED OCCUPANCY

This serves notice that based on a general inspection of the visible parts of the building there are no imminent hazards and the building is approved for continued occupancy.

CERTIFICATE OF COMPLIANCE

This serves notice that potentially hazardous equipment has been installed and/or maintained in accordance with the New Jersey Uniform Construction Code and is approved for use until

CONSTRUCTION OFFICIAL

Fee \$286.00

Paid Check No. 12403

Collected by CV



CERTIFICATE

01/31/2011

Date Issued
Control #
Permit #

20100918

IDENTIFICATION

Block 1.02 Lot 72 Qualifier

Work Site Location

20 HIDDEN MEADOWS DR

OCEAN, NJ 07712

Owner in Fee/Occupant

OCEAN SENIORS, L.L.C.

Address

1065 ROUTE 22 WEST

BRIDGEWATER NJ 08807

Tel.

908-967-9753

Contractor:

DCM CONSTRUCTION

Address:

4 LOVESIDE DRIVE SOUTH

LACEY, NJ 08731

Lic. No. or Bldrs. Reg. No.

Federal Emp. No.

260970805

Fax:

CERTIFICATE OF OCCUPANCY

This serves notice that said building or structure has been constructed in accordance with the New Jersey Uniform Construction Code and is approved for occupancy.

CERTIFICATE OF APPROVAL

This serves notice that the work completed has been constructed or installed in accordance with the New Jersey Uniform Construction Code and is approved. If the permit was issued for minor work, this certificate was based upon what was visible at the time of inspection.

TEMPORARY CERTIFICATE OF OCCUPANCY/COMPLIANCE

This is a temporary Certificate of Occupancy of Compliance, the following conditions must be met not later than or the owner will be subject to fine or order to vacate:

Home Warranty No.

Type of Warranty Plan:

STATE PRIVATE

Use Group R-2

Maximum Live Load

Construction Classification

Maximum Occupancy Load SF

Description of Work/Use:

TENANT FIT-OUT / UNIT #342

CERTIFICATE OF CLEARANCE - LEAD ABATEMENT 5:17

This serves notice that based on written certification, lead abatement was performed as per NJAC 5:17, to the following extent:

- Total removal of lead-based paint hazards in scope of work
- Partial or limited time period (___ years); see file

CERTIFICATE OF CONTINUED OCCUPANCY

This serves notice that based on a general inspection of the visible parts of the building there are no imminent hazards and the building is approved for continued occupancy.

CERTIFICATE OF COMPLIANCE

This serves notice that potentially hazardous equipment has been installed and/or maintained in accordance with the New Jersey Uniform Construction Code and is approved for use until

Fee \$286.00

Paid Check No. 12403

Collected by CV

ONSTRUCTION OFFICIAL



CERTIFICATE

01/31/2011

Date Issued
Control #
Permit #

20100917

IDENTIFICATION

Block 1.02 Lot 72 Qualifier

Work Site Location

20 HIDDEN MEADOWS DR

OCEAN, NJ 07712

Owner in Fee/Occupant

OCEAN SENIORS, L.L.C.

Address

1065 ROUTE 22 WEST

BRIDGEWATER NJ 08807

Fel.

908-967-9753

Contractor:

DCM CONSTRUCTION

Address:

4 LAKESIDE DRIVE SOUTH

LACEY, NJ 08731

City, No. or Bldgs. Reg. No.

Federal Emp. No.

260970805

Fax:

CERTIFICATE OF OCCUPANCY

This serves notice that said building or structure has been constructed in accordance with the New Jersey Uniform Construction Code and is approved for occupancy.

CERTIFICATE OF APPROVAL

This serves notice that the work completed has been constructed or installed in accordance with the New Jersey Uniform Construction Code and is approved. If the permit was issued for minor work, this certificate was based upon what was visible at the time of inspection.

TEMPORARY CERTIFICATE OF OCCUPANCY/COMPLIANCE

This is a temporary Certificate of Occupancy of Compliance, the following conditions must be met not later than or the owner will be subject to vacate or order to vacate:

Home Warranty No.

Type of Warranty Plan:

Use Group **R-2**

Maximum Live Load

Construction Classification

Maximum Occupancy Load **SF**

Description of Work/Use:

TENANT FIT-OUT / UNIT #344

CERTIFICATE OF CLEARANCE - LEAD ABATEMENT 5:17

This serves notice that based on written certification, lead abatement was performed as per NJAC 5:17, to the following extent:

- Total removal of lead-based paint hazards in scope of work
- Partial or limited time period (years); see file

CERTIFICATE OF CONTINUED OCCUPANCY

This serves notice that based on a general inspection of the visible parts of the building there are no imminent hazards and the building is approved for continued occupancy.

CERTIFICATE OF COMPLIANCE

This serves notice that potentially hazardous equipment has been installed and/or maintained in accordance with the New Jersey Uniform Construction Code and is approved for use until

Fee \$298.00

Paid Check No. 12403

Collected by CV

CONSTRUCTION OFFICIAL



CERTIFICATE

01/31/2011

Date Issued
Control #
Permit #

20100916

IDENTIFICATION

Block 1.02 Lot 72 Qualifier

Work Site Location

20 HIDDEN MEADOWS DR

OCEAN, NJ 07712

Owner in Fee/Occupant

OCEAN SENIORS, L.L.C.

Address

1065 ROUTE 22 WEST

Address

BRIDGEWATER NJ 08807

Rel.

908-967-9753

Contractor:

DCM CONSTRUCTION

Address:

4 LAKESIDE DRIVE SOUTH LACY NJ 08731

lic. No. or Bldrs. Reg. No.

Federal Emp. No.

260970805

Fax:

CERTIFICATE OF OCCUPANCY

This serves notice that said building or structure has been constructed in accordance with the New Jersey Uniform Construction Code and is approved for occupancy.

CERTIFICATE OF APPROVAL

This serves notice that the work completed has been constructed or installed in accordance with the New Jersey Uniform Construction Code and is approved. If the permit was issued for minor work, this certificate was based upon what was visible at the time of inspection.

TEMPORARY CERTIFICATE OF OCCUPANCY/COMPLIANCE

This is a temporary Certificate of Occupancy of Compliance, the following conditions must be met not later than or the owner will be subject to fine or order to vacate:

Home Warranty No.

Type of Warranty Plan:

STATE PRIVATE

Use Group R-2

Maximum Live Load

Construction Classification

Maximum Occupancy Load SF

Description of Work/Use:

TENANT FIT-OUT / UNIT 345

CERTIFICATE OF CLEARANCE - LEAD ABATEMENT 5:17

This serves notice that based on written certification, lead abatement was performed as per NJAC 5:17, to the following extent:

- Total removal of lead-based paint hazards in scope of work
- Partial or limited time period (years); see file

CERTIFICATE OF CONTINUED OCCUPANCY

This serves notice that based on a general inspection of the visible parts of the building there are no imminent hazards and the building is approved for continued occupancy.

CERTIFICATE OF COMPLIANCE

This serves notice that potentially hazardous equipment has been installed and/or maintained in accordance with the New Jersey Uniform Construction Code and is approved for use until

Fee \$272.00

Paid Check No. 12403

Collected by CV

CONSTRUCTION OFFICIAL



CERTIFICATE

01/31/2011

Date Issued
Control #
Permit #

20100915

IDENTIFICATION

Block 1.02 Lot 72 Qualifier

Work Site Location

20 HIDDEN MEADOWS DR

OCEAN, NJ 07712

Owner in Fee/Occupant

OCEAN SENIORS, L.L.C.

Address

1065 ROUTE 22 WEST

BRIDGEWATER NJ 08807

Tel.

908-967-9753

Contractor:

DCM CONSTRUCTION

Address:

4 LAKESIDE DRIVE SOUTH

LACEY, NJ 08731

Jc. No. or Bldrs. Reg. No.

Federal Emp. No.

260970805

Fax:

CERTIFICATE OF OCCUPANCY

This serves notice that said building or structure has been constructed in accordance with the New Jersey Uniform Construction Code and is approved for occupancy.

CERTIFICATE OF APPROVAL

This serves notice that the work completed has been constructed or installed in accordance with the New Jersey Uniform Construction Code and is approved. If the permit was issued for minor work, this certificate was based upon what was visible at the time of inspection.

TEMPORARY CERTIFICATE OF OCCUPANCY/COMPLIANCE

This is a temporary Certificate of Occupancy of Compliance, the following conditions must be met not later than or the owner will be subject to fine or order to vacate:

Home Warranty No.

Type of Warranty Plan:

STATE PRIVATE

Use Group R-2

Maximum Live Load

Construction Classification

Maximum Occupancy Load SF

Description of Work/Use:

TENANT FIT-OUT / UNIT #347

CERTIFICATE OF CLEARANCE - LEAD ABATEMENT 5:17

This serves notice that based on written certification, lead abatement was performed as per NJAC 5:17, to the following extent:

- Total removal of lead-based paint hazards in scope of work
- Partial or limited time period (___ years); see file

CERTIFICATE OF CONTINUED OCCUPANCY

This serves notice that based on a general inspection of the visible parts of the building there are no imminent hazards and the building is approved for continued occupancy.

CERTIFICATE OF COMPLIANCE

This serves notice that potentially hazardous equipment has been installed and/or maintained in accordance with the New Jersey Uniform Construction Code and is approved for use until

Fee \$286.00

Paid Check No. 12403

Collected by CV

CONSTRUCTION OFFICIAL



CERTIFICATE

01/31/2011

Date Issued
Control #
Permit #

20100914

IDENTIFICATION

Block 1.02 Lot 72 Qualifier

Work Site Location

20 HIDDEN MEADOWS DR

OCEAN, NJ 07712

Owner in Fee/Occupant

OCEAN SENIORS, L.L.C.

Address

1065 ROUTE 22 WEST

BRIDGEWATER NJ 08807

Tel.

Contractor:

DCM CONSTRUCTION

Address:

4 LAKESIDE DR S.

LACEY, NJ 08731

City, No. or Bldgs. Reg. No.

Federal Emp. No.

200970805

Fax:

CERTIFICATE OF OCCUPANCY

This serves notice that said building or structure has been constructed in accordance with the New Jersey Uniform Construction Code and is approved for occupancy.

CERTIFICATE OF APPROVAL

This serves notice that the work completed has been constructed or installed in accordance with the New Jersey Uniform Construction Code and is approved, if the permit was issued for minor work, this certificate was based upon what was visible at the time of inspection.

TEMPORARY CERTIFICATE OF OCCUPANCY/COMPLIANCE

This is a temporary Certificate of Occupancy of Compliance, the following conditions must be met not later than or the owner will be subject to fine or order to vacate:

Home Warranty No.

Type of Warranty Plan:

STATE PRIVATE

Use Group R-2

Maximum Live Load

Construction Classification

Maximum Occupancy Load SF

Description of Work/Use:

TENANT FIT-OUT / UNIT #349

CERTIFICATE OF CLEARANCE - LEAD ABATEMENT 5:17

This serves notice that based on written certification, lead abatement was performed as per NJAC 5:17, to the following extent:

- Total removal of lead-based paint hazards in scope of work
- Partial or limited time period (___ years); see file

CERTIFICATE OF CONTINUED OCCUPANCY

This serves notice that based on a general inspection of the visible parts of the building there are no imminent hazards and the building is approved for continued occupancy.

CERTIFICATE OF COMPLIANCE

This serves notice that potentially hazardous equipment has been installed and/or maintained in accordance with the New Jersey Uniform Construction Code and is approved for use until

Fee \$286.00

Paid Check No. 12403

Collected by CV

CONSTRUCTION OFFICIAL



CERTIFICATE

01/31/2011

Date Issued
Control #
Permit #

20100913

IDENTIFICATION

Block 102 Lot 72 Qualifier

Work Site Location

20 HIDDEN MEADOWS DR

OCEAN, NJ 07712

Owner in Fee/Occupant

OCEAN SENIORS, L.L.C.

Address

1065 ROUTE 22 WEST

BRIDGEWATER NJ 08807

Tel.

908-967-9753

Contractor:

DCM CONSTRUCTION

Address:

4 LAKESIDE DRIVE

LACEY, NJ 08731

.ic. No. or Bldrs. Reg. No.

Federal Emp. No.

260970805

Fax:

CERTIFICATE OF OCCUPANCY

This serves notice that said building or structure has been constructed in accordance with the New Jersey Uniform Construction Code and is approved for occupancy.

CERTIFICATE OF APPROVAL

This serves notice that the work completed has been constructed or installed in accordance with the New Jersey Uniform Construction Code and is approved. If the permit was issued for minor work, this certificate was based upon what was visible at the time of inspection.

TEMPORARY CERTIFICATE OF OCCUPANCY/COMPLIANCE

This is a temporary Certificate of Occupancy of Compliance, the following conditions must be met not later than or the owner will be subject to re-order to vacate:

Home Warranty No.

Type of Warranty Plan:

STATE PRIVATE

Use Group R-2

Maximum Live Load

Construction Classification

Maximum Occupancy Load SF

Description of Work/Use:

TENANT FIT-OUT / UNIT #351

CERTIFICATE OF CLEARANCE - LEAD ABATEMENT 5:17
This serves notice that based on written certification, lead abatement was performed as per NJAC 5:17, to the following extent:

- Total removal of lead-based paint hazards in scope of work
- Partial or limited time period (___ years); see file

CERTIFICATE OF CONTINUED OCCUPANCY

This serves notice that based on a general inspection of the visible parts of the building there are no imminent hazards and the building is approved for continued occupancy.

CERTIFICATE OF COMPLIANCE

This serves notice that potentially hazardous equipment has been installed and/or maintained in accordance with the New Jersey Uniform Construction Code and is approved for use until

Fee \$3665.00

Paid Check No. 12403

Collected by CV

CONSTRUCTION OFFICIAL



CERTIFICATE

01/31/2011

Date Issued
Control #
Permit #

20100912

IDENTIFICATION

Block 1.02 Lot 72 Qualifier

Work Site Location

20 HIDDEN MEADOWS DR

OCEAN, NJ 07712

Owner in Fee/Occupant

OCEAN SENIORS, L.L.C.

Address

1065 ROUTE 22 WEST

Tel.

BRIDGEWATER NJ 08807

Contractor:

908-967-9753

Address:

DCM CONSTRUCTION

Lic. No. or Bldrs. Reg. No.

4 LAKESIDE DRIVE S.

Federal Emp. No.

LACEY, NJ 08731

26097085

Fax:

CERTIFICATE OF OCCUPANCY

This serves notice that said building or structure has been constructed in accordance with the New Jersey Uniform Construction Code and is approved for occupancy.

CERTIFICATE OF APPROVAL

This serves notice that the work completed has been constructed or installed in accordance with the New Jersey Uniform Construction Code and is approved, if the permit was issued for minor work, this certificate was based upon what was visible at the time of inspection.

TEMPORARY CERTIFICATE OF OCCUPANCY/COMPLIANCE

If this is a temporary Certificate of Occupancy of Compliance, the following conditions must be met not later than or the owner will be subject to fine or order to vacate:

Home Warranty No.

Type of Warranty Plan:

Use Group R-2

Maximum Live Load

Construction Classification

Maximum Occupancy Load SF

Description of Work/Use:

TENANT FIT-OUT / UNIT #353

CERTIFICATE OF CLEARANCE - LEAD ABATEMENT 5:17

This serves notice that based on written certification, lead abatement was performed as per NJAC 5:17, to the following extent:

- Total removal of lead-based paint hazards in scope of work
- Partial or limited time period (__, years); see file

CERTIFICATE OF CONTINUED OCCUPANCY

This serves notice that based on a general inspection of the visible parts of the building there are no imminent hazards and the building is approved for continued occupancy.

CERTIFICATE OF COMPLIANCE

This serves notice that potentially hazardous equipment has been installed and/or maintained in accordance with the New Jersey Uniform Construction Code and is approved for use until

Fee \$286.00

Paid Check No. 12403

Collected by CV

2/1/11

CONSTRUCTION OFFICIAL

After Recording Return To:
CGP&H
Megan York
1249 Cranbury, Suite 301
Cranbury, NJ 08512

This Instrument was Prepared By:
Megan York

APPENDIX E-2
MANDATORY DEED RESTRICTION FOR RENTAL PROJECTS

Deed Restriction

**DEED-RESTRICTED AFFORDABLE HOUSING PROPERTY
WITH RESTRICTIONS ON RESALE AND REFINANCING**

THIS DEED RESTRICTION, entered into as of this the ____ day of February, 2020, by and between the CGP&H, LLC with offices at 1249 Cranbury, Suite 301, Cranbury, New Jersey 08512 ("Administrative Agent"), or its successor, acting on behalf of Ocean Township, with offices at 399 Monmouth Road, Oakhurst, New Jersey 07755, and Primrose Estates LLC with corporate offices located at 920 E County Line Road, Suite 104, Lakewood, New Jersey, the developer/sponsor (the "Owner") of a residential low- or moderate-income rental project (the "Project"):

WITNESSETH

Article 1. Consideration

In consideration of benefits and/or right to develop received by the Owner from the Municipality regarding this rental Project, the Owner hereby agrees to abide by the covenants, terms and conditions set forth in this Deed restriction, with respect to the land and improvements more specifically described in Article 2, hereof (the Property).

Article 2. Description of Property

The Property consists of all of the land, and a portion of the improvements thereon, that is located in the municipality of Ocean, County of Monmouth, State of New Jersey, and described more specifically as Block No. 1.02 Lot No. 72, and known by the street address 20 Hidden Meadows Drive, Ocean Township, New Jersey 07712.

More specifically designated as: Nineteen affordable housing units, of which two shall be very low (affordable to households making 30 percent or less of median income in the housing region, as defined in the New Jersey Fair Housing Act), eight low income and nine moderate income, and of the nineteen affordable housing units, there shall be four 1-bedroom units, eleven 2-bedroom units, and four 3-bedroom units, all as more fully listed below with initial certificate of occupancy date:

20 Hidden Meadows Drive, Unit 236, 2 Bedroom, Moderate Income, 2/1/2011
20 Hidden Meadows Drive, Unit 240, 2 Bedroom, Moderate Income, 2/2/2011
20 Hidden Meadows Drive, Unit 238, 2 Bedroom, Moderate Income, 2/2/2011
20 Hidden Meadows Drive, Unit 242, 1 Bedroom, Moderate Income, 2/2/2011

20 Hidden Meadows Drive, Unit 244, 3 Bedroom, Moderate Income, 2/2/2011
20 Hidden Meadows Drive, Unit 245, 1 Bedroom, Very Low Income, 2/1/2011
20 Hidden Meadows Drive, Unit 247, 2 Bedroom, Low Income, 2/1/2011
20 Hidden Meadows Drive, Unit 251, 2 Bedroom, Low Income, 2/1/2011
20 Hidden Meadows Drive, Unit 249, 2 Bedroom, Low Income, 2/1/2011
20 Hidden Meadows Drive, Unit 253, 3 Bedroom, Low Income, 2/1/2011
20 Hidden Meadows Drive, Unit 336, 1 Bedroom, Moderate Income, 2/2/2011
20 Hidden Meadows Drive, Unit 340, 2 Bedroom, Moderate Income, 2/2/2011
20 Hidden Meadows Drive, Unit 342, 2 Bedroom, Moderate Income, 2/1/2011
20 Hidden Meadows Drive, Unit 344, 3 Bedroom, Moderate Income, 2/1/2011
20 Hidden Meadows Drive, Unit 345, 1 Bedroom, Low Income, 2/1/2011
20 Hidden Meadows Drive, Unit 347, 2 Bedroom, Low Income, 2/2/2011
20 Hidden Meadows Drive, Unit 349, 2 Bedroom, Low Income, 2/1/2011
20 Hidden Meadows Drive, Unit 351, 2 Bedroom, Very Low Income, 2/1/2011
20 Hidden Meadows Drive, Unit 353, 3 Bedroom, Low Income, 2/1/2011

Article 3. Affordable Housing Covenants

The following covenants (the "Covenants") shall run with the land for the period of time (the "Control Period"), determined separately with respect for each dwelling unit, commencing upon the initial certificate of occupancy date, and shall and expire as determined under the Uniform Controls, as defined below.

In accordance with N.J.A.C. 5:80-26.11, each restricted unit shall remain subject to the requirements of this subchapter, the "Control Period," until the municipality in which the unit is located elects to release the unit from such requirements. Prior to such a municipal election, a restricted unit must remain subject to the requirements of this subchapter for a period of at least 30 years from the initial certificate of occupancy date; provided, however, that:

1. Units located in high-poverty census tracts shall remain subject to these affordability requirements for a period of at least 10 years; and
 2. Any unit that, prior to December 20, 2004, received substantive certification from COAH, was part of a judgment of compliance from a court of competent jurisdiction or became subject to a grant agreement or other contract with either the State or a political subdivision thereof, shall have its control period governed by said grant of substantive certification, judgment or grant or contract.
- A. Sale and use of the Property is governed by regulations known as the Uniform Housing Affordability Controls, which are found in New Jersey Administrative Code at Title 5, chapter 80, subchapter 26 (N.J.A.C. 5:80-26.1, *et seq*, the "Uniform Controls").
- B. The Property shall be used solely for the purpose of providing rental dwelling units for low- or moderate-income households, and no commitment for any such dwelling unit shall be given or implied, without exception, to any person who has not been certified for that unit in writing by the Administrative Agent. So long as any dwelling unit remains within its Control Period, sale of the Property must be expressly subject to these Deed Restrictions, deeds of conveyance must have these Deed Restrictions appended thereto, and no sale of the Property shall be lawful, unless approved in advance and in writing by the Administrative Agent and the Municipality.

- C. No improvements may be made to the Property that would affect the bedroom configuration of any of its dwelling units, and any improvements to the Property must be approved in advance and in writing by the Administrative Agent and the Municipality.
- D. The Owner shall notify the Administrative Agent and the Municipality of any foreclosure actions filed with respect to the Property within five (5) business days of service upon Owner.
- E. The Owner shall notify the Administrative Agent and the Municipality within three (3) business days of the filing of any petition for protection from creditors or reorganization filed by or on behalf of the Owner.

Article 4. Remedies for Breach of Affordable Housing Covenants

A breach of the Covenants will cause irreparable harm to the Administrative Agent, to the Municipality and to the public, in light of the public policies set forth in the New Jersey Fair Housing Act, the Uniform Housing Affordability Control rules found at N.J.A.C. 5:80-26, and the obligation for the provision of low and moderate-income housing.

- A. In the event of a threatened breach of any of the Covenants by the Owner, or any successor in interest of the Property, the Administrative Agent and the Municipality shall have all remedies provided at law or equity, including the right to seek injunctive relief or specific performance.
- B. Upon the occurrence of a breach of any Covenants by the Grantee, or any successor in interest or other owner of the Property, the Administrative Agent and the Municipality shall have all remedies provided at law or equity including but not limited to forfeiture, foreclosure, acceleration of all sums due under any mortgage, recouping of any funds from a sale in violation of the Covenants, diverting of rent proceeds from illegal rentals, injunctive relief to prevent further violation of said Covenants, entry on the premises, those provided under Title 5, Chapter 80, Subchapter 26 of the New Jersey Administrative Code and specific performance.

IN WITNESS WHEREOF, the Administrative Agent and the Owner have executed this Deed Restriction in triplicate as of the date first above written.

CGP&H

BY: _____
Megan York
Vice President

PRIMROSE ESTATES LLC

BY:  _____
Moshe Mendlowitz
Managing Member

APPROVED BY OCEAN TOWNSHIP

BY: _____
Christopher P. Siciliano
Mayor

ACKNOWLEDGEMENTS

STATE OF NEW JERSEY)
) SS.:
COUNTY OF)

I CERTIFY that on this the ____ day of February, 2020, Megan York personally came before me and stated to my satisfaction that this person:

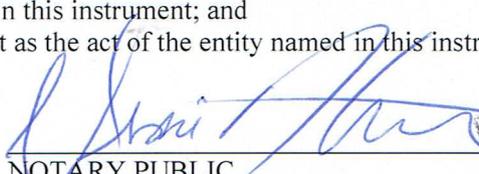
- (a) was the maker of the attached instrument;
- (b) was authorized to and did execute this instrument as Administrative Agent for the Township of Ocean, the entity named in this instrument; and
- (c) executed this instrument as the act of the entity named in this instrument.

NOTARY PUBLIC

STATE OF NEW JERSEY)
) SS.:
COUNTY OF Ocean)

I CERTIFY that on this the 28 day of February, 2020, Moshe Mendlowitz personally came before me and stated to my satisfaction that this person:

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


NOTARY PUBLIC 

STATE OF NEW JERSEY)
) SS.:
COUNTY OF)

I CERTIFY that on this the ____ day of February 2020 Christopher P. Siciliano personally came before me and stated to my satisfaction that this person:

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

NOTARY PUBLIC

Primrose Place - Affordable Units

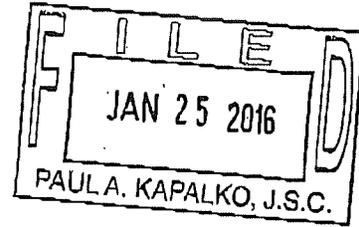
Property: Property Address	Property: Record Type	Income Level	Number of Bedrooms	Property Type
20 Hidden Meadows Drive, Unit 236	Rental Unit	Moderate	2	Apartment
20 Hidden Meadows Drive, Unit 238	Rental Unit	Moderate	2	Apartment
20 Hidden Meadows Drive, Unit 240	Rental Unit	Moderate	2	Apartment
20 Hidden Meadows Drive, Unit 242	Rental Unit	Moderate	1	Apartment
20 Hidden Meadows Drive, Unit 244	Rental Unit	Moderate	3	Apartment
20 Hidden Meadows Drive, Unit 245	Rental Unit	Very Low	1	Apartment
20 Hidden Meadows Drive, Unit 247	Rental Unit	Low	2	Apartment
20 Hidden Meadows Drive, Unit 249	Rental Unit	Low	2	Apartment
20 Hidden Meadows Drive, Unit 251	Rental Unit	Low	2	Apartment
20 Hidden Meadows Drive, Unit 253	Rental Unit	Low	3	Apartment
20 Hidden Meadows Drive, Unit 336	Rental Unit	Moderate	1	Apartment
20 Hidden Meadows Drive, Unit 340	Rental Unit	Moderate	2	Apartment
20 Hidden Meadows Drive, Unit 342	Rental Unit	Moderate	2	Apartment
20 Hidden Meadows Drive, Unit 344	Rental Unit	Moderate	3	Apartment
20 Hidden Meadows Drive, Unit 345	Rental Unit	Low	1	Apartment
20 Hidden Meadows Drive, Unit 347	Rental Unit	Low	2	Apartment
20 Hidden Meadows Drive, Unit 349	Rental Unit	Low	2	Apartment
20 Hidden Meadows Drive, Unit 351	Rental Unit	Very Low	2	Apartment
20 Hidden Meadows Drive, Unit 353	Rental Unit	Low	3	Apartment
Grand Totals (19 records)				

APPENDIX G

Wayside Point Crediting Documentation, including:

- Order Approving Settlement Agreement
- Deed Restriction
- Unit Census

RECEIVED MAR 24 2016



JEFFREY R. SURENIAN AND ASSOCIATES, LLC

Brielle Galleria
707 Union Avenue, Suite 301
Brielle, NJ 08730
(732) 612-3100

Attorneys for Defendants, Tp. of Ocean and Planning Board of the Tp. of Ocean
Jeffrey R. Surenian, Esq. (Attorney ID: 024231983)
Michael A. Jedziniak, Esq. (Attorney ID: 012832001)

<p>BVB II ASSOCIATES, Plaintiff, v. TOWNSHIP OF OCEAN, et al., Defendant</p>	<p>SUPERIOR COURT OF NEW JERSEY LAW DIVISION – MONMOUTH COUNTY DOCKET No: MON-L-4316-09 Civil Action</p>
<p>ROOSEVELT PROPERTIES, LLC Plaintiff v. TOWNSHIP OF OCEAN, et al., Defendant</p>	<p>SUPERIOR COURT OF NEW JERSEY LAW DIVISION – MONMOUTH COUNTY DOCKET NO: MON-L-5930-09 ORDER APPROVING <u>MOUNT LAUREL</u> SETTLEMENT AGREEMENT <u>Non-Consolidated</u></p>

This matter having been scheduled for a Mount Laurel Fairness Hearing before the Honorable Paul A. Kapalko, J.S.C. on December 4, 2015, and Robert A. Kasuba, Esq., of Bisgaier Hoff, LLC, appearing on behalf of Plaintiff, BVB Associates (“BVB”); and Michael A. Jedziniak, Esq. and Jeffrey R. Surenian, Esq. of the law firm Jeffrey R. Surenian and Associates, LLC and Martin J. Arbus, Esq., of the law firm of Arbus, Maybruch & Goode, LLC, jointly appearing on behalf of Defendants, Township of Ocean and Planning Board of the Township of Ocean (collectively “Ocean”); and Francis Banisch, P.P., A.I.C.P. having participated in this matter as the court-appointed Special Master; and the parties having applied for judicial approval

of a fully-executed Mount Laurel Settlement Agreement (hereinafter "Settlement" or "Agreement"); and the Township having provided forty five (45) days public notice of the Hearing (1) by publishing notice of the Hearing on October 20, 2015 in *The Asbury Park Press*, the Township's legal newspaper of regional circulation; and (2) by providing actual notice of the Hearing to a thorough list of COAH Region 4 affordable housing advocates including, but not limited to, Fair Share Housing Center ("FSHC"); and, pursuant to such notice, no interested party having filed any written objection to the proposed Settlement; and the Special Master having reviewed the Agreement and, on December 3, 2015, having issued a "Report of the Special Master Regarding Fairness of Settlement Agreement" (hereinafter "Report"); and the Master having concluded in his Report that the Settlement is fair and reasonable to the region's low and moderate income households; and the Township having provided the Court and the Special Master with all relevant documents prior to the Hearing in conjunction with its efforts to secure approval of the Settlement; and the Court having conducted the Hearing on December 4, 2015; and no members of the public having attended the Hearing; and counsel for Plaintiff Roosevelt Properties LLC having attended the Fairness Hearing but taken no position regarding the fairness of the Agreement; and the Special Master having testified in support of the conclusions set forth in his Master's Report and in response to questions posed by the Court; and Mary Beth Lonergan, P.P., A.I.C.P., the Township's consulting Mount Laurel planner, having also testified as to the "site suitability" of the proposed project and also in response to questions posed by the Court; and the Court having entered the Agreement, the Master's Report, and the relevant Affidavit of Public Notice with exhibits into evidence, thereby making them part of the record; and the Court having considered the documents on the record and the testimony of the Special Master and Ms. Lonergan; and, as a result of the foregoing, the Court having made

various findings of fact and determinations of law as set forth on the record; and good cause therefore appearing:

IT IS on this 25th day of January, 2016, ORDERED AND ADJUDGED as follows:

1. The Township published sufficient notice of the Fairness Hearing which (a) provided all interested parties with a sufficient opportunity to meaningfully submit comments, objections, or support for the proposed Settlement in advance of the Hearing; and (b) provided interested parties with the opportunity to participate in the Hearing at the discretion of the Court.

2. Pursuant and to the standards articulated by Judge Skillman in Morris County Fair Housing Council v. Boonton Township, 197 N.J.Super. 359 (Law Div. 1984) and further addressed by the Appellate Division in East/West Venture v. Bor. of Fort Lee, 286 N.J.Super. 311 (App. Div. 1996), the Court hereby accepts and approves the Settlement, and finds that said Settlement is fair, reasonable, and adequately protects the interests of the region's lower-income households.

3. Pursuant to Article III, Section 3.3 of the Agreement and upon expiration of the deadline to file a timely appeal of this Order, the above-captioned matter, styled as BVB II Associates v. Tp. of Ocean, et. al., Docket No. MON-L-4316-09 is hereby dismissed with prejudice.

4. The Court shall retain jurisdiction over this matter for the purpose solely to enforce the provisions of the Agreement.

5. Counsel for the Township of Ocean shall serve a copy of this Order upon all counsel of record within seven (7) days of the receipt.


HON. PAUL A. KAPALKO, J.S.C



Monmouth County Document Summary Sheet



MONMOUTH COUNTY CLERK
 PO BOX 1251
 MARKET YARD
 FREEHOLD NJ 07728

Return Name and Address
 Township of Ocean
 Attn: Township Clerk
 399 Monmouth Road
 Oakhurst, NJ 07755



500AVP

Official Use Only

Submitting Company	Township of Ocean 1137
Document Type	Deed Restriction (M Deed)
Document Date (mm/dd/yyyy)	09/12/2019
Total Number of Pages (Including the cover sheet)	6
Consideration Amount (if applicable)	

CHRISTINE GIORDANO HANLON
 COUNTY CLERK
 MONMOUTH COUNTY, NJ

INSTRUMENT NUMBER
2019099761
 RECORDED ON
Oct 23, 2019
2:52:34 PM
BOOK:OR-9375
PAGE:5738
 Total Pages: 6

COUNTY RECORDING FEES \$8.00
 TOTAL PAID \$8.00

Official Use Only
OCT 03 2019 J
A & Municipal Fee
OCT 18 2019 TW



First Party	Name(s) (Last Name, First Name or Company Name)	Address (Optional)
	Township of Ocean	399 Monmouth Road Oakhurst, NJ 07755
Second Party	Name(s) (Last Name, First Name or Company Name)	Address (Optional)
	Ocean Residential Development	125 Half Mile Road Suite 200 Red Bank, NJ 07701

The Following Section is Required for DEEDS Only

Parcel Information	Municipality	Block	Lot	Qualifier	Property Address
	Township of Ocean	1.02	52.01, 53.01, 54.01		

Recording Reference to Original Document (if applicable)

Reference Information (Marginal Notation)	Book	Beginning Page	Instrument No.

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

After Recording Return To:

Prepared by: Megan York

Megan York
CGP&H
101 Interchange Plaza, Suite 301
Cranbury, NJ 08512

Deed Restriction

THIS DEED RESTRICTION, entered into as of this the 12th day of ~~August~~ ^{September}, 2019, by and between CGP&H, LLC, with offices at 101 Interchange Plaza, Suite 301, Cranbury, NJ 08512 ("Administrative Agent"), or its successor, acting on behalf of the Township of Ocean, with offices at 399 Monmouth Road, Oakhurst, NJ 07755, and Ocean Township Residential Development whose mailing address is 125 Half Mile Road, Suite 200, Red Bank, NJ 07701, the developer/sponsor (the "Owner") of a residential low- or moderate-income rental project (the "Project"):

WITNESSETH

Article 1. Consideration

In consideration of benefits and/or right to develop received by the Owner from the Municipality regarding this rental Project, the Owner hereby agrees to abide by the covenants, terms and conditions set forth in this Deed restriction, with respect to the land and improvements more specifically described in Article 2, hereof (the Property).

Article 2. Description of Property

The Property consists of the land, and a portion of the improvements thereon, that is located in the municipality of the Township of Ocean, County of Monmouth, State of New Jersey, and described more specifically as Block No. 1.02, Lots 52.01, 53.01, 54.01, and known by the street address 17 Cindy Lane, Ocean, New Jersey.

There shall be 11 affordable housing units, of which two shall be very low income units (affordable to households making 30 percent or less of median income in the housing region, as defined in the New Jersey Fair Housing Act), four low income units, and five moderate income units. Of the 11 affordable housing units, two shall be 1-bedroom units, six shall be 2-bedroom units, and three shall be 3-bedroom units.

More specifically, the eleven units designated by unit number, bedroom size, and income restriction are listed below:

17 Cindy Lane, apt 118, 17 Cindy Lane, apt 118, 3-bedroom, Low Income
17 Cindy Lane, apt 120, 17 Cindy Lane, apt 120, 2-bedroom, Moderate Income
17 Cindy Lane, apt 122, 17 Cindy Lane, apt 122, 2-bedroom, Very Low Income
17 Cindy Lane, apt 218, 17 Cindy Lane, apt 218, 3-bedroom, Low Income
17 Cindy Lane, apt 219, 17 Cindy Lane, apt 219, 1-bedroom, Very Low Income
17 Cindy Lane, apt 220, 17 Cindy Lane, apt 220, 2-bedroom, Moderate Income
17 Cindy Lane, apt 221, 17 Cindy Lane, apt 221, 1-bedroom, Moderate Income
17 Cindy Lane, apt 222, 17 Cindy Lane, apt 222, 2-bedroom, Low Income

17 Cindy Lane, apt 318, 17 Cindy Lane, apt 318, 3-bedroom, Moderate Income
17 Cindy Lane, apt 320, 17 Cindy Lane, apt 320, 2-bedroom, Low Income
17 Cindy Lane, apt 322, 17 Cindy Lane, apt 322, 2-bedroom, Moderate Income

Article 3. Affordable Housing Covenants

The following covenants (the "Covenants") shall run with the land for the period of time (the "Control Period"), determined separately with respect for each very low, low, or moderate income dwelling unit, commencing upon the date on which the first certified household occupies the very low, low, or moderate income unit, and shall expire as determined under the Uniform Controls, as defined below.

In accordance with N.J.A.C. 5:80-26.11, each restricted unit shall remain subject to the requirements of this subchapter, the "Control Period," until the municipality in which the unit is located elects to release the unit from such requirements. Prior to such a municipal election, a restricted unit must remain subject to the requirements of this subchapter for a period of at least 30 years.

- A. Sale and use of the Property is governed by regulations known as the Uniform Housing Affordability Controls, which are found in New Jersey Administrative Code at Title 5, chapter 80, subchapter 26 (N.J.A.C. 5:80-26.1, et seq., the "Uniform Controls")
- B. The Property shall be used solely for the purpose of providing dwelling units for very low, low, or moderate income households, and no commitment for any such very low, low, or moderate income dwelling unit shall be given or implied, without exception, to any person who has not been certified for that unit in writing by the Administrative Agent. So long as any very low, low, or moderate income dwelling unit remains within its Control Period, sale of the Property must be expressly subject to these Deed Restrictions, deeds of conveyance must have these Deed Restrictions appended thereto, and no sale of the Property shall be lawful, unless approved in advance and in writing by the Administrative Agent and municipality.
- C. No improvements may be made to the Property that would affect the bedroom configuration of any of its very low, low, or moderate income dwelling units, and any improvements to the very low, low, or moderate income dwelling units must be approved in advance and in writing by the Administrative Agent and municipality.
- D. The Owner shall notify the Administrative Agent and the Municipality of any foreclosure actions filed with respect to the Property within five (5) business days of service upon Owner.
- E. The Owner shall notify the Administrative Agent and the Municipality within three (3) business days of the filing of any petition for protection from creditors or reorganization filed by or on behalf of the Owner.

Article 4. Remedies for Breach of Affordable Housing Covenants

A breach of the Covenants will cause irreparable harm to the Administrative Agent, to the Municipality and to the public, in light of the public policies set forth in the New Jersey Fair Housing Act, the Uniform Housing Affordability Control rules found at N.J.A.C. 5:80-26, and the obligation for the provision of low and moderate-income housing.

- A. In the event of a threatened breach of any of the Covenants by the Owner, or any successor in interest of the Property, the Administrative Agent and the Municipality shall have all remedies provided at law or equity, including the right to seek injunctive relief or specific performance.
- B. Upon the occurrence of a breach of any Covenants by the Grantee, or any successor in interest or other owner of the Property, the Administrative Agent and the Municipality shall have all remedies provided at law or equity, including but not limited to, forfeiture, foreclosure, acceleration of all sums due under any mortgage, recouping of any funds from a sale in violation of the Covenants, diverting of rent proceeds from illegal rentals, injunctive relief to prevent further violation of said Covenants, entry on the premises, those provided under Title 5, Chapter 80, Subchapter 26 of the New Jersey Administrative Code and specific performance.

IN WITNESS WHEREOF, the Administrative Agent and the Owner have executed this Deed Restriction in triplicate as of the date first above written.

CGP&H, LLC

BY: 

Megan York
Vice President

OCEAN TOWNSHIP RESIDENTIAL DEVELOPMENT, LLC

BY: 

John Giunco
Member

APPROVED BY THE TOWNSHIP OF OCEAN

BY: 

Christopher P. Siciliano
Mayor

STATE OF NEW JERSEY
COUNTY OF MONMOUTH SS:

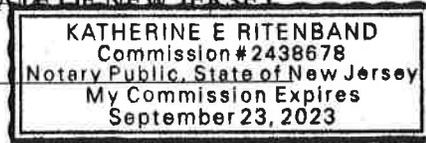
ACKNOWLEDGEMENTS

On this the ~~6th~~ ^{September} day of ~~August~~, 2019 before me came Megan York, to me known and known to me to be the Administrative Agent for The Township of Ocean who states that (s)he has signed said Agreement on behalf of said Municipality for the purposes stated therein.

Katherine E. Ritenband
A NOTARY PUBLIC of the STATE OF NEW JERSEY

(Seal)

My commission expires: _____

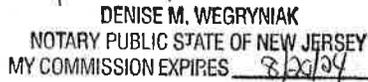


On this the 10th day of August, 2019 before me came John Giunco, to me known and known to me to be the Owner of the Property, who states that (s)he has signed said Agreement for the purposes stated therein.

Denise M. Wegryniak
A NOTARY PUBLIC of the STATE OF NEW JERSEY

(Seal)

My commission expires: August 20, 2024



On this the ~~12th~~ ^{September} day of ~~August~~, 2019 before me came Christopher P. Siciliano known and known to me to be Mayor of the Township of Ocean, the Municipality identified as such in the foregoing Agreement, who states that (s)he is duly authorized to execute said Agreement on behalf of said Municipality, and that (s)he has so executed the foregoing Agreement for the purposes stated therein

Jessie M. Joseph
A NOTARY PUBLIC of the STATE OF NEW JERSEY

(Seal)

My commission expires: 8/5/2023



RESOLUTION

WHEREAS, Ocean Township Residential Development is constructing a residential low or moderate income rental project at Block 1.02, Lots 52.01, 53.01 and 54.01 (more commonly known as 17 Cindy Lane); and

WHEREAS, this development consists of 72 units of which 11 are designated as affordable units; and

WHEREAS, in consideration of benefits and/or right to develop received by the owner, Ocean Township Residential Development, it does hereby agree to abide by the covenants, terms and conditions set forth in a Deed Restriction, with respect to the land and improvements of said property; and

WHEREAS, the Mayor and Municipal Clerk are hereby requesting authorization to execute said Deed Restriction;

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the Township of Ocean that authorization is hereby given for the Mayor and Municipal Clerk to execute the Deed Restriction as it pertains to Block 1.02, Lots 52.01, 53.01 and 54.01 (more commonly known as 17 Cindy Lane); and

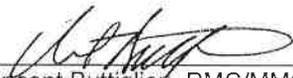
BE IT FURTHER RESOLVED that a certified copy of this resolution be forwarded to the following:

1. Megan York, Community Grants, Planning and Housing
2. Township Manager
3. Township Attorney
4. Tax Assessor

Record of Vote	Deputy Mayor Napolitani	Councilman Acerra	Councilwoman Donlon	Councilman Fisher	Mayor Sciliano
Motion To Approve			X		
Motion to Second				X	
Approved	X	X	X	X	
Opposed					
Not Voting/Recuse					
Absent/Excused					X

CERTIFICATION

I hereby certify that this is a true copy of a resolution passed by the Township of Ocean Governing Body at their meeting held on **August 1, 2019**.



 Vincent Buttiglieri, RMC/MMC
 Township Clerk

Wayside Point - Ocean

Property: Property Address	Unit Number	Property Type	Number of Bedrooms	Monthly Rent	Affordability % of Unit Rent	Date of Initial Rental Pricing	Date Placed in Program
17 Cindy Lane, Apt 219	219	Apartment	1	\$374.00	30.00%	2/21/2019	-
17 Cindy Lane, Apt 322	322	Apartment	2	\$1,116.00	60.00%	2/21/2019	-
17 Cindy Lane, Apt 220	220	Apartment	2	\$1,116.00	60.00%	2/21/2019	-
17 Cindy Lane, Apt 222	222	Apartment	2	\$893.00	50.00%	2/21/2019	-
17 Cindy Lane, Apt 221	221	Apartment	1	\$932.00	60.00%	2/21/2019	-
17 Cindy Lane, Apt 320	320	Apartment	2	\$893.00	50.00%	2/21/2019	-
17 Cindy Lane, Apt 318	318	Apartment	3	\$1,286.00	60.00%	2/21/2019	-
17 Cindy Lane, Apt 122	122	Apartment	2	\$447.00	30.00%	2/21/2019	-
17 Cindy Lane, Apt 120	120	Apartment	2	\$1,116.00	60.00%	2/21/2019	-
17 Cindy Lane, Apt 218	218	Apartment	3	\$1,028.00	50.00%	2/21/2019	-
17 Cindy Lane, Apt 118	118	Apartment	3	\$1,028.00	50.00%	2/21/2019	-
Grand Totals (11 records)							



APPENDIX H

Group Homes Crediting Documentation, including:

- Surveys
- Deed restrictions
- Licenses

Council on Affordable Housing (COAH) Alternative Living Arrangement Survey

Municipality: Ocean Township _____ County: Monmouth _____

Sponsor: Enable _____ Developer: Enable _____

Block: 33.08 ___ Lot: 2 _____ Street Address: 604 West Park Avenue

Facility Name: Enable Group Home _____

Type of Facility:

- Group Home for developmentally disabled as licensed and/or regulated by the NJ Dept. of Human Services (Division of Developmental Disabilities (DDD))
- Group Home for mentally ill as licensed and/or regulated by the NJ Dept. of Human Services (Division of Mental Health Services) (DMHS))
- Transitional facility for the homeless
- Residential health care facility (licensed by NJ Dept. of Community Affairs or NJ Dept. of Human Services)
- Congregate living arrangement
- Other - Please Specify: _____

Sources of funding committed to the project (check all that apply):

- Capital funding from State - Amount \$ _____
- Balanced Housing - Amount \$ _____
- HUD - Amount \$ _____
- Federal Home Loan Bank - Amount \$ _____
- Farmers Home Administration - Amount \$ _____
- Development fees - Amount \$ _____
- Bank financing - Amount \$ _____
- Other - Please specify: _____
- Please provide a pro forma for proposed projects

of total bedrooms 4 _____
 # of low-income residents 4 _____
 # of moderate-income residents _____
 # of market residents _____

Residents qualify as low or moderate income?

Yes No

Length of Controls: ___ years

Effective Date of Controls: ___/___/___

Expiration Date of Controls: ___/___/___

Average Length of Stay: _____ months (transitional facilities only)

CO Date: January 6, 2000

Indicate licensing agency:

DDD DMHS DHSS DCA

Initial License Date: 8/29/2000 - 6/30/2001

Current License Date: 5/31/08 - 5/31/09

The following verification is attached:

- Copy of deed restriction (30-year minimum, HUD, FHA, FHLB, BHP deed restriction, etc.)
- Copy of Capital Application Funding Unit (CAFU) Letter (20-year minimum, no deed restriction required)
- Award letter/financing commitment (proposed new construction projects only)

Residents 18 yrs or older? Yes No

Age-restricted? Yes No

Population Served (describe):

Accessible (in accordance with NJ Barrier Free Subcode)? Yes No

Affirmative Marketing Strategy (check all that apply):

DDD/DMHS/DHSS/DCA waiting list

Other (please specify): _____

CERTIFICATIONS

I certify that the information provided is true and correct to the best of my knowledge and belief.

Certified by:

Project Administrator (Sharon J.B. Copeland, Executive Director)

Date

Certified by:

Municipal Housing Liaison

Date

INVOICE OF NEW JERSEY

VENDOR STATUS (9)
 BLANK = NO CHANGE
 1 = NEW VENDOR
 2 = ADDRESS CHANGE
 3 = LOCATION CODE
 4 = NEW VENDOR AND LOCATION
 5 = VENDOR NO. CORRECTION

(10) ACCOUNT NUMBER		(11)	(12)	(13)	(14) TOTAL AMOUNT		(15) AGENCY P.O. NO.		(16) OBLIGATION NUMBER	
ORGANIZATION	FUND	PROGRAM	OBJECT	COST CENTER						

(6) PAYEE NAME AND ADDRESS
 (18) NAME (19) (20) STREET (21) CITY (22) STATE (23) ZIP CODE
 Enable Inc.
 13 Roszel Rd.
 Princeton, NJ 08540

(7) PAYEE DECLARATION:
 I certify that the within invoice is correct in all its particulars, that the described goods or services have been furnished or rendered, and that no bonus has been given or received on account of said invoice.

Joyce M. Edwards
 PAYEE SIGNATURE

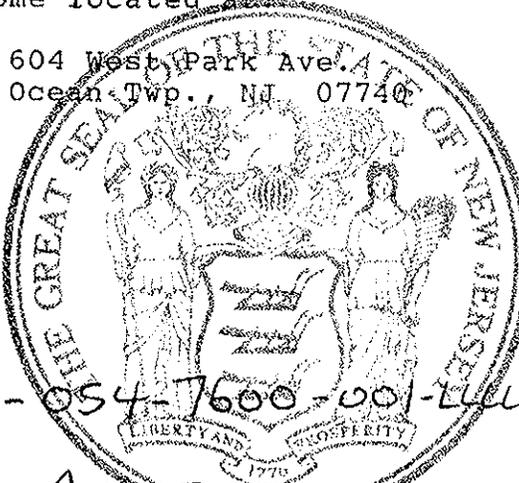
Executive Director
 TITLE

(8) DEPARTMENT/AGENCY
 DEPT. OF HUMAN SERVICES
 PO BOX 700
 TRENTON N.J. 08645

(9) BILLING DATE		
MONTH	DAY	YEAR

(24) COMMODITY CODE	(25) 1099 INDICATOR	(26) PAYEE REFERENCE—(LIMIT 34 CHARACTERS)	(27) PAYEE IDENTIFICATION NUMBER	(28) PROMPT PAYMENT EXEMPT CODE	(30) CONTRACT NUMBER	(31)
		22-2993393	22-2993393			
(32) LAST INVOICE	(33) PROMPT PAYMENT START DATE			(34) CHECK	(35) ACCOUNTING USE ONLY	(36) TERMS
MONTH DAY YEAR	MONTH DAY YEAR	SERIES NUMBER	(36) ERROR SUSPENSE NUMBER	(37) DEL REPL	MONTH DAY YEAR	

PAYEE—SEE INSTRUCTIONS ON REVERSE SIDE

ITEM NO.	QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	AMOUNT
			Purchase and related closing costs for group home located at: 604 West Park Ave. Ocean Twp., NJ 07740  561-054-7600-001-446-7110 AO 75006003132		\$ 188,500.0
TOTAL					\$ 188,500.0

CERTIFICATION BY RECEIVING AGENCY
 I CERTIFY THAT THE ABOVE ARTICLES HAVE BEEN RECEIVED OR SERVICES RENDERED AS STATED HEREIN.

CERTIFICATION BY APPROVAL OFFICER
 I CERTIFY THAT THIS INVOICE IS CORRECT AND JUST, AND PAYMENT IS APPROVED.

X *[Signature]*
 SIGNATURE

TITLE
 AR 50/54 (9/87)

DATE

 AUTHORIZED SIGNATURE

TITLE

DATE

STATE OF NEW JERSEY - DEPARTMENT OF HUMAN SERVICES
STANDARD LANGUAGE
FUNDING AGREEMENT FOR CONSTRUCTION, PURCHASE, OR
PURCHASE AND RENOVATION OF COMMUNITY-BASED FACILITIES

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AGREEMENT effective as of the date recorded on the signature page between the New Jersey Department of Human Services (the "Department") and the signatory agency (the "Agency") identified on the signature page.

WHEREAS the New Jersey Legislature has from time to time authorized the Department to expend such funds as are appropriated for the construction, purchase, or purchase and renovation of Community-Based facilities for certain Department Clients; and

WHEREAS the Department has established a capital funding program to carry out such authorizations; and

WHEREAS the Agency, as a Community-Based private agency or a local government agency, is eligible and desires to utilize funding under the aforementioned appropriations;

THEREFORE the Department and the Agency agree as follows:

I. DEFINITIONS

For the purposes of this document, the following terms, when capitalized, shall have meanings as stated:

Agreement means this document, the Annex(es), all additional appendices and attachments (including the Mortgage and any approved assignments, subcontracts, amendments and modifications) and all supporting documents. The Agreement constitutes the entire agreement between the parties.

Agreement Ceiling means the amount so designated in the Annex(es) and reflects the total amount of funding committed by the Department under this Agreement.

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Agreement Funds means funds committed by the Department to the Agency pursuant to this Agreement.

Annex(es) means the attachment(s) to this document containing at least the following information: a description of the Project; schedules for Project implementation and completion, Agency reporting of Project progress and Expenditures, and payment of Agreement Funds by the Department to the Agency; the commencement and expiration dates of the Agreement and the Project Period; the time period during which use of the Facility shall be restricted pursuant to the terms of Section 3.05 Facility Restrictions; the names of the Project director, the Agency officer authorized to sign this document and any other documents and papers under this Agreement, and the persons to whom Notices shall be directed; the title(s) of the Department officer(s) authorized to sign this document and any other documents and papers under this Agreement; the duties and responsibilities of the Project director; the Project budget, identifying both the Total Project Cost and the Agreement Ceiling; the sources and amounts of all funds supporting the Project; and a description of the services required to be provided in the Facility subsequent to its inspection and approval by the Department or the Division and subsequent to any required licensure. Copies of the forms of the mortgage and promissory note to be executed pursuant to Section 5.01 Mortgage Execution are appended to the Annex(es).

Community-Based means those service delivery programs or facilities which are not located on the grounds of or operated by a State institution.

Current Fair Market Value means the value of the Facility as determined by a reputable real estate appraiser approved by the Department. All appraisals must be independent of any influence either by the Agency or the Department. When used in connection with the satisfaction of the Mortgage, the Current Fair Market Value must be determined as close in time as possible to the date of such satisfaction.

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Days means calendar days.

Department Clients means, as appropriate, clients of the Division of Youth and Family Services, the Division of Developmental Disabilities or the Division of Mental Health.

Division means, as appropriate, the Division of Youth and Family Services, the Division of Developmental Disabilities or the Division of Mental Health.

Facility means the building constructed, purchased, or purchased and renovated in whole or in part under this Agreement and includes the land on which such building is situated.

Mortgage means the mortgage or mortgages executed pursuant to Section 5.01 Mortgage Execution and also includes the promissory note(s) secured by such mortgage(s).

Notice means an official written communication between the Department or the Division and the Agency. All Notices shall be delivered in person or by certified mail, return receipt requested, and shall be directed to the persons at the addresses specified for such purpose in the Annex(es) or to such other persons as either party may designate in writing.

Project means the project described in the annex(es) for construction, purchase, or purchase and renovation of a Community-Based facility for Department Clients and may include acquisition of land for such purpose. The Project may be wholly or partially financed with Agreement Funds.

Project Expenditures (also Expenditures) means expenditures made by the Agency in accordance with the Project budget contained in the Annex(es).

Project Period means the period, specified in the Annex(es), which spans the time from implementation to completion of the Project.

State means the State of New Jersey.

Total Project Cost means the amount so designated in the Annex(es) and reflects the total cost of the Project. If the Agency provides or obtains funding in addition to Agreement Funds to support the Project, the Total Project Cost will exceed the Agreement Ceiling by the amount of such additional funds.

II. BASIC OBLIGATIONS OF THE DEPARTMENT

Section 2.01 Payment. Payment of Agreement Funds to the Agency shall be in accordance with Article VI of this document.

Section 2.02 Inspection and Monitoring. The Department or its designee shall inspect the Project site and shall monitor Project activities for conformity with the terms of this Agreement, as well as with all other applicable Departmental specifications.

Section 2.03 Referenced Materials. Upon written request of the Agency, the Department or the Division shall make available to the Agency copies of federal and State regulations and other materials specifically referenced in this document.

III. BASIC OBLIGATIONS OF THE AGENCY

Section 3.01 Project Implementation and Completion. The Agency shall implement and complete the Project in accordance with the schedule outlined in the Annex(es).

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Section 3.02 Expenditure of Agreement Funds. The Agency shall expend Agreement Funds for the Project in accordance with the budget contained in the Annex(es) and for no purpose other than as reflected therein. Salaries and travel expenses for Agency employees shall not be paid by Agreement Funds, except as may be specifically approved by the Department and budgeted in the Annex(es).

With exceptions only as expressly approved by the Department, the Agency may expend Agreement Funds only during the Project Period specified in the Annex(es). When circumstances force Agency expenditures for Project-related activities prior to the Project Period, such circumstances shall be documented by the Agency and forwarded in writing to the Department. At the discretion of the Department, part or all of such expenditures may be recoverable from Agreement Funds. The Department makes no assurance that it shall permit such recovery.

Section 3.03 Mortgage. The Agency shall execute and satisfy a Mortgage in accordance with Article V of this document.

Section 3.04 Matching Funds. The Department may require that the Agency provide or obtain matching funds for the Project. Any required Agency match shall be provided in accordance with Departmental specifications, and the source(s) and amount(s) of such match shall be recorded in the Annex(es).

Section 3.05 Facility Restrictions. The Agency shall maintain the Facility as an approved facility for Department Clients for a period of time stipulated by the Department in accordance with writer Division policies. Such time period constitutes the Agreement term and is recorded in the Annex(es). Unless otherwise stipulated in the Annex(es), the Agency shall reserve 100 percent of the Facility's maximum client capacity for Division referrals, except during such times as the Division may determine that a lesser percent is adequate

Section 3.06 Project Director. Under the direction of the Agency's governing body, the Project director named in the Annex(es) shall be responsible for all Project activities.

Section 3.07 Documents and Information. The Agency shall furnish the Department or the Division with all documents and information required by this Agreement, as well as with any additional material which may be considered necessary by the Department or the Division in support of the Agreement.

Section 3.08 Compliance with Laws. In fulfilling its commitment under this Agreement, the Agency shall comply with all applicable federal, State and local laws, rules and regulations (collectively, "laws"), including but not limited to the following: the federal Civil Rights Act of 1964, as amended; P.L. 1933, Chapter 277, of the State of New Jersey, as amended (N.J.S.A. 10:2-1 et seq.) and P.L. 1975, Chapter 127, of the State of New Jersey (N.J.S.A. 10:5-31 et seq.) pertaining to affirmative action and nondiscrimination in public contracts; the federal Equal Employment Opportunity Act; Section 504 of the federal Rehabilitation Act of 1973 pertaining to nondiscrimination on the basis of handicap; the federal Age Discrimination Act of 1975; and the New Jersey Conflicts of Interest Law (N.J.S.A. 52:13D-12 et seq.), including but not limited to those sections pertaining to contracting, solicitation and the provision of inducements to State legislators, officers or employees. In addition, the Agency shall comply with all applicable State and local laws relating to licensure, with standards specified by the Department as appropriate to the Facility, and with all applicable policies and procedures issued by the Department or the Division.

IV. SERVICE CONTRACT

The execution of this Agreement shall require execution of separate contract(s) or affiliation agreement(s) for the provision of services in the Facility. The parties to such service contract(s)

or agreement(s) shall be the Division and the Agency or, alternatively the Division and another entity approved by the Division. The services to be provided in the Facility are described in the Annex(es).

This Article, in conjunction with Section 3.05 Facility Restrictions, binds the Agency to make the Facility available for the provision of Department-approved services for the entire term of the Agreement. This Article shall not be construed, however, to obligate the Division or the Department to continue to fund such services throughout the Agreement term. The Division may choose or may be forced to discontinue such funding; and such discontinuance may, at the option of the Department, result in termination of this Agreement. Should such termination occur, the Department may act in accordance with any appropriate option set forth in Section 5.02 Mortgage Satisfaction.

V. MORTGAGE

Section 5.01 Mortgage Execution. The Agency shall execute and deliver to the Department a promissory note and a mortgage against the Facility. Execution of such documents shall be authorized by a resolution of the Agency's governing body. The amounts of both the note and the Mortgage shall be equal to the Agreement Ceiling. At the conclusion of the Project Period, should the actual amount of Project Expenditures approved for payment by the Department differ from the Agreement Ceiling as budgeted in the Annex(es), an additional note and an additional mortgage shall be executed by the Agency in the amount actually paid or approved for payment in excess of the original Agreement Ceiling. The original Mortgage and any additional Mortgage shall be filed by the Agency for recording in the county in which the Facility is located, and proof of such filing shall be delivered to the Department within seven Days thereafter. The original Mortgage and any additional Mortgage shall continue in full force and

amount until or unless the Department acts in accordance with any of its options set forth in Section 5.02 Mortgage Satisfaction.

Section 5.02 Mortgage Satisfaction. The Department may, upon expiration or termination of the Agreement, exercise any of the following options:

- (a) If the Agreement Ceiling equals the Total Project Cost, the Department may require that the Agency transfer the Facility's title either to the Department or to an entity designated by the Department.
- (b) If the Agreement Ceiling is less than the Total Project Cost, the Department may pay the Agency for the Agency's interest in the Facility, and upon such payment the Agency shall transfer the Facility's title either to the Department or to an entity designated by the Department. In such case, the amount of the Department's payment to the Agency shall be calculated by multiplying the Current Fair Market Value of the Facility by the percentage of the original investment represented by Agency funds.
- (c) Regardless of the relationship of the Agreement Ceiling to the Total Project Cost, the Department may require payment by the Agency to satisfy the Mortgage. If the Agency must sell the Facility in order to satisfy the Mortgage, and if the proceeds of such sale are less than the amount of the Mortgage, the Department's fair share of such proceeds shall be deemed to satisfy the Agency's indebtedness under the Mortgage. The Department's fair share of the sale proceeds shall be the same percentage as the percentage of the original investment represented by Department funds. No amount less than the full amount of the Mortgage shall be deemed to satisfy the Agency's indebtedness to the

Department unless the Agency furnishes the Department with an appraisal indicating the Current Fair Market Value at the time of such sale and unless the Department is satisfied that the sale price was reasonable in light of such appraisal.

VI. PAYMENT

Section 6.01 General Payment Obligation. Except as otherwise limited or precluded in this Agreement, and contingent upon satisfactory fulfillment of the Agency's obligations as set forth in Section 3.01 Project Implementation and Completion, the Department shall pay the Agency the lesser of (a) the Agreement Ceiling or (b) an amount which bears the same percentage relationship to aggregate Project Expenditures as the Agreement Ceiling bears to the Total Project Cost.

Section 6.02 Method and Schedule of Payment. The Agency shall be paid under this Agreement in accordance with the method and schedule outlined in the Annex(es). Where applicable, the Department reserves the right to require written verification from the Project architect, contractor or other appropriate person, certifying the percentage of the Project completed to the date of Agency billing. In addition, the Department may require copies of statements from parties involved in Project activities.

Section ~~6.03~~ Payments Conditional. All payments by the Department under this Agreement shall be subject to revision on the basis of an audit conducted under Section 7.04 Audit.

VII. BOOKS AND RECORDS; REPORTING REQUIREMENTS; VISITATION AND INSPECTION; AUDIT

Section 7.01 Books and Records. The Agency shall maintain such books, records and accounts as are considered necessary by the

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Department to ensure an accurate and adequate accounting of all receipts, expenditures and available funds, regardless of their source, relating to the Project. A separate bank account shall be established for Agreement Funds to ensure that they are identifiable for monitoring and auditing purposes and that co-mingling of Agreement Funds does not occur.

All books, records and documents of any kind pertaining to this Agreement shall be retained by the Agency for a minimum of four years after expiration or termination of the Agreement or ten years after completion of the Project, whichever is later. Such requirement can be waived only by written authorization of the Department.

Section 7.02 Reporting Requirements. The Agency shall report Project progress and Expenditures to the Department in accordance with the schedule and procedures established in the Annex(es).

Section 7.03 Visitation and Inspection. The Agency's books, records and facilities, as well as the Project site itself, shall be available for inspection by authorized representatives of the Department, the Division and any other appropriate unit, agency or agent of State or local government. At the discretion of the Department, visitations and inspections may be at any time and may be announced or unannounced. The Agency's obligation to make available its books and records for on-site inspection, however, shall be limited to regular business hours.

Section 7.04 Audit. At any time during the Agreement term, the Agency's overall operations, its compliance with specific Agreement provisions, and the operations of any assignees or subcontractors engaged by the Agency under Section 10.01 Assignment and Subcontracts may be subject to audit by the Department, by any other appropriate unit or agency of State government, or by a private firm retained or approved by the Department for such purpose.

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Whether or not such audits are conducted during the Agreement term, a final financial and compliance audit of Project operations, including the relevant operations of any assignees or subcontractors, shall be conducted. Generally such audit shall be initiated within two years after expiration of the Project Period. Should extraordinary circumstances prevent this from occurring, the final audit shall commence as soon as feasible thereafter. The final audit shall be performed by a unit or agency of State government or by a private firm retained for such purpose by the Department or the Agency and shall follow guidelines issued by the Department. Final financial settlement of this Agreement shall be contingent upon the findings of the final audit.

All provisions of Section 7.03 Visitation and Inspection shall apply to the Agency and to any assignees or subcontractors in the case of any visitations or inspections made for the purpose of audit. The Department reserves the right to have access to all written material, including but not limited to work papers, generated in connection with any audit conducted. Should the Agency retain a private auditing firm, the Agency shall ensure that the instrument used to engage such firm contains express reference to the Department's right of access pursuant to this section.

VIII. AGREEMENT TERM; PROJECT PERIOD; AMENDMENTS AND MODIFICATIONS;
CLOSEOUT

Section 8.01 Agreement Term. This Agreement shall commence and expire on the dates specified in the Annex(es). The Agreement's expiration date shall coincide with the date on which the Agency shall have satisfied its obligation to the Department as established pursuant to the terms of Section 3.05 Facility Restrictions and recorded in the Annex(es).

Notwithstanding the foregoing, the Department and the Agency retain the right, during the Agreement term, to terminate this Agree-

ment upon six months' Notice to the other. Should such termination occur, the Department may act in accordance with any appropriate option set forth in Section 5.02 Mortgage Satisfaction.

Section 8.02 Project Period. The Project Period shall commence on the same date as the Agreement and shall expire on the date specified in the Annex(es). The Project Period may be extended only upon written authorization of the Department.

Section 8.03 Amendments and Modifications. Except as may otherwise be provided for in this document, all amendments and modifications to the terms of this Agreement shall be consistent with Department or Division policies and shall be accomplished by means of a written agreement signed by the parties' authorized agents identified in the Annex(es). All written amendments and modifications shall become part of this Agreement and shall be appended to this document.

Section 8.04 Closeout. All financial accounts under this Agreement, with the exception of the Mortgage, shall be settled as accurately as possible within 90 Days after expiration of the Project Period and shall be settled finally based upon the findings of the final audit conducted under Section 7.04 Audit. Any unexpended Agreement Funds in the possession of the Agency shall be returned to the Department within the 90-Day closeout period. The Mortgage shall be satisfied in accordance with Section 5.02 Mortgage Satisfaction.

Except as may otherwise be provided for in this document, all non-financial obligations of both parties shall continue after the Project Period and shall cease on the effective date of expiration or termination of the Agreement.

IX. DEFAULT

Section 9.01 Causes. The occurrence of any of the following shall be considered by the Department as Agency default of this Agreement:

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- (a) Agency failure, judged to be substantial by the Department, to abide by Project specifications stipulated in the Annex(es);
- (b) Agency failure, judged to be substantial by the Department, to adhere to the schedule established in the Annex(es) for Project implementation and completion;
- (c) any Agency use of Agreement Funds for purposes other than as approved by the Department and specified in the Annex(es);
- (d) Agency submission to the Department or the Division of reports or other documents that are inaccurate or incomplete in any material respect;
- (e) Agency refusal or failure to permit the Department, the Division or a designee of the Department to inspect the Agency's facilities, including the Project site, or to review and monitor Agency administrative records and operational practices;
- (f) Agency allowance, in the absence of Departmental approval, of the placement of any lien, mortgage or other encumbrance on the Facility during the term of this Agreement, other than as provided for in Section 5.01 Mortgage Execution or identified in the Annex(es);
- (g) Agency use of Agreement Funds to employ or otherwise compensate directly or indirectly any employee of the Department;
- (h) Department discovery, in the absence of Agency disclosure, of any pecuniary or personal interest by the Agency, its

officers, trustees, directors or employees in any assignment or subcontract executed pursuant to Section 10.01 Assignment and Subcontracts;

- (i) conduct or acts, including but not limited to alleged or adjudged criminal activity, on the part of the Agency, its officers, trustees, directors or employees, which are detrimental to the reputation of the Agency or the Department;
- (j) any Agency failure, judged to be substantial by the Department, to comply with the terms and conditions of this Agreement, including any failure to maintain an approved use of the Facility pursuant to Section 3.05 Facility Restrictions.

Section 9.02 Procedures. Upon occurrence of any of the events enumerated in Section 9.01 Causes, the Department shall give Notice to the Agency that it is in default of this Agreement and shall elect either to terminate the Agreement on a date of the Department's choosing or to invoke the remedy provision set forth in Section 9.03 Remedy. Should the Agreement be terminated pursuant to this section, the Department shall act in accordance with any appropriate option set forth in Section 5.02 Mortgage Satisfaction.

Section 9.03 Remedy. In lieu of terminating this Agreement in the event of default, the Department may advise the Agency, in the Notice of default, of specific measures the Agency must undertake to remedy the default by a date of the Department's choosing. Such date shall be no more than six months from the date of the Notice of default and may be extended only at the discretion of the Department and upon Notice to the Agency. The Department's election of this provision shall in no way limit or preclude its right to terminate the Agreement upon Notice to the Agency, should the Agency fail to adhere to the remedy measures or the time schedule specified in the Notice of default.

X. MISCELLANEOUS

Section 10.01 Assignment and Subcontracts. No rights or obligations of the Agency under this Agreement may be assigned or subcontracted by the Agency, nor may the Agency sell or transfer title to the Facility, except as may be provided within the terms of this Agreement or with the prior written approval of the Department. All approved assignments and subcontracts shall become part of this Agreement and shall be subject to its terms. The Agency shall bear full responsibility, without recourse to the State or any of its subdivisions, for performance under any approved assignment or subcontract. The Agency shall forward copies of all assignment and subcontract documents to the Department and shall retain copies of them on file together with this document.

Section 10.02 Procurement. The Agency shall bear full responsibility, without recourse to the State or any of its subdivisions, for the settlement and satisfaction of any issues arising from any procurement arrangement entered into in support of this Agreement.

Section 10.03 Insurance. The Agency and any assignees or subcontractors engaged in construction or renovation of the Facility shall obtain the following types of insurance in coverage amounts judged adequate by the Department and indicated in the Annex(es):

- (a) workers' compensation;
- (b) general liability, including completed operations, broad form property damage and broad form contractual coverage;
- (c) fire insurance with extended coverage, such coverage to be equal to the replacement value of the Facility without any co-insurance; and

(d) builder's risk, on an all-risk basis.

In addition, the Department may require the Agency and any assignees or subcontractors to obtain a completion bond and/or to maintain any other type of insurance coverage considered necessary by the Department. The State, which shall include the Department, shall be included as an additional named insured on any insurance policy applicable to the Project. The Department may require such proof of the required insurance and/or bond as it deems appropriate at any time during the Project Period.

Section 10.04 Indemnification. The Agency shall defend, indemnify and otherwise save harmless the State of New Jersey, its agencies, departments, bureaus, boards, officials and employees from any and all claims or actions at law, whether for personal injury, property damage or liabilities, including the costs of defense (a) which arise from acts or omissions, whether negligent or not, of the Agency or its agents, employees, servants, subcontractors, material suppliers or others working for the Agency, irrespective of whether such risks are within or beyond the control of the Agency, or (b) which arise from any failure to perform the Agency's obligations under this Agreement or any improper performance.

Notwithstanding the Agency's responsibilities outlined above in this section, the State reserves the right to provide its own attorney(s) ~~to~~ assist in the defense of any legal actions which may arise as a result of this Agreement.

Section 10.05 Insufficiency of Funds. The Agency and the Department recognize that this Agreement is dependent upon funding through State appropriations. The Department shall not be held responsible for any breach of this Agreement arising due to insufficiency of such appropriations.

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Section 10.06 Exercise of Rights. A failure or a delay on the part of the Department or the Agency in exercising any right, power or privilege under this Agreement shall not waive that right, power or privilege. Moreover, a single or a partial exercise shall not prevent another or a further exercise of that or of any other right, power or privilege.

Section 10.07 Application of New Jersey Law. The parties to this Agreement hereby acknowledge that this Agreement is governed by New Jersey law, including the provisions of the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 et seq.) governing the Department's liability in any dispute that may arise under this Agreement.

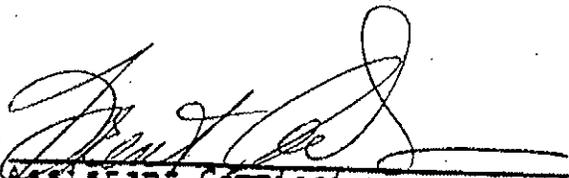
Section 10.08 Title to Facility. The title to the Facility shall be and remain in the Agency until such time as the Agreement has expired or been terminated for any reason. At such time, the Department's choosing of certain options set forth in Section 5.02 Mortgage Satisfaction may result in transfer of the Facility's title either to the Department or to an entity designated by the Department.

Section 10.09 Renewability. Upon expiration of the Agreement term specified in the Annex(es), this Agreement may be renewed only on the condition that such renewal is desired and its terms are fully agreed upon by both the Department (or its successor) and the Agency in a renewal agreement. Nothing either explicit or implicit in this Agreement shall be construed as granting to the Agency an automatic right of renewal. The Department reserves the right, for any reason whatsoever, to refrain from renewing this Agreement.

Should the Agreement be renewed in accordance with the terms of this section, the Mortgage shall also be renewed; and the Agency's liability to satisfy the Mortgage shall continue under and be governed by the renewal agreement.

AGREEMENT SIGNATURES AND DATE

The terms of this Agreement have been read and understood by the persons whose signatures appear below. The parties agree to comply with the terms and conditions of the Agreement as set forth in Article I through Article X above.

BY: 
Assistant Commissioner
New Jersey Department of Human Services

BY:  L.S.
Authorized Agency Representative

NAME: Joyce M. Edwards

TITLE: Executive Director

AGENCY: ENABLE INC.

ADDRESS: 13 Roszel Rd.

Princeton, NJ 08540

AGREEMENT DATED:

JANUARY 12 2000

PROMISSORY NOTE

\$ 188,500.00

Jan. 12, 2000

In accordance with a Capital Funding Agreement dated Jan. 12, 2000, ENABLE, INC.

promises to pay on demand to the order of the State of New Jersey, Department of Human Services, one hundred, eighty-eight thousand, five hundred dollars and no cents ~~XXXXXXXXXXXXXXXXXXXX~~ dollars, payable at Capital Place One, 222 South Warren Street, Trenton, New Jersey 08625.

BY: Joyce M. Edwards L.S.
Authorized Agency Representative

NAME: Joyce M. Edwards
TITLE: Executive Director
AGENCY: Enable Inc.
ADDRESS: 13 Roszel Rd.
Princeton, NJ 08540

Deborah A. Barry
Notary Public in and for the County of Mercer

State of New Jersey.

My Commission expires 7/13/02

On this 6 Day of January 19 2002

DEBORAH A. BARRY
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES 7/13/02

COMMUNITY RESIDENTIAL FACILITY FUNDING PROGRAM
STATE OF NEW JERSEY - DEPT. OF HUMAN SERVICES
DIVISION OF DEVELOPMENTAL DISABILITIES

ANNEX A - PROJECT SUMMARY

1. This Agreement commences on 1-12-2000 and expires on 1-11-2020

2. Legal Name of Agency: ENABLE INC.

3. Agency Address (Including P.O. Box, City, State, Zip Code, County):

13 Roszel Rd.
Princeton, NJ 08540

4. Date of Agency Incorporation: October 1, 1989

5. Federal I.D. Number: 22-2993393

6. Project Location (Street, Address, City, State, County):

604 West Park Ave.
Ocean Twp., NJ07740

7. Project Scope:

Purchase Land Existing Building(s)
 Renovation Expansion of Existing Facility
 New Construction Equipment

8. The Project Period Commences on 1-12-2000 and expires on 7-11-2000

9. Project Director:

Name: Alice J. Broda
Address: Enable Inc.
13 Roszel Rd.
Princeton, NJ 08540
Phone: (609) 987-5003

10. Agency Officer authorized to sign this and other documents:

Name: Joyce M. Edwards, Exec. Dir.
Address: Enable Inc.
13 Roszel Rd.
Princeton, NJ 08540
Phone: (609) 987-5003

11. Person to whom Notices shall be directed:

a) Agency
Name: same as above
Address: _____

b) Department
Name: Erika Loyka
Address: DDD
CN 726
Trenton, NJ 08625-0726

**COMMUNITY RESIDENTIAL FACILITY FUNDED PROGRAM
STATE OF NEW JERSEY - DEPARTMENT OF HUMAN SERVICES
DIVISION OF DEVELOPMENTAL DISABILITIES**

**ANNEX A - ATTACHMENT A:
DUTIES AND RESPONSIBILITIES OF PROJECT DIRECTOR**

The Project Director of ENABLE INC. is responsible for:

1. reporting the progress of the construction and related work to the Department through the Regional Assistant Director's Office, DDD;
2. paying all contractor's and other bills as appropriate;
3. submitting the invoices to the Statement for payment as per the Schedule in Annex C of this Agreement;
4. verifying that the work is completed as approved by the Department.

**COMMUNITY RESIDENTIAL FACILITY FUNDING PROGRAM
STATE OF NEW JERSEY - DEPARTMENT OF HUMAN SERVICES
DIVISION OF DEVELOPMENTAL DISABILITIES**

ANNEX B - PROJECT BUDGET: PURCHASE AND RENOVATION

<u>1. PROJECT COSTS:</u>	<u>PROJECT TOTAL</u>	<u>AGREEMENT AMT</u>	<u>AGENCY AMT</u>	<u>BASIS*</u>
A. Purchase of Facility			Seeking	
1) Purchase Price	\$ <u>185,000.00</u>	\$ <u>185,000.00</u>	\$ <u>Lev. Grant</u>	\$ _____
2) Closing costs, including legal fees, studies & survey	\$ <u>3,000.00</u>	\$ <u>3,000.00</u>	\$ _____	\$ _____
B. Architect	\$ _____	\$ _____	\$ _____	\$ _____
C. Appliances	\$ _____	\$ _____	\$ _____	\$ _____
D. Carpeting	\$ _____	\$ _____	\$ _____	\$ _____
E. Renovations, including general contract, fire alarm/ detection and equipment	\$ _____	\$ _____	\$ _____	\$ _____
F. Other	\$ <u>500.00</u>	\$ <u>500.00</u>	\$ _____	\$ _____
G. Total Project Cost	\$ <u>188,500.00</u>	\$ <u>188,500.00</u>	\$ <u>"</u>	\$ _____

2. Agreement Ceiling: \$ _____

3. SOURCES OF FUNDS TO SUPPORT PROJECT (use additional sheet if necessary):

DHS Funding

* List the basis for each element of the Project Cost - e.g., architect's estimate, contractor's estimate, agency estimate, consultant's estimate, purchase price.

**COMMUNITY RESIDENTIAL FACILITY FUNDING PROGRAM
STATE OF NEW JERSEY - DEPARTMENT OF HUMAN SERVICES
DIVISION OF DEVELOPMENTAL DISABILITIES**

ANNEX C - PROJECT PROGRESS AND PAYMENT: PURCHASE & RENOVATION

1. Reports and Inspections.
 - A. The Agency will report Project progress and expenditures as requested, but not less frequently than monthly, to the Department through the Regional Assistant Director's Office, Division of Developmental Disabilities.
 - B. The Department will make periodic site inspections as necessary. At minimum, the following inspections will be made:
 1. site inspection prior to purchase of facility
 2. renovation inspection at 50% completion
 3. final inspection upon completion of Project, prior to final payment of capital funds.
2. Payment of Capital Funds by the Department to the Agency
 - A. Upon commencement of the Agreement, the Department will make initial payment of the following budgeted costs as specified:

	<u>Amount to be paid</u>	<u>% of Budgeted Amt (Per Annex B)</u>
1. Purchase of Facility	\$ <u>185,000.00</u>	\$ <u>100%</u>
2. Closing Costs	\$ <u>3,000.00</u>	\$ <u>100%</u>
3. Architect	\$ _____	\$ _____
4. Appliances	\$ _____	\$ _____
5. Carpeting	\$ _____	\$ _____
6. Renovations	\$ _____	\$ _____
7. Other	\$ <u>500.00</u>	\$ <u>100%</u>
Total to be paid	\$ <u>188,500.00</u>	

B. Subsequently upon receipt from the Agency of billings and written verification of the percentage of the project completed to date, the Department will pay renovations costs as follows:

<u>% of Project Completed</u>	<u>% of Budgeted Renovations Amount (Per Annex B) to be paid</u>	<u>Dollar Amount to be paid</u>
1. 50%	_____	_____
2. 100%	_____	_____

An adjustment based on actual costs may be made in the second payment to compensate for any previous over or underpayment made based on estimated costs.

C. Subsequent to the final inspection required in 1B3 above, the Department will pay the remainder of the documented approved Project costs up to, but not to exceed, the Agreement Ceiling.

Annex D - DESCRIPTION OF SERVICES TO BE DELIVERED IN FACILITY

The Agency shall maintain the Facility as a licensed community residence for the Developmental Disabled housing 4 persons. The facility shall provide food, shelter and personal guidance for developmentally disabled persons who require assistance, temporarily or permanently, in order to live independently in the community.

anexapro

State of New Jersey
Department of Human Services
Office of Licensing

LICENSE

ENABLE, INC.

13 Roszel Rd.
Suite B110
Princeton, NJ 08540

*Having met the requirements of the New Jersey Statute, P.L. 1977, c. 448, and the regulations of this Department,
is hereby licensed as a*

Group Home Developmental Disability

for 4 individuals

at

604 W PARK AVE
OAKHURST, NJ 07755

This License is effective from 07/31/2018 to 07/31/2019



A handwritten signature in cursive script, appearing to read "Carol Johnson".

Carol Johnson, Commissioner, Department of Human Services

Council on Affordable Housing (COAH)
Alternative Living Arrangement Survey

Municipality: Ocean Township _____ County: Monmouth _____

Sponsor: SERV Achievement Centers, Inc. Developer: SERV Properties and Management, Inc.

Block: 182 _____ Lot: 20 _____ Street Address: 21 Hillside Terrace

Facility Name: SERV Group Home _____

Type of Facility:

- Group Home for developmentally disabled as licensed and/or regulated by the NJ Dept. of Human Services (Division of Developmental Disabilities (DDD))
- Group Home for mentally ill as licensed and/or regulated by the NJ Dept. of Human Services (Division of Mental Health Services) (DMHS)
- Transitional facility for the homeless
- Residential health care facility (licensed by NJ Dept. of Community Affairs or NJ Dept. of Human Services)
- Congregate living arrangement
- Other – Please Specify: _____

Sources of funding committed to the project (check all that apply):

- Capital funding from State – Amount \$ 344,734
- Balanced Housing – Amount \$ _____
- HUD – Amount \$ _____
- Federal Home Loan Bank – Amount \$ _____
- Farmers Home Administration – Amount \$ _____
- Development fees – Amount \$ _____
- Bank financing – Amount \$ _____
- Other – Please specify: _____
- Please provide a pro forma for proposed projects

of total bedrooms 5

of low-income residents 5

of moderate-income residents

of market residents

Residents qualify as low or moderate income?

Yes No

Length of Controls: 20 years

Effective Date of Controls: 03/01/1999

Expiration Date of Controls: 02/28/2019

Average Length of Stay: _____ months (transitional facilities only)

CO Date: 03/17/2009

Indicate licensing agency:

DDD DMHS DHSS DCA

Initial License Date: 03/01/1999

Current License Date: 01/15/2009

The following verification is attached:

- Copy of deed restriction (30-year minimum, HUD, FHA, FHLB, BHP deed restriction, etc.)
- Copy of Capital Application Funding Unit (CAFU) Letter (20-year minimum, no deed restriction required)
- Award letter/financing commitment (proposed new construction projects only)

Residents 18 yrs or older? Yes No

Age-restricted? Yes No

Population Served (describe):

Accessible (in accordance with NJ Barrier Free Subcode)? Yes No

Affirmative Marketing Strategy (check all that apply):

DDD/DMHS/DHSS/DCA waiting list

Other (please specify): _____

CERTIFICATIONS

I certify that the information provided is true and correct to the best of my knowledge and belief.

Certified by: *R.V. Hamilton* 4/23/09
Project Administrator Date

Certified by: _____
Municipal Housing Liaison Date

COMMUNITY RESIDENTIAL FACILITY FUNDING PROGRAM
STATE OF NEW JERSEY – DEPARTMENT OF HUMAN SERVICES
DIVISION OF DEVELOPMENTAL DISABILITIES

ANNEX A – PROJECT SUMMARY

1. This Agreement commences on April 10, 2009 expires on April 9, 2029

2. Legal Name of Agency: SERV Properties & Management, Inc.

3. Agency Address (Including P.O. Box, City, State, Zip Code, County):
20 Scotch Rd

Ewing, NJ 08628

4. Date of Agency Incorporation: 1993

5. Federal I.D. Number: 22-3265548

6. Project Location (Street, Address, City, State, County):

21 Hillside Terrace
Ocean, NJ

7. Project Scope:

Purchase Land Existing Building/s
 Renovation Expansion of Existing Facility
 New Construction Equipment

8. The Project Period commences on _____ and expires on _____

9. Project Director:

Name: Ahmed Taylor
Address: 20 Scotch Rd
Ewing, NJ 08628

Phone: 609-209-4535

10. Agency Officer authorized to sign this and other documents:

Name: Morris Breitstein
Address: 20 Scotch Rd
Ewing, NJ 08628

Phone: _____

11. Persons to whom Notices shall be directed:

a) Agency: SERV
Name: Robert Bacon
Address: 20 Scotch Rd
Ewing, NJ 08628

b) Department: DDD
Name: Iwona Kozak
Address: PO BOX 726
Trenton, NJ 08825

COMMUNITY RESIDENTIAL FACILITY FUNDED PROGRAM
STATE OF NEW JERSEY – DEPARTMENT OF HUMAN SERVICES
DIVISION OF DEVELOPMENTAL DISABILITIES

ANNEX A – ATTACHMENT A: DUTIES AND RESPONSIBILITIES OF PROJECT DIRECTOR:

The Project Director of SERV Properties & Management, Inc. is responsible for:

- (1) reporting the progress of the construction and related work to the Department through the Program Development Unit, DDD;
- (2) paying all contractor's and other bills as appropriate;
- (3) submitting the invoices to the State for payment as per the Schedule in Annex C of this Agreement;
- (4) verifying that the work is completed as approved by the Department.

**COMMUNITY RESIDENTIAL FACILITY FUNDING PROGRAM
STATE OF NEW JERSEY – DEPARTMENT OF HUMAN SERVICES
DIVISION OF DEVELOPMENTAL DISABILITIES**

ANNEX B – PROJECT BUDGET: PURCHASE AND RENOVATION

<u>1. PROJECT COSTS:</u>	<u>PROJECT TOTAL</u>	<u>AGREEMENT AMOUNT</u>	<u>AGENCY AMOUNT</u>	<u>BASIS*</u>
A. Purchase of Facility				
1. Purchase Price	\$ _____	\$ _____	\$ _____	_N/A_
2. Closing costs, including legal fees, studies and survey	\$ _____	\$ _____	\$ _____	_N/A_
B. Architect	\$ _____	\$ _____	\$ _____	_N/A_
C. Appliances	\$ _____	\$ _____	\$ _____	_N/A_
D. Carpeting	\$ _____	\$ _____	\$ _____	_N/A_
E. Renovations, including general contract, fire alarm/detection and equipment	\$ _____	\$ _____	\$ _____	_N/A_
F. Other	\$ _____	\$ _____	\$ _____	_N/A_
G. Total Project cost	\$ _____	\$ _____	\$ _____	_N/A_
2. AGREEMENT CEILING:	<u>\$344,734.23</u>	<u>\$344,734.23</u>	<u>\$0.00</u>	<u>\$_N/A_</u>

3. SOURCES OF FUNDS TO SUPPORT PROJECT (use additional sheet if necessary)

*List the basis for each element of the Project Cost – e.g., architect's estimate, contractor's estimate, agency estimate, consultant's estimate, purchase price.

**COMMUNITY RESIDENTIAL FACILITY FUNDING PROGRAM
STATE OF NEW JERSEY – DEPARTMENT OF HUMAN SERVICES
DIVISION OF DEVELOPMENTAL DISABILITIES**

ANNEX C – PROJECT PROGRESS AND PAYMENT: PURCHASE AND RENOVATION

1. Reports and Inspections.

- A. The Agency will report Project progress and expenditures as requested, but not less frequently than monthly, to the Department through the Program Development Unit, Division of Developmental Disabilities.**
- B. The Department will make periodic site inspections as necessary. At minimum, the following inspections will be made:**
 - 1. site inspection prior to purchase of facility**
 - 2. renovation inspection at 50% completion**
 - 3. final inspection upon completion of Project, prior to final payment of capital funds.**

2. Payment of Capital Funds by the Department to the Agency

- A. Upon commencement of the Agreement, the Department will make an initial payment of the following budgeted costs as specified:**

	<u>AMOUNT TO BE PAID</u>	<u>% OF BUDGETED AMOUNT (PER ANNEX B)</u>
1. Purchase of Facility	\$ _____	_____
2. Closing costs	\$ _____	_____
3. Architect	\$ _____	_____
4. Appliances	\$ _____	_____
5. Carpeting	\$ _____	_____
6. Renovations	\$ _____	_____
7. Other	\$ _____	_____
TOTAL TO BE PAID	<u>\$357,022.00</u>	

**COMMUNITY RESIDENTIAL FACILITY FUNDING PROGRAM
STATE OF NEW JERSEY – DEPARTMENT OF HUMAN SERVICES
DIVISION OF DEVELOPMENTAL DISABILITIES**

B Subsequently, upon receipt from the Agency of billings and written verification of the percentage of the project completed to date, the Department will pay renovations costs as follows:

	<u>% OF PROJECT COMPLETED</u>	<u>% OF BUDGETED RENOVATIONS AMOUNT (PER ANNEX B) TO BE PAID</u>	<u>DOLLAR TO BE:</u>
1.	50%	_____ N/A _____	___ N/A ___
2.	100%	_____ N/A _____	___ N/A ___

An adjustment based on actual costs may be made in the second payment to compensate for any previous over or underpayment made based on estimated costs.

C. Subsequent to the final inspection required in 1B3 above, the Department will pay the remainder of the documented approved Project costs up to, but not to exceed, the Agreement Ceiling.

ANNEX D – DESCRIPTION OF SERVICES TO BE DELIVERED IN FACILITY

The Agency shall maintain the Facility as a licensed community residence for the Developmentally Disabled housing (4) persons. The facility will provide food, shelter and personal guidance for Developmentally Disabled persons who require assistance, temporarily or permanently, in order to live independently in the community.

file: annex a&d
8-25-00



Monmouth County Document Summary Sheet



MONMOUTH COUNTY CLERK
 PO BOX 1251
 MARKET YARD
 FREEHOLD NJ 07728

Return Name and Address

Ahmed Taylor
 20 Scotch Rd. 3rd Floor
 Ewing, NJ 08628

Official Use Only

Submitting Company

Serv Properties & Mgmt

Document Type

MTG

Document Date (mm/dd/yyyy)

10/03/2018

Total Number of Pages

(Including the cover sheet)

5

Consideration Amount (if applicable)

344,724.23

Official Use Only



600LL

CHRISTINE GIORDANO HANLON
 COUNTY CLERK
 MONMOUTH COUNTY, NJ

INSTRUMENT NUMBER
 2018102830

RECORDED ON

Oct 19, 2018

10:10:22 AM

BOOK:OR-9317

PAGE:1905

Total Pages: 5

COUNTY RECORDING FEE \$70.00

TOTAL PAID \$70.00

	Name(s) (Last Name, First Name or Company Name)	Address (Optional)
First Party	Serv Properties & Mgmt.	
Second Party	State of NJ	

The Following Section is Required for DEEDS Only

	Municipality	Block	Lot	Qualifier	Property Address
Parcel Information	Ocean	344	724.23		

Recording Reference to Original Document (if applicable)

	Book	Beginning Page	Instrument No.
Reference Information (Marginal Notation)			

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

PURCHASE MONEY MORTGAGE

MORTGAGE made this 3 day of October, 2018,

between the Mortgagor, **SERV Properties & Management, Inc.**

and the Mortgagee, the State of New Jersey, Department of Human Services,

Division of Developmental Disabilities, 50 east State Street, P O Box 726,

Trenton, New Jersey, 08625.

WHEREAS the Mortgagor is indebted to the Mortgagee in the sum of

Three Hundred Forty Four Thousand Seven Hundred Thirty Four and Twenty

Three (\$344,734.23) dollars which indebtedness is evidenced by a promissory note

dated **April 10, 2009** and by a certain agreement dated **April 10, 2009**;

THEREFORE to secure the indebtedness of **\$344,734.23**

lawful money of the United States, to be paid in accordance with the aforesaid agreement,

the Mortgagor does hereby mortgage the following described property located in the

Township of Ocean, County of Monmouth,

State of New Jersey, and more particularly described in Exhibit A annexed hereto and

made a part hereof, the aforesaid property being designated as:

Block (344), Lot (724.23),

on the tax map of said **Township of Ocean,** and having a street address of

21 Hillside Terrace, Ocean, NJ 07712.

Upon default by the Mortgagor in the performance of any term, provision or requirement of the aforesaid agreement of April 10, 2009, or upon no-fault termination of said agreement pursuant to Section 8.01 thereof, the entire amount of this mortgage shall, at the option of the Mortgagee, immediately become due and payable. Alternatively, upon Mortgagor default or upon no-fault termination of the agreement of April 10, 2009, the Mortgagee may exercise other options as set forth in Section 5.02 of the said agreement.

The Mortgagor agrees that if default shall be made in any term, provision or requirement of the agreement of April 10, 2009, the Mortgagee shall have the right forthwith, after any such default, to enter upon and take possession of the said mortgaged premises and to operate same in accordance with the aforesaid agreement.

The Mortgagor shall keep the building or buildings and improvements now on said premises, or that may hereafter be erected thereon, in good and substantial repair, and, upon failure to do so, the whole indebtedness secured and represented by this Mortgage, and the note accompanying same shall, at the option of the Mortgagee, become immediately due and payable; and also the Mortgagee may enter upon the premises and repair and keep in repair the same, and the expense thereof shall be added to the sum secured hereby.

In the event that the aforesaid property is condemned, the proceeds of any award for damages, direct as well as consequential, or the proceeds of any conveyance in lieu of condemnation, are hereby assigned and shall be paid to the Mortgagee.

IN WITNESS HEREOF, the Mortgagor has hereto set its hand and seal
the day and year first written above.

SERV Properties + Management
Agency Name (Mortgagor)

BY: Regina Widdows L.S.

ATTEST:

Peter M. Doolan L.S.
Secretary

State of New Jersey, County of Burlington ss.: Be it remembered that

on October 3 2018 before me, the subscriber, personally appeared

Peter Doolan, Secretary of Properties + Mgt. Board

who being by me duly sworn on his/her oath, deposes and makes proof to my

satisfaction, that he/she is the Secretary of SERV Properties + Management

the agency name in the within Instrument; that Regina Widdows
is the chief executive officer of said agency; that the execution, as well as the making of
this Instrument, has been duly authorized by a proper resolution of the governing body of
the said agency; that deponent well knows the seal of said agency; and that the seal
affixed to the said Instrument is the proper seal and was thereto affixed and said
Instrument signed and delivered by said chief executive officer as and for the voluntary
act and deed of said agency, in the presence of deponent, who thereupon subscribed
his/her name thereto as attesting witness

Sworn to and subscribed before me,
the date aforesaid

Prepared by:

Sherry Dzurko

SHERRY L. DZURKO
NOTARY PUBLIC
STATE OF NEW JERSEY
MY COMMISSION EXPIRES AUG. 28, 2022

PROMISSORY NOTE

\$344,734.23

April 10, 2009

In accordance with the terms of a Funding Agreement for Construction, Purchase, or Purchase and Renovation of Community-Based Facilities dated April 10, 2009 promises to pay on demand to the order of the STATE OF NEW JERSEY, DEPARTMENT OF HUMAN SERVICES, Three Hundred Forty Four Thousand Seven Hundred Thirty Four and Twenty Three (\$344,734.23) dollars, payable at Capital Place One, 222 South Warren Street, Trenton, New Jersey 08625.

BY: *Morris Breitstein* L.S.
Authorized Agency Representative

NAME: *MORRIS BREITSTEIN*

TITLE: *CFO*

AGENCY: SERV Properties & Management, Inc.

ADDRESS: 20 Scotch Road

Ewing, NJ 08628

Notarized by *Sherry Dzurko*

Date: *October 3, 2018*

SHERRY L. DZURKO
NOTARY PUBLIC
STATE OF NEW JERSEY
MY COMMISSION EXPIRES AUG. 28, 2022

DEPARTMENT OF HUMAN SERVICES
Office of Licensing
Licensure Inspection Report
GROUP HOME Licensed Under N.J.A.C. 10:44A

REGION LCRO	INSPECTION DATE 5/2/19
VID/LICENSE # GH819A	LICENSEE SERV Achievement Centers, Inc.
SITE ADDRESS 21 Hillside Terrace Ocean Township, NJ 07712	
MUNICIPALITY Ocean Township	COUNTY Monmouth
TELEPHONE-RESIDENCE/PROGRAM (732) 695-0206	TELEPHONE-LICENSEE (609) 406-0100
CENSUS Five (5)	CAPACITY Five (5)
INSPECTOR(S) Mary Slowinski	TITLE Quality Assurance Specialist
AGENCY REPRESENTATIVES Tyffini Furlong Alayna Durden Tom Linden	TITLE Coordinator of Quality and Compliance Residential Manager Facilities Manager
TYPE OF INSPECTION Routine Reinspection	LICENSURE ACTION Full
EFFECTIVE DATE 4/30/19	EXPIRATION DATE 4/30/20
WAIVER/VARIANCE <input type="checkbox"/> WAIVER <input type="checkbox"/> VARIANCE <input checked="" type="checkbox"/> NONE	PLAN OF CORRECTION REQUIRED <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
DATA CORRECTION None	REASON FOR DATA CORRECTION
SUPPORTED LIVING PROGRAM OCCUPANTS N/A <input checked="" type="checkbox"/>	
Not For Profit <input checked="" type="checkbox"/> For Profit <input type="checkbox"/>	

Licensure Standard		Site Specific Information
		CS=698275
6.1(b)		There is a central fire alarm system in the house connected to an outside central station. Battery-operated carbon monoxide detectors are located in both bedroom hallways.
3.1(a) 6.13(f)7		Bedroom #1 contains a locked closet and no mirror, as approved by the individual's Interdisciplinary Team (IDT), and as documented in the individual record.
Def. #	Licensure Standard	Statement of Deficiencies
1.	2.2(a) 2.9(d)1xi 5.1(e) 5.1(e)1	<p>CS was admitted to the home on 4/18/18, without documentation of having received a Mantoux Skin Test within one year of admission or of baseline testing for Tuberculosis; instead a note from his physician, dated 1/9/18, merely stated he was a minimal risk of exposure. The failure to comply with this requirement posed a potential threat to the health, safety and welfare of all of the occupants and the staff at this site.</p> <p>A physician's consult, dated 9/25/18, states a prescription for a chest x-ray to "check for exposure to tuberculosis" was provided to the Agency; however there was no documentation the x-ray was ever completed. A call to the physician's office confirmed the x-ray was not completed. The Agency was advised to obtain the chest x-ray without delay.</p>
2.	2.2(a) 2.10(e)1	A record of funds received and disbursed was not available for CS.
3.	2.2(a) 4.3(a) 5.2(a)	<p>There was no record of a current service plan for CS or documentation that CS was evaluated annually in the following areas:</p> <ul style="list-style-type: none"> • Ability to manage funds • Ability to remain unsupervised at home and in the community • Ability to self-medicate, or • Ability to remain unsupervised in a vehicle

4.	2.2(a) 5.1(e)1 5.2(b,c,e) 5.2(i)7	<p>There were multiple issues identified with CS' Medication Administration Records (MARS) reflecting a lack of administrative oversight. For example:</p> <ul style="list-style-type: none"> • Overwritten entries dated 3/3/19, 3/16/19, and 4/19/19 which were not circled and for which no explanation was provided on the reverse of the MAR. • A physician's consult dated 5/7/18, stated "plan to d/c Lysine in favor of daily dose". However, the MARs for May through November 2018 state "administer 1 tablet once daily and 4 tablets for breakouts". Documentation that the medication was administered once daily was not available. • An urgent care consult, dated 9/23/18, stated to administer Lysine BID (twice daily) for 10 days and Abreva five times daily for 10 days; however, these changes were not documented on the MAR. • A primary physician consult, dated 9/25/18, stated to administer Lysine 1 tablet BID PRN for 7 days, Abreva once daily PRN (as needed) and Neosporin four times daily PRN for 7 days. However, these changes were not documented on the MAR until December 2018. • Abreva and Lysine PRN were administered 3/1/19 and 3/2/19; instead of the full 7-day course of treatment, as prescribed 9/25/18. • A copy of a current physician's order for PRN Prosacea was not available. • The available physician's order for Lysine, dated 9/25/18, states to administer twice daily PRN for 7 days; however, the current MAR states to administer once daily PRN. In addition, a review of current medication supply revealed two separate packages of Lysine with contradictory directions on the package label. The Agency representative contacted the pharmacy who subsequently provided a copy of a physician's order, dated 3/30/19, for Lysine once daily PRN for 7 days. The Agency was advised to correct the MAR and remove the outdated medication.
5.	2.6(a)4	Documentation was not available that staff BS and ZW has received training on any version of the Emergency Evacuation Plan (EEP).
6.	2.6(b)	The training acknowledgement form documenting staff training on the EEP, revised 4/30/19, was dated 4/23/19 for all staff, which pre-dates the revision of the EEP.
7.	2.7(d)2	Documentation was not available that any staff has received training on CS' Behavior Support Plan, dated 9/4/18.
8.	2.8(a)	The weekly schedule did not match the approved program description (PD). Specifically, the PD lists three staff will work Saturdays and Sundays from 9am to 3pm; however, the schedule for April 2019 only lists two staff on that shift.

9.	2.9(d)8 5.5(f)2	CS' physician's order, dated 4/17/18, states to follow a regular texture, no caffeine, no regular milk diet; however the weekly menus state he is prescribed a regular, chopped, no caffeine, no regular milk diet.
10.	3.1(a)	Directions for staff were posted throughout the home. The Agency was advised that posting staff directives throughout the home is not normalized for a homelike atmosphere and those directives may only be posted in the staff office/area.
11.	5.2(b, c)	MC's physician order for Carbamazepine, dated 4/20/18, states to administer 2 tablets at 8am and 1 tablet at 4pm; however, the available physician's order dated 4/20/18 states to administer 2 tablets at 8am and 1 tablet at 8pm.
12.	5.2(i)9	CS' MAR for PRN Prosacea, 4/27/17, does not state the conditions under which the medication is to be administered.
13.		CS MAR for PRN Ativan, dated 5/7/18, does not state the conditions under which the medication is to be administered and the intervals between dosages.
14.		MC's MAR for PRN Loratadine, dated 3/4/19, does not state the conditions under which the medication is to be administered.
15.		KR's MAR for PRN Pantoprazole, dated 9/10/18, does not state the conditions under which the medication is to be administered
16.	5.3(a)	A current Over the Counter (OTC) Medication form was not available for CS.
17.	6.2(a)1iii	The EEP dated 4/30/19 states that JV requires hand over hand assistance, at times, to evacuate; however, the individual Emergency Evacuation Assessment (EEA), dated 4/30/19, states that JV requires only verbal prompts to evacuate. Additionally, JV's EEA references an individual with the name "Shawn" within the document.
18.	6.6(c)	The water temperature at the bathroom sinks ranged from 122.5 degrees to 121.7 degrees Fahrenheit. The water temperature was adjusted at the time of the inspection.
19.	6.14(c)	Soap and toweling was not available in the hall bathroom.

DESCRIPTION OF BUILDING: 10:44A**GENERAL DESCRIPTION:**

This is a single story, ranch style home with two means of egress: the 35" front door and the 35" rear door that leads to a wooden deck with a ramp. The home utilizes municipal water and sewer and is supplied with gas heat and hot water. The utilities are located in the basement.

FIRST FLOOR:

The first floor consists of a living and dining room area, kitchen, family room, office, five bedrooms, one wheelchair accessible bathroom with a 36" door, and two full bathrooms.

SECOND FLOOR:

N/A

THIRD FLOOR:

N/A

ATTIC:

The cross space is accessible through a ceiling panel in the right side bedroom hallway.

BASEMENT:

The utility basement contains the gas furnace and hot water heater. Two washing machines, two dryers and storage are also located in the basement.

GARAGE AND OUTBUILDINGS:

N/A

APPROVED BEDROOM(S):

Bedroom #1, the front left middle bedroom, measures 11'5" x 8'3" for a total of 94 square feet. There is one window that measures 36" x 25" for a total of 6 square feet. The bedroom doorway measures 36". The bedroom is furnished with a bed, dresser, closet, and lighting. This bedroom is approved for occupancy by one individual.

Bedroom #2, the front left corner bedroom, measures 12'2" x 8'8" for a total of 105 square feet. There is one window that measures 36" x 25" for a total of 6 square feet. The bedroom doorway measures 36". The bedroom is furnished with a bed, bureau, mirror, closet, and lighting. This bedroom is approved for occupancy by one individual.

Bedroom #3, the right front middle bedroom, measures 11' x 9'10" for a total of 108 square feet. There is one window that measures 36" x 20" for a total of 5 square feet. The bedroom is furnished with a bed, dresser, mirror, closet, and lighting. This bedroom is approved for occupancy by one individual.

Bedroom #4, the right rear bedroom, measures 15'2" x 13'4" for a total of 202 square feet. There are two windows, each of which measure 36" x 20" for a total of 5 square feet. The bedroom doorway measures 36". The bedroom contains a full, accessible bathroom with a doorway that measures 24" and is furnished with a bed, two dressers, mirror, two closets, and lighting. This bedroom is approved for occupancy by one individual.

Bedroom #5, the front right corner bedroom, measures 11' x 9'10" for a total of 108 square feet. There are two windows, each of which measure 36" x 20" for a total of 5 square feet. The bedroom is furnished with a bed, dresser, mirror, closet, and lighting. This bedroom is approved for occupancy by one individual.

State of New Jersey
Department of Human Services
Office of Licensing

LICENSE

SERV Achievement Centers, Inc.

20 Scotch Rd
West Trenton, NJ 08628

*Having met the requirements of the New Jersey Statute, P.L. 1977, c. 448, and the regulations of this Department,
is hereby licensed as a*

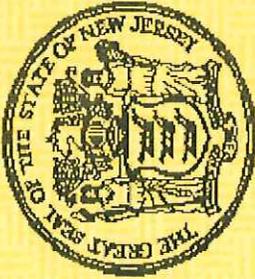
Group Home Developmental Disability

for 5 individuals

at

21 HILLSIDE TERRACE
OCEAN, NJ 07712

This License is effective from 04/30/2019 to 04/30/2020



APPENDIX I

Heritage Village at Oakhurst Crediting Documentation, including:

- NJHMFA financing, deed restriction and regulatory agreement
- Special Needs Housing Trust Fund deed restriction
- LIHTC deed restriction
- HOME agreement and deed restriction
- Township mortgage
- Developer's agreements and amendment
- Unit census
- 2019 Utility allowances, maximum gross rents

9 of 18



Revised 3/9/2015

Lisa DiOrio, Senior Paralegal
New Jersey Housing and Mortgage Finance Agency
637 South Clinton Avenue
P.O. Box 18550
Trenton, New Jersey 08650-2085
(Stonebridge Title Services Inc)

R&R

HERITAGE VILLAGE AT OAKHURST
HMFA # 2874
SNHTF # 322

CDBG LOAN AGREEMENT AND DEED RESTRICTION

between

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

and

HERITAGE VILLAGE AT OAKHURST LLC

Not Certified Copy

Prepared by:

William F. Hanna
Deputy Attorney General

CHRISTINE GIORDANO HANLON
ACTING COUNTY CLERK
MONMOUTH COUNTY, NJ

INSTRUMENT NUMBER
2015040929

RECORDED ON

May 11, 2015

10:49:38 AM

BOOK:OR-9112

PAGE:3176

Total Pages: 47

COUNTY RECORDING FEES \$490.00

TOTAL PAID \$490.00

CDBG LOAN AGREEMENT AND DEED RESTRICTION

BETWEEN

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

AND

HERITAGE VILLAGE AT OAKHURST LLC

THIS CDBG LOAN AGREEMENT AND DEED RESTRICTION (the "Loan Agreement") is hereby made on the 27th day of April 2015, by and between the **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY** (the "Agency") and **HERITAGE VILLAGE AT OAKHURST LLC** and having its offices located at 1970 Brunswick Avenue, Suite 100, Lawrenceville, New Jersey, 08648 (hereinafter the "Sponsor" or "Borrower;" the Agency and the Sponsor are, collectively, the "Parties").

WITNESSETH:

WHEREAS, in the aftermath of Superstorm Sandy, the United States Congress enacted the Disaster Relief Appropriations Act of 2013 (Public Law 113-2, approved January 29, 2013 (the "Act") to aid in the recovery of the State of New Jersey (the "State"); and

WHEREAS, on April 29, 2013, the Department of Housing and Urban Development ("HUD") approved the Action Plan of the State (the "Action Plan"), which demonstrated how the State intended to expend the disaster relief funds; and

WHEREAS, the New Jersey Department of Community Affairs ("DCA") received a grant of CDBG funds provided by HUD pursuant to the Act and DCA allocated a portion of such funds to the Agency; and

WHEREAS, on June ___, 2013, the DCA and Agency executed a Subrecipient Agreement in respect to the implementation and administration of the Community Development Block Grant ("CDBG") program; and

WHEREAS, consistent with the Action Plan, the Agency created the Fund for Restoration of Multi-Family Housing, and the Sandy Special Needs Housing Assistance Fund ("CDBG-DR

Programs"); and

WHEREAS, the Agency approved, at its board meeting on April 25, 2013, the CDBG-DR Programs' guidelines, as subsequently amended (collectively the "Guidelines"); and

WHEREAS, the Borrower seeks to construct 93 rental units which includes an unrestricted unit for the Project's superintendent and related facilities for a project commonly known as **HERITAGE VILLAGE AT OAKHURST, NJHMFA # 2874 SNHTF #322** (the "Project") and has requested construction and permanent financing from the Agency, which will be administered by the Agency;

WHEREAS, the Borrower has met the eligibility requirements of the CDBG-DR Programs, in accordance with the requirements of the Guidelines; and

WHEREAS, contemporaneously herewith Borrower has executed a Note, Mortgage and other loan documents evidencing a CDBG loan from the Agency (hereinafter referred to as the "CDBG Loan"); and

WHEREAS, to evidence its understanding of the terms and conditions of the CDBG Loan and the CDBG Program requirements the Sponsor shall execute this Loan Agreement, a Mortgage and a Note in favor of the Agency that describe the terms and conditions of the CDBG Loan; and

WHEREAS, in consideration of the receipt of the CDBG financing, the Sponsor understands that the Project will be subject to tenant affordability restrictions and Agency oversight;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained the Parties do hereby covenant and agree each with the other as follows:

1. **Applicable Law:** This Loan Agreement shall be governed by and construed in accordance with the Disaster Relief Appropriations Act, 2013, Public Law 113-2 and any Treasury, HUD or DCA regulations, guidelines and applicable notices and bulletins thereto (the "Act") and the laws and regulations of the State of New Jersey including, but not limited to, the New Jersey Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq. (the "Fair Housing Act"), New Jersey Administrative Code, and the CDBG Guidelines (the "Guidelines" or "CDBG Guidelines"), all as may be amended and supplemented from time to time. Collectively these authorities are the "Applicable Law". To the extent possible, these authorities shall be construed in such a manner as to complement one another and not conflict. However, in the event of a conflict, the most restrictive authority shall prevail.
2. **Superiority:** Should any of the terms and conditions of this Loan Agreement conflict with those of the Mortgage and/or the Note, the provisions of this Loan Agreement shall prevail, except with respect to the CDBG Loan Agreement Addendum attached hereto (the "CDBG Addendum," which shall prevail over this Loan Agreement in the event of direct conflict.

3. **Amendments:** The parties agree to make no changes, amendments and/or to seek suspension or termination of this Loan Agreement without the prior written approval of the Agency.
4. **Proceeds:** Proceeds from the CDBG Loan shall be paid to the Sponsor at such times and in such manner as such funds are advanced by the Agency in accordance with payment procedures outlined in this Loan Agreement.
5. **Definitions:** Capitalized terms used herein shall have the following meanings:

"Act" means the Disaster Relief Appropriations Act, 2013 (Public Law 113-2, as amended from time to time, and the regulations, guidelines and notices promulgated by HUD thereunder.

"Affordable" means the rents for units at the Project complies with the requirements of the New Jersey Fair Housing Act of 1985, N.J.S.A. 52:27D-301, and the regulations promulgated thereunder, including but not limited to the standards set forth in N.J.A.C. 5:80-26.12.

"Agency" means the New Jersey Housing and Mortgage Finance Agency or its authorized officer or representative.

"Agency Financing" means the construction and/or permanent mortgage loan(s) authorized by the Agency Board of Trustees for the Project.

"Architect" means the Architect of Record as designated by the Construction Contract.

"Borrower" means HERITAGE VILLAGE AT OAKHURST LLC, a New Jersey limited liability company.

"Code" means the Internal Revenue Service Code of 1986, as it may, from time to time, be amended.

"Commissioner" means the Commissioner of the DCA.

"Construction Completion Date" means the date specified for completion of all stages of the work under the Construction Contract, which is fifteen (15) months from the Notice to Proceed unless otherwise modified pursuant to the terms of the Construction Contract.

"Construction Contract" means the contract between the Borrower and the Contractor, for the construction /rehabilitation of the Project.

"Construction Lender" means the Agency in its role as Lender of \$11,351,624 to the Borrower for the acquisition, and/or construction/rehabilitation of the Project, which construction loan is secured by a first mortgage.

"Construction Loan" means the construction loan made to the Borrower by the Agency as construction lender to finance a portion of the cost of the acquisition and construction/rehabilitation of the Project as evidenced by a Note and secured by a Mortgage.

"Construction Period" means the time period prior to the issuance of a Certificate of Occupancy for all of the units constructed on the premises.

"Contractor" means R. Stone and Co., a New Jersey corporation.

"Day" means calendar day unless otherwise indicated.

"Draw Schedule" means the schedule of all sources and uses of funding for the project to which this CDBG financing is provided.

"Energy Star" means the United States Environmental Protection Agency's Energy Star program.

"Event of Default" means any of the events set forth in Section 24 of this Loan Agreement.

"Land" means the real property of the Project, described in Schedule "A" attached hereto.

"Loan Documents" means this Loan Agreement, the Mortgage, the Note and any other documents executed by Borrower related to the CDBG Loan.

"Mortgage" means the CDBG Mortgage and Security Agreement that secures the CDBG Loan and the CDBG Note and the terms of which, by reference hereto, are incorporated herein.

"Mortgaged Premises" means the Project and the Land that secure the CDBG Loan and Note.

"NJAG" means New Jersey Affordable Green Homes program and its requirements.

"Note" means the interest-bearing, conditional, non-recourse promissory note that contains the promise of the Borrower to pay the sum of money stated therein at the times stated therein, evidences the obligation of the Borrower to repay the CDBG Loan, and the terms of which, by reference hereto, are incorporated herein.

"Payment and Performance Bonds" mean the bond or bonds securing the payment of the Contractor's obligations to subcontractors and workers relating to the construction of the Project and the performance of the Work pursuant to this Loan Agreement and the Construction Contract. This definition shall also include any letter of credit, maintenance or warranty bond or other form of performance guarantee acceptable to the Agency.

"Placed in Service Date", if applicable, means the date that the first unit is made available to the public for occupancy.

"Plans and Specifications" means the plans and specifications for the Project submitted by the Architect.

"Project" means the real property as more specifically described in Schedule "A" attached hereto, and all improvements constructed thereon and personal property and fixtures located thereon pursuant to the Construction Contract.

"Qualified Project Period" means the period beginning on the first day on which 10 percent of the residential units in the Project are occupied and ending on the latest of--

- (i) the date which is 15 years after the date on which 50 percent of the residential units in the Project are occupied,
- (ii) the first day on which no tax-exempt private activity bond issued with respect to the Project is outstanding, or
- (iii) the date on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937 terminates, if applicable.

"Recapture" means the Project's loss of CDBG Funds not yet disbursed to it for failure to comply with the date that is the later of two years from the date of closing or repayment of the First Mortgage Note II expenditure requirement as set forth at Section 11 hereof.

"Recapture Date" means the specific date or dates by which all of the CDBG Funds must be expended pursuant to the Act. Any CDBG Funds not expended by the Recapture Date will be recaptured and no longer available for use by the Project and may result in rescission of all CDBG Funds previously disbursed to the Project. For this Project, all CDBG Funds must be expended by two years from the date of closing or repayment of the First Mortgage Note II.

"Rules and Guidelines" includes all administrative rules, criteria, notices and program guidelines promulgated by the Agency to implement the CDBG Loan Program.

"Specifications" means the Project Specifications and all additions hereafter issued by the Architect as provided in the Loan Documents, together with such other addenda as may be agreed upon by the parties.

"Subcontractor" means those who directly contract with the Contractor to perform any part of the Work (as hereinafter defined), including those who furnish substantial on-site labor, or substantial on-site labor and materials, but shall not include anyone furnishing materials without furnishing on-site labor.

"Tax Credits" means low income housing tax credits that the Project may receive pursuant to the Code, if applicable.

"Title Company" means the New Jersey licensed title insurance firm that provides title insurance to the Agency for the CDBG Loan.

6. **The Act/Rules:** In addition to complying with any other laws, rules, regulations and other authorities that may be applicable to the performance of this Loan Agreement, the Sponsor shall comply with all applicable provisions of the Act, the Rules and Guidelines.
7. **Federal Low Income Housing Tax Credits:** In addition to complying with any other laws, rules and regulations that may be applicable to the performance of this Loan Agreement, the Sponsor shall comply with all applicable provisions of the statutes, regulations, rules, and other authorities governing federal low income housing tax credits ("Tax Credits"), including but not limited to, 26 U.S.C.A. § 42, 26 C.F.R. §§1.42-1 et seq., and N.J.A.C. 5:80-33.1 et seq.
8. **Agency Financing:** In addition to complying with any other laws, rules and regulations that may be applicable to the performance of this Loan Agreement, in the event the Project is receiving Agency Financing, the Sponsor shall comply with all applicable provisions of all statutes, rules, guidelines, policies, procedures and other authorities governing and regulating such Agency construction and/or permanent financing, including, but not limited to, N.J.S.A. 55:14K-1 et seq., N.J.A.C. 5:80-1.1 et seq., and the Agency Multifamily Underwriting Guidelines as currently in effect.
9. **Affordable Units:** The Sponsor will acquire/construct/rehabilitate 93 units, which includes an unrestricted unit for the Project's superintendent, of which the Sponsor agrees to rent forty percent (40%) of the units at the Project to tenants whose income does not exceed sixty (60%) percent of the area's median income ("AMI") adjusted for family size as median income is defined by the United States Department of Housing and Urban Development, from time to time.
10. **Affordability Period; Advance Amortization Payments:** The Parties agree that this Project shall be primarily subject to the affordability restrictions governing and elected by the Sponsor with respect to any Tax Credits and Agency construction and/or permanent financing that this Project is receiving. Additionally, this Project shall be subject to the following affordability requirements:
 - a. The units funded by the CDBG Loan ("Project Units") shall remain affordable for a period of 30 years ("Affordability Period"). The Affordability Period shall commence simultaneously with that of the Agency Financing.
 - b. Because the public purposes of the Agency include maximizing the period during which the residential units in the Project are available to persons of low and moderate income, any advance principal repayment shall not release the Borrower from any obligation incurred under the Note or under any agreement with the Agency that contains obligations that provide that a percentage of the units remain affordable to persons of low- and moderate-income for the Project's full Affordability Period. Such obligations shall remain whether or not Borrower has tendered to or deposited with the Agency an amount otherwise sufficient to pay the CDBG Loan, including interest accrued and payable, in full.

- c. In addition, CDBG Loan requirements include the obligation of the Borrower to allocate 5% of units to be accessible for persons with mobility impairments, and an additional 2% of units to be accessible for persons with hearing and/or vision impairments.

11. **Timetable:** The timetable for this Project is as follows:

Financing closing date(s): April 27, 2015

Construction start date: April 28, 2015

Construction completion date: August 1, 2016

THE PARTIES AGREE THAT TIME IS OF THE ESSENCE AND THAT ALL CDBG PROCEEDS MUST BE EXPENDED NO LATER THAN TWO YEARS FROM THE DATE OF CLOSING. OR REPAYMENT OF THE FIRST MORTGAGE NOTE II. THE BORROWER SHALL IMMEDIATELY NOTIFY THE AGENCY IN WRITING WITHIN TEN DAYS OF ANY EVENT AFFECTING THE PROJECT'S IMPROVEMENTS COMPLETION, TIMETABLE, AND/OR FINANCING. FAILURE TO MEET THE ABOVE TIMETABLE MAY RESULT IN AN EVENT OF DEFAULT AS SET FORTH IN SECTION 24 HEREIN AND THE AGENCY'S EXERCISE OF ITS REMEDIES SET FORTH IN SECTION 25 OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO, RECAPTURE OF ALL CDBG FUNDS COMMITTED TO THE PROJECT.

12. **Construction of Project and Determination of Actual Project Cost.** The Borrower covenants, warrants and agrees to diligently proceed with the construction/rehabilitation of the Project in accordance with the Plans and Specifications for the Project as approved by the Agency.

No substantial revision of the approved Plans and Specifications, which revision would either (a) affect the nature of the Project as described in Section 3 of the Mortgage, or (b) in the aggregate increase the cost of the Project as shown on the Project Development Budget, may be made without the prior express written consent of the Agency. Construction of the Project shall at all times be subject to the inspection, review and approval of the Agency or its duly authorized representatives. Any such inspection, review or approval of the Agency shall be solely for its benefit for the purpose of assuring that the programs and goals of the Agency and the CDBG Program are being fulfilled and shall not be construed as making the Agency a party to any contract to which it is not already in connection with the construction of the Project, nor shall it relieve the Borrower of any of its obligations under this Loan Agreement, the Mortgage or the Note.

Upon completion of the Project, the Borrower shall certify to the Agency or its designee, successor and/or assign the actual cost of the Project. This cost certification shall be performed by a Certified Public Accountant chosen by the Borrower and approved by the Agency. The cost certification must be independent as defined by the American Institute of Certified Public

Accountants. The Borrower shall, promptly upon completion of the cost certification, forward it to the Agency, its designee, successor and/or assign. Costs associated with the preparation of the cost certification shall be borne by the Borrower.

13. **Termination:** In the event of termination of this Loan Agreement and the other Loan Documents due to an Event of Default of the Sponsor, the Agency, at its sole discretion, may require part or all of the CDBG Loan funds advanced to be returned to the Agency within 90 days of the date of termination or as otherwise required by HUD; however, the Sponsor agrees that even in the event of such termination, all affordability restrictions created hereunder shall continue in full force and effect for the full Affordability Period as set forth in Section 10 hereof.
14. **Use of Funds and Method of Payment:** Funds provided for under this Loan Agreement will be used only for the purposes described in the Agency form 10, or as otherwise approved by the Agency.

The following items must be submitted to the Agency to begin drawdowns:

- 1) Original, executed Note;
- 2) Copy of the executed Mortgage;
- 3) Copy of this executed Loan Agreement;
- 4) Proof from the Sponsor of all required insurances as outlined in this Loan Agreement, the Mortgage and the Note and as further required by the Agency and/or the Department;
- 5) Completed requisition AIA G702/G703 forms for CDBG funds, with continuation sheets, to be signed by the Architect of record unless otherwise approved by the Agency;
- 6) Certification of compliance with the provisions of the CDBG Addendum.

Approved draws on CDBG Loan proceeds [and NJAG funds] under this Loan Agreement are to be paid by the Agency within fifteen (15) business days of the Agency's receipt of each requisition and shall be paid in accordance with the following process, or as may be otherwise authorized, in writing, by the Agency:

- 1) Draws should be made in accordance with the attached Draw Schedule, and in accordance with the Schedule of Values or Trade Payment Breakdowns, unless otherwise approved by the Agency.
- 2) For each draw, the Agency shall require a completed CDBG Form of Requisition, along with any back-up documentation, as required. Additionally, a copy of the CDBG Requisition Form shall be sent to the Construction Lender or Lead Lender simultaneously with the submission to the Agency. A copy of any requisition submitted to the Construction Lender or Lead Lender shall also be sent simultaneously to the Agency.
- 3) For each draw, the Agency shall request a construction rundown search from the Title Company retained on behalf of the Project. Upon notice from the Title Company that there are no encumbrances against the title except as may be expressly approved by the Agency and review of such rundown by the Agency, checks shall be issued to the designated vendors as authorized by the Sponsor, unless otherwise agreed upon, in writing.

by the Agency and the Sponsor.

4) The Sponsor will submit to the Agency the final development cost audit and a certificate of occupancy for all of the units constructed/rehabilitated on the Mortgaged Premises, along with satisfying the Agency's document checklist requirements for final mortgage close-out.

5) Additionally, the following items are required to be submitted to the New Jersey Green Homes Office in connection with the Energy Star program, if applicable:

- Job/Site meeting minutes to date;
- Final Energy Star inspection reports;
- Proof of Energy Star certification (Energy Star certificate);
- Developer/Architect to submit a one-page narrative describing experiences and lessons learned as it relates to the green high performance features
- Upon request, Sponsor to provide copies of invoices for Energy Star funded materials or systems and copies of any certifications such as FSC or Smartwood chain of custody certificates;
- New Jersey Green Homes Office Fuel Release form from each tenant household.

15. **Use of Insurance Proceeds:** The Sponsor covenants and agrees to cause the buildings on the Land and any improvements thereto and the fixtures and articles on the Land and any improvements thereto and the fixtures and articles of personal property covered by the Mortgage to be insured against loss by fire and by such other hazards as may be required by the Agency or its successors and/or assigns for the benefit of the Agency, as approved by the Agency and in accordance with the current Agency insurance requirements. Such insurance shall be written by such companies, in such amounts and in forms as are satisfactory to the Agency. The Sponsor will assign and deliver the certificates of insurance along with the insurance policies to the Agency. Such policies shall provide that the insurer may not cancel the policy and will not refuse to renew the policy except after thirty (30) days written notice to the Agency. If the Agency shall not receive evidence satisfactory to it of the existence of effective insurance coverage as required by the Agency, the Agency may (but shall not be required to) obtain such coverage, and the Sponsor will reimburse the Agency, on demand for any premiums paid for insurance procured by the Agency, and until so reimbursed, the amount of such premiums shall be added to the principal of the Note and bear interest at a rate equal to the yield rate on a 30-year U.S. Treasury bond at the time of making of such payment(s) by the Agency.

In the event of substantial damage to the Project by the occurrence of an insured casualty or the taking of a substantial portion of the Project by condemnation, if, in the sole judgment of the Agency (which judgment shall be conclusive), (a) the Project can be replaced or restored in whole or in part to a condition at least comparable to that of the Project immediately prior to the insured casualty or taking, and (b) the Project as so replaced will produce sufficient income to meet the then obligations of the Sponsor under the Mortgage and the Note, the proceeds of insurance or condemnation, if sufficient, to the

extent necessary for the purpose, shall be made available to the Sponsor upon satisfaction by the Sponsor of the conditions precedent to disbursements, for such replacement or restoration. To the extent the Project is not replaced or restored, such proceeds shall be applied to the indebtedness secured hereby after payment of fees and charges due and payable (as defined and provided for in the Mortgage). Nothing in this Section shall affect the lien of the Mortgage or the liability of the Sponsor for payment of the entire balance of the Mortgage indebtedness.

16. **Liens:** The Sponsor covenants, warrants and agrees to maintain its right, title and interest in the Mortgaged Premises (including the Project and Land) and all items enumerated in Section 5 of the Mortgage free and clear of all liens and security interests except the liens of the Mortgage, and the liens of other mortgagees described in Section 3 of the Mortgage and those exceptions identified and set forth in a certain title commitment issued by Stewart Title Guaranty Company numbered 14-27698 and dated February 23, 2015, as approved by the Agency. The Agency shall be furnished with a current standard ALTA form of title insurance policy with extended coverage, insuring that the Mortgage is a valid second lien on the Land and Project. Prior to any disbursement under this Loan Agreement and the Mortgage, the Sponsor shall provide evidence satisfactory to the Agency of the recording of the Mortgage. Except with the written consent of the Agency, the Sponsor will not install any item of tangible personal property as a part of the fixtures or furnishings of the Project that is subject to a purchase money lien or security interest.
17. **Encumbrances and Sale of Project:**
- a. The Sponsor covenants, warrants and agrees not to sell, lease or otherwise encumber the Mortgaged Premises, or any part thereof, or the rents or revenues thereof without the prior written consent of the Agency, except by leasing to eligible residential tenants.
 - b. The Agency may allow certain "permitted encumbrances" on the Mortgaged Premises, which means (i) utility, access and other easements and rights of way, restrictions and exceptions that do not, individually or in the aggregate, materially impair the utility or value of the property affected thereby for the purposes for which it is intended; (ii) liens for taxes at the time not delinquent, (iii) liens for taxes which, if delinquent, are being contested in good faith and for which the Sponsor has provided security satisfactory to the Agency, (iv) liens superior to or subordinate to the lien of the Mortgage securing any monies loaned in connection with the Project or other monies loaned to the Sponsor by the Agency and any department, agency, public corporation or commission of the United States, the State of New Jersey or a political subdivision of the State of New Jersey.
 - c. The Sponsor acknowledges and agrees that failure by the Sponsor to comply with Loan Agreement stipulations, standards, or conditions may give the Agency just cause to suspend this Loan Agreement and withhold further payments, prohibit additional obligations of Project funds pending corrective action, disallow all or part of the cost associated with the noncompliance, terminate this Loan Agreement or seek any other remedies that may be legally available.

18. **Inspection:** The Sponsor covenants, warrants and agrees to permit the Agency, its agents or representatives, to inspect the Mortgaged Premises at any and all reasonable times with or without notice.
19. **Statutory Powers and Restrictions:** The CDBG Loan provided for herein shall be subject to statutory and regulatory restrictions contained in the Act and accompanying regulations and guidelines, and in connection therewith the Agency shall have the powers set forth in the Act as have been delegated by the Department, and the Sponsor hereby consents to such restrictions and powers and agrees to be bound thereby. Such powers and restrictions shall be in addition to and not in limitation of the rights of the Agency expressly set forth in the Loan Documents and in the statutes and regulations of the Agency. The Borrower covenants and agrees to comply with the CDBG rules, regulations, and guidelines. If any provision of this Loan Agreement shall be determined to be inconsistent with the CDBG Program rules, regulations and guidelines that have not been waived, the CDBG Program rules shall govern. The CDBG Program specifically requires that the Sponsor adhere to the requirements set forth in the CDBG Addendum for the improvement work to be done at the Project, and such provisions are incorporated herein. In addition, the Parties confirm the following understandings:
- (a) The Agency and the Sponsor hereby declare their understanding and intent that the burden of the covenants, reservations and restrictions set forth in this Agreement touch and concern the Land in that the Sponsor's legal interest in the Project and Land is rendered less valuable thereby. The Agency and the Sponsor hereby further declare their understanding and intent that the benefit of such covenants, reservations and restrictions touch and concern the Project and Land by enhancing and increasing the enjoyment and use of the Project and the Land by the tenants, contemplated under this Agreement and by furthering the public purposes for which the CDBG Loan is made. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project and Land. Except as provided in subsection (b) below, the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the Land and hereof and shall pass to and be binding upon the Sponsor's assigns and successors in title to the Land or Project. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or the Land or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions of the Project or Land are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Project and Land.
- (b) Upon termination of the "Affordability Period" set forth in Section 10 of this Agreement, the said covenants, reservations and restrictions shall expire and in such event, the Agency shall, at the expense of the Sponsor, execute any and

all instruments reasonably required to evidence the record of cancellation or discharge of the aforesaid covenants, reservations and restrictions.

- (c) All terms and conditions of the attached CDBG Addendum are true and correct, and Borrower, its agents, licensees, invitees, contractors, architects, subcontractors and all other parties involved with the Project shall comply with the terms in the Addendum before, during and after completion of the Project. A violation of the Addendum shall constitute a default under the Loan Documents and shall entitle the Agency to immediately declare the Mortgage due and payable.
20. **Energy Star:** All project owners must participate in the Energy Star program.
21. **Accounting in Event of Default:** Upon the occurrence of an Event of Default and within five (5) business days of demand therefor by the Agency, the Sponsor will furnish to the Agency in writing a statement of the principal amount remaining due on the Note together with a statement of any defenses which may exist as to any liability of the Sponsor under the Loan Documents.
22. **Personal Liability:** The Agency agrees, on behalf of itself and any future holder of this Loan Agreement, the Note and the Mortgage, that the liability of the Sponsor, any general or limited partner, member or shareholder of the Sponsor and their respective heirs, representatives, successors and assigns, for the payment and performance of its obligations hereunder and under the Note and the Mortgage, shall be limited to the collateral pledged under the Mortgage and that the Agency shall have no right to seek a personal judgment against the Sponsor, any general or limited partner, member or shareholder of the Sponsor or their respective heirs, representatives, successors and assigns, individually, but shall look only to such collateral for the payment and performance of such obligations; provided, however, that the Agency shall retain the right to exercise any and all remedies granted to it under the Loan Documents. The foregoing limitation of liability shall not apply to any party to the extent such party has committed fraudulent, criminal or other unlawful acts.
23. **Assignment by the Agency:** The Sponsor hereby consents to any assignment of the CDBG Loan and the Loan Documents by the Agency.
24. **Defaults:** Each of the following shall be an Event of Default:
- (a) failure of the Sponsor to pay when due any installment of principal or interest on the CDBG Loan or any other payment required by the Sponsor to the Agency or any other person pursuant to the terms of the Loan Documents;
 - (b) commission by the Sponsor of any act prohibited by the terms of the Loan Documents, failure by the Sponsor to perform or observe in timely fashion any action or covenant required by any of the terms of the Loan Documents, or failure by the Sponsor to produce satisfactory evidence of compliance therewith;
 - (c) the filing by the Sponsor under any federal or state bankruptcy or insolvency law or

other similar law of any petition in bankruptcy or for reorganization or composition with creditors or the making of an assignment for the benefit of creditors;

- (d) the filing against the Sponsor under any federal or state bankruptcy or insolvency law or other similar law of a petition seeking the Sponsor's adjudication as a bankrupt or the appointment of a receiver or other custodian for the benefit of its creditors which shall not be dismissed within thirty (30) days of the filing thereof, or the adjudication of the Sponsor as a bankrupt, or the appointment by court order of a custodian (such as a receiver, liquidator or trustee) of possession of the Sponsor or any of its property for the benefit of its creditors and such order remains in effect or such possession continues for more than thirty (30) days;
- (e) the occurrence of substantial destruction of the Project by an uninsured casualty;
- (f) any representation in conjunction with the CDBG Loan, the Loan Documents or the Project by or on behalf of the Sponsor that is false or misleading in any material respect or any covenant or warranty of the Sponsor that is breached;
- (g) any breach by the Sponsor of its obligations or any failure to observe its covenants under any superior mortgage or note that results in an event of default thereunder, or the Sponsor's failure to observe the covenants as contained in any deed restriction associated with such superior mortgage or note, if applicable;
- (h) failure to obtain or retain the Agency Financing, if applicable;
- (i) failure to obtain or retain Tax Credits, if applicable;
- (j) failure to expend CDBG funds by two years from the date of closing or repayment of the First Mortgage Note II; or
- (k) use of CDBG funds for a use not permitted by Act, Rules and Guidelines; or
- (l) violation of the provisions of the CDBG Addendum.

An event set forth in subsection(g) of this Section shall not constitute an Event of Default until the prohibited act, failure to perform or observe, or breach shall remain uncured for a period of thirty (30) days after Agency's written notice to Sponsor, specifying such prohibited act, failure or breach and requesting that it be remedied, unless the Agency shall agree in writing to an extension of such time prior to its expiration, and further so long as the event does not trigger a breach of the CDBG Program. If the prohibited act, failure, or breach stated in each notice is correctable but cannot be corrected within the 30 day period, the Agency may consent to an extension of up to 120 days from the delivery of the written notice referred to herein if corrective action is instituted by the Sponsor within the initial 30 day period and diligently pursued. The Agency will, simultaneously with sending to the Sponsor any notices under this Section send a copy of the aforementioned notices to the Sponsor's investor member. To the extent the Event of Default is curable, a cure tendered in full, pursuant to the terms and conditions of this Loan Agreement and the other Loan Documents,

by the Sponsor's investor member shall be honored by the Agency.

Within five (5) business days of receiving notice from the Agency that it believes an Event of Default has occurred with respect to the Project, time being of the essence, the Sponsor shall furnish to the Agency, HUD and DCA, in writing, a statement of any defenses which it claims may exist as to any liability of the Borrower hereunder.

25. **Remedies:** Upon the occurrence of any Event of Default, the Agency, subject to any superior mortgages(s), may, at its option, take any one or more of the following actions or remedies and failure to exercise any remedy or take any action enumerated shall not constitute a waiver of such right or preclude a subsequent exercise by the Agency of any such remedy:
- a. Rescind any CDBG Funds if not expended by the Construction Completion Date as described in Section 11 hereof;
 - b. declare the entire principal sum of the CDBG Loan, together with all other liabilities of the Sponsor under the Note and the Mortgage, to be immediately due and payable;
 - c. cease making disbursements to the Sponsor or withhold or suspend, in whole or in part, funds awarded under the program or recover misspent funds following an audit;
 - d. apply any reserves held by the Agency or the balance in the accounts for Project disbursements and revenues, or any combination of these moneys, to the payment of the Sponsor's liabilities hereunder;
 - e. foreclose the lien of the Mortgage on the Mortgaged Premises. In any action to foreclose, the Agency shall be entitled to the appointment of a receiver of the rents and profits of the Project as a matter of right and without notice, with power to collect the rents, uses, and profits of the Project, due and becoming due during the pending of the foreclosure suit, such rents and profits being hereby expressly assigned and pledged as additional security for the payment of the indebtedness secured and evidenced by the Loan Documents without regard to the value of the Project or the solvency of any person or persons liable for the payment of the mortgaged indebtedness. The Sponsor, for itself and any subsequent owner, hereby waives any and all defenses to the application for a receiver as set forth above and hereby specifically consents to such appointment without notice, but nothing herein contained is to be construed to deprive the holder of the Mortgage of any other right, remedy or privilege it may now have under the law to have a receiver appointed. The provisions for the appointment of a receiver of the rents and profits and the assignment of such rents and profits, is made an express condition upon which the CDBG Loan hereby secured is made. Upon such foreclosure, the Agency shall have the right to have a receiver appointed for the Project and the rentals from the Project;
 - f. take possession of all or part of the Mortgaged Premises, subject to rights of

permitted superior lienholders;

- g. without judicial process, collect all rents and other revenue including federal and state subsidies as the agent of the Sponsor (which upon the occurrence of any Event of Default the Agency is deemed to have been irrevocably appointed by the Sponsor), and apply them at the Agency's option to the liabilities of the Sponsor under this Loan Agreement;
- h. take possession of equipment, appliances and other tangible personal property in which a security interest has been granted by the Loan Documents and dispose of the same in any commercially reasonable manner. The Agency shall have the option to dispose of any such equipment and personal property either separately from the Mortgaged Premises or in conjunction with a sale of the Mortgaged Premises, and the Sponsor agrees that either method of disposition shall be commercially reasonable; and/or
- i. sue the Sponsor for a mandatory injunction or other equitable relief requiring performance by the Sponsor of any of its obligations under the Loan Documents. The Sponsor agrees with the Agency that the Agency's remedy at law for the violation or the nonperformance of the Sponsor's obligations under the Loan Documents is not adequate by reason, among other things, of the Agency's public purpose to provide adequate, safe and sanitary dwelling units for families of low and moderate income; and/or
- j. If the event constitutes a violation of the CDBG Program to the extent that the Agency is required to refund monies disbursed to the Borrower back to DCA/HUD/the Federal Government, then the Borrower shall be responsible for refunding such monies to the Agency.

Notwithstanding the above enumeration of remedies, the Agency shall have available to it any remedies provided to it by law.

26. **Expenses Due to Default:** All reasonable expenses (including reasonable attorney's fees, costs and allowances) incurred in connection with an action to foreclose the Mortgage or in exercising any other remedy provided by the Loan Documents, including the curing of any Event of Default, shall be paid by the Sponsor, together with interest at a rate equal to the yield rate on a 30-year U.S. Treasury bond at the time of making of such payment(s) by the Agency. Any such sum or sums and the interest thereon shall be a further lien on the Mortgaged Premises and shall be secured by the Mortgage.

27. **Amendments, Notices, Waivers:**

- a. This Loan Agreement may be amended only by an instrument in writing executed and acknowledged on behalf of the Agency and the Sponsor in such manner that the instrument may be recorded. No waiver by the Agency in any particular instance of any Event of Default or required performance by the Sponsor and no course of conduct of the Parties or failure by the Agency to enforce or insist upon

performance of any of the obligations of the Sponsor under this Loan Agreement or the other Loan Documents at any time shall preclude enforcement of any of the terms of this Loan Agreement or the other Loan Documents thereafter.

- b. Any provision of this Loan Agreement and the other Loan Documents requiring the consent or approval of the Agency prior to the taking of any action or the omission of any action requires such consent by the Agency in writing signed by a duly authorized officer of the Agency. Any such consent or approval, unless it expressly states otherwise, is limited to the particular action or omission referred to therein and does not apply to subsequent similar actions or omissions.
- c. Notice provided for under this Loan Agreement and the other Loan Documents shall be given in writing signed by a duly authorized officer and any notice required to be given hereunder shall be given by courier, regular mail, or by certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the Parties hereto:

Borrower: Heritage Village at Oakhurst LLC
Attention: Barbara K. Schour
1970 Brunswick Avenue, Suite 100
Lawrenceville, New Jersey, 08648

Investor: Wincopin Circle LLLP, its successors and assigns
c/o Enterprise Community Asset Management, Inc.
70 Corporate Center
11000 Broken Land Parkway, Suite 700
Columbia, MD 21044

Borrower's Attorney: Gluck Walrath, LLP
Attention: Christopher M. Walrath, Esquire
11 Wharf Avenue, Suite 4
Red Bank, NJ 07701

Agency: New Jersey Housing and Mortgage Finance Agency
637 S. Clinton Avenue
P.O. Box 18550
Trenton, New Jersey 08650-2085
Attention: Director of Finance

- 28. **Severability:** The invalidity of any part or provision of this Loan Agreement shall not affect the validity of the remaining portions thereof.
- 29. **Disclaimer of Warranties, Liability, Indemnification:**

- a. The Sponsor acknowledges and agrees that (i) the Agency has not heretofore and

does not make any warranty or representation, either express or implied as to the value, condition, or fitness for particular purpose or fitness for any use of the Mortgaged Premises or any portion thereof or any other warranty or representation with respect thereto; (ii) in no event shall the Agency or its agents or employees be liable or responsible for any incidental, indirect, special, consequential, or punitive damages in connection with or arising out of this Loan Agreement, the Loan Documents or the development of the Project or the existence, functioning or use of the Project or any items or services provided for in the Mortgage; and (iii) during the term of this Loan Agreement and to the fullest extent permitted by law, the Sponsor shall indemnify and hold the Agency harmless against, and the Sponsor shall pay any and all liability, loss, cost, damage, claims, judgments or expense of any and all kinds or nature and however arising, imposed by law, which the Sponsor and the Agency may sustain, be subject to, or be caused to incur by reason of any claim, suit or action based upon personal injury, death or damage to property, whether real, personal or mixed, or upon or arising out of contracts entered into by the Sponsor, or arising out of the Sponsor's ownership of the Project or out of the development, or management of the Project.

- b. It is mutually agreed by the Sponsor and the Agency that the Agency and its directors, officers, agents, servants and employees shall not be liable for any action performed under this Loan Agreement or the other Loan Documents, and that the Sponsor shall hold them harmless from any claim or suit of whatever nature.
- c. Any claims asserted against the Agency shall be subject to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq. (except for N.J.S.A. 59:13-9 thereof) and the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq.

- 30. **Counterparts:** This Loan Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
- 31. **Venue:** If any legal action should be filed by the Borrower against the Agency in connection with the CDBG Loan, this Loan Agreement, or the other Loan Documents, the venue and forum for such action shall be the Superior Court of New Jersey, Mercer County.
- 32. **Filing:** This Loan Agreement shall be duly recorded in the Office of the Clerk for the county in which the Land is located at the sole cost and expense of the Borrower.
- 33. **Equal Opportunity and Non-Discrimination:** The Sponsor covenants, warrants and agrees that it will comply with the Agency guidelines with respect to equal opportunity and non-discrimination in its purchase of goods and services for the operation and maintenance of the Project throughout the term of this Loan Agreement.
- 34. **Applicability and Conflict of Terms and Conditions:** The terms and conditions of this Loan Agreement are applicable for the entire term of this Loan Agreement (as set forth in Section 10 hereof) unless otherwise set forth in this Loan Agreement. In the event of any conflict or inconsistency between the terms and conditions of any of the Loan Documents

and this Agreement, the terms and conditions of this Loan Agreement shall prevail, except with respect to the terms contained in the CDBG Addendum. Notwithstanding the foregoing, the Sponsor agrees that the Agency may render a decision concerning the intent and/or applicability of any term or condition of the Loan Documents and unless such decision is found to be arbitrary or capricious by a court of competent jurisdiction, the Agency decision shall be final.

35. **Miscellaneous:** Unless the context clearly requires otherwise, as used in this Loan Agreement and the other Loan Documents, words of the masculine, feminine or neutral gender shall be construed to include any other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. The Loan Documents and all the terms and provisions thereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Loan Agreement and the other Loan Documents have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing the Loan Documents or any provisions thereof or in ascertaining intent, if any question of intent shall arise.

SEE CDBG LOAN AGREEMENT ADDENDUM ANNEXED HERETO AND MADE A PART HEREOF.

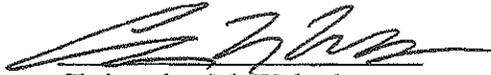
IN WITNESS WHEREOF, this Loan Agreement is duly executed by the Sponsor and Agency on the date first set forth above and, by signing below; the Sponsor acknowledges that it has received a true copy of this Loan Agreement, without charge.

WITNESS/ATTEST

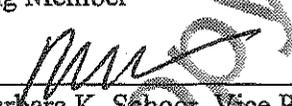
BORROWER:

HERITAGE VILLAGE AT OAKHURST LLC

By: CIS Oakhurst LLC, its Managing Member
By: Community Investment Strategies, Inc., its
Managing Member

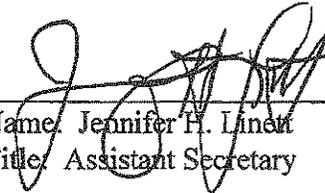


Christopher M. Walrath

By: 
Barbara K. School, Vice President

(SEAL)
ATTEST

**NEW JERSEY HOUSING & MORTGAGE
FINANCE AGENCY on behalf of the
CDBG PROGRAM**


Name: Jennifer H. Linett
Title: Assistant Secretary

By: 
Name: James E. Robertson
Title: Chief of Legal and Regulatory Affairs

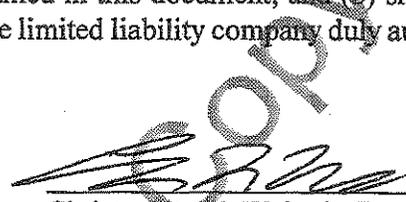
This Loan Agreement has been reviewed and Approved as to form only.

JOHN J. HOFFMAN
Acting Attorney General of the State of New Jersey

By: 
William F. Hanna
Deputy Attorney General

STATE OF NEW JERSEY)
) SS:
COUNTY OF MERCER)

I CERTIFY that on April 27th, 2015, Barbara K. Schoor personally came before me, the subscriber, an Attorney at Law of the State of New Jersey, and acknowledged under oath, to my satisfaction that (a) she is the Vice President of Community Investment Strategies, Inc., which is the managing member of CIS Oakhurst, LLC, which is the managing member of Heritage Village of Oakhurst, LLC, the limited liability company named in this document; and (b) she executed and delivered this document as the voluntary act of the limited liability company duly authorized by the Members.



Christopher M. Walrath, Esquire
Attorney at law of New Jersey

Not Certified Copy

STATE OF NEW JERSEY, COUNTY OF MERCER SS:

I CERTIFY that on April 27, 2015, Jennifer H. Linett, personally came before me, a notary public of New Jersey, and acknowledged under oath, to my satisfaction, that (a) she is the Assistant Secretary of NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY acting on behalf of the COMMUNITY DEVELOPMENT BLOCK GRANT DIASTER RECOVERY PROGRAM, the Agency named in this document; (b) she is the attesting witness to the signing of this document by the proper Agency officer, who is James E. Robertson, Chief of Legal and Regulatory Affairs of the Agency; (c) this document was signed and delivered by the Agency as its voluntary act duly authorized by a proper resolution of its Board of Directors; and (d) he signed this proof to attest to the truth of these facts.

SWORN TO AND SUBSCRIBED
before me, the date aforesaid.



Yadira Garcia-Santiago
Notary Public of New Jersey

My commission expires: November 20, 2017

Not Certified Copy

Stewart Title Guaranty Company

PRO FORMA LOAN POLICY

SCHEDULE A

LEGAL DESCRIPTION

Policy No.:

File No.: 14-27698

ALL that certain lot, piece or parcel of land, situate, lying and being in the Township of Ocean, in the County of Monmouth, State of New Jersey:

All that certain lot, tract or parcel of land situate, lying and being in the Township of Ocean in the County of Monmouth and the State of New Jersey, and being all of a Block 3 Lot 16.03 & 16.04 said lots as shown on a certain map entitled "ALTA/ACSM Land Title Survey for Block 3 Lots 16.03 & 16.04, Twp. of Ocean, Monmouth County, New Jersey" prepared by Maser Consulting, dated August 12, 2014, said lots also as shown on the Official Tax Map of the Township of Ocean and being more particularly bounded and described as follows, to wit:

BEGINNING at a point in the existing northerly line of Lot 16.01 Block 3, said point the following bearing and distance from the point of intersection formed by the existing northerly line of West Park Avenue, (Variable Width R.O.W.) with existing easterly line of Lot 16.01 Block 3, said adjoining lots as shown on the aforesaid map and plan,

A) North seven degrees three minutes thirty seconds West (N 07° 03' 30" W), one hundred ninety-five and twenty-five hundredths feet (195.25'), along the aforesaid existing easterly line of Lot 16.01 Block 3, to a point in the same, to a point in the existing northerly line of same, thence -

And from said point running, thence,

1. South eighty-two degrees fifty-six minutes thirty seconds West (S 82° 56' 30" W), eighty-one and sixty-seven hundredths feet (81.67') along the aforesaid existing northerly line of Lot 16.01 Block 3, to an angle point in the same, thence-

2. South sixty-two degrees zero minutes fifty-seven seconds West (S 62° 00' 57" W), one hundred sixty-one and twenty-six hundredths feet (161.26'), still along the aforesaid existing northerly line of Lot 16.01 Block 3, to a point in an existing westerly line of same, thence -

3. South nineteen degrees thirty-nine minutes forty-five seconds East (S 19° 39' 45" E), eight and ninety hundredths feet (8.90'), along an existing westerly line of Lot 16.01 Block 3, to a point in the northerly line of same, thence-

4. South fifty-two degrees thirty-seven minutes thirty-two seconds West (S 52° 37' 32" W), thirty-nine and three hundredths feet (39.03'), along the aforesaid existing northerly line of Lot 16.01 Block 3 to a point in the existing easterly line of Lot 16.02 Block 3, said adjoining lot as shown on the aforesaid map and plan, thence -

5. North thirty-seven degrees twenty-two minutes twenty-eight seconds West (N 37° 22' 28" W), forty-eight and thirty-five hundredths feet (48.35'), along the aforesaid easterly line of Lot 16.02 Block 3, to a point in the existing northerly line of same, thence-

6. North eighty-six degrees nine minutes thirty-seven seconds West (N 86° 09' 37" W), seventy-eight and sixty-six hundredths feet (78.66'), along the aforesaid existing northerly line of Lot 16.02 Block 3 to an angle point in the same, thence -

Continued...

Stewart Title Guaranty Company

7. South seventy-two degrees forty-seven minutes fifty-seven seconds West (S 72° 47' 57" W), seventy-one and two hundredths feet (71.02'), still along the aforesaid existing northerly line of Lot 16.02 Block 3 to a point in the existing easterly line of Lot 14 Block 3, said adjoining lots as shown on the aforesaid map and plan, thence-
8. North five degrees forty-four minutes thirty-seven seconds East (N 05° 44' 37" E), eighty-seven and fifty-one hundredths feet (87.51'), along the aforesaid existing easterly line of Lot 14 Block 3 and beyond, along the existing easterly line of Lot 13 Block 3, to a point in the existing southerly line of Lot 12.01 Block 3, said adjoining lots as shown on the aforesaid map and plan, thence -
9. South eighty-four degrees fifteen minutes twenty-three seconds East (S 84° 15' 23" E), forty and fifty-eight hundredths feet (40.58'), along the aforesaid southerly line of Lot 12.01 Block 3, to a in the existing easterly line of same, thence-
10. North five degrees forty-four minutes thirty-seven seconds East (N 05° 44' 37" E), one hundred eighteen and forty-six hundredths feet (118.46'), along the aforesaid existing easterly line of Lot 12.01 Block 3, to a point of non-tangent curvature in the existing northerly line of same, thence -
11. Northwestery, on a curve having a radius of 80.00', and curving to the left an arc length of 30.74' (central angle 22° 00' 55"), with a chord bearing of North seventy-three degrees seven minutes five seconds West (N 73° 07' 05" W), and a chord distance of thirty and fifty-five hundredths feet (30.55'), along the northerly line of Lot 12.01 Block 3, to a point of tangency in the same, thence -
12. North eighty-four degrees fifteen minutes twenty-three seconds West (N 84° 15' 23" W), ten and twenty-three hundredths feet (10.23'), along the aforesaid existing northerly line of Lot 12.01 Block 3, to a point in the existing easterly line of same, thence-
13. North five degrees forty-four minutes thirty-seven seconds East (N 05° 44' 37" E), seven hundred sixteen and eighty-three hundredths feet (716.83'), along the existing easterly line of Lots 12.01, 11 & 7.01 Block 3, to a point in the same, said adjoining lots as shown on the aforesaid map and plan, thence -
14. South eighty-three degrees thirty-six minutes nine seconds East (S 83° 36' 09" E), two hundred thirty-six and thirty hundredths feet (236.30'), along the existing southerly line of Lot 4 Block 3, to a point in the existing westerly line of same, said adjoining lot as shown on the aforesaid map and plan, thence -
15. South seven degrees three minutes thirty seconds East (S 07° 03' 30" E), eight hundred eight and seventy-five hundredths feet (808.75'), along the aforesaid existing westerly line of Lot 4 Block 3, to a point in the same, the Point and Place of BEGINNING.

The foregoing description was prepared by the undersigned Land Surveyor for the firm of Maser Consulting P.A., and is based upon a certain plan entitled "ALTA/ACSM Land Title Survey for Block 3 Lots 16.03 & 16.04, Twp. Of Ocean, Monmouth County, New Jersey," prepared by Maser Consulting, dated 3/10/2015 revised 3/23/2015.

SUBJECT TO: 15' wide NJ Bell and JCP&L easement as contained in Deed Book 4310 Page 270.

ALSO SUBJECT TO: 20 foot wide storm drainage easement to the Township of Ocean as well as a 12' wide storm sewer easement as shown on a certain map entitled "Township of Ocean, Major Subdivision Located at Lots 12 & 16 Block 3, Township of Ocean, Monmouth County, New Jersey", said Map being duly filed in the Monmouth is County Clerk's Office on March 21, 2012 as Case Number 311, Sheet 1.

FOR INFORMATION PURPOSES ONLY: BEING known as 777 West Park Ave, Tax Lot 16.03 and 16.04, Tax Block 3 on the Official Tax Map of Township of Ocean, NJ.

CDBG LOAN AGREEMENT ADDENDUM

WHEREAS, the Borrower, Heritage Village at Oakhurst LLC, seeks to construct 93 rental units, which includes an unrestricted unit for the Project's superintendent and related facilities for a project commonly known as Heritage Village at Oakhurst, NJHMFA # 2874 SNHTF #322 (the "Project") and has requested construction and permanent financing from the New Jersey Housing and Mortgage Finance Agency (the "Agency"), which will be administered by the Agency; and

WHEREAS, contemporaneously herewith Borrower has executed a Note, Mortgage, Loan Agreement and other loan documents evidencing a CDBG loan from the Agency (hereinafter referred to as the "CDBG Loan"); and

WHEREAS, in the aftermath of Superstorm Sandy, the United States Congress enacted the Disaster Relief Appropriations Act of 2013 (Public Law 113-2, approved January 29, 2013) to aid in the recovery of the State of New Jersey (the "State"); and

WHEREAS, on April 29, 2013, the Department of Housing and Urban Development ("HUD") approved the Action Plan of the State (the "Action Plan"), which demonstrated how the State intended to expend the disaster relief funds ("Action Plan"); and

WHEREAS, consistent with the Action Plan, the Agency created the Fund for Restoration of Multi-Family Housing, and the Sandy Special Needs Housing Assistance Fund ("CDBG-DR Programs"); and

WHEREAS, the Agency approved, at its board meeting of April 25, 2013, the CDBG-DR Programs' guidelines as subsequently amended (collectively the "Guidelines"); and

WHEREAS, the Borrower has met the eligibility requirements of the CDBG-DR Programs, in accordance with the requirements of the Guidelines and in accordance with the terms and conditions of this Addendum; and

WHEREAS, in order for the Borrower to be eligible to receive and utilize the CDBG Loan, it must also certify that it will comply with certain provisions of the Guidelines as are set forth below;

NOW, THEREFORE, Borrower, for and in consideration of the CDBG Loan, and

intending to be legally bound hereby, agrees that the Mortgage shall be amended to include the following provisions and that these provisions shall be paramount and controlling as to the rights and obligations of the Borrower and the Agency and shall supersede any other provisions of the Mortgage and other Loan Documents to the contrary:

STANDARD PROVISIONS

GENERAL

1. Borrower's Representations

- (i) Borrower has been duly organized and validly exists, has power to enter into the Mortgage, Loan Agreement and other Loan Documents and this Addendum and has authorized the signing of the Loan Documents and this Addendum and taking the actions contemplated by this Addendum.
- (ii) To the best of the Borrower's knowledge, and upon due inquiry, there is no action or proceeding, pending or threatened, against the Borrower before any court or administrative agency that might adversely affect the ability of the to perform its obligations under the Loan Documents and this Addendum and all consents, authorizations, and approvals of governmental bodies or agencies required in connection with the performance of the Borrower's obligations under the Loan Documents and this Addendum have been obtained and will be obtained whenever required hereunder or by law.
- (iii) Neither the execution and delivery of the Loan Documents nor this Addendum and the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of the Loan Documents and this Addendum is prevented, limited by, or conflicts with or results in a breach of, the terms, conditions, or provisions of any corporate restrictions or any evidence of indebtedness, agreement, or instrument of whatever nature to which the is bound, or constitutes a default under any of the foregoing.
- (iv) All statements, representations and warranties made by Borrower in the Loan Documents were true when made, are true, in all material respects, as of the date hereof, and shall remain and be true and correct during the term of the Loan Documents, it being understood by Borrower that all such statements, representations and warranties have been relied upon by the Agency as an inducement to make the Agency funding and shall continue to be relied upon by the Agency in administering the Agency funding. Borrower further understands and agrees that, if, during the term of the Mortgage and other Loan Documents, any such statements, representations and warranties become untrue or false, it shall have a duty to immediately notify the Agency in writing of such fact.
- (v) Borrower represents that it has at all times relevant to the CDBG Loan been represented by advisors of its own selection, including, but not limited to, attorneys at law and/or certified public accountants; that it has not relied upon any statement, representation, warranty, agreement or information provided by the

Agency; that it acknowledges that it is informed by its advisors of its respective rights, duties, and obligations with respect to the transaction which is the subject of the Loan Documents under all applicable laws, and that it has no set-offs, defenses or counterclaims against the Agency with respect to the transaction.

- (vi) The representations and warranties made in this Paragraph shall survive the expiration or earlier termination of the Loan Documents.
- (vii) If during the duration of the Loan Documents the Borrower becomes aware of any facts, occurrences, information, statements, or events that render any of the foregoing representations or warranties herein untrue or materially misleading or incomplete, it shall immediately notify the Agency in writing of such facts, occurrences, information, statements or events.

2. WARRANTIES AND COVENANTS

- (i) Borrower shall use the Agency funding solely in connection with funding the Project. The Agency funding may be used solely for the purposes contemplated by the Mortgage and other Loan Documents.
- (ii) In relation to the Project, Borrower shall comply with all Federal, State and municipal laws, rules and regulations applicable to all activities it performs and those that are performed on its behalf.
- (iii) Borrower acknowledge that the use of small businesses, minority owned firms and women's business enterprises for contractors, suppliers, labor and products is preferred and agrees that, to the extent feasible and as represented in its Proposal, it shall use such businesses in connection with the Project.
- (iv) Borrower agrees that all hired Contractors and Sub-contractors are not on the Federal excluded parties list.
- (v) Borrower shall execute an agreement with each Contractor containing labor standards and other required provisions, such as equal opportunity and general conditions. This may be accomplished by the execution of a CDBG Contractor's Addendum as provided to Borrower by the Agency.
- (vi) Borrower acknowledges that all construction work will have received environmental approval from the New Jersey Department of Environmental Protection ("DEP") and/or the Agency prior to the commencement of any construction.

3. ASSIGNMENTS

Borrower shall not assign its interests in the Loan Documents to another without the prior written consent of the Agency. Unless otherwise indicated by the Agency in writing, any obligations hereunder shall become the obligations of any assignee or successor of the Borrower.

4. MISCELLANEOUS

- (i) **Forum and Venue.** Unless otherwise provided, all actions related to the matters which are the subject of this Addendum shall be formed and venue in a court of competent jurisdiction in Mercer County New Jersey.

- (ii) **Entire Agreement.** This Addendum along with the Loan Documents and any documents referred to herein constitute the complete understanding of the Agency and the Borrower (hereinafter, collectively referred to as the "Parties") and merge and supersede any and all other discussions, agreements and understandings, either oral or written, between the Parties with respect to the subject matter of this Addendum.
- (iii) **Severability.** Whenever possible, each provision of this Addendum shall be interpreted in such manner as to be effective and valid pursuant to applicable law, but if any provision of the Loan Documents or this Addendum is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions of this Addendum, unless the Agency shall in its sole and absolute discretion deem the invalidated provision essential to the accomplishment of the public purposes served by the Loan Documents and this Addendum, in which case the Agency has the right to terminate the Loan/Loan Documents and all benefits provided to Borrower hereunder upon the giving of sixty (60) days prior notice.
- (iv) **Compliance with All Applicable Law.** Failure to expressly reference any applicable federal or State regulation, statute, public law, Executive order, agency directive or OMB Circular will not exempt Borrower from compliance with such applicable law or regulation, and all applicable provisions not included will be deemed as inserted herein.
- (v) **Amendments or Modifications.** The Loan Documents and this Addendum may only be amended in writing executed by both Parties. Such Amendments or Modifications shall become effective only upon execution of same by both Parties.
- (vi) **Notices.** All notices, requests and other communications shall be in writing and shall be deemed duly given [when personally delivered or sent by United States mail, registered or certified, return receipt requested, postage prepaid] to the addresses set forth hereunder.

Agency: **New Jersey Housing and Mortgage Finance Agency**
637 South Clinton Avenue
PO Box 18550
Trenton, New Jersey 08550-2085
Attention: Director, Multifamily Lending

Borrower: **Heritage Village at Oakhurst LLC**
1970 Brunswick Avenue, Suite 100
Lawrenceville, New Jersey, 08648
Attention: Barbara K. Schoor, Vice President

Investor: **Wincopin Circle LLLP, its successors and assigns**
c/o Enterprise Community Asset Management, Inc.
70 Corporate Center
11000 Broken Land Parkway, Suite 700
Columbia, MD 21044

- (vii) **Contractual Liability Act.** The rights and remedies of the under the Loan Documents and this Addendum shall be subject to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq., the provisions of which are incorporated herein by reference. While this statute is not applicable by its terms to claims arising under the Loan Documents Borrower agrees that it shall be applicable to claims arising under this Addendum or any other documents associated with this Project. Further, it is acknowledged by the parties that the Agency is a public entity covered by the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq.

UNIFORM ADMINISTRATIVE REQUIREMENTS

Borrower shall adhere to the following administrative requirements:

1. DUPLICATION OF BENEFITS

Borrower will adhere to 76 FR 71060 (published November 16, 2011) regarding duplication of benefit requirements applicable to the Community Development Block Grant-Disaster Recovery ("CDBG-DR") program.

2. CONFLICT OF INTEREST

Borrower has reviewed and shall adhere to the Agency's Conflict of Interest policy, which incorporates both the State Conflict of Interest Law, N.J.S.A. 52:13D-1 et seq. and applicable federal law. It will abide by and enforce the conflict of interest requirement set forth in 24 CFR §570.611, 24 CFR §85.36 and 24 CFR §84.42. No one who exercises any functions or responsibilities, or who is in a position to participate in a decision-making process or gain inside information, may obtain a financial interest or benefit from a CDBG-assisted activity (or have a financial interest in any Loan, contract, sub-contract, or agreement with respect to a CDBG assisted facility.)

3. HATCH ACT

Borrower covenants that no Agency funding shall be used to finance the use of facilities or equipment for political purposes, or engage in other partisan activities (e.g. candidate forums, voter transportation, or voter registration). It will comply with the provisions of the Hatch Act that limit the political activity of employees and the HUD regulations governing political activity at 24 CFR §570.207.

4. RELIGIOUS ACTIVITY

Borrower will comply with HUD rules prohibiting the use of CDBG funds for inherently religious activities, as set forth in 24 CFR §570.200(j), except for circumstances specified in the HUD Allocations, Common Application, Waivers, and Alternative Requirements for Grantees Receiving Community Development Block Grant (CDBG) Disaster Recovery Funds in Response (March 5, 2013). Funding for rehabilitating or

reconstructing a storm-damaged or destroyed building may be appropriate where a facility is not used exclusively for the benefit of the religious congregation (i.e., a homeless shelter, food pantry, adult literacy or child care center). When used for both religious and secular purposes, CDBG-DR funds may pay the portion of eligible rehabilitation or construction costs attributable to the non-religious use.

5. RECORDS

- (i) Borrower will give the State and HUD, and any of their representatives or agents, access to and the right to examine all records, books, papers, or documents related to the Agency funding.
- (ii) All records required by the Loan Documents and this Addendum, including financial records, ledgers, bank statements, contracts, invoices and receipts related to the Agency funding must be retained for five years from Project Closeout, which is deemed after the affordability period has expired. However, if any litigation, claim, or audit is started before the expiration of the five (5) year period, then records must be retained for five (5) years after the litigation, claim, or audit is resolved. All of Borrower's books and records relating to the Agency funding will be located at 1970 Brunswick Avenue, Suite 100, Lawrenceville, New Jersey 08648.
- (iii) Borrower will notify the Agency in writing of any change in the location of such books and records prior to any such relocation. Borrower agrees to grant access to inspect, copy, audit and examine at all reasonable times these records to any representative of the Agency, State, Inspector General, HUD and General Accounting Office of the United States.

6. LOBBYING

Borrower certifies that no federally appointed funds will be used for lobbying purposes regardless of level of government.

7. DRUG FREE WORKPLACE

Borrower will comply with the drug-free workplace requirements contained at 24 CFR, Part 24, and Subpart F and established by the Drug-Free Workplace Act

8. COMPLIANCE WITH LAW

Borrower agrees to comply with the following requirements:

- a. Borrower agrees to comply with all applicable federal, State and local laws, regulations and policies governing the Agency funding available under the Loan Documents and this Addendum to supplement rather than supplant funds otherwise available.
- b. Borrower agrees that its Contractor and Sub-Contractors are not and will not be on the list of excluded from Federal Procurement or Non-procurement Programs promulgated in accordance with Executive

Orders 12549 and 12689, "Debarment and Suspension," as set forth at 24 CFR part 24 (CDBG funds may not be provided to excluded or disqualified persons).

c. Borrower shall comply with the following mandatory provisions relating to **FINANCIAL MANAGEMENT AND PROCUREMENT**:

1. If you are a non-profit, guidelines for financial and compliance audits of federally assisted programs which are OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations), revised, and administrative requirements for non-profits, 24 C.F.R. Part 84.
2. 24 CFR 570.490: Recordkeeping requirements, which requires that all records be kept for a minimum of five years after grant close-out ; and
3. Borrower will comply with all requirements imposed by the State concerning special requirements of law, program requirements, and other administrative requirements.

d. Borrower will adhere to 24 CFR Section 570.489(j) regarding change of use of real property. These standards apply to real property within Owner's control which was acquired in whole or in part using CDBG-DR funds in excess of the small purchase procurement threshold in 24 CFR 85.36. These standards apply from the date CDBG-DR funds are first spent until five years after the closeout of the Program.

Borrower may not change the use or planned use of any property (including the beneficiaries of such use) from that for which the acquisition or improvement was made, without first providing citizen review and comment and either:

1. The new use meets one of the national objectives and is not a building for the general conduct of government;
2. The requirement of 24 CFR Section 570.489(j) are met.

9. ENVIRONMENTAL IMPACT

Borrower may not begin any Project Activities without prior written consent of the Agency, as follows.

For all activities undertaken, Borrower agrees to provide information as needed to the DEP and/or the Agency for site-specific activities.

This will include, but is not limited to:

- a. Providing the names of all facilities receiving federal assistance so that the DEP

and/or the Agency can ensure that the facilities are not listed on the United States Environmental Protection Agency's (EPA) list of violating;

- b. Providing site-specific information regarding the age, location and prior ground disturbance of all facilities assisted, to determine compliance requirements with Section 106 of the National Historic Preservation Act of 1966, and the Preservation of Archaeological and Historical Data Act of 1966. And the provisions of 24 CFR Part 55 and Executive Order 11988, as amended by Executive Order 12148, relating to evaluation of flood hazards;
- c. Complying with the flood insurance purchase requirement of Section 202(a) of the Flood Disaster Protection Act of 1973, 42 U.S.C. §4001 et seq., which requires the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Secretary of the Department of HUD as an area having special flood hazards. For purposes herein, the phrase "federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect federal funding. Additionally:
 - I. *Flood insurance purchase requirements.* HUD does not prohibit the use of CDBG-DR funds for [existing residential buildings] in the Special Flood Hazard Area (SFHA) (or "100-year" floodplain). With respect to flood insurance, a HUD-assisted [homeowner] for a property located in the SFHA must obtain and maintain flood insurance in the amount and duration prescribed by FEMA's National Flood Insurance Program. Section 102(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) mandates the purchase of flood insurance protection for any HUD assisted property within the SFHA.
 - II. *Future Federal assistance to Borrowers remaining in a floodplain.* (1) Section 582 of the National Flood Insurance Reform Act of 1994, as amended (42 U.S.C. 5154a) prohibits flood disaster assistance in certain circumstances. No Federal disaster relief assistance may be used to make a payment (including any loan assistance payment) to a person for repair, replacement, or restoration for damage to any personal, residential, or commercial property if that person at any time has received Federal flood disaster assistance that was conditioned on the person first having obtained flood insurance and the person has subsequently failed to obtain and maintain flood insurance. Borrower may not receive CDBG disaster assistance for the repair, replacement, or restoration if it has failed to meet this requirement.
 - III. In the event of transfer of any property having received CDBG-DR assistance, the Borrower will notify the transferee in writing of the requirements to 1) Obtain flood insurance, if the property is not insured as of the date of transfer; 2) Maintain flood insurance; 3) Require the transferor, if there is failure to notify the transferee, to reimburse the federal government in the amount of any subsequent disaster relief

assistance if such funds are expended on the property after the date of transfer.

- IV. Borrower will cooperate with the DEP and/or the Agency so that all assisted properties will be elevated, repaired, reconstructed or newly-constructed (including both commercial and residential properties) in accordance with the newly-released FEMA Base Flood Elevation Maps (reference table 2-6 in the state's Action Plan).
- V. In accordance with 24 CFR 58.6(b), Borrower acknowledges that the Agency will not provide any Agency funding to a small business that had previously received federal flood disaster assistance conditioned on obtaining and maintaining flood insurance and the small business failed to obtain and maintain such insurance.
- VI. The Borrower acknowledges that any facility to be utilized in the performance of any nonexempt contract or subcontract is not listed on the List of Violating Facilities, issued by the EPA pursuant to 40 CFR 15.20.
- VII. Prompt notice must be given of any notification received from the Director, Office of Federal Activities, and EPA, indicating that a facility utilized or to be utilized for the Loan under consideration is to be listed on the EPA list of Violating Facilities.
- VIII. In no event shall any amount of assistance provided under this ADDENDUM be utilized with respect to a facility which has given rise to a conviction under section 113(c) (1) of the Clean Air Act or Section 309(c) of the Federal Water Pollution Control Act.
- IX. The Borrower agrees to comply with all the requirements of section 114 of the Clean Air Act, as amended (42 USC 1857c-8-0 and section 308 of the Federal Water Pollution Control Act, as amended (33 USC 1318) relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified in said section 114 and 308, and all regulations and guidelines issued thereunder.
- X. The Borrower acknowledges that all work has ceased on the Project pending final DEP and/or Agency environmental review approval.
- XI. Borrower will comply with:
1. Executive Order 11990, Protection of Wetlands;
 2. the Coastal Zone Management Act Sections 307(c)(d);
 3. In relation to water quality:
 - a. Executive Order 12088, as amended by Executive Order 12580, relating to the prevention, control and abatement of water pollution;
 - b. The Safe Drinking Water Act of 1974 (42 U.S.C. §§ 201, 300(f) et seq. and U.S.C. §349), as amended, particularly Section 1424(e) (42 U.S.C. §§ 300h-303(e)), which is intended to protect underground sources of water. No commitment for federal financial assistance can be entered

into for any project which the U.S. Environmental Protection Agency determines may contaminate an aquifer which is the sole or principal drinking water source for an area; and

- c. Executive Order 12088, as amended by Executive Order 12580, relating to the prevention, control and abatement of water pollution; The Federal Water Pollution Control Act of 1972, as amended, including the Clean Water Act of 1977, Public Law 92-212 (33 U.S.C. §1251, et seq.) which provides for the restoration and maintenance of the chemical, physical and biological integrity of the nation's water.
4. The Endangered Species Act of 1973 (50 CFR 402), as amended;
5. The Fish and Wildlife Coordination Act of 1958, as amended;
6. Wild and Scenic Rivers Act of 1968 {Sections 7(b) and (c)}, as amended;
7. Executive Order 11738, providing for administration of the Clean Air Act and the Federal Water Pollution Control Act With Respect to Federal Contracts, Grants, or Loans, and EPA regulations (40 CFR part 15);
8. The Clean Air Act of 1970 (Sections 176(c), (d), and 40 CFR 6, 51, 93), which prohibits engaging in, supporting in any way, or providing financial assistance for, licensing or permitting, or approving any activity which does not conform to the State implementation plan for national primary and secondary ambient air quality standards;
9. The Farmland Protection Policy Act, 7 U.S.C.A. §4201 et seq., which requires recipients of federal assistance to minimize the extent to which their projects contribute to the unnecessary and irreversible commitment of farmland to nonagricultural uses;
10. Executive Order 12898: Federal Actions To Address Environmental Justice in Minority Populations and Low-Income Populations, February 11, 1994;
11. Noise abatement and control requirement found at 24 CFR 51B;
12. Provisions of 24 CFR 51C, explosive and flammable operations;
13. Provisions of 24 CFR 58.5(i) relating to toxic chemicals and radioactive materials;

14. [Sections 1012 and 1013 of Title X of the Housing and Community Development Act of 1992 (Public Law 102-550, as amended). The regulation appears within Title 24 of the Code of Federal Regulation as part 35 (codified in 24 CFR 35). The purpose of this regulation is to protect young children from lead-based paint hazards in housing that is financially assisted by the Federal government or sold by the government. This regulation applies only to structures built prior to 1978. It will also comply with the Lead Safety Housing Regulation covering prohibited methods of paint removal (24 CFR Part 35.140) and occupant protection (24 CFR Part 35.1345);]
15. Borrower will comply with the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6901, et seq.);
16. Borrower will comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94A 163, 89 Stat. 871).
- XII. Borrower agrees that the use of lead-based paint, that is any paint containing more than 1% lead by weight, is strictly prohibited from use on any interior surface or exterior surface in any building being rehabilitated. Additionally, any evidence of a health hazard, which is defined as cracking, scaling, peeling and loose lead-based paint must be treated to prevent the ingestion of the contaminated paint. It is further necessary to assume that any of the above conditions constitute an immediate or potential hazard and must be corrected using appropriate methods as detailed in Title IV of the Lead Based Paint Poisoning Prevention Act.

10. LABOR STANDARDS

1. Borrower will adhere to the labor standards requirement set forth in 24 CFR §570.603 and any other regulations issued to implement such requirements;
2. Borrower will comply with Section 110 of the Housing and Community Development Act of 1974, as amended and as set forth in 24 CFR §570.603;
3. Borrower will comply with the Davis-Bacon Act, as amended (40 U.S.C. §3141 et seq.);
4. Borrower acknowledges that the prevailing wage rate shall be determined by the Davis-Bacon Act and not State prevailing wage pursuant to N.J.S.A. 55:14K-42.

5. Borrower will comply with the Contract Work Hours and Safety Standards Act (40 U.S.C. §327 et seq.), requiring that mechanics and laborers (including watchmen and guards) employed on federally assisted contracts be paid wages of not less than one and one-half times their basic wage rates for all hours worked in excess of forty in a work-week;
6. Borrower will comply with the Federal Fair Labor Standards Act (29 U.S.C. §201 et seq.), requiring that covered employees be paid at least the minimum prescribed wage, and also that they be paid one and one-half times their basic wage rate for all hours worked in excess of the prescribed work-week;
7. Borrower will comply with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR part 3);
8. Borrower will comply with the following HUD regulations and/or guidance:
 - 24 CFR 570.489(1): Debarment and suspension.
 - 24 CFR 570.603: Labor standards.
 - 24 CFR 570.609: Use of debarred, suspended, or ineligible contractors or sub-recipients.
 - Form HUD 4010 Federal Labor Standards Provisions
9. Borrower will comply with the following United States Department of Labor regulations in parallel with HUD requirements above:
 - 29 CFR Part 1: Procedures for Predetermination of Wage Rates.
 - 29 CFR Part 3: Contractors and Sub-contractors on Public Building or Public Work Financed In Whole or In Part by Loans or Grants from the United States.
 - 29 CFR Part 5: Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (Also, Labor Standards Provisions Applicable to Non-construction Contracts Subject to the Contracts Work Hours and Safety Standards Act).
 - 29 CFR Part 5: Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (Also, Labor Standards Provisions Applicable to Non-construction Contracts Subject to the Contracts Work Hours and Safety Standards Act).
 - 29 CFR Part 6: Rules of Practice for Administrative Proceedings Enforcing Labor Standards in Federal and Federally Assisted Construction Contracts and Federal Service Contracts.
 - 29 CFR Part 7: Practice before the Administrative Review Board With Regard to Federal and Federally Assisted Construction Contracts.

11. EQUAL OPPORTUNITY

For Contracts above \$10,000:

1. During the Agency funding term, the Borrower agrees as follows:
 - a) It will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. It will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. It agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of the nondiscrimination clause.
 - b) It will, in all solicitations or advertisements for employees, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, or national origin.
 - c) It will send to each labor union or representative of workers with which it has a collective bargaining agreement or other Contract or understanding, a notice to be provided advising the said labor union or workers' representatives of their commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
 - d) It will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.
 - e) It will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
 - f) In the event of the Borrower's noncompliance with the nondiscrimination clauses of this Addendum or with any of the said rules, regulations, or orders, this Loan may be canceled, terminated, or suspended in whole or in part and the Borrower may be declared ineligible for further Government Contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
 - g) It agrees to include the provisions a through f in this Equal Opportunity Section in every contract, sub-contract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to section 204 of executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each contractor, sub-contractor or vendor.
 - h) It agrees to comply with Executive Order 11246 as to maintaining non-segregated facilities and establishments and does not permit employees to

perform services at any location under their control where segregated facilities are maintained.

For Loans \$10,000 and below:

- a) Borrower shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. It shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
- b) It shall post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause. They shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- c) The Borrower and all contractors and sub-contractors shall incorporate the foregoing requirements in all contracts.

12. ACQUISITION AND RELOCATION

Borrower agrees to comply with the following statutes and regulations:

1. Title II (Uniform Relocation Assistance) and Sections 301-304 of Title III (Uniform Real Property Acquisition Policy) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. Chapter 61), and HUD implementing instructions at 24 CFR Part 42 and 24 CFR §570.606;
2. Section 104(d) of the Housing and Community Development Act of 1974, as amended;
3. It will comply with 42 U.S.C. 3537c (Prohibition of Lump Sum Payments);
4. It will comply with 49 CFR Part 24 (Uniform Relocation and Real Property Acquisition ("URA") for Federal and Federally-Assisted Programs);
5. URA Fixed Residential Moving Cost Schedule;
6. 24 CFR Part 42 (Displacement, Relocation Assistance and Real Property Acquisition for HUD and HUD-Assisted Programs); and
7. 24 CFR 570.606 (Displacement, Relocation, Acquisition and Replacement of Housing).

Borrower agrees to provide relocation assistance to those that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-DR assisted project, with the exception of:

1. The one-for-one replacement requirements at Section 104(d)(2)(A)(i)–(ii) and (d)(3) and 24 CFR 42.375 which have been waived by HUD;
2. The relocation assistance requirements at section 104(d)(2)(A) and 24 CFR 42.350 to the extent that they differ from the requirements of the URA and implementing regulations at 49 CFR part 24, as modified by the Act for activities related to disaster recovery;
3. Arms-length voluntary purchase requirements at 49 CFR 24.101(b)(2)(i)–(ii) are waived to the extent that they apply to an arm’s length voluntary purchase carried out by a person who uses funds allocated under this Addendum and does not have the power of eminent domain;
4. Rental assistance to a displaced person: The requirements at sections 204(a) and 206 of the URA, and 49 CFR 24.2(a)(6)(viii), 24.402(b)(2), and 24.404 are waived to the extent that they require the Borrower to use 30 percent of a low-income displaced person’s household income in computing a rental assistance payment if the person had been paying more than 30 percent of household income in rent/utilities without “demonstrable hardship” before the project;
5. Tenant-based rental assistance requirements of sections 204 and 205 of the URA, and 49 CFR 24.2(a)(6)(ix) and 24.402(b) are waived to the extent necessary to permit a Borrower to meet all or a portion of a Borrower’s replacement housing financial assistance obligation to a displaced tenant by offering rental housing through a tenant-based rental assistance (TBRA) housing program subsidy, provided that the tenant is provided referrals to comparable replacement dwellings in accordance with 49 CFR 24.204(a) where the owner is willing to participate in the TBRA program, and the period of authorized assistance is at least 42 months;
6. Moving expense requirements at section 202(b) of the URA and 49 CFR 24.302; the Borrower may instead choose to establish a “moving expense and dislocation allowance” under a schedule of allowances that is reasonable takes into account the number of rooms in the displacement dwelling; and

The regulation at 24 CFR 570.606(d) is waived to the extent that it requires optional relocation policies to be established; units of local government receiving CDBG-DR funds may establish separate optional policies.

13. FAIR HOUSING AND NON-DISCRIMINATION

Any act of unlawful discrimination committed by Borrower or failure to comply with the following statutory and regulatory obligations when applicable shall be grounds for

termination of the Loan and this Addendum or other enforcement action; and Borrower agrees to comply with:

1. Title VI of the Civil Rights Act of 1964 and as amended in 1988, 42 U.S.C. §200d et seq., as amended, and the regulations issued pursuant thereto (24 CFR Part 1), which provide that no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Project receives federal financial assistance and will immediately take any measures necessary to effectuate this assurance. If any real property or structure thereon is provided or improved with the aid of federal financial assistance extended to the Borrower, this assurance shall obligate the Borrower, or in the case of any transfer of such property, and transferee, for the period during which the property or structure is used for another purpose involving the provision of similar services or benefits.
2. Architectural Barriers Act of 1968, as amended 42 U.S.C. § 4151 et seq.
3. Title IX of the Education Amendments Act of 1972, as amended 20 U.S.C. §1681 et seq.
4. Section 504 of the Rehabilitation Act of 1973, as amended 29 U.S.C. §701, which provides that no otherwise qualified individual shall, solely by reason of his or her handicap be excluded from participation, denied program benefits or subjected to discrimination on the basis of age under any program receiving federal funding assistance, with special provisions for Grantees with 15 or more employees requiring a formal, written grievance procedure for resolution of complaints.
5. Section 508 of the Rehabilitation Act of 1973 as amended 29 U.S.C. §794, requiring that electronic and information technology be accessible to people with disabilities, including employees and members of the public.
6. Section 109 of Title I of the Housing and Community Development Act of 1974, and the regulations issued pursuant thereto (24 CFR Part §570.602), which provides that no person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds provided under that Part. Section 109 further prohibits discrimination to an otherwise qualified individual with a handicap, as provided under Section 504 of the Rehabilitation Act of 1973, as amended, and prohibits discrimination based on age as provided under the Age Discrimination Act of 1975. The policies and procedures necessary to ensure enforcement of section 109 are codified in 24 CFR Part 6.
7. Section 104(b) (2) of the Housing Community Development Act of 1974, implementing Section 109.
8. Age Discrimination Act of 1975 (42 U.S.C. 1601 et seq.), prohibiting discrimination on the basis of age.

9. Title II of the Americans with Disabilities Act of 1990, prohibiting discrimination and ensuring equal opportunity for persons with disabilities in employment, and commercial facilities.
10. Title III of the Americans with Disabilities Act of 1990 (42 U.S.C.A. § 12101 et seq.).
11. Borrower must use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of the Loan Documents. As used in this Addendum, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. Borrower may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.
12. Section 3, Housing and Urban Development Act of 1968. Section 3 requirements will apply to all individual properties assisted with these funds if amounts exceed \$100,000, regardless of the actual amount spent on each individual unit/property. Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this Addendum, shall be a condition of the Federal financial assistance provided under the Loan Documents and binding upon the Borrower and third-party entities. The Borrower certifies and agrees that no contractual or other disability exists that would prevent compliance with these requirements.

These responsibilities include:

- a. Making efforts to meet the minimum numerical goals found at 24 CFR Part 135.30;
- b. Complying with the specific responsibilities at 24 CFR Part 135.32; and
- c. Submitting Annual Summary reports in accordance with 24 CFR Part 135.90.

The following language must be included in all contracts and sub-contracts if the award exceeds \$100,000:

- a. The work to be performed under the contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by

HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

- b. Borrower will comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by its execution of this Addendum Borrower certifies that it is under no contractual or other impediment that would prevent it from complying with the part 135 regulations.
- c. The Borrower agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Borrower's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- d. The Borrower agrees to include this section 3 clause in every sub-contract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the contract or in this section 3 clause, upon a finding that the contractor is in violation of the regulations in 24 CFR part 135. The Borrower will not sub-contract with any sub-contractor where the Borrower has notice or knowledge that the sub-contractor has been found in violation of the regulations in 24 CFR part 135.
- e. The Borrower will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor or sub-contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Borrower's obligations under 24 CFR part 135.
- f. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of the Loan, and debarment or suspension from future HUD assisted contracts and loans.

Borrower will further comply with:

- a. Executive Order 11246: EEO and Affirmative Action Guidelines for Federal Contracts Regarding Race, Color, Gender, Religion, and National Origin, September 25, 1965 and Executive Order 11375: Amending

Executive Order No. 11246, October 13, 1967, which provide that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of federal or federally assisted construction contracts. Further contractors and sub-contractors on federal and federally assisted construction contracts shall take affirmative action to insure fair treatment in employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training and apprenticeship.

During the performance of the Loan Documents, the Borrower agrees as follows:

- i. It will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. It will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation, and selection for training, including apprenticeship. It agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
- ii. It will, in all solicitations or advertisements for employees placed by it or on its behalf, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- iii. It will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Agency contracting officer, advising the labor union or workers' representative of the Borrower's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- iv. It will comply with all provisions of Executive Order No. 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

- v. It will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- vi. In the event of the Borrower's noncompliance with the nondiscrimination clauses of this Addendum or with any of such rules, regulations, or orders, the Loan cancelled, terminated, accelerated or suspended in whole or in part and the Borrower may be declared ineligible for further Government loans and/or contracts in accordance with procedures authorized in Executive Order No. 11246 of Sept. 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- vii. It will include the provisions of paragraphs (1) through (7) in every contract and sub-contract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each contractor, sub-contractor or vendor. It will take such action with respect to any contract or sub-contract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: *Provided, however,* that in the event the Borrower becomes involved in, or is threatened with, litigation with a contractor, sub-contractor or vendor as a result of such direction, it may request the United States to enter into such litigation to protect the interests of the United States.
- b. Executive Order 12086: Consolidation of Contracts compliance functions for equal employment opportunity, October 5, 1978.
- c. Executive Order 12898: Federal Actions To Address Environmental Justice in Minority Populations and Low-Income Populations, February 11, 1994.
- d. Executive Order 13166: Improving Access to Services for Persons with Limited English Proficiency, August 11, 2000.

And Borrower affirms it will comply with implementing regulations for the above:

- I. 24 Code of Federal Regulations Part 1: Nondiscrimination in Federally Assisted Programs of HUD.
- II. 24 Code of Federal Regulations Part 5.105: Other Federal Requirements.
- III. 24 Code of Federal Regulations Part 6: Nondiscrimination in Programs, Activities Receiving Assistance under Title I of the Housing and Development Act of 1974.
- IV. 24 Code of Federal Regulations Part 8: Nondiscrimination Based on Handicap in Federally Assisted Programs and Activities of the HUD.
- V. 24 CFR Code of Federal Regulations Parts 50.4 (l) and 58.5 (j): Environmental Justice.
- VI. 24 Code of Federal Regulations Part 91.325(b)(5): Compliance with Anti-discrimination laws.
- VII. 24 Code of Federal Regulations Part 91.520: Performance Reports.
- VIII. 24 CFR Part 121: Collection of Data.
- IX. 24 CFR Part 135: Economic Opportunities for Low- and Very Low-Income Persons.
- X. 24 CFR Part 146: Non-discrimination on the Basis of Age in HUD Programs or Activities Receiving Federal Financial Assistance.
- XI. 24 Code of Federal Regulations Part 570.487(e): Contractual Barriers Act and Americans with Disabilities Act (State Community Development Block Grant grantees).
- XII. 24 Code of Federal Regulations Part 570.490(a) (b): Recordkeeping requirements.
- XIII. 24 Code of Federal Regulations 570.491: Performance Reviews and Audits.
- XIV. 24 Code of Federal Regulations Part 570.495(b): HCDA Section 109 nondiscrimination.
- XV. 24 Code of Federal Regulations Part 570.506(g): Fair Housing and equal opportunity records.

- XVI. 24 Code of Federal Regulations Part 570.608 and Part 35: Lead-Based Paint.
- XVII. 24 Code of Federal Regulations Part 570.614: Contractual Barriers Act and Americans with Disabilities Act.
- XVIII. 24 Code of Federal Regulations Part 570.904: Equal Opportunity and Fair Housing Review.
- XIX. 24 Code of Federal Regulations Part 570.912: Nondiscrimination compliance.
13. Section 503 of the Rehabilitation Act of 1973 requires the following clauses in all contracts and sub-contracts involving federal funds of \$10,000 or more.
1. Borrower will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified. Borrower agrees to take affirmative action to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
 2. Borrower agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.
 3. In the event of the Borrower's non-compliance with the requirements of this clause, actions for non-compliance may be taken in accordance with the rules, regulations and relevant orders of the secretary of labor issued pursuant to the Act.
 4. Borrower agrees to post in conspicuous places, available to employees and applicants for employment, notices stating the Borrower's obligation under the law to take affirmative action to employ and advance in employment qualified handicapped employees and applicants for employment, and the rights of applicants and employees.
 5. Borrower will notify each labor union or representative of workers with which it has a collective bargaining agreement or other Loan Documents understanding, that the Borrower is bound by the terms of Section 503 of the Rehabilitation of 1973, and is committed to take affirmative action to employ and advance in employment physically and mentally handicapped individuals.

6. Borrower will include the provisions of this clause in every contract, sub-contract or purchase order of \$10,000 or more of federal funding unless exempted by rules, regulations, or orders of the (federal) secretary issued pursuant to Section 503 of the Act, so that such provisions will be binding upon each contractor, sub-contractor or vendor. The Borrower will take such action with respect to any contract, sub-contract and purchase order as the director of the Office of Federal Loan Documents Compliance Programs may direct to enforce such provisions, including action for non-compliance (41 CFR 60-741.4.4).

BORROWER:
HERITAGE VILLAGE AT OAKHURST
LLC



Christopher W. Winkler

By: CIS Oakhurst LLC, its Managing Member
By: Community Investment Strategies, Inc., its
Managing Member

By: 

Barbara K. Schoor, Vice President

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5-18



RLR

Record and Return to:
Lisa DiOrio, Senior Paralegal
Division of Loan Closings
New Jersey Housing and Mortgage
Finance Agency
637 South Clinton Avenue
P.O. Box 18550
Trenton, New Jersey 08650-2085
(Stonebridge Title
Services Inc)

HERITAGE VILLAGE AT OAKHURST
HMFA #2874, SMIIT #322

FINANCING, DEED RESTRICTION AND REGULATORY AGREEMENT

between

CHRISTINE GIORDANO HANLON NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
ACTING COUNTY CLERK
MONMOUTH COUNTY, NJ
and

HERITAGE VILLAGE AT OAKHURST LLC

INSTRUMENT NUMBER
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Prepared by:

William F. Hanna
Deputy Attorney General

Construction and Permanent Financing
[Revised August 2004]

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Schedule A. Legal Description

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THIS FINANCING, DEED RESTRICTION AND REGULATORY AGREEMENT (this "Agreement") is made and entered into as of April 27, 2015, between the **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY** (the "Agency"), a body politic and corporate and an instrumentality exercising public and essential governmental functions of the State of New Jersey, created pursuant to the New Jersey Housing and Mortgage Finance Agency Law of 1983, N.J.S.A. 55:14K-1 et seq. (the "Act"), and **HERITAGE VILLAGE AT OAKHURST LLC**, (together with its successors and assigns, the "Owner"), a limited liability company organized and existing pursuant to the laws of the State of New Jersey, duly authorized to transact business in the State of New Jersey, and a qualified housing sponsor within the meaning of the Act.

WITNESSETH:

In consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Agency and the Owner hereby agree as follows:

Section 1. Definitions and Interpretation

The following terms shall have the respective meanings set forth below:

"Act" means the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended from time to time, P.L. 1983, c. 530, N.J.S.A. 55:14K-1 et seq.

"Agency Financing" means the First Mortgage Loan.

"Agency Regulations" means the regulations promulgated by the Agency pursuant to the Act and any policies, procedures or guidelines issued by the Agency with respect to the housing projects financed by the Agency under the Act, all of the foregoing as they may be amended from time to time.

"Approvals" means all federal, state, county, municipal and other governmental permits, licenses, and approvals for the construction of the Project.

"Assignment of Leases" means the Assignment of Leases between the Owner and Agency given by the Owner to the Agency as additional security for the repayment of the First Mortgage Loan.

"Assignment of Syndication Proceeds" means the assignment of the capital contributions payable or paid to the Owner by the investor(s) or member(s) who will benefit from Tax Credits pursuant to the Amended and Restated Operating Agreement and any other amendment to the Amended and Restated Operating Agreement as approved by the Agency.

"**Bonds**" means the New Jersey Housing and Mortgage Finance Agency Multi-Family Housing Revenue Bonds, Series 2015 A-F, issued under the Resolution.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Construction Contract**" means the agreement between the Owner and R. Stone & Co., Inc., or any other agreement executed by the Owner and approved by the Agency, for the construction of the Project in accordance with the plans and specifications for the Project approved by the Agency.

"**Continuing Disclosure Agreement**" means the Continuing Disclosure Agreement between the Agency and the Trustee pertaining to the Bonds as the same may hereafter be modified, supplemented or amended.

"**Day**" or "**Days**," whether or not the word is a capitalized term, shall mean calendar day or day(s) unless otherwise specified.

"**Disbursement Agreement**", if applicable, means the agreement whereby the Owner and other parties thereto agree that the Agency shall hold and disburse all funds other than the Bond proceeds required for construction of the project.

"**Environmental Laws**" shall mean and include any federal, State, or local statute, law, ordinance, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic, or dangerous waste, substance, element, compound, mixture or material, as now or at any time hereafter in effect including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended, 42 U.S.C. Sections 9601 et seq., the Federal Hazardous Materials Transportation Act, as amended 42 U.S.C. Sections 1801 et seq., the Federal Resource Conservation and Recovery Act as amended, 42 U.S.C. Sections 6901 et seq., the Superfund Amendments and Reauthorization Act, 42 U.S.C. Sections 9601 et seq., the Federal Toxic Substances Control Act, 15 U.S.C. Sections 2601 et seq., the Federal Hazardous Material Transportation Act, 49 U.S.C. Sections 1801 et seq., the Federal Clean Air Act, 42 U.S.C. Sections 7401 et seq., the Federal Water Pollution Control Act, 33 U.S.C. Sections 1251 et seq., the Rivers and Harbors Act of 1899, 33 U.S.C. Sections 401 et seq., the Residential Lead-Based Paint Hazard Reduction Act of 1992, 42 U.S.C. Section 4852d, the New Jersey Environmental Cleanup Responsibility Act, as amended, N.J.S.A. 13:1K-6 et seq., the New Jersey Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq., the Spill Compensation and Control Act, as amended, N.J.S.A. 58:10-23.11 et seq., the New Jersey Tank Registration Act, N.J.S.A. 58:10A-21 et seq., the New Jersey Water Pollution Control Act, as amended, N.J.S.A. 58:10A-1 et seq., and all rules and regulations adopted and publications promulgated thereto, or any other so-called "Superfund" or "Superlien" laws, or any other federal, State or local environmental law, ordinance, code, rule, or regulation, order or decree as any of the foregoing have been, or are hereafter amended.

"Environmental Report" means the Phase I Environmental Site Assessment prepared by Environmental Waste Management Associates, LLC, dated July 2014.

"Event of Default" means any of the events set forth in Section 30 of this Agreement.

"First Mortgage" means that first mortgage and security agreement of even date herewith given by the Owner to the Agency to secure the payment of the First Mortgage Note I and II and that constitutes a valid first lien on the Project and the Land.

"First Mortgage Loan" means the first mortgage loan made to the Owner by the Agency to finance or refinance a portion of the cost of the development, construction, rehabilitation and/or acquisition of the Project, which is evidenced by the First Mortgage Note I and II and secured by the First Mortgage.

"First Mortgage Note" or "First Mortgage Notes" or "First Mortgage Note I and II" means the interest bearing, non-recourse promissory notes, made by the Owner to the Agency, that contains the promise of the Owner to pay the sum of money stated therein at the times stated therein and that evidences the obligation of the Owner to repay the First Mortgage Loan.

"Hazardous Materials" shall mean and include those elements, materials, compounds, mixtures or substances that are contained in any list of hazardous substances adopted by the United States Environmental Protection Agency (the "EPA") or any list of toxic pollutants designated by Congress, the EPA, or the New Jersey Department of Environmental Protection ("NJDEP"), or that are defined as hazardous, toxic, pollutant, infectious, flammable or radioactive by any of the Environmental Laws, and, whether or not included in such lists, shall be deemed to include all products or substances containing petroleum, asbestos, lead, and polychlorinated biphenyls.

"HUD" means the United States Department of Housing and Urban Development.

"IRS Regulations" means the regulations promulgated or proposed by the United States Department of the Treasury or the Internal Revenue Service pursuant to the Code, and to the extent applicable, pursuant to the Internal Revenue Code of 1954, as both may be amended from time to time, including all rules, rulings, policies, and official statements issued by the United States Department of the Treasury or the Internal Revenue Service.

"Land" means the real property described in Schedule "A" attached hereto and made a part hereof.

"Loan Documents" means and includes but is not limited to, this Agreement, the First Mortgage and Security Agreement, the First Mortgage Note I and II, the Assignment of Leases, the UCC-1 Financing Statements, the Assignment of Syndication Proceeds, Disbursement Agreement, if applicable, and in the event the Project is receiving Tax-Exempt Financing, the Tax Certificate.

"Low Income Tenants" means occupants of the Project who have income of 60 percent or less of the area median gross income, adjusted for family size, as determined under Section 142(d) and 42(g) of the Code, as applicable to the Project's financing structure.

"Mortgage(s)" shall mean any and all mortgages securing the Agency Financing.

"Permitted Encumbrances" means any

(i) Utility, access and other easements and rights of way, restrictions and exceptions that do not, individually or in the aggregate, materially impair the utility or value of the Project or Land for the purposes for which it is intended;

(ii) Liens that are being contested in good faith and for which the Owner has provided security satisfactory to the Agency;

(iii) Liens subordinate to the First Mortgage Loan arising due to any monies loaned in connection with the Project or other monies loaned to the Owner, provided such liens are disclosed to and approved by the Agency in writing; and

(iv) Any other encumbrances approved by the Agency in writing.

"Plans" means all construction, architectural and design contracts and all architectural design plans and specifications.

"Project" means the multifamily residential rental project constructed or otherwise financed with the proceeds of the Agency Financing and all other improvements to be constructed or located on the Land.

"Project Revenues" means all rents and other revenues of any type whatsoever received with respect to the Project or Owner, except for advances of the Agency Financing.

"Qualified Bond Counsel" means an attorney or law firm acceptable to the Agency with respect to the issuance of bonds by states and their political subdivisions for the purpose of financing housing projects.

"Qualified Project Period" means the period beginning on the first day on which 10 percent of the residential units in the Project are occupied and ending on the latest of:

(i) the date which is 15 years after the date on which 50 percent of the residential units in the Project are occupied,

(ii) the first day on which no tax-exempt private activity bond issued with respect

to the Project is outstanding, or

(iii) the date on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937 terminates.

"Residential Rental Project" means a qualified residential rental project as defined in Section 142(d) and 42(g) of the Code, as applicable to the Project's financing structure.

"Resolution" means the General and Series Resolutions and/or supplemental Resolutions of the Agency authorizing the sale and issuance of the Agency's Bonds, in connection with the financing or refinancing of the Project.

"Servicing Fee" means the servicing fee that is due from the Owner to the Agency as set forth in the First Mortgage Notes.

"State" means the State of New Jersey.

"Tax Certificate" means the Tax Certificate for Borrowers of Tax-Exempt Bond Proceeds, if the Project is receiving Tax-Exempt Financing.

"Tax Credits" means low income housing tax credits that the Project may receive pursuant to the Code.

"Tax-Exempt Financing" means financing received by the Owner from the proceeds of the tax-exempt Bonds issued by the Agency, the interest on which is excludable from gross income for purposes of federal or State income taxation.

"Trustee" means the institution named under the Resolution and designated to act as trustee thereunder with respect to the Bonds, and its successors.

"UCC-1 Financing Statements" means the UCC-1 financing statements between the Owner and Agency given by the Owner to the Agency as additional security for the repayment of the Agency Financing.

Section 2. Background and Purpose

The Owner will construct and/or rehabilitate and shall own, maintain, and operate the Project and the Land. The Project consists of 93-units of housing in the Township of Ocean, County of Monmouth, State of New Jersey of which one unit shall be reserved for occupancy by the Project's superintendent. To obtain financing for the Project, the Owner has applied to the Agency for the Agency Financing pursuant to the provisions of the Act. The Project and the Land constitute a "housing project" as defined in the Act.

In connection with its application for the First Mortgage Loan, the Owner has furnished to the Agency Project information, including the description of the Land on which the Project is to be situated, Plans for the construction and/or rehabilitation of the Project, the tenant population that is to be housed in the Project, the number of units of each type to be included therein, the estimated cost of providing the Project, information as to the projected income and expenses of the Project once completed and placed in operation and arrangements for the payments in lieu of taxes with respect to the Project. In approving the application and as a basis for providing the Agency Financing, the Agency has relied upon all of the foregoing Project information.

The First Mortgage Loan is an "eligible loan," as defined in the Act. The Agency intends to make the First Mortgage Loan from funds obtained or to be obtained through the issuance of Bonds. To secure payment of the Bonds, if issued, the Agency will pledge payments due from the Owner from its repayment of the First Mortgage Loan, when made. As a condition of the Agency's approval of the Owner's application for the First Mortgage Loan, the Owner and the Agency have entered into the Loan Documents.

In addition to the First Mortgage Loan, the Owner has obtained and the Agency has approved funding for the Project as follows:

1. Fund for Restoration of Multifamily Housing ("FRM") construction and permanent financing in the estimated amount of \$11,020,000;
2. Special Needs Housing Trust Fund (SNHTF") financing in the estimated amount of \$500,000;
3. Monmouth County HOME Loan in the amount of \$349,910;
4. Township of Ocean Loan in the amount of \$300,000
5. BEAM Housing Services, Inc. purchase money mortgage lien in the amount of \$1,350,000; and

The Owner will make an investment in the Project as provided in Section 42 of this Agreement.

Section 3. Residential Rental Property

The Owner hereby represents, covenants, warrants and agrees that:

- (a) The Project shall be owned, managed, and operated exclusively as a multi-family residential rental property and, in the event the Project receives Tax-Exempt Financing, as a Residential Rental Project. The Project shall be comprised of a building or structure or several buildings or structures containing similarly constructed dwelling units, together with any functionally related and subordinate facilities and such other non-dwelling units as approved by the Agency,

except that in the event the Project receives Tax-Exempt Financing or Tax Credits, the Project shall consist solely of a Residential Rental Project and no commercial or other facilities may be part of the Project unless permitted by the Agency, the Code or IRS Regulations.

(b) The Project shall contain one or more similarly constructed dwelling units, each of which will contain separate and complete facilities for living, sleeping, eating, cooking and sanitation for a single person or a family including a living area, a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink.

(c) None of the units in the Project will be utilized at any time for an initial lease term of less than six months or as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home, life care facility, trailer court or park.

(d) All of the units shall be rented or available for rent on a continuous basis to members of the general public and the Owner will not give preference to any particular class or group in renting the dwelling units in the Project, except to the extent that dwelling units are required to be leased or rented to tenants as provided under Section 4 of this Agreement.

(e) In the event the Project receives Tax-Exempt Financing or Tax Credits, the Project shall comply with any additional requirements of the Code or IRS Regulations dealing with the residential character of the Project.

(f) All dwelling units have been and shall be occupied by or held available for rental only to members of the general public, without regard to race, creed, religion, national origin or sex.

(g) Additionally, the Project shall be owned, managed, and operated exclusively as a multi-family residential rental property for senior citizens, and at least 80% of the occupied units shall be rented or available for rent on a continuous basis to members of the general public who are senior citizens, in accordance with the Fair Housing Act and applicable law, except for the five (5) dedicated special needs units.

Section 4. Occupancy Restrictions Governing Tenant Income

The Owner acknowledges that as a condition of receiving financing pursuant to the Act, there are limits on the maximum income that tenants may earn in order to be eligible to lease, occupy, and/or reside in a unit at the Project. The Owner agrees to comply with the income restrictions as set forth in the Act and the Agency Regulations promulgated under the Act governing income restrictions.

The Owner also acknowledges that, in the event the Project receives Tax-Exempt Financing or Tax Credits, there are additional limits on the maximum income that tenants may earn in order to be eligible to lease, occupy and/or reside in a unit at the Project. In such event, the Owner agrees to

comply with the income restrictions as set forth in the Code or IRS Regulations governing income restrictions.

In compliance with the foregoing income restrictions, the Owner agrees to rent at least 40 percent of the units at the Project to tenants whose income does not exceed 60 percent of the area's median income adjusted for family size, as median income is defined by the United States Department of Housing and Urban Development, from time to time. The Owner acknowledges that if the income restrictions set forth in this paragraph are more restrictive than the restrictions prescribed under the Act and/or the Code, that the Owner will abide by the most stringent restrictions as an inducement for and part of the consideration for the Agency to make the Agency Financing.

In the event the Project is receiving Tax-Exempt Financing, the Owner hereby represents, warrants and covenants that at all times throughout the Qualified Project Period, not less than 40 percent of the units shall be leased to qualified Low-Income Tenants. For purposes of complying with these requirements, any dwelling unit occupied by an individual or family who is a Low Income Tenant at the commencement of occupancy shall continue to be treated as if occupied by a Low Income Tenant even though such individual or family subsequently ceases to be a Low Income Tenant. The preceding sentence shall not apply to any resident whose income as of the most recent income determination exceeds 140 percent of the income limit applicable to such resident, if after such determination, but before the next determination, any residential unit of comparable or smaller size in the Project is occupied by a new resident whose income exceeds the applicable income limit. If a unit is vacated by an individual or family who qualified as a Low Income Tenant, such dwelling unit shall be treated as occupied by a Low Income Tenant until reoccupied (other than for a temporary period of not more than 31 days), at which time the character of the unit shall be redetermined.

In addition, if the Project is receiving Tax-Exempt Financing, the Owner hereby represents, warrants and covenants that at all times throughout the Qualified Project Period, the Owner shall comply with its representations, warranties and covenants in the Tax Certificate.

Section 5. Representations, Warranties and Covenants of the Owner

The Owner represents, warrants and covenants that:

(a) The Owner (i) is a limited liability company duly organized and validly existing under the laws of the State, duly authorized to transact business in the State and a qualified housing sponsor within the meaning of the Act, (ii) has provided the Agency with a true and complete filed copy of its certificate of formation and operating agreement, with all amendments to any such documents, (iii) has the power and authority to own its properties and assets including the Project and Land and to carry on its business as now being conducted (and as now contemplated), and (iv) has the power to execute and perform all the undertakings of this Agreement and the other Loan Documents.

(b) To the best of the Owner's knowledge after due and diligent inquiry, the execution and performance of this Agreement, the other Loan Documents and other instruments required pursuant to this Agreement by the Owner (i) shall not violate or, as applicable, have not violated, any provision of law, rule or regulations, any order of any court or other agency or government or any provision of any document to which the Owner is a party, and (ii) will not violate or, as applicable, have not violated, any provision of any indenture, agreement or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature other than the liens created hereby or permitted hereunder.

(c) All necessary action has been taken by the Owner to authorize the Owner's execution, delivery and performance of the Loan Documents.

(d) The Loan Documents have been duly executed and delivered by the Owner and constitute the valid and legally binding obligations of the Owner, enforceable against the Owner in accordance with their respective terms.

(e) The Owner has, at the time of execution of this Agreement, good and marketable fee simple title to the Project and Land free and clear of any lien or encumbrance, except for Permitted Encumbrances. It will continue to retain ownership of the Project and Land during the term of the Mortgage(s), subject to the terms of this Agreement and the other Loan Documents, the Act, the Agency Regulations, and if applicable, the Code or IRS Regulations.

(f) There is no arbitration, mediation or other dispute resolution proceeding now pending or, to the knowledge of the Owner after due and diligent inquiry, threatened against or affecting it, or any of its properties or rights, which would impair its right to carry on business as now conducted, or as contemplated to be conducted under this Agreement, or would materially adversely affect its financial condition.

(g) There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of the Owner after due and diligent inquiry, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would impair its right to carry on business substantially as now conducted, or as contemplated to be conducted under this Agreement, or would materially adversely affect its financial condition.

(h) The operation of the Project in the manner presently contemplated and as described in this Agreement will not conflict with any zoning, water or air pollution or other ordinance, order, law or regulation applicable thereto. The Owner has caused the Project to be designed in accordance with all federal, State and local statutes, laws, ordinances, code, rule, order, regulation or decree relating to zoning, building, safety and environmental quality. Further, the Owner has or will receive all necessary Approvals and building permits for the Project.

(i) The Owner has filed or caused to be filed by it all federal, State and local tax returns which are required to be filed by it, and has paid or caused to be paid all taxes as shown on said return(s) or on any assessment received by it, to the extent that such taxes have become due.

(j) The Owner is not in material default in the performance, observance or fulfillment of any other obligations, covenants or conditions contained in any material agreement or instrument to which it is a party.

(k) To the best of its knowledge after due and diligent inquiry, the information contained in the legal description of the Land as set forth in Schedule "A" is accurate in all material respects and does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(l) If the Agency issues Bonds to finance the Project, all information contained in the Preliminary Official Statement and Official Statement as it relates to the Owner, the Project and the Land, as of the date on which the Preliminary Official Statement and Official Statement are furnished to the underwriter, did not and will not contain any untrue statement of a material fact and did not and will not omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. If the Project receives Tax-Exempt Financing, the Owner shall not take or permit any action to be taken which would have the effect, directly or indirectly, of causing interest on any Bonds to be included in gross income for purposes of federal or State income taxation.

(m) The Owner has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof or the Loan Documents and in any event the Owner acknowledges that the requirements of this Agreement and the other Loan Documents are paramount and controlling as to the rights and obligations therein and shall supersede any other requirements in conflict therewith.

(n) All statements contained in all applications, correspondence or other materials as amended from time to time and delivered to the Agency by the Owner in connection with the Agency Financing or relating to the Project and/or the Land are accurate in all material respects and do not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(o) The Owner will not permit any modification or amendment of the Owner's charter, articles of incorporation or association, by-laws or partnership agreement or other governing instrument or instruments, or a transfer of any stock or ownership interest, which would impair its right to carry on business as now conducted, or as contemplated to be conducted under this Agreement.

(p) The representations, covenants and warranties of the Owner contained in this Agreement on the date of its execution are true and shall continue to be true at all times during the term of this Agreement. The Owner has a continuing obligation to notify the Agency if any of the representations, covenants and warranties contained in this Agreement is no longer true.

(q) No event has occurred and no condition exists which constitutes an Event of Default under this Agreement or the other Loan Documents or which, but for a requirement of notice or lapse of time, or both, would constitute such an Event of Default.

(r) A true copy of the entire contract for construction of the Project, with all modifications and addenda to date, has been delivered to the Agency and no default exists under such contract.

(s) The Owner has entered into an agreement with the municipality in which the Land is situated providing for real property tax abatement or payments in lieu of taxes by the Owner with respect to the Project and Land. A true copy of such agreement and all amendments thereto have been furnished to the Agency, are in full force and effect, and no proceedings questioning its validity are pending or threatened.

(t) The Owner has provided the Agency with a 100% payment and performance bond in a form acceptable to the Agency to ensure that the Project shall be properly completed in accordance with the Plans and that all contractors, subcontractors, suppliers, materialmen, and vendors performing work on the Project have been paid.

(u) At the time of completion of the construction of the Project, the Owner shall obtain valid releases acceptable to the Agency from all contractors and subcontractors who have performed work on the Project.

Section 6. Environmental Representations, Warranties and Covenants of the Owner

Except as disclosed in the Environmental Report, a copy of which was provided to and approved by the Agency, the Owner represents, warrants and covenants as follows:

(a) Neither Owner nor, to the best of the Owner's knowledge, information and belief, any prior owner or any current or prior tenant, subtenant, or other occupant of all or any part of the Project or Land has used or is using Hazardous Materials on, from or affecting the Project or Land in any manner that violates any Environmental Laws, and no Hazardous Materials have been or will be disposed of or stored on the Project or Land intentionally or unintentionally, directly or indirectly, or by any person whether related or unrelated to Owner.

(b) The Owner has received no notice from any person or entity, public or private, claiming any violation of any Environmental Laws with regard to the Project or Land. There have been no claims, litigation, administrative proceedings, whether actual or threatened, or judgments or

order relating to any Hazardous Materials, hazardous wastes, discharges, emissions, or other forms of pollution relating to the Project and/or Land.

(c) The Project and Land do not contain any asbestos-containing material in friable form, and there is no current and will be no future airborne contamination of the Project or Land by asbestos fiber, including any potential contamination that would be caused by maintenance or tenant activities in the Project.

(d) To the best of the Owner's knowledge, information and belief, there have been no Hazardous Materials, hazardous substances or hazardous wastes, as defined by the Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq. (P.L. 1993, C.112), Spill Compensation and Control Act (N.J.S.A. 58:10-23.11 et seq.), CERCLA as amended (42 U.S.C. Subsection 9601 et seq.), or any other applicable Environmental Laws generated, manufactured, refined, transported, treated, stored, handled, discharged, spilled or disposed of on the Project and/or Land.

(e) There are no underground storage tanks in the Project or on the Land except as disclosed to the Agency in the Environmental Report. The Owner agrees to maintain, operate, monitor or close all underground storage tanks strictly in compliance with the applicable Environmental Laws.

(f) There is no lead-based paint hazard at the Project and no lead-contaminated soil on the Land except as disclosed to the Agency in the Environmental Report. The Owner agrees to perform any lead-hazard abatement or remediation activities with the approval of the Agency and strictly in compliance with applicable federal and State laws and regulations. The Owner of any housing constructed prior to 1978 ("Target Housing") agrees to provide lead warning statements and to disclose known lead-based paint hazards to all tenants and prospective tenants in Target Housing as required by 42 U.S.C. Section 4852d and the federal regulations promulgated thereunder.

(g) The Project is not located within "freshwater wetlands" or a "transition area," each as defined by N.J.S.A. 13:9B-3, and will be or has been constructed in compliance with the New Jersey Freshwater Wetlands Protection Act, as amended, N.J.S.A. 13:9B-1 et seq., and the rules and regulations promulgated thereunder.

(h) The Owner will construct, maintain, and operate the Project and Land, and will cause its tenants to use and operate the Project and Land, in compliance with all Environmental Laws.

Section 7. Reporting Requirements

The Owner agrees to comply with the following reporting requirements:

(a) The Owner shall obtain from each tenant, prior to the date of such tenant's initial occupancy in the Project, an income certification in the form required by the Agency, or in the

event the Project receives Tax-Exempt Financing and/or Tax Credits, the Owner shall obtain the certification in the form required by the Code or IRS Regulations. The Owner shall obtain income recertifications from each tenant at such times as required by the Act or the Agency Regulations or, if applicable, the Code or IRS Regulations.

(b) The Owner shall file with the Agency, (i) on the fifth day of each month, copies of the initial occupancy income certifications specified in Section 7(a) hereof obtained by the Owner during the previous month and (ii) within 45 days of the end of each calendar year copies of the recertifications specified in Section 7(a) hereof, or at such other times as required by the Act or the Agency Regulations or, if applicable, the Code or IRS Regulations.

(c) The Owner shall maintain complete and accurate records beginning with the date of initial occupancy pertaining to the income of each tenant and rent charged to tenants residing in the Project, and shall permit, with or without notice to the Owner, any duly authorized representative of the Agency to inspect the books and records of the Owner pertaining to the incomes of and rent charged to all tenants residing in the Project.

(d) The Owner shall maintain and/or provide to the Agency such other reports, records and information as required by the Act, the Agency Regulations or, if applicable, the Code or IRS Regulations.

(e) In the event the Project is receiving Tax-Exempt Financing, the Owner shall submit to the Secretary of the United States Department of the Treasury, at such time and in such manner as the Secretary shall prescribe, an annual certification as to whether the Project continues to meet the requirements of Section 142(d) of the Code. A copy of such certification shall be sent to the Agency.

(f) In the event the Project is receiving a subsidy or subsidies from HUD, the Owner shall comply with the reporting requirements imposed by HUD therefor.

Section 8. Covenants to Run With the Land

(a) The Agency and the Owner hereby declare their understanding and intent that the burden of the covenants, reservations and restrictions set forth in this Agreement touch and concern the Land in that the Owner's legal interest in the Project and Land is rendered less valuable thereby. The Agency and the Owner hereby further declare their understanding and intent that the benefit of such covenants, reservations and restrictions touch and concern the Project and Land by enhancing and increasing the enjoyment and use of the Project and the Land by the tenants, contemplated under this Agreement and by furthering the public purposes for which the First Mortgage Loan is made and the Bonds, if any, are to be issued. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project and Land. Except as provided in subsection (b) below, the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the Land and hereof and shall pass to and be binding upon the Owner's

assigns and successors in title to the Land or Project. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or the Land or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions of the Project or Land are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Project and Land.

(b) Upon termination of this Agreement in accordance with Section 9 hereof, said covenants, reservations and restrictions shall expire and in such event, the Agency shall, at the expense of the Owner, execute any and all instruments reasonably required to evidence of record the satisfaction, cancellation and discharge of this Agreement.

Section 9. Term

This Agreement shall remain in full force and effect until all indebtedness from the Owner to the Agency with respect to the Project shall have been paid in full in accordance with the provisions of this Agreement, the First Mortgage Notes and the other Loan Documents, provided however that (a) if the First Mortgage Loan is prepaid, this Agreement shall remain in effect as provided in the Agency Regulations governing prepayment, and (b) if the Project is receiving Tax-Exempt Financing, this Agreement shall remain in full force and effect for a period not less than the Qualified Project Period.

Section 10. Construction and Funding

A. Construction of Project

The Owner covenants and agrees to comply with all the provisions of the Construction Contract. The Owner covenants and agrees to diligently pursue the construction of the Project to completion by the date of completion in the Construction Contract, time being of the essence, in accordance with the plans and specifications for the Project approved by the Agency.

The Owner shall not approve or allow to occur any change in the Plans for the Project or any change order under the Construction Contract except with the prior express approval of the Agency in the manner provided in the Construction Contract. Construction of the Project shall at all times be subject to the inspection, review, regulation and approval of the Agency and its duly authorized representatives as provided in the Construction Contract. Any such inspection, review, regulation and approval of the Agency shall be solely for its benefit for the purpose of assuring that the programs and goals of the Agency are being fulfilled and, when applicable, for the benefit of the holders of Bonds under the Resolution and in furtherance of its obligations under the Act and shall not be construed as making the Agency a party to the Construction Contract, nor shall it relieve the Owner of any of its obligations under this Agreement, the Construction Contract or Loan Documents.

Pursuant to the Act, the Owner agrees that it will not pay nor will it permit any contractor or subcontractor engaged in the construction of the Project to pay any workers employed on the construction of the Project less than the prevailing wage rate as determined by the Commissioner of Labor and Industry pursuant to, and in accordance with, the New Jersey Prevailing Wage Rate Act, N.J.S.A. 34:11 et seq., or, should the Project or the tenants of the Project be subject to federal assistance, then as determined by the Secretary of the United States Department of Labor in accordance with the Davis-Bacon Act, as amended, 40 U.S.C. Sections 276a to 276a-5, to the extent applicable. The Owner shall cause the Construction Contract to include the provisions of this paragraph.

The Construction Contract provides for performance and payment bonds in favor of the Agency and the Owner. The Owner shall not do any act that would cause the release, in whole or in part, of the surety bond or bonds issued in connection with the Construction Contract, including, without limitation, deviation from the payment schedule, waiver of any requirements imposed on the general contractor or any subcontractor under the Construction Contract or consent to any change in the plans and specifications or scope of the work, unless such act would not cause any release because the surety has consented thereto.

The Owner covenants and agrees to notify the Agency in writing within three (3) business days of the occurrence of any default under the Construction Contract or the Loan Documents.

B. Funding of Construction

Upon and subject to the terms and conditions of the Loan Documents, the Agency agrees to advance to the Owner in successive advances as described herein the lesser of: (1) \$11,351,624 or (2) 90% of the cost of the Project as established by the Agency in accordance with its normal procedures for auditing or otherwise verifying Project cost.

The Owner agrees to contribute equity toward the construction of the Project as may be required pursuant to Section 42 of this Agreement and to pay all cost overruns related to the construction and completion of the Project.

The Owner covenants and agrees, upon completion of the Project, to certify to the Agency the actual cost of the Project. This cost as certified by the Owner shall be audited and verified by the Agency in accordance with its normal procedures. In the event that the amount advanced on the Agency Financing shall exceed 90% of the cost of the Project, the Owner shall pay forthwith to the Agency the amount of such excess, as determined by the Agency, notwithstanding any prepayment restrictions otherwise applicable, as an allowed partial prepayment of the Agency Financing. . When the Agency has completed its audit and verification, it shall promptly notify the Owner in writing of the actual Project cost as finally determined by the Agency.

C. Procedures for Advances

The Owner shall establish a Project construction account with a bank or trust company in the State of New Jersey approved by the Agency that is a member of the Federal Deposit Insurance Corporation. The account shall be under the joint control of the Owner and the Agency, and shall also allow the Agency to unilaterally withdraw funds for:

1. payment back to the Trustee or the Agency, including, without limitation, payments back to the Agency to prevent funds remaining in the account for more than ninety (90) days;
2. payment to the Agency for construction interest payments, debt service payments, escrow requirements, and Servicing Fees; and
3. payment of other costs for construction of the Project.

The Agency will provide written notice to the Owner of its actions. Advances shall be deposited directly to such Project construction account.

D. Conditions Precedent to Advances

The Agency's obligation to make each advance under the Agency Financing shall be subject to the requirements of the Resolution, and to the satisfaction of the following conditions precedent, any of which may be waived in whole or in part by the Agency:

1. each of the Owner's covenants, agreements, representations and warranties contained in this Agreement shall continue to be true and shall not have been breached as of the date of each advance;
2. the full amount of all previous advances shall have been expended for Project costs approved by the Agency;
3. all work performed and material furnished for the Project shall be in accordance with the Plans for the Project and all work shall have been properly performed to the satisfaction of the Agency;
4. no event shall have occurred and no conditions shall exist that would prevent the advance from becoming a valid mortgage lien on the Project and Land or secured by a prior perfected security interest on all other collateral mentioned in the Mortgage(s). If the Agency shall deem it necessary or desirable, all or part of any advance may be disbursed in escrow to a title insurance company licensed to do business in the State of New Jersey for the purposes of discharging any construction or other lien on the Project and Land or on any other security mentioned in the Mortgage(s); and
5. the Agency shall have received a currently dated, certified survey of the Land

showing that the Project construction is within the Land (and any required setbacks) and does not encroach on the property of others, which survey shall only be required as a condition precedent to the first and final advances.

Advances during construction will be made once a month in an amount sufficient to pay the applicable percentage of Contractor's and/or Owner's requisitions (less retainage) for the cost of construction of the Project then due and payable under the terms of the Construction Contract and approved by the Agency. Advances may be made at such other times or intervals as may be determined by the Agency.

The final advance shall be made only after the Agency has completed its cost certification for the Project and only after the Agency has received a Certificate of Occupancy from the Owner for all dwelling units in the Project.

Section 11. Insurance; Condemnation

During the term of the Agency Financing, the Owner shall cause all the buildings on the premises and the fixtures and articles of personal property covered by the Loan Documents to be insured against loss by fire and against loss by such other hazards as may be required by the Agency for the benefit of the Agency including, but not by way of limitation, flood insurance if any part of the Project is located in an area designated by or on behalf of the federal government as having specific flood hazard. Such insurance shall be written by companies, in forms as are satisfactory to the Agency, and in amounts not less than the full replacement value of the Project. The Owner shall assign and deliver the policies to the Agency. All such insurance policies which are obtained by the Owner during the term of the loan shall fully comply with all Agency requirements for property and liability insurance, including but not limited to the Agency requirement that the insurer must meet certain rating standards. The Agency shall be listed as first mortgagee, loss payee and additional insured under such policies. Such policies shall provide that the insurer may not cancel the policy and will not refuse to renew the policy except after thirty(30)days written notice to the Agency. If the Owner does not provide the Agency with the evidence of insurance as required herein, the Agency may (but shall not be required to) obtain such coverage. The Owner shall reimburse the Agency on demand for any premiums paid for insurance procured by the Agency, and until so reimbursed, the amount of such premiums shall be added to the principal sum of the First Mortgage Notes and shall bear interest at the same interest rate as in the First Mortgage Notes.

If the Project shall be damaged, destroyed or taken by condemnation (in whole or in part), the Agency shall direct the Owner to promptly reconstruct the Project to substantially the same condition as existed prior to such damage, destruction or condemnation, with such changes, alterations and modifications as may be desired by the Owner and approved by the Agency, provided that the plans and specifications for reconstruction of the Project are approved by the Agency and, in the Agency's determination, the proceeds of the insurance or of the damages or award received as a consequence of such damage, destruction or condemnation, together with any other money available for such purpose, are sufficient to pay the cost of such reconstruction and upon completion of the

reconstruction of the Project it shall be financially feasible.

In the event of reconstruction of the Project, the Agency, upon receipt of a written request by the Owner that payments are required for such purpose, shall apply so much as may be necessary of such proceeds of the insurance and any investment income earned thereon to the payment of the costs of such reconstruction as such work progresses.

No money shall be disbursed to pay the costs of reconstruction unless no Event of Default exists hereunder and unless the Agency first shall have received all of the following:

- (a) a certification from the Owner stating that:
 - (1) the full amount of such disbursement and all of the prior disbursements constitute proper and reasonable costs of reconstruction work performed or materials delivered to the site of the Project;
 - (2) all work performed and material furnished for the reconstruction of the Project have been in accordance with Plans;
 - (3) all such work has been performed to the satisfaction of the architect retained to prepare the plans and specifications for reconstruction of the Project; and
 - (4) the Project remains financially feasible;
- (b) appropriate insurance from a title insurance company, licensed to do business in the State and acceptable to the Agency, insuring that there are no liens or encumbrances on the Project other than Permitted Encumbrances; and
- (c) if the location of any improvement is to be altered, a currently dated, certified survey showing that all improvements are on the Land within any required set-backs and do not encroach on the real property of others.

If, in the Agency's determination, the proceeds of the insurance or of the damages or award received as a result of damage, destruction or condemnation, together with any other money available for such purpose, are not sufficient to pay the cost of reconstruction or if the Project will not be financially feasible upon such reconstruction, then the proceeds of such insurance, damages or award shall be applied to the indebtedness on the First Mortgage Loan. Nothing in this Section shall affect the liens of this Agreement and the Mortgage(s) or the liability of the Owner for payment of the entire balance of the Agency Financing.

The Owner shall maintain continuously in effect such other insurance coverage of the types and in the amounts specified by the Agency, including worker's compensation insurance and other insurance required by law with respect to employees of the Owner, and liability insurance with limits

of not less than \$1,000,000.00 per accident or occurrence on account of personal injury, including death resulting therefrom, and \$1,000,000.00 per accident or occurrence on account of damage to the property of others, and a blanket excess liability policy in an amount not less than \$10,000,000.00, protecting the Owner and the Agency against any loss or liability or damage for personal injury or property damage with respect to the Project. Owner shall also maintain Business Income insurance covering the loss of revenues derived from the Project by reason of interruption, total or partial, of the use of the Project resulting from loss or physical damage thereto in an amount equal to 100% of the anticipated gross rental income for one (1) year at full occupancy with no coinsurance penalty. The Owner shall carry fidelity bond insurance covering all employees of the Owner authorized to handle the revenues derived from the Project in an amount equal to one and one-half (1½) times the maximum monthly rent roll.

In the event the Project receives financing from proceeds of Bonds, the Owner covenants and agrees to provide such additional insurance coverage as required in the Resolution.

Section 12. Taxes, Payments in Lieu of Taxes and Other Municipal Charges

The Owner covenants and agrees to pay all taxes, payments in lieu of taxes, assessments, water charges, sewer charges, and other charges imposed on the Project or Land by the municipality, county, State or other governmental body having jurisdiction over the Project. If such charges are not paid by the Owner, the Agency may pay the same. Any such sum(s) so paid by the Agency shall be payable by the Owner on demand by the Agency and until paid the amount of such sums shall be added to the principal sum of the First Mortgage Notes, and shall bear interest at the same interest rate as in the First Mortgage Notes.

Section 13. Liens and Encumbrances

The Owner covenants and agrees to maintain its right, title and interest in the Project, Land and all items enumerated in the Loan Documents, as security for repayment of the Agency Financing, free and clear of all liens, security interests and other encumbrances except for Permitted Encumbrances and those exceptions identified and set forth in a certain title insurance commitment issued to the Agency by Stewart Title Guaranty, Inc., dated February 23, 2015 and identified as Title #14-27698, continued to the date of this Agreement, as accepted by the Agency. The foregoing covenant and agreement shall not prevent the Owner from leasing or renting the Project or Land in the manner as otherwise provided in this Agreement. Except with the written consent of the Agency, the Owner will not install any item of tangible personal property as part of the fixtures or furnishings of the Project that is subject to a purchase money lien or security interest.

The Agency may, at its sole option, pay the amount necessary to discharge any lien or other encumbrance, and the Owner shall reimburse the Agency upon demand for any amounts so paid. Until reimbursement of the Agency of any amounts so paid, such amount shall be added to the principal sum of the First Mortgage Notes and shall bear interest at the same interest rate as in the First Mortgage Notes.

Section 14. Maintenance, Repair and Replacement

The Owner covenants and agrees to maintain the Project and the Land, including, but not limited to, the dwelling units contained therein, any related facilities, the appurtenant equipment and grounds in good repair and condition so as to provide decent, safe and sanitary housing accommodations. In the event that any investigation, site monitoring, containment, clean-up, removal, restoration, remediation, or other remedial work of any kind or nature (the "Remedial Work") is required under any applicable Environmental Laws at, on, about, under or within the Project or Land, the Owner agrees to commence and diligently perform and complete such Remedial Work in compliance with all applicable Environmental Laws, at its own expense. In the event the Owner shall fail to timely commence, perform and complete such Remedial Work, the Agency may, at its sole and absolute discretion, cause such Remedial Work to be performed and the Owner shall reimburse the Agency upon demand for all costs incurred by the Agency in connection with the performance, completion and monitoring of such Remedial Work. Until reimbursement of the Agency of any costs so incurred, such amount shall be added to the principal sum as of the First Mortgage Notes and shall bear interest at the same interest rate as in the First Mortgage Notes.

The Owner will not make any substantial alteration to the Project without the consent of the Agency, nor will the Owner permit the removal of any fixtures or articles of personal property, except with the consent of the Agency and in connection with the replacement thereof with appropriate property of at least equal value that is free of all liens or claims.

The Owner will not demolish any part of the Project, substantially subtract from or permit any waste of the real or personal property comprising the Project or Land, or make any alteration that will increase the hazard of fire or other casualty.

Section 15. Advance Amortization Payments

Because the public purposes of the Agency include maximizing the period during which the dwelling units in the Project are available to persons whose incomes do not exceed the maximums provided by the Act, the Agency Regulations, and if applicable, the Code or IRS Regulations, the Owner shall not make any advance principal repayment except as allowed by the Agency Regulations and if the Project is financed by Bonds, as allowed under the Resolution. With respect to any advance amortization payment, if the Agency shall have consented thereto, the Owner shall, if the First Mortgage Loan is financed from Bonds, pay to the Agency an amount sufficient (a) to enable the Agency to redeem Bonds of the appropriate series in the principal amount as required under the Resolution, (b) to pay the interest accrued and to accrue on the Bonds to be redeemed to the redemption date thereof, (c) to pay the redemption premium, if any, on the Bonds to be redeemed, (d) to pay the cost and expense of the Agency in effecting the redemption of the Bonds to be redeemed including legal fees of the Agency, as determined by the Agency, including any investment shortfall resulting from liquidation of investments, and (e) to pay any other cost, expense and liability incurred by the Agency in connection with the financing of the Project and issuance of

its Bonds for such purpose not previously paid or provided for by the Agency including, without limitation, underwriting discount or other unamortized Bond discount; provided, however, that only the amount of such advance amortization payment applied as provided in (a) above shall be credited against the unpaid balance of the First Mortgage Loan.

Section 16. Reserve and Escrow Payments

On the date of the execution of this Agreement, the Owner will deposit with the Agency the following amounts, which will serve as a reserve against late payments and be available to pay expenses when due:

- (a) one monthly installment of debt service on the First Mortgage Note, including principal and interest;
- (b) an amount equal to one-half (1/2) of the estimated annual insurance payments; and
- (c) an amount equal to one-quarter (1/4) of the estimated annual real property taxes or payments in lieu of taxes.

Commencing with the Amortization Date, as defined in the First Mortgage Note, and on the first day of each month thereafter, the Owner will pay to the Agency, along with the monthly principal and interest payment, the following:

- (d) one-twelfth (1/12) of the estimated annual amounts necessary to pay taxes or payments in lieu of taxes and insurance premiums;
- (e) one-twelfth (1/12) of the amount equal to \$390.00 per unit or such sum as the Agency may determine pursuant to its established management policy as a reserve for repairs and replacement.

All reserve and escrow payments required pursuant to this Section shall be held in accounts under the sole control of the Agency and shall be paid out for the benefit of the Project as needed on request of the Owner or on the Agency's own initiative. Any interest that may be earned on such reserves shall remain in the escrow accounts and shall be used for similar purposes unless the Owner and Agency mutually agree to apply the funds to some other Project purpose.

If the Agency determines that the payments specified herein are insufficient to insure prompt payment of taxes, payments in lieu of taxes, insurance premiums, or to properly fund painting, decorating, repair and replacement needs with respect to the Project, then the Agency may require increases in the required payments necessary to assure proper funding.

Section 17. Compliance Requirements

The Owner covenants and agrees to comply with the Act and the Agency Regulations, and with any amendments or supplements to the Act or Agency Regulations. If the Project receives Tax-Exempt Financing or Tax Credits, the Owner covenants and agrees to comply with the Code or IRS Regulations and with any amendments or supplements to the Code or IRS Regulations, and, in addition, if the Project receives Tax-Exempt Financing, the Owner shall comply with its representations and covenants in the Tax Certificate throughout the term hereof.

The Owner acknowledges that the proceeds of the First Mortgage Loan have been or are expected to be funded through the issuance of Bonds. The Owner agrees that it will execute and be bound by any amendments to this Agreement or the other Loan Documents and any additional documents as may be required by Qualified Bond Counsel for the issuance of the Bonds and/or to comply with the Code or IRS Regulations. The Owner further agrees to comply with any other requirements of the Agency that Qualified Bond Counsel reasonably believes to be necessary in connection with its marketing and issuance of Bonds. To the extent any amendments, modifications or changes to the Code or IRS Regulations shall, in the written opinion of Qualified Bond Counsel, impose requirements upon the construction, rehabilitation, ownership, occupancy or operation of the Project, the parties agree that this Agreement and/or the other Loan Documents shall be amended and modified in accordance with such requirements. The parties hereto agree to execute, deliver, and record, if applicable, any and all documents or instruments necessary in the opinion of and in the form approved by Qualified Bond Counsel to effectuate the intent of this Section.

If the Project receives financing from proceeds of Bonds, the Owner acknowledges receipt of the Continuing Disclosure Agreement, and the Owner agrees that in the event it subsequently becomes an "Obligated Person" meeting the objective criteria set forth in the Continuing Disclosure Agreement, it shall provide the Agency with the Obligated Person Data (as defined in the Continuing Disclosure Agreement) and the audited general purpose financial statements referred to in the Continuing Disclosure Agreement at the times necessary so as to allow the Agency to file the Annual Reports provided for in the Continuing Disclosure Agreement.

The Owner and Agency acknowledge that the Owner is receiving Tax-Exempt Financing and is receiving Tax Credits. Accordingly, the Owner acknowledges that all of the provisions concerning Tax-Exempt Financing are applicable and that all of the provisions concerning Tax Credits are applicable.

Section 18. Lease of Dwelling Units - Maximum Rents

The Owner shall offer dwelling units for lease and occupancy in strict accordance with the Act or Agency Regulations governing tenant marketing, eligibility and selection. The form of lease to be used by the Owner in leasing to residential tenants shall be previously approved by the Agency and shall comply in all respects with the Agency Regulations and the requirements of the Agency. Initial rents may not exceed such amounts as approved by the Agency. In the event the Project

receives Tax-Exempt Financing or Tax Credits, rents may not exceed such amounts as prescribed by the Code or IRS Regulations. The form and terms of all leases for any other portion of the Project and/or Land, if permitted under this Agreement, are subject to the prior consent of the Agency. Rent increases for any dwelling unit shall be made pursuant to procedures prescribed by the Agency Regulations, or if applicable, the Code or IRS Regulations.

Section 19. Consideration for Lease

The Owner covenants and agrees not to require as a condition of the occupancy or leasing of any dwelling unit in the Project and not to accept or allow any employee or agent to accept any consideration other than the prepayment of the first month's rent plus a security deposit not in excess of one and one-half (1 1/2) month's rent or as otherwise mandated by HUD, if applicable, unless otherwise approved in writing by the Agency to guarantee the performance of the covenants of the lease or occupancy agreement.

Section 20. Tenant Security Deposit

The Owner covenants and agrees to deposit all monies paid to the Owner by any residential tenant as a security deposit for the payment of rent in a separate interest-bearing bank account held and maintained in accordance with applicable law and instructions of the Agency as to its custody and control.

Section 21. Account for Project Revenues

The Owner covenants and agrees to establish an account for and deposit all Project Revenues with a bank, trust company or savings and loan institution approved by the Agency and maintaining an office within the State, the deposits of which are insured by the Federal Deposit Insurance Corporation. If the Agency so elects, this account shall be under the joint control of the Agency and the Owner, with all withdrawals requiring a countersignature by one of the authorized representatives of the Agency.

The Owner may not withdraw or use Project Revenues except to pay debt service due under the Loan Documents, the Servicing Fee or other Project expenses approved by the Agency or return on investment payments due under Section 42 hereof. Project Revenues may not be transferred to or invested in any other accounts or investment vehicles, except as permitted by Agency Regulations.

Section 22. Inspection of Premises

The Owner covenants and agrees to permit the Agency, its agents or representatives to enter upon and inspect the Project without prior notice, pursuant to the provisions of the Act.

Section 23. Books and Records

The Owner covenants and agrees to maintain adequate books and records of its transactions with respect to the Project in the form required by the Agency. Such books and records shall be available for inspection and audit by the Agency or its agents at any time during business hours, with or without notice, pursuant to the provisions of the Act. The Owner further covenants and agrees to cause its financial affairs to be audited at least annually by independent certified public accountants and shall furnish the Agency with the audit report of such accountants when received and in any event within three (3) months of the close of each of its fiscal years. The Owner shall adopt and use such uniform systems of accounts and records as may from time to time be required by the Agency.

Section 24. Management Contract

The Owner may, and if the Agency so elects, shall, contract for the services of a firm experienced in real estate management to act as the managing agent for the Project. The selection of any such managing agent, the scope of the agent's duties and the basis of the agent's compensation shall be subject to the approval of the Agency, and any contract for the employment of any managing agent shall provide that such contract may be terminated by the Agency at any time by notice of such determination by the Agency given to the Owner and managing agent.

Section 25. Prohibited Actions

Except with the express approval of the Agency, the Owner shall not:

- (a) incur any liabilities except in connection with the acquisition, construction, rehabilitation, repair, improvement and rental of the Project and Land, and its operation and maintenance;
- (b) engage in any business activity except the ownership and operation of the Project and Land;
- (c) enter into contracts to be paid from Project Revenues for managers, attorneys, accountants, or other services without the prior written approval of the Agency;
- (d) pay more than the fair market value thereof for goods or services;
- (e) transfer or invest Project Revenues in any other accounts or investment vehicles, except as permitted by Agency Regulations; or
- (f) pay compensation from Project Revenues to any officer, director, member, partner, or shareholder in his capacity as such or make any cash distribution to any of the foregoing; provided, however, that if no Event of Default has occurred, the Owner may make distributions annually of a return on investment in an amount not to exceed the amount permitted under the Act,

the Agency Regulations, and then only to the extent of its retained earnings not previously distributed, or as otherwise approved by the Agency. The Owner, however, shall not make any distribution payment without the express agreement of the Agency that retained earnings (or other funds) are available for such distribution.

Section 26. Change of Owner Status

The Owner shall not dissolve, liquidate, sell, transfer, convey or exchange the Project and/or Land or any portion thereof without prior approval of the Agency and the Owner's compliance with the Agency Regulations. The Owner shall not dissolve, liquidate, sell, transfer, convey or exchange any shares, partnership or other ownership interest in the Owner without prior approval of the Agency and the Owner's compliance with the Agency Regulations. The Owner shall notify in writing and obtain the agreement in writing of any buyer or successor or other person acquiring the Project or Land or any interest therein, in a form acceptable to the Agency, that such acquisition is subject to the requirements of the Loan Documents, Act and Agency Regulations and, if applicable, the Code or IRS Regulations. This notice provision shall not act to waive any other Agency restriction on such dissolution, liquidation, sale, transfer, conveyance or exchange.

Section 27. Estoppel

Within ten (10) business days of demand by the Agency, the Owner will furnish to the Agency in writing a statement of the outstanding balance of the principal sum plus all the accrued interest remaining due on the Agency Financing, together with a statement of any defenses which may exist as to any liability of the Owner with regard to the Loan Documents.

Section 28. Financing Statements

The Owner hereby irrevocably authorizes the Agency to file on its behalf one or more UCC-1 Financing Statements or renewals thereof with respect to any of the security interests granted by the Loan Documents. The Owner hereby assigns all its rights and interests in accounts established under this Agreement to the Agency, to the extent that such interest may be needed, pursuant to this Agreement.

Section 29. Assignment

The Owner transfers and assigns to the Agency all of its right, title and interest, but not its liability, in, under, and to all construction, architectural and design contracts, all architectural design plans and specifications and all government permits, licenses and approvals for the construction of the Project (the foregoing collectively referred to as the "Plans and Approvals"). The owner represents and warrants that the copies of the Plans and Approvals delivered to the Agency are and shall be true and complete copies of the Plans and Approvals, that there have been no modifications thereof which are not fully set forth in the copies delivered, and that the Owner's interest therein is not subject to any claim, setoff, or encumbrance. Neither this assignment nor any action by the

Agency shall constitute an assumption by the Agency of any obligation under or with respect to the Plans and Approvals; the Owner shall continue to be liable for all obligations of Owner with respect thereto; and the Owner hereby agrees to perform all of its obligations under the Plans and Approvals.

The Owner hereby consents to any assignment of the Agreement by the Agency. No assignment or delegation of this Agreement by the Owner is permitted unless approved in writing by the Agency. If assigned, all rights, duties, obligations and interest arising under this Agreement shall bind and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

Section 30. Defaults

Each of the following shall be an Event of Default:

(a) failure by the Owner to pay more than ten (10) days after the due date any installment of principal or interest under the Agency Financing, or on the Servicing Fee or any other payment required by the Owner to the Agency or any other person pursuant to the terms of this Agreement, the First Mortgage Note, or the other Loan Documents;

(b) commission by the Owner of any act prohibited by the terms of this Agreement, or the other Loan Documents, or failure by the Owner to perform or observe in a timely fashion any action, obligation, warranty or covenant required by any of the terms of this Agreement or the other Loan Documents or failure by the Owner to produce satisfactory evidence of compliance therewith. An event set forth in this subsection shall not constitute an Event of Default until the prohibited act or failure to perform or observe shall remain uncured for a period of thirty (30) days after the Agency's written notice to the Owner, specifying such prohibited act or failure and requesting that it be remedied, unless the Agency shall agree in writing to an extension of such time prior to its expiration; provided, however, that if the prohibited act or failure stated in each notice is correctable, but cannot be corrected within the 30-day period, the Agency may consent to an extension of up to 120 days from the delivery of the written notice referred to herein if corrective action is instituted by the Owner within the initial 30-day period and diligently pursued; The Agency will send, simultaneously with sending to the Owner any notices under this subsection, a copy of the aforementioned notices to the Owner's investor member. To the extent the Event of Default is curable, a cure tendered in full pursuant to the terms and conditions of this Agreement and the other Loan Documents by the Owner's investor member shall be honored by the Agency.

(c) the filing by the Owner under any federal or State bankruptcy or insolvency law or other similar law, or any petition in bankruptcy or for reorganization or composition with creditors or the making of an assignment for the benefit of creditors;

(d) the filing against the Owner of a petition seeking an adjudication as a bankrupt or the appointment of a receiver for the benefit of its creditors that shall not have been dismissed within sixty (60) days of the filing thereof, or the adjudication of the Owner as a bankrupt or the

appointment of a receiver for the benefit of its creditors; or the appointment by court order of a custodian (such as a receiver, liquidator or trustee) of the Owner or of any of its property or the taking of possession of the Owner or any of its property for the benefit of its creditors and such order remains in effect or such possession continues for more than sixty (60) days;

(e) the occurrence of substantial destruction of the Project by an uninsured casualty or the inability to replace or restore the Project in accordance with Section 11, or failure to maintain insurance that fully complies with the Agency insurance requirements set forth at Section 11 or in Agency insurance specifications minimum requirements, or failure to provide, immediately or no later than 30 days from notice, replacement insurance to meet Agency insurance requirements as set forth in Section 11 during the term of the First Mortgage Loan;

(f) any representation in conjunction with the Loan Documents or the Project by or on behalf of the Owner that is false or misleading in any material respect when made;

(g) any occurrence that results in the dissolution or liquidation of the Owner pursuant to the formation documents of the Owner;

(h) failure to comply with applicable provisions of the Act, the Agency Regulations, and if applicable, the Code or IRS Regulations;

(i) failure to substantially complete the Project pursuant to the Construction Contract.

(j) an Event of Default as to any one mortgage loan held by the Agency shall be deemed an Event of Default as to all mortgage loans held by the Agency.

Section 31. Remedies

Upon the occurrence of any Event of Default, the Agency may at its option take any one or more of the following actions or remedies and no failure or delay to exercise any remedy or take any action enumerated shall constitute a waiver of such right or preclude a subsequent exercise by the Agency of any such remedy:

(a) declare the outstanding balance of the principal sum under the First Mortgage Note plus all accrued interest, the Servicing Fee and all other liabilities of the Owner under the Loan Documents to be immediately due and payable;

(b) cease making disbursements from reserves held by the Agency;

(c) apply any reserves held by the Agency or the balance in the accounts for Project Revenues or any combination of these monies to the payment of the Owner's liabilities under the Loan Documents;

(d) foreclose the lien of all Mortgage(s) securing the Agency Financing on the Project and Land including, without limitation, all improvements existing or hereafter placed in or on the Project and Land. In any action to foreclose, the Agency shall be entitled to the appointment of a receiver of the rents and profits of the Project as a matter of right, with power to collect the rents, uses, and profits of the Project, due and becoming due during the pendency of such foreclosure suit, such rents and profits being hereby expressly assigned and pledged as additional security for the payment of the indebtedness secured by the Mortgage(s) without regard to the value of the Project or the solvency of any person or persons liable for payment of the mortgaged indebtedness. The Owner, for itself and any such subsequent owner, hereby waives any and all defenses to the application for a receiver as above and hereby specifically consents to such appointment, but nothing herein contained is to be construed to deprive the holder of the Mortgage(s) of any other right, remedy or privilege it may now have under the law to have a receiver appointed. The provisions for the appointment of a receiver of the rents and profits and the assignment of such rents and profits are made express conditions upon which the Agency Financing is made. Upon such foreclosure the Agency shall have the right to have a receiver appointed for the Project and the rent from the Project;

(e) take possession of the Project;

(f) without judicial process, collect all rents and other revenue including federal and State subsidies as the assignee of the Owner, and apply the same, at the Agency's option, either to the operation and maintenance of the Project or to the liabilities of the Owner under the Loan Documents and to accept assignment of leases;

(g) act as landlord of the Project and rent or lease the same on any terms or dispossess by summary proceedings or other available means any tenant defaulting under the terms of the lease of a dwelling unit;

(h) take possession of equipment, appliances and other tangible personal property in which a security interest has been granted by the Loan Documents and dispose of the same in any commercially reasonable manner. The Agency shall have the option to dispose of any such equipment and personal property either separately from or in conjunction with disposition of the Project or Land. In conjunction with a sale of the Project or Land, the Owner agrees that either method of disposition shall be commercially reasonable;

(i) sue under or make effective an assignment by the Owner to the Agency of any warranty for the Project or any contract for construction, rehabilitation, repair, renovation, reconstruction or improvement of the Project, in which event the Agency is specifically empowered by the Owner to exercise any and all rights of the Owner under the said contract or warranty to recover any amount payable to the Owner pursuant to the contract or any such warranty and to settle any such claim or liability and release the same and apply the proceeds of any such suit, settlement or release to the liabilities of the Owner under the First Mortgage Note, this Agreement, or the other Loan Documents;

(j) sue the Owner for mandatory injunction or other equitable relief requiring performance by the Owner of any of its obligations under this Agreement or the other Loan Documents. The Owner agrees with the Agency that the Agency's remedy at law for the violation and nonperformance of the Owner's obligations under this Agreement or the other Loan Documents is not adequate by reason, among other things, of the Agency's public purpose to provide adequate, safe and sanitary dwelling units for the tenants contemplated under this Agreement;

(k) replace the general partner, officers, managers, directors, managing members or partners of, or other persons exercising control over the affairs of the Owner with such person or persons as the Agency in its sole discretion deems advisable, including officers or employees of the Agency, who shall exercise all of the authority of managing general partner or other manager of the Owner. Such appointment by the Agency shall be for the duration provided in Section 7 (b)(6) of the Act and any person so appointed shall be entitled to the same immunities and compensation as provided in such Act. If the Agency decides to remove and replace the general partner, officers, managers, directors, managing members or partners of the Owner pursuant to its rights under the Act, the Agency may require from the newly appointed officers, managers, directors, managing members or partners a deed to the Project in lieu of foreclosure;

(l) exercise any rights of the Owner under the Plans and Approvals and to take in its name or in the name of Owner such action as the Agency may determine to be necessary pursuant to the assignment of Plans and Approvals (as set forth in Section 29). The Agency may use the Plans and Approvals for any purpose relating to the Project. The Owner irrevocably constitutes and appoints the Agency as the Owner's attorney-in-fact, in the Owner's name or in the Agency's name, to enforce all rights of the Owner under any Plans and Approvals.

Notwithstanding the above enumeration of remedies, the Agency shall have available to it all other remedies provided at law or in equity or any other action permitted by law.

Section 32. Anticipatory Breach

If the Owner threatens to commit a breach of any of the provisions of this Agreement or the other Loan Documents, the Agency shall have the right, without posting bond or other security, to seek injunctive relief or specific performance, it being acknowledged and agreed that any such breach, or threatened breach, will cause irreparable injury to the Agency and that money damages will not provide an adequate remedy.

Section 33. Expenses Due to Default

All expenses (including reasonable attorney's fees and costs and allowances) incurred in connection with an action to foreclose the Mortgage(s) or in exercising any other remedy provided by this Agreement or the other Loan Documents, including the curing of any Event of Default, shall be paid by the Owner on demand, together with interest at the same interest rate as in the First Mortgage

Note whether or not an action or proceeding is instituted. Expenses of foreclosure for purposes of this paragraph shall include the items enumerated in Section 15 of this Agreement.

The Owner hereby acknowledges that if the Project receives Bond financing, the payments to be made by the Owner pursuant to the Loan Documents may be used by the Agency to pay interest and principal on the Bonds. In the event that the Owner fails to make any payment due under the Loan Documents and the Agency is required to advance funds to pay interest or principal on the Bonds, the Owner shall be required to pay the Agency interest on any amounts so advanced by the Agency on demand, which interest shall be equal to the same interest rate as in the First Mortgage Note.

Section 34. Amendments; Notices; Waivers

This Agreement may be amended only by a written instrument executed and acknowledged on behalf of the Agency and the Owner in such manner that the instrument may be recorded.

No waiver by the Agency of any Event of Default or required performance by the Owner and no course of conduct of the parties or failure by the Agency to enforce or insist upon performance of any of the obligations of the Owner under this Agreement, or the other Loan Documents at any time shall preclude enforcement of any of the terms of this Agreement or the other Loan Documents.

Any provision of this Agreement requiring the consent or approval of the Agency for the taking of any action or the omission of any action or otherwise called for under this Agreement, requires such written consent by the Agency signed by a duly authorized officer of the Agency. Any such consent or approval, unless it expressly states otherwise, is limited to the particular action or omission referred to therein and does not apply to subsequent similar actions or omissions.

Notice provided for under this Agreement shall be given in writing and signed by a duly authorized officer, and any notice required to be given hereunder shall be given by recognized private carrier with acknowledgment or by certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto:

Owner: Heritage Village at Oakhurst LLC
1970 Brunswick Avenue, Suite 100
Lawrenceville, New Jersey 08648

Borrower's Christopher Walrath, Esq.
Attorney: GluckWalrath LLP
11 Wharf Avenue, Suite 4
Red Bank, NJ 07701

Investor
Member: **Wincopin Circle LLLP**
c/o Enterprise Community Asset Management, Inc.,
70 Corporate Center Drive
11000 Broken Land Parkway, Suite 700
Columbia, MD 21044

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

Section 35. Severability

The invalidity of any part or provision hereof shall not affect the validity, legality or enforceability of the remaining portions hereof, and to this end the provisions of this Agreement shall be severable.

Section 36. Personal Liability

Notwithstanding any other provision contained in this Agreement or the other Loan Documents, the Agency agrees, on behalf of itself and any future holder of the Loan Documents, that the liability of the Owner, any general or limited partner, member or shareholder of the Owner and their respective heirs, representatives, successors and assigns, for the payment of its obligations under the Loan Documents, including, without limitation, the payment of principal and interest due and other charges due hereunder and thereunder, shall be limited to the collateral pledged under the Loan Documents, and that the Agency shall have no right to seek a personal judgment against the Owner, any general or limited partner, member or shareholder of the Owner, or their respective heirs, representatives, successors and assigns, individually, except to the extent necessary to subject the collateral pledged under the Loan Documents to the satisfaction of the mortgage debt; provided, however, that the Agency shall retain the right to exercise any and all remedies granted to it under this Agreement and the other Loan Documents, including, without limitation, the right to sue for injunctive or other equitable relief. The foregoing limitation of liability shall not apply to any party to the extent such party has committed fraudulent, criminal or unlawful acts and shall not apply to such amounts that may be due to the Agency pursuant to Sections 11, 12, 13, 14, 15(c) through (e), 33 and/or 42.

Section 37. Counterparts

This Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original. A fax copy of a

signature on this Agreement shall have the same effect as an original provided that an original is received by the other party hereto within two business days thereafter.

Section 38. Disclaimer of Warranties, Liability, Indemnification

(a) The Owner acknowledges and agrees that (i) the Agency has not heretofore and does not make any warranty or representation, either express or implied as to the value, condition, or fitness for particular purpose or any use of the Project or Land or any portions thereof or any other warranty or representation with respect thereto; (ii) in no event shall the Agency or its agents or employees be liable or responsible for any incidental, indirect, special, consequential or punitive damages in connection with or arising out of this Agreement or any of the other Loan Documents or from the acquisition, construction, rehabilitation, reconstruction, repair, improvement, ownership, operation or maintenance of the Project or Land or any items or services provided for in this Agreement or the other Loan Documents; and (iii) during the term of this Agreement and the other Loan Documents and to the fullest extent permitted by law, the Owner shall indemnify and hold the Agency harmless against, and the Owner shall pay any and all liability, loss, cost, damage, claims, judgments or expenses of any and all kinds or nature and however arising, imposed by law, which the Owner and the Agency may sustain, be subject to, or caused or incurred by reason of any claim, suit or action based upon personal injury, death or damage to property or any other damage or loss sustained, whether real, personal or mixed, or arising out of any alleged violation of the Environmental Laws or the alleged use, storage or disposal of Hazardous Materials by the Owner or by any person or entity or other source related to the Project or Land, or upon or arising out of contracts entered into by the Owner, or arising out of the Owner's acquisition, construction, rehabilitation, reconstruction, repair, improvement, ownership, operation or maintenance of the Project or Land.

(b) It is mutually agreed by the Owner and the Agency that the Agency and its members, directors, officers, agents, servants, employees, and attorneys shall not be liable for any action performed under this Agreement, and that the Owner shall hold them harmless from any claim or suit of whatever nature.

(c) Any claims asserted against the Agency shall be subject to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq. (except for N.J.S.A. 59:13-9 thereof). While this statute is not applicable by its terms to claims arising under contracts with the Agency, the Owner agrees that it shall be applicable to claims arising under this Agreement or the other Loan Documents. It is acknowledged by the parties that the Agency is a public entity covered by the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq.

(d) Notwithstanding the provisions of this Section 38, but in no way intending to reduce the obligations of Owner under this Agreement or the other Loan Documents, in the event the Agency takes possession, ownership and/or control of the Project and commences operating the same, Owner shall not be liable for the acts or omissions of the Agency, its employees, agents or representatives from and after the date of such possession, ownership or control.

Section 39. Filing

This Agreement shall be duly recorded in the Office of the Clerk for the county in which the Land is located.

Section 40. Governing Law and Venue

This Agreement shall be governed by the laws of the State of New Jersey.

If any legal action should be filed by any party against any other in connection with this Agreement and/or the other Loan Documents, the venue and forum for such action shall be the New Jersey Superior Court, Mercer County.

Section 41. Equal Opportunity and Non-Discrimination

The Owner covenants and agrees that it will comply with the Agency guidelines with respect to equal opportunity and non-discrimination in its purchase of goods and services for the operation and maintenance of the Project throughout the term of this Agreement.

Section 42. Investment Funding and Return on Investment

The Owner agrees to make an investment in the Project and Land in an amount which is not less than 10% of the total Project cost as determined by the Agency pursuant to the Act. In the event the principal sum set forth in the Agency Financing that is advanced to the Owner is determined by the Agency to exceed 90% of the total Project cost, the Owner shall reimburse the Agency an amount that would reduce the Agency Financing to 90% of the total Project cost.

The total Project cost and the portion thereof that is contributed by the Owner as investment shall be determined by the Agency in accordance with the cost certification procedures under the Act. The Owner shall be eligible for a return on its investment at the rate of 6.62% annually in the manner set forth in the Agency Regulations.

Section 43. Applicability and Conflict of Terms and Conditions

The terms and conditions of this Agreement are applicable for the entire term of this Agreement (as set forth in Section 9 hereof) unless otherwise set forth in this Agreement. In the event of any conflict or inconsistency between the terms and conditions of any of the Loan Documents and including this Agreement, the terms and conditions of this Agreement shall prevail. Notwithstanding the foregoing, the Owner agrees that the Agency may render a decision concerning the intent and/or applicability of any term or condition of the Loan Documents and unless such decision is found to be arbitrary or capricious by a court of competent jurisdiction, the Agency decision shall be final.

Section 44. Miscellaneous

Unless the context clearly requires otherwise, as used in this Agreement, words of the masculine, feminine or neuter gender shall be construed to include any other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

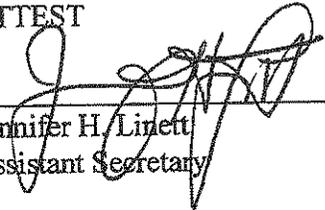
The titles and headings of the sections of this Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

The Owner and Agency agree to cooperate with each other to correct any error(s) that might inadvertently appear in the Loan Documents.

THIS SPACE INTENTIONALLY LEFT BLANK

Not Certified Copy

(SEAL)
ATTEST



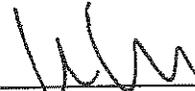
Jennifer H. Linett
Assistant Secretary

NEW JERSEY HOUSING AND
MORTGAGE FINANCE AGENCY

By: 

James E. Robertson, Chief of
Legal and Regulatory Affairs

This document has been reviewed and approved as to form.
John J. Hoffman
Acting Attorney General of the State of New Jersey

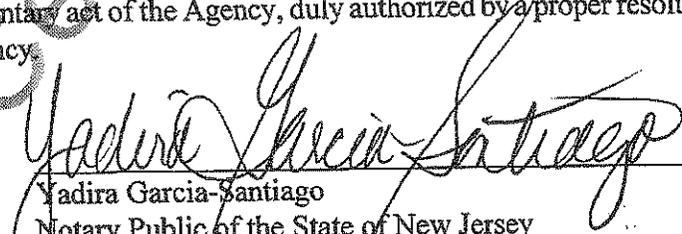
By: 

William F. Hanna
Deputy Attorney General

STATE OF NEW JERSEY, COUNTY OF MERCER SS:

I CERTIFY that on April 27, 2015, **JAMES E. ROBERTSON** personally came before me, a Notary Public of the State of New Jersey, and acknowledged under oath to my satisfaction that a) he is the **Chief of Legal and Regulatory Affairs** of **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**, the Agency named in this document, and b) he executed and delivered this document as the voluntary act of the Agency, duly authorized by a proper resolution of its members, on behalf of the Agency.

Not Certified Copy



Yadira Garcia-Santiago
Notary Public of the State of New Jersey
My Commission Expires on November 20, 2017

Stewart Title Guaranty Company

PRO FORMA LOAN POLICY

SCHEDULE A

LEGAL DESCRIPTION

Policy No.:

File No.: 14-27698

ALL that certain lot, piece or parcel of land, situate, lying and being in the Township of Ocean, in the County of Monmouth, State of New Jersey:

All that certain lot, tract or parcel of land situate, lying and being in the Township of Ocean in the County of Monmouth and the State of New Jersey, and being all of a Block 3 Lot 16.03 & 16.04 said lots as shown on a certain map entitled "ALTA/ACSM Land Title Survey for Block 3 Lots 16.03 & 16.04, Twp. of Ocean, Monmouth County, New Jersey" prepared by Maser Consulting, dated August 12, 2014, said lots also as shown on the Official Tax Map of the Township of Ocean and being more particularly bounded and described as follows, to wit:

BEGINNING at a point in the existing northerly line of Lot 16.01 Block 3, said point the following bearing and distance from the point of intersection formed by the existing northerly line of West Park Avenue, (Variable Width R.O.W.) with existing easterly line of Lot 16.01 Block 3, said adjoining lots as shown on the aforesaid map and plan,

A) North seven degrees three minutes thirty seconds West (N 07° 03' 30" W), one hundred ninety-five and twenty-five hundredths feet (195.25'), along the aforesaid existing easterly line of Lot 16.01 Block 3, to a point in the same, to a point in the existing northerly line of same, thence -

And from said point running, thence,

1. South eighty-two degrees fifty-six minutes thirty seconds West (S 82° 56' 30" W), eighty-one and sixty-seven hundredths feet (81.67') along the aforesaid existing northerly line of Lot 16.01 Block 3, to an angle point in the same, thence-

2. South sixty-two degrees zero minutes fifty-seven seconds West (S 62° 00' 57" W), one hundred sixty-one and twenty-six hundredths feet (161.26'), still along the aforesaid existing northerly line of Lot 16.01 Block 3, to a point in an existing westerly line of same, thence -

3. South nineteen degrees thirty-nine minutes forty-five seconds East (S 19° 39' 45" E), eight and ninety hundredths feet (8.90'), along an existing westerly line of Lot 16.01 Block 3, to a point in the northerly line of same, thence-

4. South fifty-two degrees thirty-seven minutes thirty-two seconds West (S 52° 37' 32" W), thirty-nine and three hundredths feet (39.03'), along the aforesaid existing northerly line of Lot 16.01 Block 3 to a point in the existing easterly line of Lot 16.02 Block 3, said adjoining lot as shown on the aforesaid map and plan, thence -

5. North thirty-seven degrees twenty-two minutes twenty-eight seconds West (N 37° 22' 28" W), forty-eight and thirty-five hundredths feet (48.35'), along the aforesaid easterly line of Lot 16.02 Block 3, to a point in the existing northerly line of same, thence-

6. North eighty-six degrees nine minutes thirty-seven seconds West (N 86° 09' 37" W), seventy-eight and sixty-six hundredths feet (78.66'), along the aforesaid existing northerly line of Lot 16.02 Block 3 to an angle point in the same, thence -

Continued...

Stewart Title Guaranty Company

7. South seventy-two degrees forty-seven minutes fifty-seven seconds West (S 72° 47' 57" W), seventy-one and two hundredths feet (71.02'), still along the aforesaid existing northerly line of Lot 16.02 Block 3 to a point in the existing easterly line of Lot 14 Block 3, said adjoining lots as shown on the aforesaid map and plan, thence-
8. North five degrees forty-four minutes thirty-seven seconds East (N 05° 44' 37" E), eighty-seven and fifty-one hundredths feet (87.51'), along the aforesaid existing easterly line of Lot 14 Block 3 and beyond, along the existing easterly line of Lot 13 Block 3, to a point in the existing southerly line of Lot 12.01 Block 3, said adjoining lots as shown on the aforesaid map and plan, thence -
9. South eighty-four degrees fifteen minutes twenty-three seconds East (S 84° 15' 23" E), forty and fifty-eight hundredths feet (40.58'), along the aforesaid southerly line of Lot 12.01 Block 3, to a in the existing easterly line of same, thence-
10. North five degrees forty-four minutes thirty-seven seconds East (N 05° 44' 37" E), one hundred eighteen and forty-six hundredths feet (118.46'), along the aforesaid existing easterly line of Lot 12.01 Block 3, to a point of non-tangent curvature in the existing northerly line of same, thence -
11. Northwestery, on a curve having a radius of 80.00', and curving to the left an arc length of 30.74' (central angle 22° 00' 55"), with a chord bearing of North seventy-three degrees seven minutes five seconds West (N 73° 07' 05" W), and a chord distance of thirty and fifty-five hundredths feet (30.55'), along the northerly line of Lot 12.01 Block 3, to a point of tangency in the same, thence -
12. North eighty-four degrees fifteen minutes twenty-three seconds West (N 84° 15' 23" W), ten and twenty-three hundredths feet (10.23'), along the aforesaid existing northerly line of Lot 12.01 Block 3, to a point in the existing easterly line of same, thence-
13. North five degrees forty-four minutes thirty-seven seconds East (N 05° 44' 37" E), seven hundred sixteen and eighty-three hundredths feet (716.83'), along the existing easterly line of Lots 12.01, 11 & 7.01 Block 3, to a point in the same, said adjoining lots as shown on the aforesaid map and plan, thence -
14. South eighty-three degrees thirty-six minutes nine seconds East (S 83° 36' 09" E), two hundred thirty-six and thirty hundredths feet (236.30'), along the existing southerly line of Lot 4 Block 3, to a point in the existing westerly line of same, said adjoining lot as shown on the aforesaid map and plan, thence -
15. South seven degrees three minutes thirty seconds East (S 07° 03' 30" E), eight hundred eight and seventy-five hundredths feet (808.75'), along the aforesaid existing westerly line of Lot 4 Block 3, to a point in the same, the Point and Place of BEGINNING.

The foregoing description was prepared by the undersigned Land Surveyor for the firm of Maser Consulting P.A., and is based upon a certain plan entitled "ALTA/ACSM Land Title Survey for Block 3 Lots 16.03 & 16.04, Twp. Of Ocean, Monmouth County, New Jersey" prepared by Maser Consulting, dated 3/10/2015 revised 3/23/2015.

SUBJECT TO: 15' wide NJ Bell and JCP&L easement as contained in Deed Book 4310 Page 270.

ALSO SUBJECT TO: 20 foot wide storm drainage easement to the Township of Ocean as well as a 12' wide storm sewer easement as shown on a certain map entitled "Township of Ocean, Major Subdivision Located at Lots 12 & 16 Block 3, Township of Ocean, Monmouth County, New Jersey", said Map being duly filed in the Monmouth is County Clerk's Office on March 21, 2012 as Case Number 311, Sheet 1.

FOR INFORMATION PURPOSES ONLY: BEING known as 777 West Park Ave, Tax Lot 16.03 and 16.04, Tax Block 3 on the Official Tax Map of Township of Ocean, NJ.



004DYX

Record & Return to:

RJR

Lisa DiOrio, Senior Paralegal
New Jersey Housing and Mortgage
Finance Agency
637 South Clinton Avenue
P.O. Box 18550
Trenton, New Jersey 08650-2085
(Stonebridge Title)

HERITAGE VILLAGE AT OAKHURST
HMFA # 2874
SNHTF # 322

FINANCING, DEED RESTRICTION AND REGULATORY AGREEMENT

Between

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

And

HERITAGE VILLAGE AT OAKHURST LLC

Prepared by:

William F. Hanna
Deputy Attorney General

Special Needs Housing Trust Fund
Third Mortgage Loan
Construction and Permanent Financing

CHRISTINE GORDANO HANLON
ACTING COUNTY CLERK
MORRIS COUNTY, NJ

INSTRUMENT NUMBER
2015040933
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COUNTY RECORDING FEES \$270.00
TOTAL PAID \$270.00

Not Certified Copy

THIS FINANCING, DEED RESTRICTION AND REGULATORY AGREEMENT (this "Agreement"), made and entered into as of this 27th day of April, 2015, by and between the **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY** (the "Agency" or "Lender"), a body politic and corporate and an instrumentality exercising public and essential governmental functions of the State of New Jersey (the "State") and **HERITAGE VILLAGE AT OAKHURST LLC**, ("Owner" or "Borrower"), a limited liability company organized and existing pursuant to the laws of the State of New Jersey and duly authorized to transact business in the State of New Jersey.

WITNESSETH

In consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Agency and the Owner hereby agree as follows:

Section 1. Definitions and Interpretation. The following terms shall have the respective meanings set forth below:

"Act" means the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended from time to time, P.L. 1983, c. 580, N.J.S.A. 55:14K-1 et seq., and the regulations promulgated thereunder.

"Agency Financing" means the Third Mortgage Loan

"Agency Regulations" means the regulations promulgated by the Agency pursuant to the Act and any policies, procedures or guidelines issued by the Agency with respect to the housing projects financed by the Agency under the Act, all of the foregoing as they may be amended from time to time, if applicable.

"Architect's Contract" means the agreement between the Owner and Barton Partners Architects Planners, Inc. dated September 24, 2014 or any other agreement executed by the Owner and approved by the Agency, for the design and construction oversight of the Project in accordance with the plans and specifications for the Project approved by the Agency, if applicable.

"Assignment of Leases" means the Assignment of Leases by and between the Owner and Lender of even date herewith.

"Code" means the Internal Revenue Code of 1986, as amended.

"Construction Contract" means the agreement between the Owner and R. Stone & Co., Inc. dated September 24, 2014, or any other agreement executed by the Owner and approved by the Agency, for the construction of the Project in accordance with the plans and specifications for the Project approved by the Agency.

"Construction Period", if applicable, means the period of time as required to substantially complete the construction of the Project. The Project Construction Period is estimated to be 24 months from the date of execution of this Agreement, if applicable.

"Day" or **"Days,"** whether or not the word is a capitalized term, shall mean calendar day or day(s) unless otherwise specified.

"DDD" means the New Jersey Department of Human Services, Division of Developmental Disabilities, or its successors and assigns, if applicable.

"DMHS" means the New Jersey Department of Human Services, Division of Mental Health Services, or its successors or assigns, if applicable.

"Environmental Laws" shall mean and include any federal, State, or local statute, law, ordinance, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic, or dangerous waste, substance, element, compound, mixture or material, as now or at any time hereafter in effect including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended, 42 U.S.C. Sections 9601 et seq., the Federal Hazardous Materials Transportation Act, as amended 42 U.S.C. Sections 1801 et seq., the Federal Resource Conservation and Recovery Act as amended, 42 U.S.C. Sections 6901 et seq., the Superfund Amendments and Reauthorization Act, 42 U.S.C. Sections 9601 et seq., the Federal Toxic Substances Control Act, 15 U.S.C. Sections 2601 et seq., the Federal Hazardous Material Transportation Act, 49 U.S.C. Sections 1801 et seq., the Federal Clean Air Act, 42 U.S.C. Sections 7401 et seq., the Federal Water Pollution Control Act, 33 U.S.C. Sections 1251 et seq., the Rivers and Harbors Act of 1899, 33 U.S.C. Sections 401 et seq., the Residential Lead-Based Paint Hazard Reduction Act of 1992, 42 U.S.C. Section 4852d, the New Jersey Environmental Cleanup Responsibility Act, as amended, N.J.S.A. 13:1K-6 et seq., the New Jersey Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq., the Spill Compensation and Control Act, as amended, N.J.S.A. 58:10-23.11 et seq., the New Jersey Tank Registration Act, N.J.S.A. 58:10A-21 et seq., the New Jersey Water Pollution Control Act, as amended, N.J.S.A. 58:10A-1 et seq., and all rules and regulations adopted and publications promulgated thereto, or any other so-called "Superfund" or "Superlien" laws, or any other federal, State or local environmental law, ordinance, code, rule, or regulation, order or decree as any of the foregoing have been, or are hereafter amended.

"Environmental Report" means the Phase I Environmental Site Assessment prepared by Environmental Waste Management Associates, LLC EWMA Project No. 208210 dated July 2014 and updated by Ireland Brook Enterprises, LLC dated February 18, 2015.

"Event of Default" means any of the events set forth in Section 31 of this Agreement.

"Hazardous Materials" shall mean and include those elements, materials, compounds, mixtures or substances that are contained in any list of hazardous substances adopted by the United States Environmental Protection Agency (the "EPA") or any list of toxic pollutants designated by Congress, the EPA, or the New Jersey Department of Environmental Protection ("NJDEP"), or that are defined as hazardous, toxic, pollutant, infectious, flammable or radioactive by any of the Environmental Laws, and, whether or not included in such lists, shall be deemed to include all products or substances containing petroleum, asbestos, lead, and polychlorinated biphenyls.

"HUD" means the United States Department of Housing and Urban Development.

"Improvements" means the building together with all fixtures and utility improvements, easements and rights of way that are owned by the Owner and located on the Land.

"IRS Regulations" means the regulations promulgated or proposed by the United States Department of the Treasury or the Internal Revenue Service pursuant to the Code, and to the extent applicable, pursuant to the Internal Revenue Code of 1954, as both may be amended from time to time, including all rules, rulings, policies, and official statements issued by the United States Department of the Treasury or the Internal Revenue Service.

"Land" means the real property described in Exhibit A attached hereto, on which the Project is located.

"Loan Documents" means and includes this Agreement, the Mortgage Note, the Mortgage and Security Agreement the UCC-1 Financing Statement, and Assignment of Leases.

"Loan" means the Mortgage Loan.

"Low Income" means a gross annual household income equal to 50% or less of the median gross annual household income for the same size within the relevant housing region.

"Moderate Income" if applicable, means a gross annual household income equal to 60% or less of the area median income for the same size within the relevant housing region.

"Mortgage" means the mortgage of even date herewith that constitutes a third lien on a fee simple interest in the Project and Land, given by the Owner to the Agency to secure the Mortgage Loan.

"Mortgage Loan" means the loan made to the Owner by the Agency to finance a portion of the cost of the development and/or rehabilitation of the Project that will be located on the real property described in Exhibit A attached hereto, as evidenced by the Mortgage Note and secured by the Mortgage.

"Mortgage Note" or "Note" means the interest bearing non-recourse promissory note that contains the promise of the Owner to pay the sum of money stated therein at the times stated therein and that evidences the obligation of the Owner to repay the Mortgage Loan.

"Permitted Encumbrances" means any

(i) Utility, access and other easements and rights of way, restrictions and exceptions that do not, individually or in the aggregate, materially impair the utility or value of the Project or Land for the purposes for which it is intended;

(ii) Liens that are being contested in good faith and for which the Owner has provided security satisfactory to the Agency;

(iii) Liens subordinate to the Mortgage Loan arising due to any monies loaned in

connection with the Project or other monies loaned to the Owner, provided such liens are disclosed to and approved by the Agency in writing; and

(iv) Any other encumbrances approved by the Agency in writing.

"Plans" means all construction, architectural and design contracts and all architectural design plans and specifications.

"Program" means the Special Needs Housing Trust Fund pursuant to the Special Needs Housing Trust Fund Act, P.L. 2005, c.163.

"Program Guidelines" means the guidelines promulgated by the Agency pursuant to the Program and any policies or procedures issued by the Agency with respect to the housing projects financed by the Agency, all of the foregoing as they may be amended from time to time.

"Project" means the Improvements located on the Land that together with the Land is financed, in part, with the proceeds of the Loan.

"Project Construction Period", if applicable, means the period of time required to substantially complete construction of the Project plus any rent-up period. The Project Construction Period is estimated to be 24 months from the date of execution of this Agreement.

"Regulations" means the regulations promulgated or proposed by the United States Department of Housing and Urban Development.

"Repair and Replacement Reserve" means the escrow account established pursuant to Section 21 of this Agreement.

"Servicing Fee" if applicable, means the servicing fee that is due from the Owner to the Agency as set forth in the First Mortgage Note.

"Special Needs Project Escrow" means the escrow account established pursuant to Section 21 of this Agreement.

"State" means the State of New Jersey.

"Tax Credits" means low income housing tax credits that the Project may receive pursuant to the Code.

"UCC-1" means the UCC-1 Financing Statement(s) of even date herewith.

Unless the context clearly requires otherwise, as used in this Agreement, words of the masculine, feminine or neuter gender shall be construed to include any other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice-versa, when appropriate. This Agreement and all the terms and provisions thereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

Section 2. Background and Purpose. The Owner owns the land and proposes to construct and operate a Project to be located on the Land. The Project will carry a construction and permanent loan of **FIVE HUNDRED THOUSAND DOLLARS (\$500,000)** at an interest rate of one percent (1%) during the construction and permanent term of thirty (30) years. To obtain financing for the Project, the Owner has applied to the Agency for the Agency Financing pursuant to the provisions of the Program. The Agency will hold a third mortgage lien on the Project during the term of the Mortgage Loan. Financing for the Project is derived in part from the Agency's Program funds, and, in addition to the Mortgage Loan, the Owner has obtained and the Agency has approved funding for the Project as follows:

- (a) The Agency provided a loan in the amount of 11,351,624 in construction and permanent financing.
- (b) The Agency provided a loan in the amount of \$11,020,000 in construction and permanent financing from the Fund for Restoration of Multifamily Housing.
- (c) The Owner anticipates the sale of 4% tax credits to generate equity in the approximate amount of \$6,371,279.
- (d) The Owner received a commitment for a Township of Ocean Loan in the amount of \$300,000;
- (e) The Owner received a commitment for a Monmouth County HOME Loan in the amount of \$349,910;
- (f) The Owner shall receive a Seller Loan in the amount of \$1,350,000;
- (g) The Owner will make an equity investment in the Project pursuant to Section 47 of this Agreement. In connection with the Mortgage, the Owner and the Agency have entered into this Agreement.

In connection with its application for the Loan, the Owner has furnished to the Agency various details as to the Project, including the description of Land on which it is to be situated, plans and specifications for the construction/rehabilitation of the Project, the tenant population that shall be housed in the Project, the number of units of each type to be included therein, the estimated costs of providing the Project, details as to the Project income and expenses of the Project once constructed and/or rehabilitated and placed in operation and arrangements for any tax abatement for the Project.

Section 3. Residential Rental Property. The Owner hereby represents, covenants, warrants and agrees that:

- (a) The proposed project is located in the Township of Ocean in the County of Monmouth, in a residential neighborhood. The project involves the new construction of a one (1) four (4) story building with ten (10) two-bedroom units of approximately 850 square feet and eighty-two (82) one bedroom units of approximately 675 square feet with an additional unrestricted one (1) bedroom apartment for the project superintendent. The project will have 93 units. Of the 93 units of housing, 5 units will be set aside for homeless individuals who are consumers of mental health services or any other special needs population described under the Program Guidelines.

(b) The Project is to be utilized at all times in accordance with the types of use as permitted by the Act and the Program and as may be approved by the Agency. The Project shall be subject to use and occupancy and/or lease agreements between the Owner and the residents.

Section 4. Low Income Tenants and/or Moderate Income Tenants. The Owner hereby represents, warrants and covenants that 93 of the units shall be occupied or available for occupancy by Low or Moderate Income Tenants for a period of thirty (30) years from the date hereof. Of the 93 units of housing, 5 units will be set aside for homeless individuals who are consumers of mental health services or for any other special needs population described under the Program Guidelines.

Section 5. Additional Representations, Covenants and Warranties of the Owner. The Owner represents, warrants and covenants that:

(a) The Owner (i) is a limited liability company, duly organized, validly existing and in good standing under the laws of the State and duly authorized to transact business in the State; (ii) has filed with the Agency a true and complete copy of its Certificate of Formation with all amendments, if any, thereto; (iii) has the power and authority to own or lease its properties and assets, including the Project and the Land, and to carry on its business as now being conducted (and as now contemplated), and to borrow the proceeds of the Loans; and (iii) has the power to execute and perform all the undertakings of this Agreement and the other Loan Documents.

(b) All necessary legal action has been taken to authorize the execution, delivery and performance of the Loan Documents by the Owner.

(c) The Loan Documents have been duly executed and delivered by the Owner and constitute the valid and legally binding obligations of the Owner, enforceable against the Owner in accordance with their respective terms.

(d) To the best of the Owner's knowledge after due and diligent inquiry, the execution and performance of this Agreement, the Loan Documents and other instruments required pursuant to this Agreement by the Owner, (i) will not violate or, as applicable, have not violated, any provision of law, rule or regulations, any order of any court or other agency or government or any provision of any document to which the Owner is a party, and (ii) will not violate or, as applicable, have not violated, any provision of any indenture, agreement or other instrument to which the Owner is a party, or result in the creation or imposition of any lien, charge or encumbrance of any nature other than the Permitted Encumbrances.

(e) The Owner will, at the time of execution of this Agreement or at the time of the closing of the Loan and subject only to such exceptions as have been disclosed in writing to the Agency and which will not materially interfere with or impact the beneficial use of the Project and Land for purposes of the Project; have good and marketable title to fee simple interest in the premises constituting the Land and the Project free and clear of any lien or encumbrance (subject to Permitted Encumbrances and encumbrances created or contemplated pursuant to this Agreement).

(f) There is, after due and diligent inquiry, no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially

impair its right to carry on business substantially as now conducted, or as contemplated to be conducted under this Agreement, or would materially adversely affect its financial condition.

(g) To the best of the Owner's knowledge after due and diligent inquiry, the operation of the Project in the manner presently contemplated and as described in this Agreement will not conflict with any zoning, water or air pollution or other ordinance, order, law or regulation applicable thereto. The Owner has caused the Project to be designed in accordance with all applicable federal, state and local laws or ordinances (including rules and regulations) relating to zoning, building, safety and environmental quality and will proceed with due diligence to rehabilitate the Project pursuant to the Architectural Contract.

Further, the Owner has received or shall obtain all necessary governmental approvals and building permits for construction, rehabilitation and operation of the Project in accordance with the plans and specifications and the Architectural Contract, and shall obtain in a timely manner any and all required extensions of governmental approvals, including, but not limited to, site plan approval. The Owner will continue to retain ownership of the Project and Land during the term of the Mortgage, subject to the terms of this Agreement and the other Loan Documents, the Act, Agency Regulations, the Program, the Program Guidelines, and, if applicable, the Code.

(h) The Owner has filed, caused to be filed by it, or shall file all federal, state and local tax returns which are required to be filed by it, if any, and has paid or caused to be paid all taxes as shown on said return or on any assessment received by it to the extent that such taxes have become due.

(i) To the best of the Owner's knowledge, after due and diligent inquiry, the Owner is not in material default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any material agreement or instrument to which it is a party that may materially affect this Project.

(j) The information contained in the Project description provided in the applications for the Loan is accurate in all material respects and does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(k) Except for Leases contemplated by the Project and Section 17 of this Agreement, the Owner shall not during the term of this Agreement sell, transfer or exchange, the Project or the Land (or any part thereof or any interest therein) at any time except in accordance with the terms of the Mortgage, this Agreement, the Act and the Agency Regulations promulgated pursuant to the Act, and the Program Guidelines and unless such sale, transfer or exchange shall have been approved by the Agency. The Owner shall notify in writing and obtain the agreement in writing of any buyer or successor or other person acquiring the Project or Land or any interest therein, in a form acceptable to the Agency that such acquisition is subject to the requirements of this Agreement. This provision shall not act to waive any other restriction on such sale, transfer or exchange.

(l) The Owner has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof and the Mortgage, and in any event, the requirements of this Agreement and the Mortgage are paramount and controlling as to the rights and obligations herein and in the Mortgage and such requirements shall supersede any other requirements in conflict herewith and therewith.

(m) All statements contained in all applications, correspondence or other materials delivered to the Agency by the Owner in connection with its consideration of the Loan to the Owner or relating to the Project are materially true and correct.

(n) The representations, covenants and warranties of the Owner contained in this Agreement on the date of its execution are true and shall continue to be true at all times during the term of this Agreement.

(o) No event has occurred and no condition exists which constitutes an Event of Default under this Agreement or the Mortgage or which, but for a requirement of notice or lapse of time, or both, would constitute such an Event of Default.

(p) As of the date of this Agreement, the Architectural Contract is in full force and effect and no default has occurred thereunder, and a true copy of the entire Architectural Contract with all modifications and addenda to date has been filed with the Agency.

Section 6. Covenants to Run With the Land. The covenants, reservations and restrictions set forth herein shall be deemed covenants running with the Land and, except as provided in Section 5 hereof, shall pass to and be binding upon the Owner's assigns and successors in title to the Land or the Project; provided, however, that upon the termination of this Agreement in accordance with the terms hereof said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Land or the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions of the Land or Project are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Project and Land.

Section 7. Term. This Agreement shall remain in full force and effect until all indebtedness from the Owner to the Agency in respect to the Project shall have been paid in full in accordance with the provisions of this Agreement, the Mortgage Note and the other Loan Documents.

Section 8. Construction or Rehabilitation of Project. The Owner covenants and agrees to comply with all the provisions of the Architectural Contract and/or Construction Contract, as applicable. The Owner covenants and agrees diligently to pursue the construction or rehabilitation of the Project to completion in accordance with the plans and specifications set forth in the Owner's application for the Loan and the Architectural Contract and as approved by the Agency.

The Owner shall not approve or allow to occur any material change in the scope of plans and specifications for the Project without the express approval of the Agency. Construction or rehabilitation shall at all times be subject to the discretionary inspection, discretionary review, regulation and approval of the Agency and its duly authorized representatives. Any such inspection, regulation, review or approval of the Agency shall be solely for its benefit for the purpose of assuring that the programs and goals of the Project are being fulfilled.

The Owner shall not knowingly do any act which would cause the release, in whole or in part, of the surety bond or bonds issued in connection with the Architectural Contract or Construction Contract, as applicable, including, without limitation, deviation from the payment schedule, waiver of any material requirements imposed on the architect or any contractor or

subcontractor under the Architectural Contract or Construction Contract, as applicable, or consent to any major change in the in the scope of plans and specifications or scope of the work, unless such act would not cause any release because the surety has consented thereto.

Section 9. Funding and Conditions Precedent to Advance.

A. Funding of Construction or Rehabilitation:

Upon and subject to the terms and conditions of this Agreement, the Mortgage and Mortgage Note, the Agency agrees to advance and disburse the principal sum of **FIVE HUNDRED THOUSAND DOLLARS (\$500,000)** as follows:

The balance of the Principal Sum of \$500,000 remaining after disbursement of acquisition costs shall be made only after the Agency has received and approved, subject to its sole discretion, all items required for closing on the Agency Document Checklist for Construction and Permanent Financing.

B. Conditions Precedent to Advance:

The Agency's obligations to make the other disbursement under the Mortgage shall be subject to the satisfaction of the following conditions precedent, any of which may be waived in whole or part by the Agency.

1. Each of the Owner's covenants, agreements, representations and warranties contained in this Agreement shall continue to be true and shall not be breached.
2. If applicable, the full amount of the previous advance shall have been expended for Land acquisition, costs and discharge of any related lien.
3. All work performed and material furnished for the Project shall be in accordance with the plans and specifications for the Project and all work shall have been properly performed to the satisfaction of the Agency.
4. No event shall have occurred and no conditions shall exist that would prevent the advance from becoming a valid third mortgage lien on the Project and the Land or secured by a prior protected security interest on any other collateral mentioned in the Mortgage. If the Agency shall deem it necessary or desirable, all or part of the advance may be disbursed in escrow to a title insurance company licensed to do business in the State of New Jersey for the purpose of discharging any construction or other lien on the Project and Land or any other security mentioned in the Mortgage; and the Owner agrees to certify in writing that the foregoing conditions have been satisfied.

Section 10. Insurance; Condemnation.

During the term of the Agency Financing, the Owner shall cause all the buildings on the premises and the fixtures and articles of personal property covered by the Loan Documents to be insured against loss by fire and against loss by such other hazards as may be required by the Agency for the benefit of the Agency including, but not by way of limitation, flood insurance if any part of the Project is located in an area designated by or on behalf of the federal government as having specific flood hazard. Such insurance shall be written by companies, in forms as are satisfactory to

the Agency, and in amounts not less than the full replacement value of the Project. The Owner shall assign and deliver the policies to the Agency. All such insurance policies which are obtained by the Owner during the term of the loan shall fully comply with all Agency requirements for property and liability insurance, including but not limited to the Agency requirement that the insurer must meet certain rating standards. The Agency shall be listed as first mortgagee, loss payee and additional insured under such policies. Such policies shall provide that the insurer may not cancel the policy and will not refuse to renew the policy except after thirty (30) days written notice to the Agency. If the Owner does not provide the Agency with the evidence of insurance as required herein, the Agency may (but shall not be required to) obtain such coverage. The Owner shall reimburse the Agency on demand for any premiums paid for insurance procured by the Agency, and until so reimbursed, the amount of such premiums shall be added to the principal sum of the First Mortgage Note and shall bear interest at the same interest rate as in the First Mortgage Note.

In the event of substantial damage to the Project by the occurrence of an insured casualty or the taking of a substantial portion of the Project by condemnation, or, in the sole judgment of the Agency (which judgment shall be conclusive): (a) the Project can be replaced or restored in whole or in part, and (b) the Project as so replaced will produce sufficient income to meet the obligations of the Owner under the Loan Documents, the proceeds of insurance or condemnation, together with any other money available for such purpose, if sufficient, shall be made available to the Owner, subject to the approval of the Agency. To the extent the Project is not replaced or restored, the balance of such proceeds shall be applied to the indebtedness secured thereby. Nothing in this Section shall affect the lien of this Agreement and the obligation of the Owner under the Loan Documents to pay the entire balance of the Loan.

The Owner shall maintain continuously in effect such other insurance coverage of the types and in the amounts specified by the Agency, including workers' compensation insurance and other insurance required by law with respect to employees of the Owner, and liability insurance, protecting the Owner and the Agency against any loss or liability or damage for personal injury or property damage with respect to the Project. Owner shall also maintain use and occupancy insurance covering loss of revenues derived from the Project by reason of interruption, total or partial, of the use of the Project resulting from loss or physical damage thereto in an amount not less than one year's gross rental income. The Owner shall carry fidelity bond insurance covering all employees of the Owner authorized to handle the revenues derived from the Project in an amount equal to one-half times the maximum monthly rent roll.

Section 11. Taxes or Payments in Lieu of Taxes. Unless the Owner has received a full tax exemption for the taxes on the Project at the time the Owner takes title to the Project, the Owner covenants and agrees to pay any valid municipal taxes, payments in lieu of taxes, charges, assessments, water charges and/or sewer charges, and in default thereof the Agency may pay the same. Any such sum or sums so paid by the Agency shall be added to the principal sum secured by the Mortgage, as determined by the Agency, and shall bear interest at the then current rate being received by the Agency on its investment as determined in good faith by the Agency.

Section 12. Liens. The Owner covenants and agrees to maintain its right, title and interest in the Project and Land and all items enumerated in Section 7 of the Mortgage free and clear of all liens and security interests, except Permitted Encumbrances, those exceptions identified and set forth in title insurance commitments and title insurance commitment number 14-27698 issued by Stewart Title Guaranty Company dated February 23, 2015, and continued to the date of this Agreement, as accepted by the Agency. Except with the written consent of the Agency, the Owner will not install

any item of tangible personal property as part of the fixtures or furnishings of the Project, which is subject to a purchase money lien or security interest.

The Agency may, at its sole option, pay the amount necessary to discharge any such lien, and the Owner shall promptly reimburse the Agency for any amounts so paid. Until reimbursement of the Agency of any amounts so paid, such amount shall be added to the Principal Sum as defined in and secured by the Mortgage, as determined by the Agency, and shall bear interest at the then current rate being received by the Agency on its investments as determined in good faith by the Agency.

Section 13. Encumbrances - Sale of Project. The Owner covenants and agrees not to sell, lease or otherwise encumber the Project or the Land, or any part thereof, or the rents or revenues thereof without prior written consent of the Agency, except by leasing to eligible residential tenants as provided by the Mortgage and this Agreement.

Section 14. Maintenance, Repair and Replacement. The Owner covenants and agrees to maintain the Project and the appurtenant equipment and grounds in good repair and condition so as to provide decent, safe and sanitary housing accommodations.

Following completion of construction or rehabilitation, the Owner will not make any substantial alteration in the Project without the consent of the Agency, nor will the Owner permit the removal of any fixtures or articles of personal property except in connection with the replacement thereof with appropriate property of at least equal value and free of all liens or claims.

The Owner will not permit any waste with respect to the Project or any of its real or personal property without the consent of the Agency, or make any alteration which will increase the hazard of fire or other casualty.

Section 15. Advance Amortization Payments. The Owner shall not make any advance principal repayment except as allowed by the Program and Program Guidelines.

Section 16. Compliance with the Program, the Act, Agency's Regulations and Any Federal or State Subsidy Source. The Owner covenants and agrees to comply with the Program, the Act and any regulations promulgated pursuant thereto, and with any amendments or supplements to the Program, the Act or regulations. Throughout the term of this Agreement, the Owner further covenants and agrees to comply with any and all requirements imposed upon it as a condition of any federal or state grant, subsidy or loan.

Section 17. Use of Project - Leasing. Except as otherwise expressly provided in Sections 3 and 4 of this Agreement or as otherwise agreed to in writing by the Agency, and except for facilities approved by the Agency as normally appurtenant to residential projects for non-transients (such as laundry facilities), the Project shall be used (or as otherwise may be approved by the Agency) to provide affordable housing units for senior citizens.

Section 18. Consideration for Lease. The Owner covenants and agrees not to require as a condition of the occupancy or leasing of any dwelling unit in the Project and not to accept or allow any employee or agent to accept any consideration other than the prepayment of the first month's rent, plus a security deposit not in excess of one and a half (1.5) month's rent to guarantee the performance of the covenants of the rent agreement or lease.

Section 19. Security Deposit The Owner covenants and agrees to deposit all moneys paid to the Owner by any resident, if any, as a security deposit for the payment of rent or other allowable charges under any use and occupancy agreement and/or lease in a separate interest bearing bank account held and maintained in accordance with applicable law.

Section 20. Account for Project Revenues/Operating Account. The Owner covenants and agrees to establish an account for Project Revenues specific to the Project. "Project Revenues" shall mean all rents and other revenues of any type whatsoever received in respect of the Project or the Owner, except for Loan disbursements. Project Revenues shall be deposited in such account and all operating expenses should be paid from this account.

Section 21. Reserve and Escrow Payments.

On the date of the execution of the First Mortgage Loan documents, the Owner will deposit with the Agency the amounts as shown on the closing budget for the Project ("Form 10") which will serve as a reserve against late payments and be available to pay expenses when due or be available to assist with project expenses.

All reserve and escrow payments required shall be held in accounts under the sole control of the Agency and shall be paid out for the benefit of the Project as needed on request of the Owner or on the Agency's own initiative. Any interest which may be earned on such reserves shall remain in the escrow account and shall be used for similar purposes unless the Owner and Agency mutually agree to apply the funds to some other Project purpose.

If the Agency determines that the payments specified herein are insufficient to ensure prompt payment of taxes, payments in lieu of taxes, insurance premiums, or to properly fund painting, decorating, repair and replacement needs with respect to the Project, then the Agency may require an increase in the minimum required escrow amounts necessary to assure proper funding.

Section 22. Inspection of Premises. The Owner covenants and agrees to permit the Agency, its agents or representatives, to inspect the Project at any and all reasonable times with or without notice, pursuant to the provisions of the Act and the Program.

Section 23. Books and Records. The Owner covenants and agrees to maintain adequate books and records of its transactions, including the social services provided to the Project's residents, with respect to the Project in the Owner's standard form. Such books and records shall be available for inspection and audit by the Agency or its agents at any time during business hours, with notice, pursuant to the provisions of the Act and the Program. The Owner further covenants and agrees to cause the financial affairs with respect to the Project to be audited by independent certified public accountants and shall furnish the Agency with its audit report of such accountants as may from time to time be required by the Agency.

The Owner shall furnish to the Agency such other information and reports respecting the Project as may from time to time be required by the Agency.

Section 24. Management Contract. The Owner may, and if the Agency so elects, shall contract for the services of a firm experienced in real estate management to act as the managing agent for the Project. The selection of any such managing agent, the scope of the agent's duties and the basis of the agent's compensation shall be the subject of a consultation between the Agency and

the Owner and any contract for the employment of any managing agent shall provide that such contract may be terminated by the Agency at any time by notice of such determination by the Agency given to the Owner and managing agent.

Section 25. Prohibited Actions. Except with the express approval of the Agency, which approval shall not be unreasonably withheld, the Owner shall not with Project Revenues (as defined in Section 20 hereof), Loan disbursements or grant advances:

1. incur any liabilities, except in connection with the acquisition, rehabilitation and rental of the Project and its operation and maintenance;
2. engage in any business activity except the ownership and operation of the Project;
3. pay more than fair market value thereof for goods or services; and
4. pay compensation to any officer, director or partner in such capacity or make any cash distribution to any of the foregoing.

Section 26. Transfers of Ownership Interests. The Owner shall not transfer or sell any interest in the Project, except in accordance with the Agency's regulations governing such transfers.

Section 27. Statutory Powers and Restrictions. The Mortgage shall be subject to the restrictions in the Act and the Program, and in connection therewith, the Agency shall have the powers set forth in the Act, the Program and the regulations now or hereafter promulgated pursuant to the Act and the Program and the Owner hereby consents to such restrictions and agrees to be bound thereby. Such powers and restrictions shall be in addition to and not in limitation of the rights of the Agency expressly set forth in this Agreement.

Section 28. Accounting in Event of Default; Estoppel. Upon the occurrence of an Event of Default and within ten (10) business days of demand therefore by the Agency, and otherwise within ten (10) business days of written demand by the Agency, the Owner will furnish to the Agency in writing a statement of the principal amount remaining due on the Loan, together with a statement of any known defenses which may exist as to any liability of the Owner on the Notes or otherwise thereunder.

Section 29. Financing Statements. The Owner hereby irrevocably authorizes the Agency to execute on its behalf one or more financing statements or renewals thereof in respect to any of the security interests granted by the Mortgage.

Section 30. Assignment by Agency. The Owner hereby consents to any assignment of any Loan Document by the Agency.

Section 31. Defaults. Each of the following shall be an Event of Default:

- (a) failure by the Owner to pay more than thirty (30) calendar days after the due date any installment of principal or interest on the Loan or any other payment required by the Owner to the Agency or any other person pursuant to the terms of this Agreement, the Mortgage or the other Loan Documents; provided, however, that interest shall accrue on any payment made beyond its due date;

(b) commission by the Owner of any act prohibited by the terms of this Agreement, the Mortgage or any other Loan Document, failure by the Owner to perform or observe in a timely fashion any action or covenant required by any of the terms of this Agreement, the Mortgage or any other Loan Document, or failure by the Owner to produce satisfactory evidence of compliance therewith;

(c) the filing by the Owner under any federal or state bankruptcy or insolvency law or other similar law of any petition in bankruptcy or for reorganization or composition with creditors or the making of an assignment for the benefit of creditors;

(d) the filing against the Owner of a petition seeking its adjudication as a bankrupt or the appointment of a receiver for the benefit of its creditors which shall not have been dismissed within sixty (60) calendar days of the filing thereof, or the adjudication of the Owner as a bankrupt or the appointment of a receiver for the benefit of its creditors; or the appointment by court order of a custodian (such as a receiver, liquidator or trustee) of the Owner or of any of its property or the taking of possession of the Owner or any of its property for the benefit of its creditors and such order remains in effect or such possession continues for more than sixty (60) calendar days;

(e) the occurrence of substantial destruction of the Project by an uninsured casualty or the inability to replace or restore the Project in accordance with Section 11, or failure to maintain insurance that fully complies with the Agency insurance requirements set forth at Section 11 or in Agency insurance specifications minimum requirements, or failure to provide, immediately or no later than 30 days from notice, replacement insurance to meet Agency insurance requirements as set forth in Section 10 during the term of the First Mortgage Loan;

(f) any representation in conjunction with the Loan and the Project by or on behalf of the Owner that is knowingly false or misleading in any respect or warranty of the Owner that is breached;

(g) any breach by the Owner of its obligations or any failure to observe its covenants under this Agreement, and the other Loan Documents; and

(h) failure to complete the Project.

(i) failure or refusal to acquire, rehabilitate, operate and/or maintain the Project in accordance with the Program.

The events set forth in the subsections (b) and (g) of this Section shall not constitute Events of Default until the prohibited acts, failure to perform or observe, or breaches shall remain uncured for a period of thirty (30) calendar days after the Agency's written notice to the Owner, specifying such prohibited act, failure or breach and requesting that it be remedied, unless the Agency shall agree in writing to an extension of such time prior to its expiration; provided, however, that after the Rehabilitation Period only, if the prohibited act, failure, or breach stated in each notice is correctable, but cannot be corrected within the 30-day period, the Agency may not unreasonably withhold its consent to an extension of up to 120 calendar days from the delivery of the written notice referred to herein if corrective action is instituted by the Owner, within the initial 30-day period and diligently pursued.

The failure of the Owner to comply with any of the provisions of Section 25 or 31 of this Agreement shall not be deemed an Event of Default hereunder unless such failure has not been corrected within a period of 60 calendar days, have actual or constructive knowledge of such failure or after the Agency's written notice to the owner, whichever is earlier.

The Agency will send, simultaneously with sending to the Owner any notices under this subsection, a copy of the aforementioned notices to the Owner's investor member. To the extent the Event of Default is curable, a cure tendered in full pursuant to the terms and conditions of this Agreement and the other Loan Documents by the Owner's investor member shall be honored by the Agency.

Section 32. Remedies. Upon the occurrence of any Event of Default, the Agency may at its option take any one or more of the following actions or remedies and no failure to exercise any remedy or take any action enumerated shall constitute a waiver of such right or preclude a subsequent exercise by the Agency of any such remedy:

(a) declare the entire principal sum of the Mortgage together with all other liabilities of the Owner under the Note to be immediately due and payable;

(b) cease making disbursements to the Owner of any funds under the Loan or from reserves held by the Agency;

(c) apply any reserves held by the Agency or the balance in the accounts for Project disbursements and revenues, or any combination of these monies, to the payment of the Owner's liabilities hereunder;

(d) foreclose the lien of the Mortgage on the Project and Land or a portion thereof, including without limitation all Improvements existing or hereafter placed in or on the Project and Land. In any action to foreclose, the Agency shall be entitled to the appointment of a receiver of the rents and profits of the Project as a matter of right and without notice, with power to collect the rents, uses and profits of said Project, due and becoming due during the pendency of such foreclosure suit, such rents and profits being hereby expressly assigned and pledged as additional security for the payment of the indebtedness secured by the Mortgage without regard to the value of the Project or the solvency of any person or persons liable for payment of the mortgaged indebtedness. The Owner for itself and any such subsequent owner hereby waives any and all defenses to the application for a receiver as above and hereby specifically consents to such appointment without notice, but nothing herein contained is to be construed to deprive the holder of the Mortgage of any other right, remedy or privilege it may now have under the law to have a receiver appointed. The provisions for the appointment of a receiver of the rents and profits and the assignment of such rents and profits, is made an express condition upon which the Loan hereby secured are made. Upon such foreclosure the Agency shall have the right to have a receiver appointed for the Project and the rent from the Project;

(e) pursuant to its rights under the Act and the Program, remove the Project Manager(s) after consultation with the Owner, or, if the Agency, after consultation with the Owner, decides, it is in the best interest of the Project and Clients, hereinafter defined, the Owner shall deed the Project and Land to the Agency;

(f) take possession of the Project and Land or a portion thereof;

(g) without judicial process, collect all rents and other revenue including federal and State subsidies as the agent of the Owner (which upon the occurrence of any Event of Default the Agency is deemed to have been irrevocably appointed by the Owner), and apply the same at the Agency's option either to the operation and maintenance of the Project or to the liabilities of the Owner under the Mortgage;

(h) act as landlord of the Project and rent or lease the same on any terms approved by it, or dispossess by summary proceedings or other available means any tenant defaulting under the terms of the lease of a dwelling unit;

(i) take possession of equipment, appliances or other tangible personal property in which a security interest has been granted by this Agreement or the Mortgage and dispose of the same in any commercially reasonable manner. The Agency shall have the option to dispose of any such equipment and personal property either separately from the Project and Land or in conjunction with a sale of the Project and Land, and the Owner agrees that either method of disposition shall be commercially reasonable;

(j) make effective an assignment of the Architectural Contract by the Owner to the Agency, in which event the Agency is specifically empowered by the Owner to exercise any and all rights of the Owner under the Architectural Contract, and at the option of the Agency to proceed with the rehabilitation of the Project, in which event all payments by the Owner made with respect to the Architectural Contract shall be treated as disbursements on the Loan;

(k) subject to Section 40 hereof, sue the Owner for a mandatory injunction or other equitable relief requiring performance by the Owner of any of its obligations under this Agreement or the Mortgage or the other Loan Documents. The Owner agrees with the Agency that the Agency's remedy at law for the violation or nonperformance of the Owner's obligations under the Mortgage or this Agreement or the other Loan Documents is not adequate by reason, among other things, of the Agency's public purpose to provide adequate, safe and sanitary dwelling units;

(l) after consultation with the Owner, sue under the Architectural Contract or on a warranty to recover any amount payable to the Owner pursuant to the Architectural Contract or payable to the Owner pursuant to any such warranty and to settle any such claim or liability and release the same and apply the proceeds of any such suit, settlement or release to the liabilities of the Owner under this Agreement or the Mortgage;

(m) if the Owner commits a breach or threatens to commit a breach of any of the provisions of the Mortgages or other Loan Documents, the Agency shall have the right, without posting bond or other security, to seek injunctive relief or specific performance, it being acknowledged and agreed that any such breach, or threatened breach, will cause irreparable injury to the Agency and that money damages will not provide an adequate remedy; and/or

(n) to undertake reasonable maintenance and make reasonable repairs to the Project and to add the cost thereof to the principal balance of the Mortgages.

(o) notwithstanding the above enumeration of remedies, the Agency shall have available to it all other remedies provided at law or in equity or any other action permitted by law subject to the provisions of Section 40 of this Agreement;

Section 33. Expenses Due to Default. All expenses (including reasonable attorneys' fees and costs and allowances) incurred in connection with an action to foreclose the Mortgage or in exercising any other remedy provided by the Mortgage or this Agreement or the other Loan Documents, including the curing of any Event of Default, shall be paid by the Owner, together with interest at the then current rate being received by the Agency on its investments as determined in good faith by the Agency. Any such sum or sums and the interest thereon shall be a further lien on the Project, Land and Improvements, and shall be secured by this Agreement and the Mortgage.

Section 34. Burden and Benefit. The Agency and the Owner hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the Land in that the Owner's legal interest in the Land and the Project is rendered less valuable thereby. The Agency and the Owner hereby further declare their understanding and intent that the benefit of such covenants touch and concern the Land by enhancing and increasing the enjoyment and use of the Land and part of the Project as housing for persons with developmental disabilities.

Section 35. Uniformity; Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project and Land.

Section 36. Remedies; Enforceability. The provisions hereof are imposed upon and made applicable to the Land and shall run with the Land and shall be enforceable against the Owner or any other person or entity that has or had an ownership interest in the Project at the time of such violation or attempted violation. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation hereof at any later time or times.

Section 37. Amendments; Notices; Waivers. This Agreement and the Mortgage may be amended only by an instrument in writing executed and acknowledged on behalf of the Agency and the Owner in such manner that the instrument may be recorded.

No waiver by the Agency in any particular instance of any Event of Default or required performance by the Owner and no course of conduct of the parties or failure by the Agency to enforce or insist upon performance of any of the obligations of the Owner under this Agreement, the Mortgage, or under the other Loan Documents at any time shall preclude enforcement of any of the terms of this Agreement, the Mortgage, the Note, or the other Loan documents thereafter.

Any provisions of this Agreement, the Mortgage or other Loan Documents requiring the consent or approval of the Agency for the taking of any action or the omission of any action requires such consent by the Agency in writing signed by a duly authorized officer of the Agency. Any such consent or approval, unless it expressly states otherwise, is limited to the particular action or omission referred to therein and does not apply to subsequent similar actions or omissions.

Notice provided for under this Agreement shall be given in writing signed by a duly authorized officer and any notice required to be given hereunder shall be given by recognized private carrier with acknowledgment of delivery or by confirmed facsimile, with a hard copy sent by certified mail, return receipt requested, or by certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto.

Agency: New Jersey Housing and Mortgage Finance Agency
Attention: Executive Director
637 South Clinton Avenue, CN 18550
Trenton, NJ 08650-2085

Owner: Heritage Village at Oakhurst, LLC
Attention: Barbara K. Schoor
1970 Brunswick Avenue, Suite 100,
Lawrenceville, New Jersey 08648

Investor: Wincopin Circle LLP, its successors and assigns
c/o Enterprise Community Asset Management, Inc.
70 Corporate Center Drive
11000 Broken Land Parkway, Suite 700
Columbia, MD 21044

All notices shall be deemed given when received.

Section 38. Severability. The invalidity of any part or provision hereof shall not affect the validity, legality and enforceability of the remaining portions hereof, and to this end the provisions of this Agreement shall be severable.

Section 39. Successors and Assigns. This Agreement and all rights, duties, obligations and interests arising hereunder shall bind and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

Section 40. Personal Liability. Notwithstanding any other provision contained in this Agreement, the other loan documents or any other document or instrument executed by the owner in connection herewith or therewith, the Agency agrees, on behalf of itself and any future holder of the Note, that the liability of the Owner, any general or limited partner, member or shareholder of the Owner, if applicable, and its respective heirs, representatives, successors and assigns, for the payment of its obligations hereunder and under the other loan documents, including, without limitation, the payment of principal, interest and other charges due hereunder and thereunder, shall be limited to the collateral pledged under the mortgage and the other loan documents, and that the Agency shall have no right to seek a personal judgment against the Owner, any general or limited partner, member or shareholder of the Owner, if applicable and its respective heirs, representatives, successors and assigns, individually, except to the extent necessary to subject the collateral (including the Project and Land) pledged under the Mortgage and the other loan documents to the satisfaction of the Mortgage debt, and provided, however, that the Agency shall retain the right to exercise any and all remedies granted to it under the Mortgage, this Agreement and the other loan documents, including without limitation the right to sue for injunctive or other equitable relief. The foregoing limitation of liability shall not apply to any party to the extent such party has committed fraudulent, criminal or other unlawful acts and shall not apply to such amounts due to the Lender pursuant to Sections 10, 11, 12, 13, 14, 33 and 47 of this Agreement.

Section 41. Reserved.

Section 42. Disclaimer of Warranties, Liability; Indemnification/Defense.

A. The Owner acknowledges and agrees that (i) the Agency has not heretofore and does not make any warranty or representation, either express or implied, as to the value, condition, or fitness for particular purposes of the Project or any portions thereof or any other warranty or representation with respect thereto; (ii) in no event shall the Agency or its agents or employees be liable or responsible for any incidental, indirect, special or consequential damages in connection with or arising out of this Agreement or any of the other Loan Documents or the development of the Project or the existence, functioning or use of the Project or any items or services provided for in this Agreement or the other Loan Documents; and (iii) during the term of this Agreement and the other Loan Documents and to the fullest extent permitted by law, the Owner shall indemnify, defend and hold the Agency harmless against, damage, claims, judgments or expenses of any and all kinds or nature and however arising, imposed by law, which the Owner and the Agency including reasonable attorneys' fees and costs, may sustain, be subject to, or be caused to incur by reason of any claim, suit or action based upon personal injury, death or damage to property, whether real, personal or mixed, or upon or arising out of contract entered into by the Owner, or arising out of the Owner's ownership of the Project or out of the construction, rehabilitation, operation or management of the Project.

B. It is mutually agreed by the Owner and the Agency that the Agency and its directors, officers, agents, servants and employees shall not be liable for any action performed under this Agreement, and that the Owner shall hold them harmless from any claim or suit of whatever nature.

C. Any claims asserted against the Agency shall be subject to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq. While this statute may not be applicable by its terms to claims arising under contracts with the Agency, the Owner agrees that it shall be applicable to any claims arising under the Loan Documents. It is acknowledged by the parties that the Agency is a public entity covered by the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1, et seq.

Section 43. Recording. This Agreement shall be duly recorded in the Office of the Clerk for the county in which the Land is located within ten (10) days following its execution.

Section 44. Governing Law. This Agreement shall be governed by the laws of the State of New Jersey. The parties agree that any cause of action that may arise under this Agreement or the Loan Documents shall have jurisdiction and venue only in the Courts of the State of New Jersey in and for the County of Mercer.

Section 45. Equal Opportunity and Non-Discrimination. The Owner covenants and agrees that it will comply with the Agency guidelines with respect to equal opportunity and non-discrimination in its purchase of goods and services for the operation and maintenance of the Project throughout the term of this Agreement.

Section 46. Counterparts This Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original. A fax copy of a signature on this Agreement shall have the same effect as an original provided that an original is received by the other party hereto within two business days thereafter.

Section 47. Investment Funding and Return on Investment

The Owner agrees to make an investment in the Project and Land in an amount which is not less than 20% of the total Project cost as determined by the Agency pursuant to the Act and the Program. In the event the principal sum set forth in the Agency Financing that is advanced to the Owner is determined by the Agency to exceed 80% of the total Project cost, the Owner shall reimburse the Agency an amount that would reduce the Agency Financing to 80% of the total Project cost.

Owner will be eligible for a return on its investment, the rate of which will be reflected in the Agency construction and permanent loan documents.

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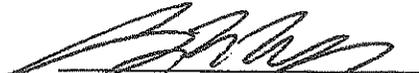
Not Certified Copy

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

WITNESS/ATTEST

BORROWER:
HERITAGE VILLAGE AT OAKHURST LLC

By: CIS Oakhurst LLC, its Managing Member
By: Community Investment Strategies, Inc., its
Managing Member



Christopher M. Walrath

By: 

Barbara K. Schoor, Vice President

WITNESS/ATTEST

LENDER:
**NEW JERSEY HOUSING AND
MORTGAGE FINANCE AGENCY**



Jennifer H. Linetti
Assistant Secretary

By: 

James E. Robertson
Chief of Legal and Regulatory Affairs

This Agreement is approved as to form.

John J. Hoffman
Acting Attorney General of the State of New Jersey

By: 

William F. Hanna
Deputy Attorney General

STATE OF NEW JERSEY)
) SS:
COUNTY OF MERCER)

I CERTIFY that on April 27, 2015, Barbara K. Schoor personally came before me, the subscriber, an Attorney at Law of the State of New Jersey, and acknowledged under oath, to my satisfaction that (a) she is the Vice President of Community Investment Strategies, Inc., which is the managing member of CIS Oakhurst, LLC, which is the managing member of Heritage Village of Oakhurst, LLC, the limited liability company named in this document; and (b) she executed and delivered this document as the voluntary act of the limited liability company duly authorized by the Members.

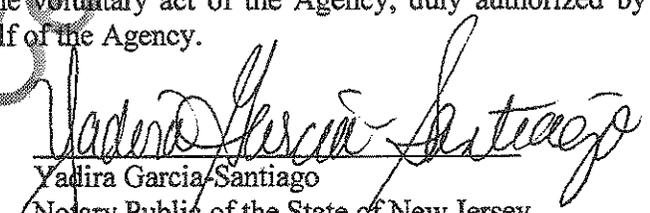


Christopher M. Walrath, Esquire
Attorney at law of New Jersey

STATE OF NEW JERSEY, COUNTY OF MERCER SS:

I CERTIFY that on April 27, 2015, **JAMES E. ROBERTSON** personally came before me, a Notary Public of the State of New Jersey, and acknowledged under oath to my satisfaction that a) he is the **Chief of Legal and Regulatory Affairs** of **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**, the Agency named in this document, and b) he executed and delivered this document as the voluntary act of the Agency, duly authorized by a proper resolution of its members, on behalf of the Agency.

Not Certified Copy



Yadira Garcia-Santiago
Notary Public of the State of New Jersey
My Commission Expires on November 20, 2017

Revised for SNHTF Feb. 2006

Stewart Title Guaranty Company

PRO FORMA LOAN POLICY

SCHEDULE A

LEGAL DESCRIPTION

Policy No.:

File No.: 14-27698

ALL that certain lot, piece or parcel of land, situate, lying and being in the Township of Ocean, in the County of Monmouth, State of New Jersey:

All that certain lot, tract or parcel of land situate, lying and being in the Township of Ocean in the County of Monmouth and the State of New Jersey, and being all of a Block 3 Lot 16.03 & 16.04 said lots as shown on a certain map entitled "ALTA/ ACSM Land Title Survey for Block 3 Lots 16.03 & 16.04, Twp. of Ocean, Monmouth County, New Jersey" prepared by Maser Consulting, dated August 12, 2014, said lots also as shown on the Official Tax Map of the Township of Ocean and being more particularly bounded and described as follows, to wit:

BEGINNING at a point in the existing northerly line of Lot 16.01 Block 3, said point the following bearing and distance from the point of intersection formed by the existing northerly line of West Park Avenue, (Variable Width R.O.W.) with existing easterly line of Lot 16.01 Block 3, said adjoining lots as shown on the aforesaid map and plan,

A) North seven degrees three minutes thirty seconds West (N 07° 03' 30" W), one hundred ninety-five and twenty-five hundredths feet (195.25'), along the aforesaid existing easterly line of Lot 16.01 Block 3, to a point in the same, to a point in the existing northerly line of same, thence -

And from said point running, thence,

1. South eighty-two degrees fifty-six minutes thirty seconds West (S 82° 56' 30" W), eighty-one and sixty-seven hundredths feet (81.67') along the aforesaid existing northerly line of Lot 16.01 Block 3, to an angle point in the same, thence-
2. South sixty-two degrees zero minutes fifty-seven seconds West (S 62° 00' 57" W), one hundred sixty-one and twenty-six hundredths feet (161.26'), still along the aforesaid existing northerly line of Lot 16.01 Block 3, to a point in an existing westerly line of same, thence -
3. South nineteen degrees thirty-nine minutes forty-five seconds East (S 19° 39' 45" E), eight and ninety hundredths feet (8.90'), along an existing westerly line of Lot 16.01 Block 3, to a point in the northerly line of same, thence-
4. South fifty-two degrees thirty-seven minutes thirty-two seconds West (S 52° 37' 32" W), thirty-nine and three hundredths feet (39.03'), along the aforesaid existing northerly line of Lot 16.01 Block 3 to a point in the existing easterly line of Lot 16.02 Block 3, said adjoining lot as shown on the aforesaid map and plan, thence -
5. North thirty-seven degrees twenty-two minutes twenty-eight seconds West (N 37° 22' 28" W), forty-eight and thirty-five hundredths feet (48.35'), along the aforesaid easterly line of Lot 16.02 Block 3, to a point in the existing northerly line of same, thence-
6. North eighty-six degrees nine minutes thirty-seven seconds West (N 86° 09' 37" W), seventy-eight and sixty-six hundredths feet (78.66'), along the aforesaid existing northerly line of Lot 16.02 Block 3 to an angle point in the same, thence -

Continued...

Stewart Title Guaranty Company

7. South seventy-two degrees forty-seven minutes fifty-seven seconds West (S 72° 47' 57" W), seventy-one and two hundredths feet (71.02'), still along the aforesaid existing northerly line of Lot 16.02 Block 3 to a point in the existing easterly line of Lot 14 Block 3, said adjoining lots as shown on the aforesaid map and plan, thence-
8. North five degrees forty-four minutes thirty-seven seconds East (N 05° 44' 37" E), eighty-seven and fifty-one hundredths feet (87.51'), along the aforesaid existing easterly line of Lot 14 Block 3 and beyond, along the existing easterly line of Lot 13 Block 3, to a point in the existing southerly line of Lot 12.01 Block 3, said adjoining lots as shown on the aforesaid map and plan, thence -
9. South eighty-four degrees fifteen minutes twenty-three seconds East (S 84° 15' 23" E), forty and fifty-eight hundredths feet (40.58'), along the aforesaid southerly line of Lot 12.01 Block 3, to a in the existing easterly line of same, thence-
10. North five degrees forty-four minutes thirty-seven seconds East (N 05° 44' 37" E), one hundred eighteen and forty-six hundredths feet (118.46'), along the aforesaid existing easterly line of Lot 12.01 Block 3, to a point of non-tangent curvature in the existing northerly line of same, thence -
11. Northwestery, on a curve having a radius of 80.00', and curving to the left an arc length of 30.74' (central angle 22° 00' 55"), with a chord bearing of North seventy-three degrees seven minutes five seconds West (N 73° 07' 05" W), and a chord distance of thirty and fifty-five hundredths feet (30.55'), along the northerly line of Lot 12.01 Block 3, to a point of tangency in the same, thence -
12. North eighty-four degrees fifteen minutes twenty-three seconds West (N 84° 15' 23" W), ten and twenty-three hundredths feet (10.23'), along the aforesaid existing northerly line of Lot 12.01 Block 3, to a point in the existing easterly line of same, thence-
13. North five degrees forty-four minutes thirty-seven seconds East (N 05° 44' 37" E), seven hundred sixteen and eighty-three hundredths feet (716.83'), along the existing easterly line of Lots 12.01, 11 & 7.01 Block 3, to a point in the same, said adjoining lots as shown on the aforesaid map and plan, thence -
14. South eighty-three degrees thirty-six minutes nine seconds East (S 83° 36' 09" E), two hundred thirty-six and thirty hundredths feet (236.30'), along the existing southerly line of Lot 4 Block 3, to a point in the existing westerly line of same, said adjoining lot as shown on the aforesaid map and plan, thence -
15. South seven degrees three minutes thirty seconds East (S 07° 03' 30" E), eight hundred eight and seventy-five hundredths feet (808.75'), along the aforesaid existing westerly line of Lot 4 Block 3, to a point in the same, the Point and Place of BEGINNING.

The foregoing description was prepared by the undersigned Land Surveyor for the firm of Maser Consulting P.A., and is based upon a certain plan entitled "ALTA/ACSM Land Title Survey for Block 3 Lots 16.03 & 16.04, Twp. Of Ocean, Monmouth County, New Jersey" prepared by Maser Consulting, dated 3/10/2015 revised 3/23/2015.

SUBJECT TO: 15' wide NJ Bell and JCP&L easement as contained in Deed Book 4310 Page 270.

ALSO SUBJECT TO: 20 foot wide storm drainage easement to the Township of Ocean as well as a 12' wide storm sewer easement as shown on a certain map entitled "Township of Ocean, Major Subdivision Located at Lots 12 & 16 Block 3, Township of Ocean, Monmouth County, New Jersey", said Map being duly filed in the Monmouth is County Clerk's Office on March 21, 2012 as Case Number 311, Sheet 1.

FOR INFORMATION PURPOSES ONLY: BEING known as 777 West Park Ave, Tax Lot 16.03 and 16.04, Tax Block 3 on the Official Tax Map of Township of Ocean, NJ.

LIHTC # 1450

Prepared By:

Joyce Umi



004DYN

DEED OF EASEMENT AND RESTRICTIVE COVENANT FOR EXTENDED LOW-INCOME OCCUPANCY

THIS DEED OF EASEMENT and RESTRICTIVE COVENANT (the "Covenant") dated as of November 10, 2014, shall run with the land and is granted by Heritage Village at Oakhurst LLC and its successors and assigns (the "Project Owner") whose principal address is 1970 Brunswick Avenue, Suite 100 Lawrenceville NJ, 08648, to the New Jersey Housing and Mortgage Finance Agency, its successors and assigns, (the "Agency") acting as the housing credit agency for the State of New Jersey as described in Section 42(h)(3) of the Internal Revenue Code as amended, and to income eligible members of the public as defined below. As conditioned below this Covenant restricts occupancy of the described premises to income eligible occupants for a specified period of time. This Covenant is made in satisfaction of the requirements of Section 42 of the Federal Tax Reform Act of 1986, P.L. 99-514, as amended, (the "Code").

As indicated on the Determination Letter or the IRS Form(s) 8609 for the building(s) described below, the Agency has determined the eligibility for and issued Low Income Housing Tax Credits ("LIHTC") authorized under the Code in an estimated annual amount of \$652,505 to be claimed by the Project Owner over a 10 or 15 year period pursuant to the Code. In consideration of the receipt of the benefit of the LIHTC, the Project Owner hereby agrees to the following restrictive covenants, which are made in satisfaction of the requirements contained in Section 42(h)(6) of the Code.

- (1) The one building, which consist of a total of 93 residential rental units, of which 92 are LIHTC units, and which will constitute a qualified low-income housing project as defined in Section 42(g)(1) of the Code and regulations promulgated thereunder, the rental units which will be rented or available for rental on a continuous basis to members of the general public, shall be known as Heritage Village at Oakhurst (the "Project"). The Project is located at 777 West Park Avenue, Ocean Township NJ, 07755, Municipal Tax Map Block No. 3, Lots No. 16.03 and 16.04 in the County of Monmouth, New Jersey, and title to which has been recorded in the County Clerk or Register's Office being more fully described as set forth in Attachment "A" hereto.
- (2) The applicable fraction, as defined in Section 42(c)(1)(B) of the Code (the smaller of the low-income unit fraction or the low-income floor space fraction), and as provided by the Project Owner in its low income housing tax credit application (the "Application") is 100 percent. This fraction shall not be decreased during any taxable year of the compliance period or extended use period unless terminated in accordance with the provisions enumerated at Section 42(h)(6)(E) of the Code.

B+R
Stonebridge Title
Agency
22 Route 46
West, Suite 270W
Marsippany NJ

07054

14-27695
file copy

3 of 18

6

- (3) This Covenant and the Section 42 occupancy and rent restrictions shall commence on the first day of the compliance period as defined in section 42 of the Code, and shall end on the date which is fifteen (15) years after the close of the initial fifteen (15) year compliance period, unless terminated by foreclosure or instrument in lieu of foreclosure, pursuant to the provisions of the Code, and any regulations promulgated thereunder.
- (4) The extended use period shall terminate, subject to the provisions regarding low-income tenancy and gross rent restrictions, on the date the buildings are acquired by foreclosure (or an instrument in lieu of foreclosure), or on the last day of the one year period beginning on the date after the fourteenth (14th) year of the initial compliance period that the Project Owner submits a written request to the Agency to present a qualified contract (as defined at Section 42(h)(6)(F) of the Code) for the acquisition of the buildings, if, and only if, the Agency is unable to present within that year's time, a qualified contract from a purchaser who will continue to operate such buildings as a qualified low-income project.
- (5) The compliance period begins at the same time as the credit period. The Project Owner elects when to begin the credit period at the time the Project Owner's first tax return is filed with the Internal Revenue Service. It is expected that the Project Owner will begin the credit period in 2016.
- (6) The federal set-aside, as defined by section 42(g)(1) of the Tax Code, which was selected by the Project Owner in its Application requires that 40 percent or more of the residential units in the Project are both rent restricted and occupied by individuals whose income is 60 percent or less of area median gross income (AMGI) ("income eligible members of the public"). The selection of this federal set-aside is irrevocable and is binding on the Project Owner and all successors in interest to the Project through the end of the extended use period.
- (7) If this box is checked, the Project is a Special Needs Project as defined in the _____ Qualified Allocation Plan, and as selected by the Project Owner in its Application and as such, the Project Owner must BOTH restrict 25% of the LIHTC units in the Project for occupancy by one or more special needs population through the end of the compliance period AND make available at a reasonable cost to all tenants with special needs a minimum of three appropriate and accessible social services throughout the compliance period. One of the social services must be a social service coordinator. With written approval from the Agency, the Project Owner may substitute another special needs population for the one(s) identified in its Application and may substitute services to better address the needs of the tenants with special needs. Notwithstanding the above, if after a period of sixty (60) days of a unit described in this paragraph becoming unoccupied the Project cannot identify an eligible person within the special needs population selected by the Project Owner in its Application to rent the unoccupied unit, such unit may be leased to any low income housing tax credit eligible person or family, with a preference given first to eligible persons in other special needs populations. The next unit of similar size in the Project that becomes unoccupied shall be rented to an eligible person within the

special needs population selected by the Project Owner in its Application on the same terms set forth herein.

- (8) Pursuant to section 42(h)(6)(B)(iii) of the Code, this Covenant prohibits the disposition to any person of any portion of a building to which this Covenant applies unless all of the building to which such Covenant applies is disposed of to such person.
- (9) Pursuant to Revenue Ruling 2004-82, this Covenant prohibits (i) the eviction or termination of tenancy (other than for good cause) of an existing tenant of any low-income unit or (ii) any increase in the gross rent with respect to the unit not otherwise permitted under section 42 of the Code for the term of the extended use period and a period of three (3) years following any termination of this Covenant, including any termination by foreclosure or instrument in lieu of.
- (10) Pursuant to section 42(h)(6)(B)(iv) of the Code, this Covenant prohibits the refusal to lease to a holder of a voucher or certificate of eligibility under section 8 of the United States Housing Act of 1937 of the status of the prospective tenant as such a holder.
- (11) This Covenant shall constitute an agreement between the Agency and the Project Owner which is enforceable in the courts of the State of New Jersey by the Agency or by individual(s), whether prospective, present, or former occupants of the Project, who meet the income limitations applicable to the Project under Section 42(g) of the Code, said individual(s) being express beneficiaries of this Covenant.
- (12) The Project Owner agrees to comply with the requirements of the federal Fair Housing Act as it may from time to time be amended.
- (13) The Project Owner agrees (i) to obtain the consent of any recorded lien holder on the Project to the terms and conditions of this Covenant and (ii) it will not grant to any lien holder an interest in the Project that is superior to the terms and conditions of this Covenant. Such consent and subordination of the interests of all recorded lien holders on the Project shall be conditions precedent to the issuance of IRS Form(s) 8609.
- (14) The Project Owner agrees to employ throughout the compliance period a staff person who has successfully completed a NJHMFA-approved tax credit certification program with a continuing education component prior to the project being placed in service. The staff person responsible for verification of tenant income must be the person to successfully pass the certification examination and maintain the certification for the term of the compliance and extended use periods.
- (15) This Covenant is binding on all successors in interest to the Project and shall run with the land until the end of the extended use period, unless terminated prior to said date in accordance with all provisions of the Code and the regulations promulgated thereunder.
- (16) These covenants may, from time to time, be amended only with the written consent of the

Agency, to reflect changes to the Code or regulations promulgated thereunder. Project Owner expressly agrees to enter into such amendments as may be necessary to maintain compliance under section 42 of the Code.

- (17) In order to enable the Agency to monitor the Project Owner's compliance with these use and occupancy restrictions pursuant to the Code, Project Owner covenants and agrees that the Agency and its agents or employees shall be allowed to enter and inspect the Project during business hours and to inspect and copy all books and records pertaining to the Project.
- (18) The Project Owner covenants and agrees to comply and cooperate with the Code and all Agency tax credit compliance monitoring procedures including but not limited to completing and sending to the Agency an annual status report, or, if requested by an authorized official of the Agency, more frequent reports, in form and content acceptable to the Agency, which shall demonstrate ongoing compliance with this Covenant.
- (19) The Project Owner covenants and agrees that in the event it files for bankruptcy, liquidates, sells or otherwise transfers ownership of the Project, it will notify the Agency in writing, and further, that as a condition precedent to any sale or transfer it will enter into such agreements with the purchaser or transferee as may be prescribed by the Agency, which have the effect of causing such purchaser or transferee to be bound by these use and occupancy restrictions, as they may be amended or supplemented.
- (20) The terms of this Covenant shall be interpreted, conditioned and supplemented in accordance with and by section 42 of the Code and regulations promulgated thereunder, all of which are incorporated herein by reference, whether or not such provisions of the Code or regulations are expressed or referenced herein. In the event of any conflict between this Covenant and the requirements of the Code, the Code shall prevail. The Agency reserves the right to set conditions for the allocation of LIHTC by regulation that may be more stringent than the Code.
- (21) The invalidity of any clause, part, or provision of this Agreement shall not affect the validity of the remaining provisions.
- (22) This Covenant may be executed in any number of counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.

[SIGNATURES ON NEXT PAGE]

Signatures: This Covenant is granted by the Project Owner whose duly authorized representative's signature appears below.

Sworn and subscribed to before the undersigned Notary Public or Attorney on the date appearing below:

WITNESS
(IF INDIVIDUAL, LLC, OR PARTNERSHIP)

[Handwritten Signature]

PROJECT OWNER:

By: [Handwritten Signature]
Authorized Representative

Barbara K. Schoor

Heritage Village at Oakhurst LLC
By: CIS Oakhurst LLC
By: Barbara K. Schoor, Vice President
Community Investment Strategies, Inc.

ATTEST (IF A CORPORATION)

Secretary

PROJECT OWNER:

By: _____
President (Corporation)

(Print Name)

KRISTINE GIORDANO HANLON
DEPUTY COUNTY CLERK
MORRIS COUNTY, NJ

INSTRUMENT NUMBER
2015040923
RECORDED ON
May 11, 2015
10:49:32 AM
BOOK: OR-9112
PAGE: 3080
Total Pages: 6

COUNTY RECORDING \$80.00
FEES
TOTAL PAID \$80.00

15 of 18



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4-27-15
Clerk of Monmouth County

MONMOUTH COUNTY

HOME INVESTMENT PARTNERSHIPS PROGRAM

RTR
Stonebridge
Title
22 Route 46 W
Suite 270 W
Asi Prany NJ 07054

AFFORDABLE HOUSING DEED RESTRICTION

Effective Date April 27, 2015

LENDER:

COUNTY OF MONMOUTH, a municipal corporation of the State of New Jersey, having its principal offices located at the Office of Community Development, Monmouth County Division of Planning, 1 East Main Street, Freehold, NJ 07728

BORROWER/OWNER:

Heritage Village at Oakhurst LLC, a limited liability company organized under the laws of the State of New Jersey, having an address located at 1970 Brunswick Ave. Suite 100, Lawrenceville, New Jersey 08648.

PROJECT PROPERTY:

The Property mortgaged to Lender is located in the Township of Ocean, County of Monmouth, and State of New Jersey known on the tax map of Ocean Township Block 3, Lots 16.03 & 16.04, 777 West Park Avenue, Ocean Township, New Jersey 07755

PROJECT:

Construction of three (3) undesignated "floating" affordable rental units ("HOME Units") as part of a project for the construction of ninety-three (93) affordable residential affordable rental units, including one (1) superintendents unit.

LOAN AMOUNT:

\$349,910

LOAN TERM: Thirty (30) years

Affordability Compliance Term: For 20 Years Monmouth County will monitor for HUD compliance.

WHEREAS, the above named Lender has entered into a HOME Investment Partnership Agreement pursuant to Title II of the National Affordable Housing Act with United States Department of Housing and Urban Development (hereafter), "HUD", by which HUD provides funding for eligible projects; and

WHEREAS, the Lender has been designated to implement a HOME Investment Partnerships Program (hereafter referred to as the "HOME Program") in accordance with applicable regulations, including 24 CFR Part 92; and

WHEREAS, the Note is secured by that certain Mortgage dated April 27, 2015 from Borrower to Lender (the "Mortgage"), which Mortgage was recorded in the office of the Clerk of Monmouth County, New Jersey on; and

CHRISTINE GIORDANO HENNING
ACTING COUNTY CLERK
MONMOUTH COUNTY, NJ

INSTRUMENT NUMBER

2015040938

RECORDED ON

MAY 11, 2015

10:49:47 AM

BOOK:OR-9112

PAGE:3304

Total Fees: 10

COUNTY RECORDING FEES \$120.00

TOTAL PAID \$120.00

WHEREAS, the Project is subject to the terms of that certain Home Investment Partnerships Program - Loan Agreement by and between the County of Monmouth and Heritage Village at Oakhurst LLC; and

WHEREAS, the Borrower has requested funding to undertake the above described Project; and

WHEREAS, the proposed Project is eligible for funding if carried out pursuant to HUD's rules and regulations; and

WHEREAS, the HOME Program requires eligible project properties be subject to a deed restriction, reflecting that said properties are for the purpose of providing housing for families of certain income levels as established by HUD; and

WHEREAS, Borrower has agreed to comply with this condition by signing and delivering this document.

NOW, THEREFORE, in consideration of the foregoing and the terms and conditions contained herein, the above-named Borrower/Owner grants to the above-named Lender, its successors and assigns the rights stated in this document on the above-described Project Property ("Premises"), which Property is described in Exhibit A attached hereto, for the purpose of ensuring retention of affordable rental housing for occupancy by low and very low-income persons and families.

1. Purpose. The purpose of this Affordable Housing Restriction is to assure that low and very low-income households will retain the Premises as affordable housing for occupancy.
2. Nature and Term of Covenants. The Borrower intends, declares and covenants, on behalf of itself and its successors and assigns, that the covenants and restrictions set forth in this Affordable Housing Restriction regulating and restricting the use, occupancy and transfer of the Premises (a) shall be and are covenants running with the land, encumbering the Premises for a term of THIRTY (30) YEARS from the date of execution hereof; (b) are binding upon the Borrower's successors in title and all subsequent owners of the Premises, (c) are not merely personal covenants of the Borrower, and (d) shall bind the Borrower and its successors and assigns and the benefits shall inure to the Lender and to any present or prospective tenant of the Premises. The Borrower acknowledges that it has received assistance from the Lender in developing the Premises as affordable rental housing, which assistance includes a loan from the Lender under the HOME Investments Partnership Program (the "HOME Program"). This Affordable Housing Restriction shall continue in force for its stated term regardless of the prior repayment of such loan.
3. Notice of Covenants. Each and every contract, deed or other instrument hereafter executed conveying the Premises or portion thereof shall expressly provide that such conveyance is subject to this Affordable Housing Restriction. The covenants contained herein shall survive and be effective regardless of whether such contract, deed or other instrument hereafter executed conveying the Premises or portion thereof actually provides that such conveyance is subject to this Affordable Housing Restriction.
4. Unit Standards. The Premises shall be used for up to ninety-three (93) units of rental housing, as described above. Each of the HOME Units shall contain complete facilities for

living, sleeping, eating, cooking and sanitation that are to be used on other than a transient basis. Each of the HOME Units shall meet the housing quality standards set forth in the regulations of the HOME Investment Partnership Program at 24 CFR Part 92, Section 92.251 or any successor thereto.

5. Discrimination Prohibited. The Borrower shall not discriminate on the basis of race, creed, color, sex, age, handicap, marital status, sexual preference, national origin or any other basis prohibited by law in the lease, use and occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project. The Borrower shall not discriminate against, or refuse to lease, rent or otherwise make available units in the Project to a holder of a certificate of family participation under the Federal Rental Certificate Program (24 CFR Part 882) or a rental voucher under the Federal Rental Voucher Program (24 CFR Part 887) or a holder of a comparable document evidencing participation in a HOME Program, tenant-based assistance program because of the status of the prospective tenant as a holder of such certificate of family participation, rental voucher or comparable HOME Program tenant-based assistance document. Notwithstanding the above, the project shall be age restricted as per the regulations of the Housing for Older Persons Act.

5.1. Nondiscrimination Policies. The Borrower shall adopt and submit resident selection policies and criteria to Lender and Lender shall have the right of approval thereof. Said policies and criteria shall comply with the following requirements:

(a) They shall be consistent with the purpose of providing housing for "Low Income Families" and "Very Low Income Families", as defined below in Section 6 and required herein;

(b) They shall be reasonably related to HOME Program eligibility of prospective tenants and to the prospective tenants' ability to perform the obligations of the Borrower's form lease;

(c) They shall give reasonable consideration to the housing needs of families that would have preference under 24 CFR Part 960.211 (Federal selection preferences for admission to public housing); and

(d) They shall provide for (i) the selection of residents from a written waiting list in the chronological order of their application, insofar as practicable, and (ii) the prompt written notification to any related applicant of the grounds for any rejection.

Lender must approve any changes to these policies and criteria in writing. The Borrower shall also provide the Lender with an affirmative marketing plan acceptable to the Lender.

The approved marketing plan and the approved resident selection policies and criteria shall be adhered to in every respect.

6. Tenant Income Standards. During the term of this Affordable Housing Restriction the HOME Units shall be leased to Families or individuals whose annual incomes are at or less than SIXTY PERCENT (60%) of the median income for the Area (as defined below). A "Family" is defined as one or more individuals occupying a unit and satisfying the standards adopted by HUD for the so-called Section 8 Program under the United States

Housing Act of 1937 and promulgated at 24 CFR Part 812. The "Area" is defined as the Monmouth-NJ PMSA. A Family's annual income shall be the anticipated total income from all sources received by the Family head and spouse (even if temporarily absent) and by each additional member of the Family (other than children under the age of 18 years), including all net income derived from assets for the 12-month period following the effective date of certification of income. Annual Income specifically includes and excludes certain types of income as set forth in, and shall be determined in accordance with, 24 CFR Part 813.106 (or any successor regulations).

7. Rental Amount Limits. Rental amounts shall comply with the following:

a. The monthly rent charged for the HOME Units to be rented to families whose incomes are at or below sixty percent (60%) of median area income shall not be greater than thirty percent (30%) of the monthly gross income of a Family and less than the established Low Home Rent for that year (or such higher or lower percentage as may be established by HUD pursuant to applicable regulations under the HOME Program) of the median income for the Area, as determined by HUD, with adjustment for number of bedrooms in the unit using average occupancy per unit assumptions provided by HUD. The monthly rent charged for the HOME Units to be rented to families whose incomes are above sixty percent (60%) of median area income shall not be greater than the lesser of the Fair Market Rent for Monmouth County as established by HUD or thirty percent (30%) of the monthly gross income of a Family whose income equals sixty-five percent (65%) (or such higher or lower percentage as may be established by HUD pursuant to applicable regulations under the HOME Program) of the median income for the Area, as determined by HUD, with adjustment for number of bedrooms in the unit using average occupancy per unit assumptions provided by HUD. In determining the maximum monthly rent that may be charged for a unit under this clause the Borrower shall subtract from the above amount a monthly allowance for any utilities and services (excluding telephone) to be paid by the Family. Further, Annual Income shall be determined pursuant to 24 CRF part 92.203

b. Borrower shall make the determination of whether a Family meets the income requirements set forth herein at the time of leasing of a HOME Unit and thereafter at least annually on the basis of the current income of such Family.

8. Initial Proposed Rents. Prior to initial occupancy of a HOME Unit and annually thereafter as part of the annual reports required under Section 9 below, Borrower shall submit to Lender a proposed schedule of monthly rents and monthly allowances for utilities and services for all HOME Units in the Project. The rent schedule shall include both the maximum rents applicable to units as described above as well as the actual rents to be charged to over-income Families or Individuals. Such schedule shall be subject to the approval of Lender for compliance with the requirements of this Affordable Housing Restriction.

9. Records and Reporting to Lender. Borrower shall maintain as part of its Project records copies of all leases of the HOME Units and all initial and annual income certifications by tenants of the HOME Units. Within 60 days after the end of each calendar year of occupancy of any portion of the Project, the Borrower shall provide to the Lender annual reports consisting of certifications regarding the annual and monthly gross and adjusted income of each Family occupying any of the HOME Units. With respect to Families or Individuals who move to the HOME Units in the prior year, the annual report shall also

include certifications regarding the annual and monthly gross and adjusted incomes of such Families at the time of the initial occupancy of a HOME Unit. The annual report shall be in a form approved by the Lender and shall contain such supporting documentation as the Lender shall reasonably require. In addition to the foregoing, Borrower shall keep such additional records and prepare and submit to lender such additional reports as Lender may deem necessary to ensure compliance with the requirements of this Affordable Housing Restriction and of the HOME Program.

10. Increases in Rental Amounts. Rents for the HOME Units shall not be increased without the Lender's prior written approval of either (a) a specific request by Borrower for a rent increase or (b) the next annual schedule of rents and allowances. Notwithstanding the foregoing, rent increases shall be subject to the provisions of outstanding leases and shall not be implemented without at least 30 days' prior written notice by Borrower to all affected tenants.

11. Prohibited Lease Provisions. The Borrower shall not include in any lease for a HOME Unit in the Project any of the following provisions:

a. Agreement by the tenant to be sued, to admit guilt or to a judgment in favor of the Borrower in a lawsuit brought in connection with the lease.

b. Agreement by the tenant that the Borrower may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the unit after the tenant has moved out of the unit. The Borrower may dispose of such personal property in accordance with New Jersey law.

c. Agreement by the tenant not to hold the Borrower or the Borrower's agents legally responsible for any action or failure to act, whether intentional or negligent.

d. Agreement of the tenant that the Borrower may institute a lawsuit without notice to the tenant.

e. Agreement by the tenant that the Borrower may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties.

f. Agreement by the tenant to waive any right to a trial by jury.

g. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease.

h. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the Borrower against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

12. HOME Unit Lease Terms and Lease Terminations. All leases for HOME Units in the Project shall be for terms of not less than one (1) year, unless by mutual agreement between the tenant and the Borrower, and shall require tenants to provide information

required for the Borrower to meet its reporting requirements hereunder. Borrower may not terminate the tenancy or refuse to renew the lease of an occupant of the Project except for (a) for serious or repeated violations of the terms and conditions of the lease; (b) violations of applicable federal, state or local law or (c) other good cause. Any termination or refusal to renew must be preceded by not less than 90 days by Borrower's service on the tenant of a written notice specifying the grounds for the action. Lender must be copied on any such notice for units relating to this restriction.

13. Transfer or Sale of Project Property. The Borrower may not sell, transfer or exchange all or any portion of the Project without the Lender's prior written consent. Any sale, transfer or change of title shall require either full payment of the outstanding obligation under the mortgage or such other requirements as the Lender may specify.

14. Demolition or Reduction of Project Property. The Borrower shall not demolish any part of the Project or substantially subtract from any real or personal property of the Project except in conjunction with renovation or rehabilitation of the Project or construction of a new project on the Premises, in either case subject to the prior written consent of the Lender, which consent may be granted or withheld in the Lender's reasonable judgment. The Borrower shall not permit the use of any residential unit for any purpose other than rental housing.

15. Destruction or Damage of Project Property. If the Project, or any part thereof, shall be damaged or destroyed, the Borrower shall use its best efforts to repair and restore the Project to substantially the same condition as existed prior to the event causing such damage or destruction, and the Borrower represents, warrants and agrees that the Project shall thereafter continue to operate in accordance with the terms of this Affordable Housing Restriction.

16. Use of Project Property. Any use of the HOME Units or activity thereon which is inconsistent with the express conditions or purpose of this Affordable Housing Restriction is expressly prohibited. Borrower shall carry out each activity provided for in this Affordable Housing Restriction in compliance with all applicable federal laws and regulations described in 24 CFR Part 92.251 (Property Standards), Part 92.252 (Qualifications as Affordable Housing: Rental Housing), Part 92.253 (Tenant and Participation Protections), Part 92.257 (Religious Organizations), Part 92.303 (Tenant Participation Plan), Part 92.350 (Equal Opportunity and Fair Housing), Part 92.351 (Affirmative Marketing), Part 92.352 (Environmental Review), Part 92.353 (Displacement, Relocation and Acquisition), Part 92.354 (Labor), Part 92.355 (Lead-based Paint), Part 92.356 (Conflict of Interest), Part 92.357 (Executive Order 12372). Lender and its duly authorized representatives shall have the right to enter the Premises at reasonable times and in a reasonable manner for the purpose of inspecting the Premises to determine compliance with this Affordable Housing Restriction.

17. Enforcement of Restrictions. Lender shall have the right to enforce this Affordable Housing Restriction by appropriate legal proceedings and to obtain injunctive and other equitable relief against any violations including, without limitation, relief requiring restoration of the Premises to its condition prior to any such violation, it being agreed that the Lender will have no adequate remedy at law, and shall be in addition to, and not in limitation of, any other rights and remedies available to the Lender. Borrower covenants and agrees to reimburse Lender all reasonable costs and expenses (including without

limitation reasonable counsel fees) incurred in enforcing this Affordable Housing Restriction or in taking reasonable measures to cure any violation hereof, provided that a violation of this Affordable Housing Restriction is acknowledged by Borrower or determined by a court of competent jurisdiction to have occurred. By its acceptance of this Affordable Housing Restriction, Lender does not undertake any liability or obligation relating to the condition of the Premises.

18. Notice of Restrictions. The Lender shall have the right to record or file any notices or instruments appropriate to assuring the enforceability of this Affordable Housing Restriction and the Borrower, on behalf of itself and its successors and assigns, appoints the Lender its attorney-in-fact to execute, acknowledge and deliver any such instruments on its behalf. Without limiting the foregoing, the Borrower and its successors and assigns agree to execute any such instruments upon request.

19. Conditional Relief from Restrictions. Notwithstanding anything herein to the contrary, but subject to the next succeeding paragraph, if the holder of record of a first mortgage granted to a state or national bank, state or federal savings and loan association, cooperative bank, mortgage company, trust company, insurance company or other institutional lender shall acquire the Property by reason of foreclosure or similar remedial action under the provisions of such mortgage or upon conveyance of the property in lieu of foreclosure, and provided that the holder of such mortgage (a) has given Lender not less than 60 days' prior written notice of its intention to foreclose upon its mortgage or to accept a conveyance of the Property in lieu of foreclosure and (b) agrees to recognize any contractual or legal rights of public agencies, non-profit sponsors, or others to take actions that would avoid termination of low-income affordability of the Project, then the rights and restrictions herein contained shall not apply to such holder upon such acquisition of the Property or to any purchaser of the Property from such holder, so long as the purchaser of the Property or holder of the Property repays from the proceeds of such sale 100% of the net proceeds after superior liens have been settled, if any, not to exceed the outstanding balance of the HOME loan, at such time such Property shall, subject to the next two succeeding sentences, thereafter be free from all such rights and restrictions.

20. No Relief from Restrictions on Certain Transfers. The rights and restrictions contained herein shall not lapse if any portion of the Project Property is acquired through foreclosure or deed in lieu of foreclosure by (a) Borrower, (b) any person with a direct or indirect financial interest in Borrower, (c) any person related to a person described in "b" by blood, adoption or marriage, (d) any person who is or at any time was a business partner of a person described in "b" and (e) any entity in which any of the foregoing have a direct or indirect financial interest (each a "Related Party"). Furthermore, if all or a portion of the Premises is acquired by a Related Party during the period in which this Affordable Housing Restriction would be in effect but for provisions providing for its termination, this Affordable Housing Restriction shall be revived and shall apply to the Property as though it had never lapsed.

21. In the event a person having the right to do so pursues a foreclosure or other proceeding enforcing its rights under a mortgage or other instrument and the Property is sold for a price in excess of the sum of the outstanding principal balances of all notes secured by mortgages of the Property plus all future advances, accrued interest and all reasonable costs and expenses which the holders thereof are entitled to recover pursuant to the terms of such mortgages, such excess proceeds shall be shared equitably with the

Lender in consideration of the loss of the value and benefit of the rights and restrictions herein contained and released by the Lender pursuant to this Section in connection with such proceeding. In the event that such excess shall be so paid to the Lender, the Lender shall thereafter indemnify such holder against loss or damage to such holder resulting from any claim made by the mortgagor of such mortgage to the extent that such claim is based upon payment of such excess by such holder to the Lender in accordance herewith, provided that such holder shall give the prompt notice of any such claim and shall not object to intervention by the Lender in any proceeding relating thereto. To the extent the Borrower possesses any interest in any amount which would otherwise be payable to the Lender under this paragraph, to the full extent permissible by law, the Borrower hereby assigns its interest in such amount to said holder for payment to the Lender.

22. Notices. Any notice, request or other communication which either party hereto may be required or may desire to give hereunder shall be made in writing, and shall be deemed to have been properly given if hand delivered or if mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Lender:
County of Monmouth
Office of Community Development
Monmouth County Division of Planning
1 East Main Street
Freehold, NJ 07728

If to Borrower:
Heritage Village at Oakhurst LLC
1970 Brunswick Ave, Suite 100
Lawrenceville, NJ 08648

With a copy to:

Wincopin Circle LLLP
c/o Enterprise Community Asset Management, Inc.
70 Corporate Center
11000 Broken Land Parkway, Suite 700
Columbia, Maryland 21044

or such other address as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice. A notice sent by first class mail shall be deemed given two days after mailing; a notice delivered by hand shall be deemed given upon receipt.

23. Effective Date. The Borrower and the Lender intend that the restrictions arising hereunder take effect on the effective date as written above. HOME Units (3) shall be considered to be qualified HOME units when the units have been rented to Qualified Tenants and the project data is completed in the HUD Integrated Disbursement and Information System (IDIS) and is given an IDIS status code of complete or "CP".

24. Lender shall have the right to assign its interest in this Affordable Housing Restriction.

25. This Affordable Housing Restriction may not be amended, nor may any obligation hereunder be waived or released, without first obtaining the written consent of the Lender.

26. If any provision of this Affordable Housing Restriction shall be declared to be invalid by a court of competent jurisdiction, the remainder shall not be affected.

Remainder of Page Intentionally Blank

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8

PREPARED BY/RECORD & RETURN TO:



Christopher M. Walrath, Esq.
GluckWalrath LLP
11 Wharf Avenue, Suite 4
Red Bank, New Jersey 07701
CStonebridge Title

RIF



THIS MORTGAGE AND THE RIGHTS OF THE LENDER HEREUNDER ARE SUBJECT AND SUBORDINATE TO CERTAIN MORTGAGES AND RIGHTS OF OTHERS AS IS SET FORTH HEREIN WHETHER EXISTING OR HEREAFTER GRANTED.

MORTGAGE

This mortgage is entered into on April 27, 2015, between the Borrower, **HERITAGE VILLAGE AT OAKHURST LLC**, a New Jersey limited liability company (the "Borrower"), whose address is 1970 Brunswick Avenue, Suite 100, Lawrenceville, New Jersey 08648; and the Lender, **TOWNSHIP OF OCEAN**, (the "Lender"), whose address is 399 Monmouth Road, Oakhurst, New Jersey 07755-1589.

If more than one Borrower signs this Mortgage, the word "Borrower" shall mean each Borrower named above. The word "Lender" means the original Lender and anyone else who takes this Mortgage by transfer. The term "Loan Documents" means, collectively, this Mortgage and the Note.

1. **Mortgage Note.** Borrower agrees to pay Three Hundred Thousand Dollars (\$300,000.00), or so much thereof as shall have been advanced to Borrower (called "Principal") plus interest in accordance with the terms of a Mortgage Note between the parties dated April 27, 2015 (referred as the "Note"). To the extent that interest and principal are not covered by Cash Flow (as defined in the First Amended and Restated Operating Agreement of the Borrower dated April 27, 2015) payments, the payment of principal and interest will be deferred until the end of this Mortgage term on April 27, 2045. All terms of the Note are made part of this Mortgage.

2. **Property Mortgaged.** The property mortgaged to the Lender (called the "Property") is described in Schedule "A" annexed hereto. The Property includes: (a) the land; (b) all buildings that are now, or will be, located on the land; (c) all fixtures that are now, or will be, attached to the land or building(s); (d) all condemnation awards and insurance proceeds relating to the land and building(s); and (e) all other rights that Borrower has, or will have, as owner of the Property.

3. **Rights Given to Lender; Subordination.** Borrower mortgages the Property to the Lender. Notwithstanding anything to the contrary in this Mortgage or the Note, this Mortgage, and all rights of Lender herein, are expressly subordinate to the liens, covenants and conditions

of the following mortgages encumbering or to be encumbering Borrower's interest in the Property: (a) made by Borrower to the New Jersey Housing Mortgage and Finance Agency (the "NJHMFA") of even date herewith in the principal amount of \$11,351,624 (the "Construction/Permanent Mortgage"), (b) made by Borrower to the Agency of even date herewith in the principal amount of \$11,020,000 (the "CDBG Mortgage"), (c) made by Borrower to the Agency of even date herewith in the principal amount of \$500,000 ("Special Needs Mortgage"); (d) to be made by Borrower to other such lenders, agencies or other funding sources as may be later identified by the Borrower in its sole discretion and collectively with the Construction/Permanent Mortgage, the CDBG Mortgage and the Special Needs Mortgage (the "Superior Mortgages") and to any modifications, extensions, renewals or substitutions for any of the Superior Mortgages provided the foregoing shall be limited to securing an aggregate outstanding stated principal balance of \$25,000,000, together with interest, costs, fees and advances as therein provided from time to time. The Lender further subordinates its mortgage to the payment of Deferred Developer Fee.

To the extent that any Superior Mortgages do not close prior to this Mortgage, Lender shall permit Borrower or its agents, affiliates, and/or assigns to advance funds for the benefit of the Property, which shall be considered a Superior Mortgage to this Mortgage.

To the extent further documentation is necessary or required to reflect such subordination the Lender shall execute the same in a timely fashion.

Notwithstanding anything to the contrary contained herein, for as long as any of the Superior Mortgages are outstanding, Lender will not (i) commence foreclosure proceedings with respect to the Property under the Note and the Mortgage and the other loan documents, including, but not limited to accelerating sums due under the Note, collecting rents, appointing (or seeking the appointment of) a receiver or exercising any other rights or remedies thereunder, (ii) join with any other creditor in commencing any bankruptcy reorganization arrangement, insolvency or liquidation proceedings with respect to Borrower, (iii) otherwise exercise any other rights or remedies under or in respect of this Mortgage or the Note secured hereby (whether relating to a default or an event of default thereunder) or (iv) modify the terms hereof, without the prior written consent of the holders of the Superior Mortgages, which may be withheld in their sole and absolute discretion. The Lender agrees to give the Borrower and Wincopin Circle LLLP (the "Tax Credit Investor") prompt written notice of any default of the Borrower under this Mortgage and shall permit the Tax Credit Investor, as well as the Borrower, the opportunity to cure all defaults.

4. **Promises.** Borrower makes the following promises to Lender:

a. **Note and Mortgage.** Borrower shall comply with all of the terms of the Note and this Mortgage.

b. **Payments.** Borrower will make all payments required by the Note and this Mortgage.

c. **Ownership.** Borrower warrants title to the Property and will defend its ownership against all claims.

d. **Liens and Taxes.** Borrower will pay all liens, taxes, assessments and other government charges made against the Property when due.

e. **Insurance.** Borrower shall maintain insurance coverage as may be reasonably required by the Lender. Lender shall not impose any insurance requirements as long as the Superior Mortgages are outstanding.

f. **Repairs.** Borrower will keep the Property in good repair, neither damaging nor abandoning it. Borrower will allow Lender to inspect the Property upon reasonable notice to Borrower.

g. **Statement of Amount Due.** Upon request of the Lender, Borrower will certify to the Lender in writing: (a) the amount due on the Note and this Mortgage; and (b) whether or not Borrower has any defense to Lender's obligations under the Note and this Mortgage.

h. **Rent.** Borrower will not accept rent from any tenant for more than one month in advance.

i. **Lawful Use.** Borrower will use the Property in compliance with all laws, ordinances and other requirements of any governmental authority.

5. **Eminent Domain.** All or part of the Property may be taken by a government entity for public use. If this occurs, Borrower agrees that, subject to the Superior Mortgages, any compensation be given to the Lender. The Lender may use this to repair and restore the Property or to reduce the amount owed on the Note and this Mortgage. This will not delay the due date for any further payment under the Note and this Mortgage. Any remaining balance will be paid to Borrower.

6. **Payments Made for Borrower.** If Borrower does not make all of the repairs or payments agreed to in this Mortgage, the Lender may do so for Borrower. The costs of these repairs and payments will be added to the Principal, will bear interest at the same rate as provided in the Note and will be repaid to the Lender upon demand.

7. **Notices.** All notices under this Mortgage shall be deemed given upon personal delivery (including by overnight delivery service) two (2) days after posting by United States certified mail with return receipt requested; or three (3) days after posting by United States first class mail. All notices shall be given in writing, postage prepaid, and properly addressed to the party receiving notice at the addresses set forth herein (or such other address as may be provided by notice hereunder to the other party).

A copy of all notices hereunder shall be sent to the Borrower and the Lender at the addresses set forth above and to each of the following parties:

GluckWalrath LLP
11 Wharf Avenue, Suite 4
Red Bank, New Jersey 07701
Attention: Chris Walrath, Esq.

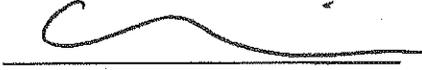
New Jersey Housing and
Mortgage Finance Agency
637 South Clinton Avenue
Trenton, New Jersey 08650
Attention: Executive Director

Wincopin Circle LLLP
c/o Enterprise Community Asset Management, Inc.
70 Corporate Center
11000 Broken Land Parkway, Suite 700
Columbia, Maryland 21044

8. **Nonrecourse Liability.** No member of the Borrower, including a managing member, shall be held personally liable hereunder and, in the event of default, Lender's sole recourse shall be limited to the Property.
9. **No Waiver by Lender.** Lender may exercise any right under this Mortgage or under any law, even if Lender has delayed in exercising that right or has agreed in an earlier instances not to exercise that right. Lender does not waive its right to declare that Borrower is in default by making payments or incurring expenses on Borrower's behalf.
10. **Miscellaneous.** This Mortgage is binding upon the Borrower, its assigns, legal representatives, personal representatives, and/or successors. This Mortgage may be assigned by the Lender by providing thirty (30) days prior written notice to the Borrower. This Mortgage shall be governed and construed in accordance with the laws of the State of New Jersey. If any provision of this Mortgage shall be invalid, illegal, or unenforceable to any extent, the remainder of the Mortgage shall not be affected. The remedies granted to the Lender herein are cumulative, and Lender may realize upon any other security or exercise any other remedies available to it without waiver of any other rights. This instrument is severable, such that the invalidity or unenforceability of any provision hereof shall not affect the validity or enforceability of the remaining provisions. Whenever used herein, singular, plural, neutral, masculine or feminine terms shall have the meaning required by its context. By the signature of its duly authorized officer below, Borrower acknowledges its receipt of a conformed copy of this instrument without charge.

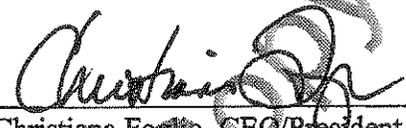
IN WITNESS WHEREOF, the undersigned duly authorized officer of the Borrower has set his/her hand on the date first above mentioned.

Witnessed by:



BORROWER
HERITAGE VILLAGE AT OAKHURST LLC

By: CIS Oakhurst LLC
Its Managing Member
By: Community Investment Strategies, Inc.
Its Managing Member

By: 
Christiana Foglio, CEO/President

CHRISTINE GIORDANO HANLON
ACTING COUNTY CLERK
MONMOUTH COUNTY, NJ

INSTRUMENT NUMBER
2015040936
RECORDED ON
May 11, 2015
10:49:45 AM
BOOK:OR-9112
PAGE:3286
Total Pages: 8

COUNTY RECORDING FEES \$100.00
TOTAL PAID \$100.00

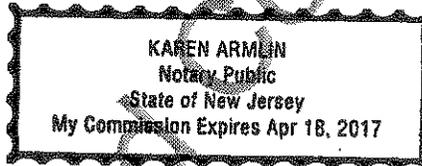
Not Certified COPY

Acknowledgment

State of New Jersey)
County of Mercer) ss:

Christiana Foglio personally came before me and stated to my satisfaction that she: (a) was the maker of the attached instrument; (b) was authorized to and did execute this instrument as President of Community Investment Strategies, Inc., the Managing Member of CIS Oakhurst LLC, the Managing Member of Heritage Village at Oakhurst LLC, the entity named in this instrument; and (c) executed this instrument as the act of the entity named in this instrument.

Karen Armin



Not Certified Copy

Stewart Title Guaranty Company

SCHEDULE A LEGAL DESCRIPTION

Policy No.:

File No.: 14-27698

ALL that certain lot, piece or parcel of land, situate, lying and being in the Township of Ocean, in the County of Monmouth, State of New Jersey;

All that certain lot, tract or parcel of land situate, lying and being in the Township of Ocean in the County of Monmouth and the State of New Jersey, and being all of a Block 3 Lot 16.03 & 16.04 said lots as shown on a certain map entitled "ALTA/ACSM Land Title Survey for Block 3 Lots 16.03 & 16.04, Twp. of Ocean, Monmouth County, New Jersey" prepared by Maser Consulting, dated August 12, 2014, said lots also as shown on the Official Tax Map of the Township of Ocean and being more particularly bounded and described as follows, to wit:

BEGINNING at a point in the existing northerly line of Lot 16.01 Block 3, said point the following bearing and distance from the point of intersection formed by the existing northerly line of West Park Avenue, (Variable Width R.O.W.) with existing easterly line of Lot 16.01 Block 3, said adjoining lots as shown on the aforesaid map and plan,

A) North seven degrees three minutes thirty seconds West (N 07° 03' 30" W), one hundred ninety-five and twenty-five hundredths feet (195.25'), along the aforesaid existing easterly line of Lot 16.01 Block 3, to a point in the same, to a point in the existing northerly line of same, thence -

And from said point running, thence,

1. South eighty-two degrees fifty-six minutes thirty seconds West (S 82° 56' 30" W), eighty-one and sixty-seven hundredths feet (81.67') along the aforesaid existing northerly line of Lot 16.01 Block 3, to an angle point in the same, thence-
2. South sixty-two degrees zero minutes fifty-seven seconds West (S 62° 00' 57" W), one hundred sixty-one and twenty-six hundredths feet (161.26'), still along the aforesaid existing northerly line of Lot 16.01 Block 3, to a point in an existing westerly line of same, thence -
3. South nineteen degrees thirty-nine minutes forty-five seconds East (S 19° 39' 45" E), eight and ninety hundredths feet (8.90'), along an existing westerly line of Lot 16.01 Block 3, to a point in the northerly line of same, thence-
4. South fifty-two degrees thirty-seven minutes thirty-two seconds West (S 52° 37' 32" W), thirty-nine and three hundredths feet (39.03'), along the aforesaid existing northerly line of Lot 16.01 Block 3 to a point in the existing easterly line of Lot 16.02 Block 3, said adjoining lot as shown on the aforesaid map and plan, thence -
5. North thirty-seven degrees twenty-two minutes twenty-eight seconds West (N 37° 22' 28" W), forty-eight and thirty-five hundredths feet (48.35'), along the aforesaid easterly line of Lot 16.02 Block 3, to a point in the existing northerly line of same, thence-
6. North eighty-six degrees nine minutes thirty-seven seconds West (N 86° 09' 37" W), seventy-eight and sixty-six hundredths feet (78.66'), along the aforesaid existing northerly line of Lot 16.02 Block 3 to an angle point in the same, thence -

Continued...

Stewart Title Guaranty Company

7. South seventy-two degrees forty-seven minutes fifty-seven seconds West (S 72° 47' 57" W), seventy-one and two hundredths feet (71.02'), still along the aforesaid existing northerly line of Lot 16.02 Block 3 to a point in the existing easterly line of Lot 14 Block 3, said adjoining lots as shown on the aforesaid map and plan, thence-
8. North five degrees forty-four minutes thirty-seven seconds East (N 05° 44' 37" E), eighty-seven and fifty-one hundredths feet (87.51'), along the aforesaid existing easterly line of Lot 14 Block 3 and beyond, along the existing easterly line of Lot 13 Block 3, to a point in the existing southerly line of Lot 12.01 Block 3, said adjoining lots as shown on the aforesaid map and plan, thence -
9. South eighty-four degrees fifteen minutes twenty-three seconds East (S 84° 15' 23" E), forty and fifty-eight hundredths feet (40.58'), along the aforesaid southerly line of Lot 12.01 Block 3, to a point in the existing easterly line of same, thence-
10. North five degrees forty-four minutes thirty-seven seconds East (N 05° 44' 37" E), one hundred eighteen and forty-six hundredths feet (118.46'), along the aforesaid existing easterly line of Lot 12.01 Block 3, to a point of non-tangent curvature in the existing northerly line of same, thence -
11. Northwesterly, on a curve having a radius of 80.00', and curving to the left an arc length of 30.74' (central angle 22° 00' 55"), with a chord bearing of North seventy-three degrees seven minutes five seconds West (N 73° 07' 05" W), and a chord distance of thirty and fifty-five hundredths feet (30.55'), along the northerly line of Lot 12.01 Block 3, to a point of tangency in the same, thence -
12. North eighty-four degrees fifteen minutes twenty-three seconds West (N 84° 15' 23" W), ten and twenty-three hundredths feet (10.23'), along the aforesaid existing northerly line of Lot 12.01 Block 3, to a point in the existing easterly line of same, thence-
13. North five degrees forty-four minutes thirty-seven seconds East (N 05° 44' 37" E), seven hundred sixteen and eighty-three hundredths feet (716.83'), along the existing easterly line of Lots 12.01, 11 & 7.01 Block 3, to a point in the same, said adjoining lots as shown on the aforesaid map and plan, thence -
14. South eighty-three degrees thirty-six minutes nine seconds East (S 83° 36' 09" E), two hundred thirty-six and thirty hundredths feet (236.30'), along the existing southerly line of Lot 4 Block 3, to a point in the existing westerly line of same, said adjoining lot as shown on the aforesaid map and plan, thence -
15. South seven degrees three minutes thirty seconds East (S 07° 03' 30" E), eight hundred eight and seventy-five hundredths feet (808.75'), along the aforesaid existing westerly line of Lot 4 Block 3, to a point in the same, the Point and Place of BEGINNING.

The foregoing description was prepared by the undersigned Land Surveyor for the firm of Maser Consulting P.A., and is based upon a certain plan entitled "ALTA/ACSM Land Title Survey for Block 3 Lots 16.03 & 16.04, Twp. Of Ocean, Monmouth County, New Jersey" prepared by Maser Consulting, dated 3/10/2015 revised 3/23/2015.

SUBJECT TO: 15' wide NJ Bell and JCP&L easement as contained in Deed Book 4310 Page 270.

ALSO SUBJECT TO: 20 foot wide storm drainage easement to the Township of Ocean as well as a 12' wide storm sewer easement as shown on a certain map entitled "Township of Ocean, Major Subdivision Located at Lots 12 & 16 Block 3, Township of Ocean, Monmouth County, New Jersey", said Map being duly filed in the Monmouth County Clerk's Office on March 21, 2012 as Case Number 311, Sheet 1.

FOR INFORMATION PURPOSES ONLY: BEING known as 777 West Park Ave, Tax Lot 16.03 and 16.04, Tax Block 3 on the Official Tax Map of Township of Ocean, NJ.

AFFORDABLE HOUSING DEVELOPMENT AGREEMENT

AGREEMENT, made this 23rd day of May 2013, between Community Investment Strategies, Inc., its successors and assigns hereinafter referred to as ("CIS"); Ocean Senior Citizens Housing Corporation, hereinafter referred to as ("Poplar") and The Township of Ocean, hereinafter referred to as (the "Township").

WHEREAS, as CIS is an affordable housing developer that has a reputation for developing, owning and managing affordable housing projects in the State of New Jersey; and

WHEREAS, Poplar is currently the owner and operator of a 93 unit active adult community in the Township of Ocean, Monmouth County, New Jersey, known as "Poplar Village"; and

WHEREAS, Poplar is presently less than 50% occupied due to substantial damage caused by flooding and Poplar therefore desires to relocate and construct a new community for its resident that is not located in an area prone to flooding; and

WHEREAS, the Township is currently the owner of a certain \pm 6.85 acre parcel of land identified on the Township Tax Maps of Ocean Township as Block 3; Lot 16.03 and 16.04 also known as 777 West Park Avenue (the "Property"); and

WHEREAS, the Township has an obligation under the Fair Housing Act to create a realistic opportunity for the provision of low and moderate income housing; and

WHEREAS, Poplar Village and CIS desire to construct an age-restricted, affordable rental community consisting of approximately 93 units in a building not to exceed four (4) stories on the Property as previously defined (the "Project"); and

WHEREAS, since CIS, Poplar and the Township (the "Parties") each possess certain necessary skills and resources, it is in the mutual interest of the parties to jointly participate in implementing the Project and to define their respective responsibilities with respect to the construction and development of the Project;

NOW THEREFORE, IT IS AGREED AS FOLLOWS:

1. PURPOSE. The purpose of this Agreement shall be to define the responsibilities of each of the parties hereto with respect to the construction and development of the Project. The Project shall consist of approximately 93 units in a building not to exceed four (4) stories on the Property as previously defined which is adjacent to West Park Avenue in the Township of Ocean. Any obligations relating to the management and operation of the Project after its Completion (as hereinafter defined), such as preparation of annual investor reports, communications, and tax forms, certifications as the Administrative Agent to the Township's housing liaison and to the

Department of Community Affairs ("DCA") shall be the responsibility of CIS, as the ("housing sponsor").

2. AFFORDABLE HOUSING REQUIREMENTS

a. CIS will provide 93 total units, inclusive of 92 affordable age-restricted rental units and one on-site manager. At a minimum, there shall be a set aside for ten (10) units that are affordable to very low income households at or below thirty (30%) of AMI.

b. If CIS secures rental assistance contracts and/or Rental Assistance Demonstration (RAD) funding and/or proceeds from the Section 236 Program for some or all of the 92 affordable units, CIS will deed restrict the number of units for which it receives rental assistance as low income units, up the full number of units in the project. Low income is defined as units affordable to low income households who earn 50 percent of median income or less, as defined for the Township's housing region. CIS agrees to apply for renewal of RAD funding or other subsidies throughout the initial thirty (30) year affordability control period. Any funding received will not offset the ten (10%) set aside as defined in paragraph 2(a).

c. Regardless of whether CIS secures rental assistance contracts and/or Rental Assistance Demonstration (RAD) funding and/or proceeds from the Section 236 Program, the following provisions shall apply:

1. Length of Affordability Controls – All Project affordable housing units shall be subject to a Thirty (30) year Deed Restriction. In the event that the Project affordability controls are not renewed for any reason the Township shall have an option to purchase the Project subject to the terms of a right of first refusal.

2. CIS shall take all necessary steps to provide 92 creditworthy units and to maintain the creditworthiness of the units for at least 30 years under applicable law.

3. If there are special needs units, CIS shall select the provider and any subsequent provider for the special need units, subject to the Township's consent, which consent the Township may not unreasonably withhold.

4. Housing units shall be restricted under the Housing for Older Persons Act 1995 24 CFR Part 100 where at least eighty percent (80%) of the occupied units are occupied by at least one person who is fifty-five (55) years or older. To the extent permitted by law, there shall be no individuals residing in the units under 19 years old.

3. SOURCES OF FINANCING.

a. Sources of financing are expected to include equity investment by investors through the syndication (the "Project Syndication") of low-income housing tax credits (LIHTC) to be allocated by the New Jersey Housing and Mortgage Finance Agency (the "Agency"); and

possible additional funding through Housing and Urban Development Agency ("HUD") and Community Development Block Grant Disaster Recover funds ("CDBG"). The Project may also receive loans or subsidies from public entities, including the State of New Jersey, the County of Monmouth, if available, as well as capital contributions from Poplar. The Township shall also contribute as set forth in paragraph 4. Each unit that receives a HAP contract or RAD subsidy will be designated as a low income unit as defined in this Agreement.

b. The currently anticipated Project financial structure is attached as Exhibit A. Some of these sources of funds may be contributed or loaned to the Project through a non-profit company, which if done will be identified by CIS ("Non-Profit Participation"). Upon Project Syndication, CIS or a related entity will remain the managing member/general partner of the Owner Entity (as hereinafter defined).

4. MUNICIPAL CONTRIBUTION

a. In addition to the other Township obligations set forth herein, in order to ensure the economic feasibility of the Project, the Township shall provide a municipal subsidy to CIS for the benefit of the Project of five (5%) of the total Project cost which is anticipated to be \$22,000,000.00. (i.e. total Township contribution of \$1,100,000.00). The Township's contribution will be the contribution of the Property to Poplar for the benefit of the Project. The Township's contribution shall be limited to the contribution of the Property to Poplar for the benefit of the Project.

5. APPLICATION FOR FUNDING.

a. CIS shall be responsible for preparing the application for LIHTC and Syndication of the Project and making application to the Agency for funding on behalf of the Project. It is understood that in order to receive the most advantageous financing, the Project will compete for 9% tax credits. The Township and Poplar acknowledge that the process to obtain 9% tax credits is highly competitive, and should the Project not be awarded credits in the upcoming round, the Township and Poplar will assist in improving the application for 9% credits for a subsequent round, or cooperate in restructuring the Project as a 4% LIHTC transaction, which shall not require additional Township contribution.

b. CIS shall fund costs associated with securing approvals and filing and prosecuting the LIHTC applications, which the Parties acknowledge as a significant expense. As such CIS shall retain the exclusive right to pursue the development of the Project for up to three (3) years from the date of the execution of this Agreement. In the event CIS does not obtain a financing commitment for the Project within the three (3) year window, the Township and Poplar may assign the development rights of the Project to another developer.

c. CIS shall prepare applications for grants and loans, and other financing as available. Certain grants and loans may require participation by a non-profit entity which shall be selected and

arranged for by CIS. CIS will arrange for and prepare any agreements necessary to reflect any Non-Profit Participation. Certain applications for grants and loans, and other financing as available may require participation by a municipality. The Township will cooperate with CIS in this participation. The parties acknowledge that the preparation and execution of the aforementioned loan and grant applications require significant expenditure by CIS.

d. As part of the application of funding in the event that CIS does not secure funding in the application cycle expiring on May 31, 2013, the Township agrees at its sole cost and expense, to the extent permitted by law, to designate the Property as an Area in Need of Redevelopment. See N.J.S.A. 40A:12A-1, et. seq.

6. PILOT. The Township shall grant the Project a Payment in Lieu of Tax Agreement ("PILOT") under the Agency statute reflecting a PILOT payment at a rate no greater than 6.28% pursuant to the statutory definition of gross rents.

7. LAND USE APPROVALS. CIS shall obtain from the appropriate governmental authority, application fee, all permits, approvals, licenses, certificates and other authorizations necessary to develop the Project (the "Approvals"). The Township shall promptly, upon request of CIS, reasonably assist and cooperate with the CIS in securing the Approvals, which cooperation and assistance shall include:

(i) The Township will contribute the Township-controlled Inspection Fee, Building Permit Fees and Recreation Fee. Specifically, the contribution of said fees is limited to the cost of Township's "in-house personnel" and municipal permit fees. Any fees or costs associated with inspections, reviews undertaken or permits by outside professionals, consultants, or contractors to the Township will be paid by the Developer in accordance with applicable Township regulations.

(ii) The Township does not control the sewer and water service in the municipality, but has made inquiry of New Jersey American Water and the Township of Ocean Sewerage Authority. The responses of these entities are attached hereto as Exhibit B. The Township bears no financial responsibility for providing sewer and water service to the Property.

(iii) As part of future applications for funding following the May 2013 deadline, the Township shall take all necessary action to facilitate an amendment to existing zoning to permit the construction of the Project which shall consist of a four (4) story residential structure containing up to 93 residential units.

8. CONSTRUCTION OF THE PROJECT

a. CIS will prepare a General Construction Agreement (the "Construction Agreement") for CIS Construction, LLC, a related entity, or other contractor chosen solely by CIS as the General Contractor for the Project between CIS and Poplar with no impact to the Township. Parties agrees that the Construction Agreement shall be based upon the standard CIS construction agreement, and agrees that the Construction Agreement will be structured as a Lump Sum/Stipulated Sum Fee Agreement with values, terms and conditions determined by CIS. CIS will provide Construction oversight, supervision, and management and a guarantee to the investor of construction completion.

b. CIS will oversee the preparation of construction documents (civil engineering, architectural construction drawings and project specifications, etc.) (the "Construction Documents"). It is understood by each of the parties that the Construction Documents must meet minimum requirements of investors and lenders and therefore are subject to their approval.

CIS will also provide these additional services to the Project:

Administrative Agent for the Project.

Management during initial rent-up and stabilized occupancy.

Preparation of financial projections.

Preparation of annual investor reports, communications, and tax forms.

Upon Completion, the Project will be managed by CIS Management Inc.

c. CIS shall prepare a Development Services Agreement for the Project. The Development Services Agreement shall include a developer fee to CIS equivalent to up to 15 percent of the total development cost of the Project for all development services through including construction and operations including coordination of syndication, legal, and organizational. The fee shall be earned in accordance with the Agency rules and the LIHTC syndication agreement. This Development Services Agreement also includes the selection of professionals and the supervision of preparation of architectural, site engineering and land development plans.

9. PROPERTY TRANSFER.

(a) Representations. Township makes the following representations regarding the Property to the best of its knowledge:

- (i) The Township is the owner of the Property and has good and marketable title for the purposes of the transferring the property for completion of the Project as contemplated.
- (ii) There are no liens or judgments against the Property.
- (iii) There are no environmental conditions with the exception of existing wetlands on the Property that would impact the development of the Project.

- (iv) There is access to the Property from valid and existing roadways for completion of the Project.

In the event that any of the above-referenced representations are not true, CIS reserves the right to cancel this Agreement without penalty. CIS shall not have an affirmative obligation to clear title to the Property or conduct environmental remediation for any actions caused prior to its ownership of the Project. This section shall survive closing of title.

(b) Closing Deliveries. At the closing of title, the Township shall provide the following deliveries:

- (i) Bargain and Sale Deed with covenants against grantor's acts in a form sufficient to satisfy the Project's title company and funding sources.
- (ii) An Affidavit of Title in a form sufficient to satisfy the Project's title company and funding sources.
- (iii) Such other documents as may be reasonably requested by the Project's title insurance company and funding sources to convey title to the Property;

(c) Due Diligence. CIS and Poplar shall have up to ninety (90) days to conduct due diligence on the Property. In the event that CIS determines that the Property is not suitable for development for any reason, CIS shall have the un-restricted right to terminate this Agreement without penalty and costs to the other parties.

(d) Easements. Upon request, the Township shall grant easements across adjoining municipally owned property for construction, access and utilities and assist CIS in obtaining any necessary easements from adjoining property owners for the benefit of the Project.

(e) Property Records. The Township shall provide all reports or documentation in the Township's possession relating to the Property within seven (7) days of the execution of this Agreement.

10. POPLAR CONTRIBUTION. Poplar agrees to accept the Property from the Township which it further agrees to contribute to the Project. Further, Poplar and CIS acknowledge that Poplar has existing subsidies under the Section 236, Rent Supplement, and Section 8 programs that may possibly be used to benefit the (new) project. Poplar agrees to cooperate with CIS in working with the US Department of Housing and Urban Development in transferring any rental assistance contracts and/or securing Rental Assistance Demonstration (RAD) funding for the proposed project and/or proceeds from the Section 236 Program. For any and all units that receive federal rental assistance such as RAD, rents at these units should be set at low income (below 50% of AMI median income). To the extent Poplar wishes to rehabilitate

units it already owns on the original Poplar site, CIS commits to assist Poplar in identifying and accessing such subsidies. In recognition of these contributions, Poplar shall become a limited member in the owner entity. Poplar agrees to participate in and assist in all applications for funding and development of the Project at its sole cost and expense. Furthermore, in the event that the Property appraises for more than five (5%) of the Project, Poplar agrees to reimburse the Township the value of the difference.

11. FORMATION OF LIMITED LIABILITY COMPANY. The parties anticipate that a Limited Liability Company (the "Owner Entity") shall be formed under the laws of the State of New Jersey to assume the obligations of CIS and be the owner of the Project. CIS shall include Poplar in the Owner Entity as a limited member in exchange for Poplar fully performing its obligations set forth herein. Anything prepared in the name of CIS for the Project can be assigned and/or transferred by CIS without further consent of the Parties. Transfer and/or assignment of any of CIS's rights or obligations pursuant to this Agreement is approved and shall not require the consent of the Parties.

12. BOOKS AND RECORDS. The books and records of the Project shall be maintained by CIS. CIS shall make its records available, upon request, for purposes of evaluation of compliance with the terms and conditions of the Agreement.

13. NO ASSIGNMENT. Except as stated above, no party may assign this Agreement without the consent of the other. Consent shall not be unreasonably withheld.

13. TERM OF AGREEMENT. CIS shall have three (3) years from the date of signing the Final Agreement to secure financing for the Project.

14. MANAGEMENT OF THE PROJECT. Upon completion, the Project shall be managed by CIS Management. CIS agrees that all affordable rental units within the Project shall be rented and managed in accordance with Agency's rules pursuant to the LIHTC program, and that CIS will be responsible for the income qualification of all residents and potential residents of the project and for providing the municipality, or its agent, with any required documentation to complete monitoring and reporting forms, as required by Agency and DCA. Notwithstanding anything to the contrary herein, if CIS is found in default of its obligations as administrative agent, after an opportunity to cure the default, the Township shall have the right, subject to HMFA approval, to select another administrator; and shall have any and all remedies available at law or in equity.

15. DEFAULT AND REMEDIES. In the event that any party to this Agreement shall fail to perform any undertaking required to be performed by it pursuant to the terms of this Agreement, unless such obligation is waived in writing by the party or parties for whose benefit such obligation was intended, such failure to perform shall constitute an event of default under this Agreement. In the event of default, the non-defaulting party shall have available any and all

rights and remedies that may be provided in law or in equity, including, but not limited to the right of specific performance and/or the right to bring a motion in aid of litigant's rights. Prior to such proceedings, there shall be an opportunity to cure said alleged default as follows: (i) the benefited party shall notify the defaulting party of such alleged default specifying the nature of the default, (ii) the defaulting party shall thereafter have ten (10) business days to effect a cure; (iii) the benefited party shall promptly notify the defaulting party of its acceptance of the proposed cure, or its alternative election to seek judicial remedies.

16. MISCELLANEOUS.

(a) Notice. All notices required under this Agreement shall be in writing and shall be given by certified mail, return receipt requested, or by recognized overnight personal carriers with certified proof of receipt, and by duplicate facsimile transmission if under 25 pages. All notices shall be deemed received upon the date of delivery which is set forth in the mailing certifications by the mail or delivery services used, and all times for performance based upon such notices, shall be from the date set forth in such proof of delivery. The persons and entities to receive notice shall be as follows:

To CIS: COMMUNITY INVESTMENT STRATEGIES, INC.
1970 Brunswick Avenue, Suite 100
Lawrenceville, NJ 08648
Attention: Christiana Foglio, CEO
Telecopier No. (609-298-2229)

With a copy to: Michael P. Supko, Jr., Esq.
Archer & Greiner, PC
830 Broad Street, Suite B
Shrewsbury, New Jersey 07702
Telecopier No. (732-741-9944)

To the Township: TOWNSHIP OF OCEAN
Andrew Brannen, Township Manager

With a copy to: Martin J. Arbus, Esq.
Township Attorney

To Poplar: OCEAN SENIOR CITIZENS HOUSING CORP.
67 Skinner Drive
Oakhurst, New Jersey 07712
Attn: Raymond Ross

With a copy to: Charles P. Stone, Esq.
3536 Route 66
Neptune, New Jersey 07755

Should any of the above entities have a successor, notice shall be sufficient only if the successor has notice as specified herein provided that notice has been provided of said successor..

(b) Captions. Captions and titles to this Agreement are inserted for the purposes of convenience and reference only, and are in no way to be construed as limiting or modifying the scope and intent of the various purposes and provisions of this Agreement.

(c) Cooperation. The parties expressly agree to cooperate with each other in order to effectuate and carry out the purposes of this Agreement in addition to the Mount Laurel II doctrine, the Fair Housing Act, and COAH's and Agency's Rules. CIS further agrees to participate in any proceedings before the Superior Court, COAH, or the HMFA that may be necessary to accomplish the purpose of this Agreement.

(d) Waiver. Each of the parties waives all rights to challenge the validity and enforceability of this Agreement. Failure to enforce provisions or obligations in this Agreement by any party shall not be construed as a waiver of these provisions and obligations.

(e) Entire Agreement. This Agreement and its prefatory statements and recitals constitute the entire agreement between the parties. No representative, agent or employee of any party has been authorized to make any representation and/or promises that are not contained herein or to otherwise modify, amend, vary or alter the terms hereof except as stated herein. No modifications, amendments, variations or alternations shall be binding unless reduced to writing and signed by the parties.

(f) Counterparts. This Agreement may be executed simultaneously or in one or more counterparts, each of which, when so executed and delivered, shall constitute an original, fully enforceable counterpart for all purposes. Facsimile counterparts shall be accepted and enforceable. Immediately upon the delivery of a facsimile counterpart, the sending party shall deliver a counterpart with the original execution page.

(g) Ambiguities. Each party and its counsel have participated fully in the review and revision of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement. The language in this Agreement shall be interpreted as to its fair meaning and not strictly for or against any party.

REMAINDER OF PAGE INTENTIONALLY BLANK

Witness:

[Handwritten Signature]

Community Investment Strategies, Inc

[Handwritten Signature] 5/23/2013
Christiana Foglio, CEO date

Ocean Senior Citizens Housing Corporation

Witness:

_____ date
Raymond Ross, President

Township of Ocean, Monmouth County, NJ

[Handwritten Signature]

Witness

Vincent Buttiglieri, RMC/MMC
Township Clerk

[Handwritten Signature]
William Larkin, Mayor

Witness:

Witness:

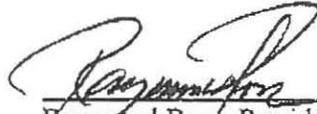
CHARLES P. STONE

Witness

Community Investment Strategies, Inc

Christiana Foglio, CEO date

Ocean Senior Citizens Housing Corporation

 5/2/2013
Raymond Ross, President date

Township of Ocean, Monmouth County, NJ

William Larkin, Mayor

#2

14-089
FILE

RESOLUTION

FIRST AMENDMENT TO THE AFFORDABLE HOUSING DEVELOPMENT AGREEMENT BETWEEN THE TOWNSHIP OF OCEAN, COMMUNITY INVESTMENT STRATEGIES, INC. AND OCEAN SENIOR CITIZENS HOUSING CORPORATION

WHEREAS, on May 2, 2013 the parties named above executed an Affordable Housing Development Agreement (the "Agreement") that stipulated the terms under which the property located at Block 3, Lots 16.03 and 16.04 would be developed as affordable senior housing (the "Project");

WHEREAS, Heritage Village at Oakhurst, LLC, an entity formed between Community Investment Strategies ("CIS") and the Ocean Senior Citizen Housing Corporation submitted an application to the New Jersey Housing and Mortgage Finance Agency ("NJHMFA") for competitive 9% low income tax credits;

WHEREAS, Community Investment Strategies, Inc. (CIS) was notified that the New Jersey Housing and Mortgage Finance Agency (NJHMFA) did not grant a competitive low income 9% tax credit award to the Project, but instead committed to provide \$11,020,000 in Community Development Block Grant-Disaster Recovery Funds for the Project, along with financing and 4% low income housing tax credits;

WHEREAS, the funding offered the project by the NJHMFA, while significant, was not sufficient to accomplish the proposed Project;

THEREFORE, to accomplish the Project, the parties agree to the following amendments to the Agreement. Aside from those specified below, all other terms of the existing agreement remain in full force and effect.

2. AFFORDABLE HOUSING REQUIREMENTS

Shall be deleted as written and replaced with the following.

CIS will provide 93 total units, inclusive of 92 affordable age-restricted rental units and one on-site manager. At minimum, there shall be a set-aside for five (5) units that are affordable to very low income households at or below thirty (30%) of AMI.

- a. If CIS secures rental assistance contracts and/or Rental Assistance Demonstration (RAD) funding and/or proceeds from the Section 236 program for some or all of the 92 affordable units, CIS will deed restrict the number of units for which it receives rental assistance as low income units, up to the full number of units in the project, as follows: (1) the first 10 units for which it receives rental assistance will be designated as units for households at or below 30% of AMI; (2) after the first 10 units, any additional units for which rental assistance is received will be designated as low income. Low income is defined as units affordable to low income households who earn 50 percent of median income or less, as defined for the Township's housing region. CIS agrees to apply for renewal of RAD funding or other subsidies throughout the initial thirty (30) year affordability control period. Any funding received will not offset the five (5) unit set-aside as defined in paragraph 2(a), although it is permissible for rental assistance to be applied to those units.

4. MUNICIPAL CONTRIBUTION

- a. In addition to the other Township obligations set forth herein, in order to secure the economic feasibility of the project, the Township shall provide a municipal contribution to CIS for the benefit of the Project of at least five (5%) of the total project cost which is anticipated to be \$22,000,000.00. (i.e. total Township contribution of \$1,100,000.00)

The Township's contribution shall be the contribution of the property to Poplar for the benefit of the Project.

b. The Township agrees to provide \$300,000 in secondary financing toward the Project. The loan will be available during the construction period at 0% interest, and then convert to permanent financing at 1%, with a 30 year term, payment based on 50% of cash flow remaining after all other obligations are met (including deferred developer fee and any payment due the NJHMFA for the CDBG-DR loan). However, CIS will make every effort to secure additional funding for the Project, so that the Township loan can be repaid in full in advance of the end of the 30 year affordability period. This specifically will include application to the Monmouth County HOME program and application to NJHMFA for additional CDBG-DR subsidies, and any other reasonable sources of funding identified by either CIS or the Township.

c. The Township's contribution shall be limited to the contribution of the Property to Poplar for the benefit of the Project, the PILOT and loan set forth in paragraph 4(b).

5. APPLICATION FOR FUNDING

Section a. shall remain as written, however the words "which shall not require additional Township contribution" shall be amended to "which shall not require additional Township contribution beyond the contribution specified in Paragraph 4 herein.

10. POPLAR CONTRIBUTION

Shall remain as written, except the last sentence, beginning with "Furthermore" shall be deleted.

This Amendment supersedes the Agreement and if there is any inconsistency between the Agreement and this Amendment, the terms of this Amendment shall prevail. Except as amended by this Agreement, the Agreement remains in full force and effect.

This Amendment may be executed in counterparts.

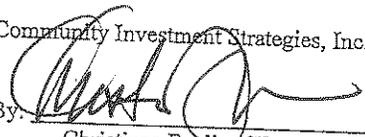
IN WITNESS WHEREOF, the parties hereunto have set their hands this ____ day of April 2014.

Witness:



Community Investment Strategies, Inc.

By:


Christiana Foglio, CEO

Ocean Senior Citizens Housing Corporation

By:


Raymond Ross, President

Township of Ocean, Monmouth County, NJ

By:


William Larkin, Mayor

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b. The Township agrees to provide \$300,000 in secondary financing toward the Project. The loan will be available during the construction period at 0% interest and then convert to permanent financing at 1%, with a 30 year term, payment based on 50% of cash flow remaining after all other obligations are met (including deferred developer fee and any payment due the NJHMFA for the CDBG-DR loan). However, CIS will make every effort to secure additional funding for the Project, so that the Township loan can be repaid in full in advance of the end of the 30 year affordability period. This specifically will include application to the Monmouth County HOME program and application to NJHMFA for additional CDBG-DR subsidies, and any other reasonable source of funding identified by either CIS or the Township.

c. The Township's contribution shall be limited to the contribution of the Property to Poplar for the benefit of the Project, the PILOT and loan set forth in paragraph 4(d).

9. APPLICATION FOR FUNDING

Section a. shall remain as written, however the words "which shall not require additional Township contribution" shall be amended to "which shall not require additional Township contribution beyond the contribution specified in Paragraph 4 herein."

10. POPLAR CONTRIBUTION

Shall remain as written, except the last sentence, beginning with "Furthermore" shall be deleted.

This Amendment supersedes the Agreement and if there is any inconsistency between the Agreement and this Amendment, the terms of this Amendment shall prevail. Except as amended by this Agreement, the Agreement remains in full force and effect.

This Amendment may be executed in counterparts.

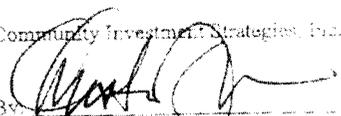
IN WITNESS WHEREOF, the parties hereunto have set their hands this ____ day of April 2014.

Witness:



Community Investment Strategies, Inc.

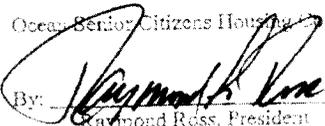
By:


Christiana Foglio, CEO



Ocean Senior Citizens Housing Corporation

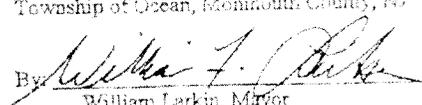
By:


Raymond Ross, President



Township of Ocean, Monmouth County, NJ

By:


William Larkin, Mayor

Record of Vote	Deputy Mayor Stallone	Councilman Evans	Councilman Garofalo	Councilwoman Schenck	Mayor Kra
Motion to Approve			X		
Motion to Second				X	
Approved	X	X	X	X	X
Opposed					
No Voting/Reuse					
Absent/Excused					

CERTIFICATION

I hereby certify that this is a true copy of a resolution passed by the Township of Ocean Governing Body at their meeting held on April 17, 2014


 Vincent Buttiglieri, RMC/CMC/MMC
 Township Clerk

DEVELOPER'S AGREEMENT
(Heritage Village at Oakhurst LLC)



THIS AGREEMENT, entered into this 5th day of February, 2015

BETWEEN THE TOWNSHIP OF OCEAN, a municipal corporation of the State of New Jersey located in the County of Monmouth, 399 Monmouth Road, Oakhurst, New Jersey 07755 (hereinafter referred to as "**Township**")

And

HERITAGE VILLAGE AT OAKHURST, LLC, located at 1970 Brunswick Avenue, Suite 100, Lawrenceville, New Jersey (hereinafter referred to as "**Developer**")

WHEREAS, the Developer is the owner of Block 3, Lots 16.03 & 16.04, as shown on the official tax map which property is located at 777 West Park Avenue in the 0-1/80 (Office/Research/Commercial) Zone in the Township of Ocean, County of Monmouth, State of New Jersey; and

WHEREAS, the Developer has received Approval of Use Variance, Approval of Preliminary and Final Site Plan and Granting Bulk Variance(s) by Resolutions of the Zoning Board of Adjustment of the Township of Ocean, dated October 23, 2014, to construct a 93 unit Senior Affordable Housing development (the "Project"); and

WHEREAS, this Agreement relates to a Site Plan Map entitled "Amended Preliminary/Final Major Site Plan for Heritage Village at Oakhurst, Block 3, Lots 16.03 & 16.04, Township of Ocean, Monmouth County, New Jersey" prepared by Edwin Caballero, P.E., Maser Consulting, P.A., dated May 1, 2013, and revised through September 22, 2014, consisting of 13 sheets; together with architectural plans entitled "The Heritage Village at Oakhurst, Ocean Township, Monmouth County, New Jersey" prepared by Thomas C. Barton, AIA, dated August 14, 2014, consisting of 11 sheets (the "Plans"); and

WHEREAS, the Project must be completed in accordance with the Revised Performance Guarantee Estimate (attached hereto as "Schedule A") prepared by Township of Ocean Associate Engineer Leon S. Avakian, of Leon S. Avakian, Inc. dated January 21, 2015, the Site Plan Maps and the Resolutions of the Zoning Board of Adjustment of the Township of Ocean.

NOW, THEREFORE, and in consideration of the mutual promises as described in this Agreement together with all other goods and valuable consideration, the parties hereto do hereby covenant and agree as follows:

1. To insure the faithful performance by the Developer of the obligations of the Developer to be performed under and by virtue of the terms of this Agreement, its successors and assigns agrees to furnish the Township a performance guarantee in total sum of \$859,440.00, ten percent (10%) (\$85,944.00) of which shall be in cash and deposited with the Township in accordance with the ordinances of the Township, and the remaining ninety percent (90%) \$773,496.00, may be in the form of Cash, Letter of Credit or Surety Performance Bond, to be provided by an acceptable surety company licensed to do business in the State of New Jersey, or such other guaranty as may be acceptable to the Township of Ocean. Said performance guarantee shall be conditioned upon completion of the improvements shown on the aforesaid maps to which reference has heretofore been made and which improvements are set forth in a statement attached hereto as "Schedule A" and made a part hereof. All improvements as set forth in this Agreement and covered by the performance guarantee shall be completed on or before two (2) years from the date of this Agreement, unless further extended. Failure to complete within said original two (2) year period of time, as may be extended, shall be considered a default, and the Township may pursue its remedies pursuant to the performance guarantee against the Developer and/or the maker of the Surety or Performance Bond, or other guarantor, for the completion of said improvements or for any damages; time for the aforesaid shall be of the essence. ~~Notwithstanding the 2 year time period set forth herein, it is understood and~~

~~agreed that the Developer has agreed to a timetable for repairs and renovations as set forth in the attached agreement which agreement is incorporated herein by reference as Exhibit A. To the extent there is any conflict in the provisions herein and the attached agreement, the terms set forth in Exhibit A shall control.~~ A comprehensive general liability insurance policy shall be provided by the Developer at the same time as they submit their performance guarantee.

2. When the Developer, its successors and assigns has completed all of the improvements of the site plan to the satisfaction of the Township Engineer, and said Township Engineer has approved same in writing to the Township Council, then and in that event the Developer shall be relieved from any other further obligations with respect thereto, except to the extent provided hereinafter.
3. Developer, its successors and assigns does hereby agree to pay for all inspection fees of the Township Engineer in connection with and relating to the aforesaid improvements and the legal fee of the Township for preparing this Agreement in accordance with the Township ordinances. The Developer shall initially deposit with the Township Treasurer a cash sum of \$38,810.00, which sum shall be applied and used for payment of inspection costs of the Township Engineer.
4. Developer, its successors and assigns, in accordance with Condition #6 of the Preliminary And Final Major Site Plan Approval, hereby agree to post a contribution in the sum of \$35,000.00 to the Township Shade Tree Fund within five(5) days of the closing of the construction loan on the within project and an additional \$15,000.00 contribution to the Township Shade Tree Fund within 30 days of the final Certificate of Occupancy issued for the Project.
5. Developer, its successors and assigns hereby agree to be responsible for the removal of snow on the dedicated public street granting access to West Park Avenue as set forth in the plans herein. Developer reserves the right to request a change to this provision if and

when there is a change of use or Site Plan Application submitted for either Block 3, Lot 16.01 or Lot 16.02 .

6. The Township accepts the Proposed Drainage Easement as satisfying Condition #3 of the Preliminary And Final Major Site Plan Approval.
7. The Township accepts that the Developer has indicated its willingness to cooperate with the Township in their efforts to obtain emergency access through Block 3, Lot 12.01 thus satisfying Condition #3 of the Preliminary And Final Major Site Plan Approval.
8. The Township has agreed to contribute up to Three Hundred Thousand (\$300,000.00) (the "Township Funds") to the Developer for the benefit of the Project which may be secured by a subordinate mortgage payable through Project cash flow. The Township Funds shall be due at the closing of the Project's construction loan. The Mayor and Administrator are authorized to execute any and all documents necessary to document the Township contribution. Additionally, the Township has agreed to permit the Developer to apply any County of Monmouth HOME funds awarded for the benefit of the Project to the Project and not as repayment of the Township Funds.
9. Upon final approval by the Township of the improvements set forth herein and release and discharge of the performance guarantee referred to above, Developer, its successors and assigns do hereby agree to furnish to the Township a maintenance guarantee by way of Cash, Letter of Credit or Surety Performance Bond in a sum equal to fifteen percent (15%) of the amount of the performance guarantee (\$107,430.00). Said bond shall remain in full force and effect for a period of two (2) years after approval by the Township Engineer of the improvements for which provision is made herein and shall provide that the Developer guarantees to maintain said improvements for which provision is made herein and shall provide that the Developer guarantees to maintain said improvements for said period of two (2) years from such approval and make good any defects thereon which become apparent during said two (2) year period.

10. The Escrow fund for stormwater management shall be under separate agreement.
11. The Developer will be responsible to provide 5 units at 30% of the median income and 5 units at 50% of the median income.
12. The approval granted herein shall be assignable to a successor in interest by conveyance or assignment only in the event the new purchaser or assignee executes an Agreement, in writing, agreeing to all of the terms, conditions and provisions of this Agreement.
13. All the work and improvements set forth in this Agreement shall be in accordance with the plans as approved by the Township Engineer and on file in the Office of the Township municipal agencies and in accordance with the requirements as set forth by the Township Engineer as indicated on "Schedule A" attached hereto.

IN WITNESS WHEREOF, the parties hereunto interchangeably set their hands, seals or caused their proper corporate seals to be hereunto affixed, the day and year first above written.

ATTEST:

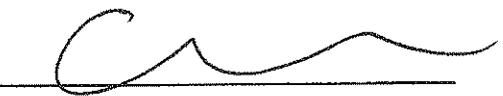
By: 
 Vincent Buttiglieri, Township Clerk

TOWNSHIP OF OCEAN,
 COUNTY OF MONMOUTH

By: 
 Christopher Sicliano, Mayor

CLARETTE FRENCH, CLK
 MONMOUTH COUNTY, NJ
 INSTRUMENT NUMBER
 2015026101
 RECORDED ON
 MAR 30 2015
 4:54:45 AM
 BOOK: 08-9105
 PAGE: 5191
 Total Fees: 10
 COUNTY RECORDING FEES \$8.00
 TOTAL PAID \$8.00

ATTEST:

By: 
 R&R: The Township of Ocean
 399 Monmouth Road
 Oakhurst, NJ 07755 -
 (#.39) 1589

HERITAGE VILLAGE AT OAKHURST, LLC

By: CIS OAKHURST LLC, its managing member
 By: Community Investment Strategies, Inc., its managing member

By: 
 Christiana Foglio, President

Record of Vote	Deputy Mayor Gardale	Councilman Evans	Councilman Long	Councilman Schaefer	Mayor Stallone
Motion to Approve			X		
Motion to Sustain	X				
Approved	X		X	X	X
Opposed					
Not Voting/Refruse					
Absent/Excused		X			

CERTIFICATION

I hereby certify that this is a true copy of a resolution passed by the Township of Ocean Governing Body at their meeting held on February 5, 2015.


 Vincent Buttiglier, RMC/CMC/MMC
 Township Clerk

Not Certified Copy

"SCHEDULE A"

L S A	Leon S. Avakian, Inc.	Title: HERITAGE VILLAGE AT OAKHURST	BLOCK: 3
	Consulting Engineers	LSA JOB #: OT15-07	LOT: 15.03 & 16.04
		APPLICANT: Ocean Senior Housing Corporation	DATE: January 21, 2015
		MUNICIPALITY: Ocean Township	BOND AMOUNT: \$859,440.00
Maser Consulting Plans, sheets 14 of 14, dated 5-1-13 w/latest revisions dated 11/2/14			

ITEM NO.	DESCRIPTION	QUANTITY	UNITS	UNIT PRICE	AMOUNT	WORK COMPLETED	REDUCED AMOUNT
SOIL EROSION CONTROL							
1	INLET PROTECTION	11	EA	\$120.00	\$1,320.00	0%	\$1,320.00
2	SILT FENCE	1950	LF	\$2.80	\$5,460.00	0%	\$5,460.00
3	STONE TRACKING PAD	1	EA	\$1,600.00	\$1,600.00	0%	\$1,600.00
CLEARING AND DEMOLITION							
4	CLEARING AND GRUBBING SITE	2.8	Acres	\$6,500.00	\$18,200.00	0%	\$18,200.00
5	PAVEMENT REMOVAL	6900	SY	\$4.00	\$27,600.00	0%	\$27,600.00
6	CURB REMOVAL	2000	LF	\$2.50	\$5,000.00	0%	\$5,000.00
7	BUILDING FOUNDATION REMOVAL	1	US	\$5,000.00	\$5,000.00	0%	\$5,000.00
8	Misc. removal (sign, lights bollards, hydrants)	1	US	\$1,500.00	\$1,500.00	0%	\$1,500.00
SURVEYING & TRAFFIC CONTROL							
9	SURVEYING OF CURB	3025	LF	\$1.00	\$3,025.00	0%	\$3,025.00
10	SURVEYING OF GRADING AND EXCAVATION	1	LB	\$5,000.00	\$5,000.00	0%	\$5,000.00
11	SURVEYING OF PIPE	1000	LF	\$1.00	\$1,000.00	0%	\$1,000.00
EARTHWORK							
12	STRIPPING	13700	SY	\$1.00	\$13,700.00	0%	\$13,700.00
13	GRADING, CUTS AND FILL	4800	CY	\$3.00	\$13,800.00	0%	\$13,800.00
WATER							
14	WATER WET TAP	1	EA	\$1,500.00	\$1,500.00	0%	\$1,500.00
15	WATER 6" DIP MAIN	560	LF	\$40.00	\$22,400.00	0%	\$22,400.00
16	WATER LINE TESTING	560	LF	\$2.00	\$1,120.00	0%	\$1,120.00
17	WATER FIRE HYDRANT	2	EA	\$1,500.00	\$3,000.00	0%	\$3,000.00
18	6" FIRE SERVICE	160	LF	\$35.00	\$5,600.00	0%	\$5,600.00
19	4" DOMESTIC SERVICE	160	LF	\$20.00	\$3,200.00	0%	\$3,200.00
20	METER VAULT	1	EA	\$2,000.00	\$2,000.00	0%	\$2,000.00
SANITARY SEWER							
21	SANITARY SEWER CLEANOUT	1	EA	\$150.00	\$150.00	0%	\$150.00
STORMWATER MANAGEMENT							
22	DRAINAGE INLET TYPE B	4	EA	\$2,200.00	\$8,800.00	0%	\$8,800.00
23	DRAINAGE INLET TYPE A	3	EA	\$1,200.00	\$3,600.00	0%	\$3,600.00
24	DRAINAGE INLET TYPE E DOGHOUSE	1	EA	\$2,400.00	\$2,400.00	0%	\$2,400.00
25	FLARED END SECTION 15"	1	EA	\$600.00	\$600.00	0%	\$600.00
26	FLARED END SECTION 24"	1	EA	\$960.00	\$960.00	0%	\$960.00
27	STORM SEWER MH, 4 DIA.	1	EA	\$1,800.00	\$1,800.00	0%	\$1,800.00
28	OUTLET CONTROL STRUCTURE (windwalls/trashracks)	1	EA	\$6,500.00	\$6,500.00	0%	\$6,500.00
29	WATER QUALITY STRUCTURE	1	EA	\$31,580.00	\$31,580.00	0%	\$31,580.00
30	CONVERT "E" INLET TO MANHOLE	4	EA	\$1,200.00	\$4,800.00	0%	\$4,800.00
31	CONVERT "B" INLET TO "E" INLET	1	EA	\$500.00	\$500.00	0%	\$500.00
32	CONVERT "B" INLET TO MH	1	EA	\$1,200.00	\$1,200.00	0%	\$1,200.00
33	REMOVE INLET AND PIPE	1	LS	\$1,000.00	\$1,000.00	0%	\$1,000.00
34	DETENTION BASIN EXCAVATION AND GRADING	1200	CY	\$5.00	\$6,000.00	0%	\$6,000.00
35	BERM w/CLAY CORE	680	CY	\$10.00	\$6,600.00	0%	\$6,600.00
36	IMPERVIOUS LINER	7500	SF	\$1.25	\$9,375.00	0%	\$9,375.00
37	EMERGENCY SPILLWAY	1	LS	\$500.00	\$500.00	0%	\$500.00
38	4' WIDE GRAVEL LOW FLOW CHANNEL	300	LF	\$5.00	\$1,500.00	0%	\$1,500.00
39	ACCESS DRIVE	1	LS	\$500.00	\$500.00	0%	\$500.00
40	RIP RAP	8	CY	\$100.00	\$800.00	0%	\$800.00
41	STORM SEWER 15" RCP	308	LF	\$28.00	\$8,624.00	0%	\$8,624.00
42	STORM SEWER 15" RCP V	510	LF	\$32.00	\$16,320.00	0%	\$16,320.00
43	STORM SEWER 18" RCP	66	LF	\$30.00	\$1,980.00	0%	\$1,980.00
44	STORM SEWER 24" RCP	48	LF	\$32.00	\$1,536.00	0%	\$1,536.00
45	12 PVC UNDERGROUND ROOF DRAIN	990	LF	\$20.00	\$19,800.00	0%	\$19,800.00
46	CLEANOUTS	7	EA	\$240.00	\$1,680.00	0%	\$1,680.00
47	AS-BUILT DRAWINGS	1	LS	\$5,040.00	\$5,040.00	0%	\$5,040.00

**L
S
A**

Leon S. Avakian, Inc.
Consulting Engineers

Title: **HERITAGE VILLAGE AT OAKHURST**
 BLOCK: 3
 LSA JOB #: OT15-07 LOT: 16.03 & 16.04
 APPLICANT: Ocean Senior Housing Corporation DATE: January 21, 2015
 MUNICIPALITY: Ocean Township BOND AMOUNT: \$859,440.00
 Maser Consulting Plans, sheets 14 of 14, dated 5-1-13 w/latest revisions dated 11/2/14

ITEM NO.	DESCRIPTION	QUANTITY	UNITS	UNIT PRICE	AMOUNT	WORK COMPLETED	REDUCED AMOUNT
CONCRETE							
48	CONCRETE CURB 6"X8"X18"	3025	LF	\$16.00	\$48,400.00	0%	\$48,400.00
49	CONCRETE SIDEWALK	4075	SF	\$5.00	\$20,375.00	0%	\$20,375.00
50	CONCRETE SLAB 6" THICK	200	SF	\$6.50	\$1,300.00	0%	\$1,300.00
51	CONCRETE SLAB 8" THICK	80	SF	\$8.50	\$680.00	0%	\$680.00
PAVEMENT							
52	STONE SUBBASE COURSE 6" THICK	6918	SY	\$6.50	\$44,967.00	0%	\$44,967.00
53	HOT-MIX ASPHALT BASE COURSE 1-2 MIX 2.5" THICK	6918	SY	\$10.00	\$69,180.00	0%	\$69,180.00
54	HOT-MIX ASPHALT 1-5 MIX 1.5" THICK	6918	SY	\$6.00	\$41,508.00	0%	\$41,508.00
55	ASPHALT POROUS PAVEMENT PATH	250	SY	\$25.00	\$6,250.00	0%	\$6,250.00
56	SAW CUT PAVEMENT	520	LF	\$2.80	\$1,456.00	0%	\$1,456.00
57	ROAD REPAIR OF EXISTING ENTRANCE	0	SY	\$25.00	\$0.00	0%	\$0.00
58	TRAFFIC LINE STRIPING (PAINT)	8080	LF	\$0.35	\$2,821.00	0%	\$2,821.00
59	STOP & ONLY PAINTING	5	EA	\$80.00	\$400.00	0%	\$400.00
60	24" STOP BAR	183	LF	\$2.00	\$366.00	0%	\$366.00
61	HANDICAP SYMBOLS	5	EA	\$40.00	\$200.00	0%	\$200.00
62	PAINTED ARROWS	15	EA	\$79.00	\$1,501.00	0%	\$1,501.00
63	TRAFFIC SIGNS	14	EA	\$120.00	\$1,680.00	0%	\$1,680.00
64	HANDICAP SIGNS	5	EA	\$120.00	\$600.00	0%	\$600.00
65	MONUMENT SIGN	1	EA	\$3,500.00	\$3,500.00	0%	\$3,500.00
MISCELLANEOUS							
66	ENTRANCE RESTORATION	1	LS	\$5,000.00	\$5,000.00	0%	\$5,000.00
67	LIGHTING STANDARDS & FIXTURES (single pole)	12	EA	\$2,200.00	\$26,400.00	0%	\$26,400.00
68	LIGHTING STANDARDS & FIXTURES (double pole)	5	EA	\$1,520.00	\$7,600.00	0%	\$7,600.00
69	BOLLARDS LIGHTS	20	EA	\$960.00	\$19,200.00	0%	\$19,200.00
70	CONCRETE BOLLARDS	5	EA	\$360.00	\$1,800.00	0%	\$1,800.00
71	TRASH ENCLOSURE	1	LS	\$5,500.00	\$5,500.00	0%	\$5,500.00
72	CONTROL ARM GATE	1	EA	\$1,600.00	\$1,600.00	0%	\$1,600.00
LANDSCAPING							
73	SHADE TREES	53	EA	\$350.00	\$18,550.00	0%	\$18,550.00
74	ORNAMENTAL TREES 8-10'	26	EA	\$240.00	\$6,240.00	0%	\$6,240.00
75	EVERGREEN TREES (6-8')	73	EA	\$320.00	\$23,360.00	0%	\$23,360.00
76	SHRUBS 2-3' HIGH	270	EA	\$48.00	\$12,960.00	0%	\$12,960.00
77	GROUND COVER	112	EA	\$28.00	\$3,136.00	0%	\$3,136.00
78	IRRIGATION	1	LS	\$35,000.00	\$35,000.00	0%	\$35,000.00
79	TOPSOIL, LIME, FERTILIZE, SEED OR MULCH	97800	SF	\$0.20	\$19,520.00	0%	\$19,520.00

TOTAL COST OF SITE IMPROVEMENTS		\$716,200.00	\$716,200.00
A) Original Performance Guarantee Amount (120%)	_____	\$859,440.00	\$859,440.00
Original Surety Portion (80%)	_____	\$773,496.00	\$773,496.00
Original Cash Portion (10%)	_____	\$86,944.00	\$86,944.00
TOTAL	_____	\$860,440.00	\$860,440.00
B) Original deposit for Engineering Inspection Fees		\$38,810.00	
C) Escrow Fund for Stormwater Management Inspection & Maintenance		\$6,850.00	

NOTES:

- Pavement repairs at the curb, utility trenches, etc. will include (6" of DGA, 2.5" of Mix 1-2, and 1.6" of Mix 1-5)
- Inspection includes all sitework items noted on the plan, developers agreement or resolution.
- Includes installation and maintenance
- Pursuant to ordinance # 1751, Section 21-57.3b
- Engineering inspection fee to include performance guarantee estimate preparation, inspection of sitework improvements, Asbuilt review, certificate of occupancy administration and Performance and Maintenance guarantee inspection and releases. Administrative and engineering costs for guarantee estimate, certificate occupancy administration, Asbuilt review and performance and maintenance guarantee releases are estimated at \$3000
- Several Quantities and unit prices were taken from Maser Consultings report.

Exhibit A

Not Applicable

Developer's Agreement references an agreement which does not exist

Not Certified Copy

STATE OF NEW JERSEY :
:SS
COUNTY OF MERCER :

BE IT REMEMBERED on this 25th day of February, 2015, before me the subscriber, personally appeared Christiana Foglio who, being by me duly sworn on her oath, deposes and makes proof to my satisfaction, that she is the President of Community Investment Strategies, Inc., the Managing Member of CIS Oakhurst, LLC, the Managing Member of Heritage Village at Oakhurst, LLC, the entity named in this Instrument; and
said instrument was signed and delivered in the presence of deponent, who thereto upon subscribed his/her name thereto as attesting witness.

Sworn and subscribed to
before me on the date aforesaid.

Karen Armlin
Notary Public of New Jersey



STATE OF NEW JERSEY :
:SS
COUNTY OF MONMOUTH :

BE IT REMEMBERED that on this 23rd day of march, 2015 before me, the subscriber, personally appeared Vincent G. Buttiglieri, who being by me duly sworn on his oath, deposes and makes proof of my satisfaction, that he is the Clerk of the Township of Ocean, the Corporation named in the within Instrument, that Christopher Sicliano is the Mayor of said Township; that the execution, as well as the making of this Instrument has been duly authorized by a proper Resolution of the Township Committee of said Township; that deponent well knows the corporate seal of said Township and that the seal affixed to said Instrument is the proper corporate seal and was thereto affixed and said Instrument was signed and delivered by said Mayor as and for said voluntary act and deed of said Township, in the presence of deponent, who thereupon subscribed his name thereto as attesting witness.

Sworn and subscribed to
before me on the date aforesaid.

Jessie M. Joseph
Notary Public of New Jersey

Vincent G. Buttiglieri
Vincent G. Buttiglieri, Township Clerk

JESSIE M. JOSEPH
Notary Public of New Jersey
My Commission Expires August 5, 2018
No. 32002



Unit Information - New Construction		Municipality Name:		Muni Code:		Project / Program:		Project Number (to be assigned by COAH)		County:		Barrier Free		C.O. #		C.O. date		effective date of affordability controls		last sale/transfer date		Perpetual Lien		length of affordability controls	
Address	Unit / Apt #	age-restricted/family	income level	rental / for-sale	bedroom type	handicap adaptable	handicap accessible	handicap adapted	(number)	(mm/dd/yyyy)	(mm/dd/yyyy)	(mm/dd/yyyy)	(mm/dd/yyyy)	(N)	(N)	(years)									
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	
Heritage Village at Oakhurst (LIHTC Project)																									
West Park Avenue, Oakhurst, NJ 07755	105	Age Restrict	Very Low (30%)	Rental	IBR	Yes	Yes		15-0309	9/30/2016	9/30/2016	9/30/2016	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	(N)	(N)	30		
West Park Avenue, Oakhurst, NJ 07755	211	Age Restrict	Very Low (30%)	Rental	IBR	Yes	Yes		15-0308	11/10/2016	9/30/2016	9/30/2016	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	(N)	(N)	30		
West Park Avenue, Oakhurst, NJ 07755	215	Age Restrict	Very Low (30%)	Rental	IBR	Yes	Yes		15-0308	11/10/2016	9/30/2016	9/30/2016	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	(N)	(N)	30		
West Park Avenue, Oakhurst, NJ 07755	311	Age Restrict	Very Low (30%)	Rental	IBR	Yes	Yes		15-0307	11/22/2016	9/30/2016	9/30/2016	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	(N)	(N)	30		
West Park Avenue, Oakhurst, NJ 07755	411	Age Restrict	Very Low (30%)	Rental	IBR	Yes	Yes		15-0310	11/30/2016	9/30/2016	9/30/2016	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	(N)	(N)	30		
West Park Avenue, Oakhurst, NJ 07755	110	Age Restrict	Low (50%)	Rental	IBR	Yes	Yes		15-0309	9/30/2016	9/30/2016	9/30/2016	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	(N)	(N)	30		
West Park Avenue, Oakhurst, NJ 07755	111	Age Restrict	Low (50%)	Rental	IBR	Yes	Yes		15-0309	9/30/2016	9/30/2016	9/30/2016	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	(N)	(N)	30		
West Park Avenue, Oakhurst, NJ 07755	207	Age Restrict	Low (50%)	Rental	IBR	Yes	Yes		15-0308	11/10/2016	9/30/2016	9/30/2016	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	(N)	(N)	30		
West Park Avenue, Oakhurst, NJ 07755	315	Age Restrict	Low (50%)	Rental	IBR	Yes	Yes		15-0307	11/22/2016	9/30/2016	9/30/2016	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	(N)	(N)	30		
West Park Avenue, Oakhurst, NJ 07755	415	Age Restrict	Low (50%)	Rental	IBR	Yes	Yes		15-0310	11/30/2016	9/30/2016	9/30/2016	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	(N)	(N)	30		
West Park Avenue, Oakhurst, NJ 07755	101	Age Restrict	Moderate (80%)	Rental	2BR	Yes	Yes		15-0309	9/30/2016	9/30/2016	9/30/2016	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	(N)	(N)	30		
West Park Avenue, Oakhurst, NJ 07755	102	Age Restrict	Moderate (80%)	Rental	IBR	Yes	Yes		15-0309	9/30/2016	9/30/2016	9/30/2016	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	(N)	(N)	30		
West Park Avenue, Oakhurst, NJ 07755	103	Age Restrict	Moderate (80%)	Rental	2BR	Yes	Yes		15-0309	9/30/2016	9/30/2016	9/30/2016	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	(N)	(N)	30		
West Park Avenue, Oakhurst, NJ 07755	104	Age Restrict	Moderate (80%)	Rental	IBR	Yes	Yes		15-0309	9/30/2016	9/30/2016	9/30/2016	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	(N)	(N)	30		
West Park Avenue, Oakhurst, NJ 07755	106	Age Restrict	Moderate (80%)	Rental	IBR	Yes	Yes		15-0309	9/30/2016	9/30/2016	9/30/2016	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	(N)	(N)	30		
West Park Avenue, Oakhurst, NJ 07755	107	Age Restrict	Moderate (80%)	Rental	IBR	Yes	Yes		15-0309	9/30/2016	9/30/2016	9/30/2016	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	(N)	(N)	30		
West Park Avenue, Oakhurst, NJ 07755	108	Age Restrict	Moderate (80%)	Rental	IBR	Yes	Yes		15-0309	9/30/2016	9/30/2016	9/30/2016	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	(N)	(N)	30		
West Park Avenue, Oakhurst, NJ 07755	109	Age Restrict	Moderate (80%)	Rental	IBR	Yes	Yes		15-0309	9/30/2016	9/30/2016	9/30/2016	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	(N)	(N)	30		
West Park Avenue, Oakhurst, NJ 07755	114	Age Restrict	Moderate (80%)	Rental	IBR	Yes	Yes		15-0309	9/30/2016	9/30/2016	9/30/2016	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	(N)	(N)	30		
West Park Avenue, Oakhurst, NJ 07755	115	Age Restrict	Moderate (80%)	Rental	IBR	Yes	Yes		15-0309	9/30/2016	9/30/2016	9/30/2016	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	(N)	(N)	30		
West Park Avenue, Oakhurst, NJ 07755	117	Age Restrict	Moderate (80%)	Rental	IBR	Yes	Yes		15-0309	9/30/2016	9/30/2016	9/30/2016	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	(N)	(N)	30		
West Park Avenue, Oakhurst, NJ 07755	118	Age Restrict	Moderate (80%)	Rental	2BR	Yes	Yes		15-0309	9/30/2016	9/30/2016	9/30/2016	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	(N)	(N)	30		
West Park Avenue, Oakhurst, NJ 07755	119	Age Restrict	Moderate (80%)	Rental	2BR	Yes	Yes		15-0309	9/30/2016	9/30/2016	9/30/2016	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	(N)	(N)	30		
West Park Avenue, Oakhurst, NJ 07755	120	Age Restrict	Moderate (80%)	Rental	IBR	Yes	Yes		15-0309	9/30/2016	9/30/2016	9/30/2016	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	(N)	(N)	30		
West Park Avenue, Oakhurst, NJ 07755	121	Age Restrict	Moderate (80%)	Rental	IBR	Yes	Yes		15-0309	9/30/2016	9/30/2016	9/30/2016	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	(N)	(N)	30		
West Park Avenue, Oakhurst, NJ 07755	201	Age Restrict	Moderate (80%)	Rental	2BR	Yes	Yes		15-0308	11/10/2016	9/30/2016	9/30/2016	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	3/30/2015	(N)	(N)	30		

Unit Information - New Construction																															
Municipality Name:		Ocean Township		County:		Monmouth																									
Muni Code:																															
Project / Program:		Heritage Village at Oakhurst (LIHTC Project)		Project Number (to be assigned by COAH)																											
1		2		3		4		5		6		9		10		14		15		16		17									
Address		Unit / Apt #		age-restricted/ family (select one)		income level (select one)		rental / for-sale (select one)		bedroom type (select one)		handicap adaptable (Y/N)		handicap accessible (Y/N)		handicap adapted (Y/N)		C.O. # (number)		C.O. date (mm/dd/yyyy)		effective date of affordability controls (mm/dd/yyyy)		last sale/transfer date (mm/dd/yyyy)		Perpetual Lien (Y/N)		length of affordability controls (years)			
West Park Avenue, Oakhurst, NJ 07755	306	Age Restrict	Moderate (80%)	Rental	IBR	Yes			15-0307	11/22/2016	9/30/2016	3/30/2015																30			
West Park Avenue, Oakhurst, NJ 07755	307	Age Restrict	Moderate (80%)	Rental	IBR	Yes			15-0307	11/22/2016	9/30/2016	3/30/2015																	30		
West Park Avenue, Oakhurst, NJ 07755	308	Age Restrict	Moderate (80%)	Rental	IBR	Yes			15-0307	11/22/2016	9/30/2016	3/30/2015																	30		
West Park Avenue, Oakhurst, NJ 07755	309	Age Restrict	Moderate (80%)	Rental	IBR	Yes			15-0307	11/22/2016	9/30/2016	3/30/2015																		30	
West Park Avenue, Oakhurst, NJ 07755	310	Age Restrict	Moderate (80%)	Rental	IBR	Yes			15-0307	11/22/2016	9/30/2016	3/30/2015																		30	
West Park Avenue, Oakhurst, NJ 07755	312	Age Restrict	Moderate (80%)	Rental	IBR	Yes			15-0307	11/22/2016	9/30/2016	3/30/2015																		30	
West Park Avenue, Oakhurst, NJ 07755	314	Age Restrict	Moderate (80%)	Rental	IBR	Yes			15-0307	11/22/2016	9/30/2016	3/30/2015																		30	
West Park Avenue, Oakhurst, NJ 07755	316	Age Restrict	Moderate (80%)	Rental	IBR	Yes			15-0307	11/22/2016	9/30/2016	3/30/2015																		30	
West Park Avenue, Oakhurst, NJ 07755	317	Age Restrict	Moderate (80%)	Rental	IBR	Yes			15-0307	11/22/2016	9/30/2016	3/30/2015																		30	
West Park Avenue, Oakhurst, NJ 07755	319	Age Restrict	Moderate (80%)	Rental	IBR	Yes			15-0307	11/22/2016	9/30/2016	3/30/2015																			30
West Park Avenue, Oakhurst, NJ 07755	321	Age Restrict	Moderate (80%)	Rental	IBR	Yes			15-0307	11/22/2016	9/30/2016	3/30/2015																			30
West Park Avenue, Oakhurst, NJ 07755	323	Age Restrict	Moderate (80%)	Rental	IBR	Yes			15-0307	11/22/2016	9/30/2016	3/30/2015																			30
West Park Avenue, Oakhurst, NJ 07755	325	Age Restrict	Moderate (80%)	Rental	IBR	Yes			15-0307	11/22/2016	9/30/2016	3/30/2015																			30
West Park Avenue, Oakhurst, NJ 07755	326	Age Restrict	Moderate (80%)	Rental	2BR	Yes			15-0307	11/22/2016	9/30/2016	3/30/2015		Yes																	30
West Park Avenue, Oakhurst, NJ 07755	327	Age Restrict	Moderate (80%)	Rental	IBR	Yes			15-0307	11/22/2016	9/30/2016	3/30/2015																			30
West Park Avenue, Oakhurst, NJ 07755	328	Age Restrict	Moderate (80%)	Rental	IBR	Yes			15-0307	11/22/2016	9/30/2016	3/30/2015																			30
West Park Avenue, Oakhurst, NJ 07755	329	Age Restrict	Moderate (80%)	Rental	IBR	Yes			15-0307	11/22/2016	9/30/2016	3/30/2015																			30
West Park Avenue, Oakhurst, NJ 07755	331	Age Restrict	Moderate (80%)	Rental	IBR	Yes			15-0307	11/22/2016	9/30/2016	3/30/2015																			30
West Park Avenue, Oakhurst, NJ 07755	401	Age Restrict	Moderate (80%)	Rental	2BR	Yes			15-0310	11/30/2016	9/30/2016	3/30/2015		Yes																	30
West Park Avenue, Oakhurst, NJ 07755	402	Age Restrict	Moderate (80%)	Rental	IBR	Yes			15-0310	11/30/2016	9/30/2016	3/30/2015																			30
West Park Avenue, Oakhurst, NJ 07755	403	Age Restrict	Moderate (80%)	Rental	IBR	Yes			15-0310	11/30/2016	9/30/2016	3/30/2015																			30
West Park Avenue, Oakhurst, NJ 07755	404	Age Restrict	Moderate (80%)	Rental	IBR	Yes			15-0310	11/30/2016	9/30/2016	3/30/2015																			30
West Park Avenue, Oakhurst, NJ 07755	405	Age Restrict	Moderate (80%)	Rental	IBR	Yes			15-0310	11/30/2016	9/30/2016	3/30/2015																			30
West Park Avenue, Oakhurst, NJ 07755	406	Age Restrict	Moderate (80%)	Rental	IBR	Yes			15-0310	11/30/2016	9/30/2016	3/30/2015																			30
West Park Avenue, Oakhurst, NJ 07755	407	Age Restrict	Moderate (80%)	Rental	IBR	Yes			15-0310	11/30/2016	9/30/2016	3/30/2015																			30
West Park Avenue, Oakhurst, NJ 07755	408	Age Restrict	Moderate (80%)	Rental	IBR	Yes			15-0310	11/30/2016	9/30/2016	3/30/2015																			30

Unit Information - New Construction									
Municipality Name:	Ocean Township								
Muni Code:	Monmouth								
Project / Program:	Heritage Village at Oakhurst (LIHTC Project)								
Address	West Park Avenue, Oakhurst, NJ 07755								
Unit / Apt #	409								
age-restricted/ family	(select one) Age Restrict								
income level	(select one) Moderate (80%)								
rental / for-sale	select one Rental								
bedroom type	(select one) IBR								
handicap adaptable	(Y) (N)								
handicap accessible	(Y) (N)								
handicap adapted	(Y) (N)								
C.O. #	(number) 15-0310								
C.O. date	(mm/dd/yyyy) 11/30/2016								
effective date of affordability controls	(mm/dd/yyyy) 9/30/2016								
last sale/transfer date	(mm/dd/yyyy) 3/30/2015								
Perpetual Lien	(Y) (N)								
length of affordability controls	(years) 30								
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**Heritage Village at Oakhurst
Utility Allowances
(Eff. 8/1/19 TC, 12/01/2018 S8)**

HMFA #02874
LITC #1450

Placed in Service 5-2016

*****Effective 8/1/19—Vacant Units will Reset to Max Rent*****

<u>1 Bedroom (Eff. 8/1/19)</u> \$54	<u>Section 8</u> <u>1 Bedroom (Eff. 12/1/18)</u> \$107
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<u>2 Bedroom (Eff. 8/1/19)</u> \$63	<u>Section 8</u> <u>2 Bedroom (Eff. 12/1/18)</u> \$143
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<u>Utility Services</u> Heating Natural Gas Cooking Electric Other Electricity Air Conditioning	2019 Income Limits (Effective 5-30-19) 60% 1 person—43,020 2 person—49,140 60% 3 person—55,260 4 person 61,380 S8 Units 50% 1 person—35,850 2 person 40,950 S8 Units 30% 1 person—21,500 2 person \$24,600
Water Heating Natural Gas	<u>Eff. 8/1/19 Max Rent</u> 60% 1BR \$1,098.00 60% 2BR \$1,318.00 30% 1BR Section 8 \$0—\$469.00 50% 1BR Section 8 \$0—\$853.00

Heritage Village at Oakhurst Rents:			Project Based Section 8 DCA
60% 1BR (72)	\$952.00	<u>Effective 1/1/19</u>	Special Needs
60% 2BR (10)	\$1,143.00	\$971.00	30% Units:
30% 1BR Section 8 (5)	Contract Rent \$888.00*	\$1,165.00	105 311
50% 1BR Section 8 (5)	\$888.00*	Resident Portion \$0—\$469.00	211 411
92 Units (plus 1 Supers Unit - Unit 102)		\$0—\$853.00	215
*Pending Contract Approval—\$905.00			50% Units:
			110 315
			111 415
			207

**Heritage Village at Oakhurst
Utility Allowances
(Eff. 8/1/19 TC, 12/01/2018 S8)**

HMFA #02874
LITC #1450

Placed in Service 5-2016

*****Effective 8/1/19—Vacant Units will Reset to Max Rent*****

	<u>Security Deposit Amounts:</u>	
<u>1 Bedroom (Eff. 8/1/19)</u> \$54	Rent \$952.00	Security \$1,428.00
	Rent \$1,143.00	Security \$1,714.50
	Rent \$888.00	Security \$1,332.00
	Rent \$971.00	Security \$1,456.50
	Rent \$1,165.00	Security \$1,747.50
	Rent \$905.00	Security \$1,357.50
<u>2 Bedroom (Eff. 8/1/19)</u> \$63	Rent \$1,064.00	Security \$1,596.00
	Rent \$1,277.00	Security \$1,915.50
	Rent \$1,098.00	Security \$1,647.00
	Rent \$1,317.00	Security \$1,975.50
	Rent \$1,318.00	Security \$1,977.00

Max Gross Rent for Vacant Units 8/1/19:

BR	Max Gross Rent	Utility Allowance	Max Rent
60% 1BR	\$1,152.00	- \$54.00	= \$1,098.00
60% 2BR	\$1,381.00	- \$63.00	= \$1,318.00
30% 1BR S8	\$0-\$576.00	- \$107.00	= \$469.00
50% 1BR S8	\$0-\$960.00	- \$107.00	= \$853.00

Heritage Village at Oakhurst Rents for Existing Tenants:

	<u>Effective 1/1/19</u>
60% 1BR (72) \$952.00	\$971.00
60% 2BR (10) \$1,143.00	\$1,165.00
30% 1BR Section 8 (5) Contract Rent	Resident Portion
\$888.00*	\$0—\$452.00
50% 1BR Section 8 (5) Contract Rent	Resident Portion
\$888.00*	\$0—\$824.00

92 Units (plus 1 Supers Unit - Unit 102)

***Pending Contract Approval—\$905.00**

**Rent Reset at
Vacancy
Max Rent 8/1/19**

**60% 1BR \$1,098.00
60% 2BR \$1,318.00
30% 1BR S8 \$0-\$469.00
50% 1BR S8 \$0-\$853.00**

**Heritage Village at Oakhurst
Utility Allowances
Vacant Units Reset to Max Rent History**

Security Deposit Amounts:

Rent \$952.00	Security \$1,428.00
Rent \$1,143.00	Security \$1,714.50
Rent \$888.00	Security \$1,332.00
Rent \$971.00	Security \$1,456.50
Rent \$1,165.00	Security \$1,747.50
Rent \$905.00	Security \$1,357.50
Rent \$1,064.00	Security \$1,596.00
Rent \$1,277.00	Security \$1,915.50
Rent \$1,098.00	Security \$1,647.00
Rent \$1,317.00	Security \$1,975.50
Rent \$1,318.00	Security \$1,977.00

Max Gross Rent for Vacant Units 4/1/19:

BR	Max Gross Rent		Utility Allowance		Max Rent
60% 1BR	\$1,118.00	-	\$54.00	=	\$1,064.00
60% 2BR	\$1,341.00	-	\$64.00	=	\$1,277.00
30% 1BR S8	\$0-\$559.00	-	\$107.00	=	\$452.00
50% 1BR S8	\$0-\$931.00	-	\$107.00	=	\$824.00

Max Gross Rent for Vacant Units 6/1/19:

BR	Max Gross Rent		Utility Allowance		Max Rent
60% 1BR	\$1,152.00	-	\$54.00	=	\$1,098.00
60% 2BR	\$1,381.00	-	\$64.00	=	\$1,317.00
30% 1BR S8	\$0-\$576.00	-	\$107.00	=	\$469.00
50% 1BR S8	\$0-\$960.00	-	\$107.00	=	\$853.00

Max Gross Rent for Vacant Units 8/1/19:

BR	Max Gross Rent	UA	Max Rent
60% 1BR	\$1,152.00	-\$54.00	= \$1,098.00
60% 2BR	\$1,381.00	-\$63.00	= \$1,318.00
30% 1BR S8	\$0-\$576.00	-\$107.00	= \$469.00
50% 1BR S8	\$0-\$960.00	-\$107.00	= \$853.00

**Rent Reset at
Vacancy
Max Rent 8/1/19**

60% 1BR	\$1,098.00
60% 2BR	\$1,318.00
30% 1BR S8	\$0-\$469.00
50% 1BR S8	\$0-\$853.00



ENERGY/BUILDING CONSULTANTS & ENGINEERS

701 East Gate Drive • Mount Laurel, NJ 08054 • 1-888-MAGRANN • www.magrann.com
New Jersey • Pennsylvania • Kentucky • Ohio

June 5, 2019

Barbara Schoor
Community Investment Strategies
1917 Brunswick Avenue, Suite 100
Lawrenceville, New Jersey, 08505

Re: Community Investment Strategies Utility Analysis – Heritage Village at Oakhurst

Dear Ms. Schoor:

Per your request, we have completed energy modeling for the Heritage Village at Oakhurst project in Ocean Township, New Jersey in order to provide an estimate of monthly utility cost for each model of apartment.

Please review the attached report detailing the results of this analysis and contact me should you have any questions regarding its contents.

Sincerely,

Brian Stanfill
Technical Analyst

encl.



MaGrann Associates
We Help You Build a Better Green Home

ESTIMATING UTILITY USAGE
Heritage Village at Oakhurst
Ocean Township, NJ

June 5, 2019

Prepared by:

MAGRANN ASSOCIATES

701 EAST GATE DRIVE • MT. LAUREL, NJ 08054

MaGrann Associates
We Help You Build a Better Green Home

1.0 Executive Summary

MaGrann Associates was contracted by Barbara Schoor of Community Investment Strategies to perform energy modeling on the Heritage Village at Oakhurst project located in Ocean Township, New Jersey in order to provide an estimate of monthly utility cost for each model of apartment in the property.

The modeling was performed using the REM/Rate Version 14.6.4 software incorporating all of the specifications noted on the plans that were provided by the client. A detailed list of specifications & any assumptions made in the model is attached to the end of this report.

The "energy consumption model" used for each unit type is in compliance with IRS regulation 1.42-10 (4)(ii)(E). The energy consumption model took into account unit size, building orientation, design & materials, mechanicals systems, appliances, and characteristics of the building location. The estimates are limited to only residential units and do not include common areas. The estimates are based on current utility rates obtained from the local electric & gas companies serving this property. A summary table of the results & a list of specifications & assumptions used in the modeling are attached to this report.

2.0 Results

Project/Buildings	Model Type	Unit Type	Area (sq ft)	# BR	Annual End-Use Cost (\$/yr)					
					Heating	Cooling	Water Heating	Lights & Appliances	Service Charges	Total per Unit
Heritage Village at Oakhurst	1A	Middle Inner	634	1	\$39	\$46	\$78	\$275	\$155	\$593
	1A	Upper Inner	634	1	\$58	\$51	\$78	\$275	\$155	\$617
	1B	Lower Inner	705	1	\$48	\$45	\$78	\$287	\$155	\$613
	1B	Middle Inner	705	1	\$38	\$46	\$78	\$287	\$155	\$604
	1B	Upper Inner	705	1	\$59	\$51	\$78	\$287	\$155	\$630
	1C	Middle Inner	761	1	\$49	\$52	\$78	\$297	\$155	\$631
	1C	Upper Inner	761	1	\$75	\$58	\$78	\$297	\$155	\$663
	1D	Lower Inner	910	1	\$68	\$48	\$78	\$321	\$155	\$670
	1D	Middle Inner	910	1	\$55	\$49	\$78	\$321	\$155	\$658
	1D	Upper Inner	910	1	\$89	\$61	\$78	\$321	\$155	\$704
	1E	Lower End	807	1	\$106	\$47	\$78	\$304	\$155	\$690
	1E	Middle End	807	1	\$75	\$50	\$78	\$304	\$155	\$662
	1E	Upper End	807	1	\$104	\$56	\$78	\$304	\$155	\$697
	2A	Lower Inner	1027	2	\$67	\$53	\$94	\$360	\$155	\$729
	2A	Middle End	1027	2	\$90	\$72	\$94	\$360	\$155	\$771
	2A	Middle Inner	1027	2	\$52	\$54	\$94	\$360	\$155	\$715
	2A	Upper End	1027	2	\$123	\$79	\$94	\$360	\$155	\$811
	2A	Upper Inner	1027	2	\$85	\$59	\$94	\$360	\$155	\$753
	2B	Lower Inner	1063	2	\$84	\$56	\$94	\$366	\$155	\$755
	2C	Middle End	1010	2	\$85	\$68	\$94	\$358	\$155	\$760
2D	Lower End	1179	2	\$128	\$54	\$94	\$386	\$155	\$817	

MaGrann Associates
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Bedrooms	Average Cost per Unit Type (\$/yr)
1	\$649
2	\$764

These results are based on the current utility rates inclusive of all taxes and other fees as of June 1, 2019 obtained from the utility companies directly listed below:

JCP&L Electric Company:
 Monthly Service Charge = \$4.23
 \$/kWh = \$0.129

NJNG Gas Company:
 Monthly Service Charge = \$8.70
 \$/Therm = \$0.931

3.0 Specifications & Assumptions Used in Energy Model

- Slab-on-grade floors: R-10 edge insulation (based on plans)
- Ceilings: R-38 batt insulation (based on plans)
- Walls: R-19 batt insulation in 2x6 wooden studs and R-3.6 rigid insulation (based on plans)
- Windows: U-value = 0.32 & SHGC = 0.40 (based on plans)
- Gas Water Heaters: tankless, 0.97 Energy Factor (based on plans)
- Air Conditioning: 16 SEER (based on plans)
- Heating: 97% AFUE gas furnace (based on plans)
- Thermostat Set Points: Heating = 68°F, Cooling = 78°F (estimate)
- Infiltration: Average 7.0 ACH50 (estimate)
- Duct Leakage: Software Default
- Permanent Light Fixtures: 100% pin-based fluorescent lighting (based on plans)
- Refrigerator Use: 423 kWh/yr (based on plans)
- Electric Cooking Use: Software default
- Plug Loads: Approx. (1.05*conditioned square footage) kWh/yr (usage based on data provided by EPA)
- Dishwasher: 0.65 Energy Factor (based on plans)
- Gas Dryer: Software default
- Washing Machine: Software default
- Weather Data: Normalization based on weather data for Lakehurst, NJ climate location

649 ÷
 12 =
 54.083*+

764 ÷
 12 =
 63.667*+

Determination of Maximum Income Limits

HV @ Oakhurst

Monmouth County, NJ	
Vintage of Maximum Income Limits	
Placed In Service Date	Maximum Income Limits
On or before 12/31/2008	<u>FY2019</u>
1/1/2009 to 5/13/2010	<u>FY2019</u>
5/14/2010 to 5/31/2011	<u>FY2019</u>
6/1/2011 to 11/30/2011	<u>FY2019</u>
12/01/2011 to 12/10/2012	<u>FY2019</u>
12/11/2012 to 12/17/2013	<u>FY2019</u>
12/18/2013 to 3/05/2015	<u>FY2019</u>
3/06/2015 to 3/27/2016	<u>FY2019</u>
3/28/2016 to 4/13/2017	<u>FY2019</u>
4/14/2017 to 3/31/2018	<u>FY2019</u>
4/01/2018 to 4/23/2019	<u>FY2019</u>
4/24/2019 to Present	<u>FY2019</u>

*

Housing Program: 2. Tax Credits
 Effective date: 04/24/2019

HUD Area 25 MONMOUTH COUNTY

INCOME	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
* 30%	21,500	24,500	27,650	30,700	33,200	35,650	39,010	43,430
* 40%	28,680	32,760	36,840	40,920	44,200	47,480	50,760	54,040
* 50%	35,850	40,950	46,050	51,150	55,250	59,350	63,450	67,550
* 60%	43,020	49,140	55,260	61,380	66,300	71,220	76,140	81,060
* 80%	52,850	60,400	67,950	75,500	81,550	87,600	93,650	99,700

RENT BY BEDROOM SIZE	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom
* 30%	537	576	691	798	891	1,030	1,100
* 40%	717	768	921	1,064	1,187	1,310	1,430
* 50%	896	960	1,151	1,330	1,483	1,637	1,780
* 60%	1,075	1,152	1,381	1,596	1,780	1,965	2,146
* 80%	1,321	1,415	1,658	1,963	2,190	2,416	2,641

602
 601/19

1BR 1,152.00+

54.00-

1,098.00*+

1,381.00+

64.00-

1,317.00*+

AS OF 8/1/19

602 1,152.00+

54.00-

1,098.00*+

1,381.00+

63.00-

1,318.00*+

469.0x

1.5=

703.50*+

853.0x

1.5=

1,279.50*+

1,098.0x

1.5=

1,647.00*+

1,317.0x

1.5=

1,975.50*+

302

1BR 58

502

1BR 58

58

From: New Jersey HMFA <njhmfanews@njhmfa.gov>
Sent: Tuesday, March 19, 2019 7:01 AM
To: Cheryl Lessing
Subject: NJHMFA New Rule, Proposals Improve Efficiency for Affordable Housing Developers and Residents



NEW JERSEY HOUSING
AND MORTGAGE
FINANCE AGENCY
WWW.NJHOUSING.GOV

NJHMFA New Rule, Proposals Improve Efficiency for Affordable Housing Developers and Residents

The New Jersey Housing and Mortgage Finance Agency is pleased to announce the following rule adoption and proposals published in the New Jersey Register yesterday. These amendments have been made in an effort to provide greater consistency among and efficiency within the affordable housing programs administered by the Agency:

Rent Reset

NJHMFA adopted a new rent reset rule that allows apartment rents to be adjusted when a unit is vacated, without pre-approval of the increase from NJHMFA. The new rule allows NJHMFA property owners to raise rents on vacant units to meet current affordability standards, thereby increasing operating revenue to ensure a better quality building over the long term. NJHMFA will continue to monitor all properties to ensure they are in compliance and meet affordable rent rules.

Prepayment Lockout-Term Reduction

To make NJHMFA financing more flexible to meet the needs of development partners, the Agency proposes to reduce the "lockout" period for the prepayment of Agency mortgages from 20 years to 15 years. Once the lockout period ends, developers looking to refinance will be able to do so and thereby be better able to renovate and maintain quality buildings for their residents.



November 26, 2018

New Jersey Housing Mortgage & Finance Agency has approved a CPI rent increase of 2% for all residents of Heritage Village at Oakhurst to be effective beginning **January 1, 2019**. Section 36 – Attachment J - Rent Restriction of your lease states the following:

Section 36 – Attachment J - Rent Restriction

“The Tenant understands that the monthly rent and Tenant Contribution, may be raised or lowered during the term of this Lease ... The Landlord will provide thirty (30) days advance notice. Upon the Landlord’s notice, the Tenant will have the right to vacate the apartment by providing thirty (30) days advance written notice of intent to vacate during the Landlord’s thirty (30) days’ notice”.

The following schedule will describe the amounts of the increase:

	<u>Current Rent</u>	<u>Increase</u>	<u>New Rent</u>
One Bedroom 60% Annual Median Income	\$952.00	\$19.00	\$971.00
Two Bedroom 60% Annual Median Income	\$1,143.00	\$22.00	\$1,165.00
One Bedroom SRAP 30% Annual Median Income	\$888.00	\$17.00	\$905.00
One Bedroom SRAP 50% Annual Median Income	\$888.00	\$17.00	\$905.00

Your security deposit will also be increased to reflect the requirements set forth in Heritage Village at Oakhurst’s Resident Selection Plan. The security deposit must be equivalent to 1.5 times your monthly rent.

	<u>Current Security Deposit</u>	<u>New Security Deposit</u>
One Bedroom 60% Annual Median Income	\$1,428.00	\$1,456.50
Two Bedroom 60% Annual Median Income	\$1,714.50	\$1,747.50
One Bedroom SRAP 30% Annual Median Income	\$1,332.00	\$1,357.50
One Bedroom SRAP 50% Annual Median Income	\$1,332.00	\$1,357.50

Please be advised that this will not affect YOUR rent until your recertification anniversary.



777 West Park Avenue Oakhurst New Jersey 07755



MEMORANDUM.....New Jersey Housing and Mortgage Finance Agency

To: Owners, Managing Agents and Site Managers
Tax Credits and Market Projects

Date: October 16, 2018

From: Carmen Santiago 
Assistant Director of Property Management

Subject: Rent Increase Based upon CPI

As you know, in an attempt to simplify the rent increase approval process for Market and Tax Credit developments, NJHMFA published new rent increase regulations in The New Jersey Register on March 17, 2003. These revised regulations allow NJHMFA financed Tax Credit and Market properties to implement a rent increase annually without prior NJHMFA approval, provided the increase is the lesser of 3% or the applicable overall Consumer Price Index (CPI) at September 30th of the preceding year.

The just published applicable overall CPI for 9/30/18 is 2%. **Therefore, the maximum rent increase that can be implemented without prior NJHMFA approval for the year January 1, 2019 through December 31, 2019 is 2%.** Please be reminded if you decide to implement this increase that all tenants must be notified in accordance with the terms of their existing lease. In addition, it is required that notification of the increase also be forwarded to the assigned Housing Management Officer.

Please note that these 2003 revisions affect only NJHMFA financed Market and Tax Credit properties and do not override any tax credit maximum rent rules. All HUD subsidized developments (Section 236 and Section 8) must continue to follow existing rent increase rules.

If you have any questions, please contact the assigned Housing Management Officer.

C Michael Floyd
Rosie Jackson
Lavern Henry
Debbie Keramas
HMOs
Occupancy Specialists

rs/dr/memos/cpi.2018

Summary Allowance for Tenant-Furnished Utilities and Other Services

Locality : New Jersey Department of Community Affairs		Average							Date : 10/01/2018
5287 AHDD		Monthly Dollar Allowances							
Unit Type	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	
Mobile Home (Manufactured Home)*									
a. Natural Gas	23	28	36	46	58				
b. Electric	36	43	56	72	90				
c. Bottle Gas	97	117	151	193	242				
d. Oil	70	85	110	141	176				
High-Rise with Elevator									
a. Natural Gas	24	27	32	39	44	55	63	72	
b. Electric	33	40	49	60	75	87	100	113	
Row House/Garden Apt (Rowhouse/Townhouse)*									
a. Natural Gas	23	31	42	52	63	73	84	95	
b. Electric	36	48	65	81	98	113	130	147	
c. Bottle Gas	96	128	174	216	262	305	350	396	
d. Oil	70	93	126	158	191	222	255	288	
Two-Three Family/Duplex (Semi-Detached)*									
a. Natural Gas	28	36	48	59	69	79	91	103	
b. Electric	43	56	74	92	107	122	140	159	
c. Bottle Gas	116	150	198	246	289	328	377	427	
d. Oil	84	109	144	179	210	239	275	311	
Older Multi-Family (Low Rise)*									
a. Natural Gas	25	33	44	54	65	75	86	97	
b. Electric	39	51	68	84	101	116	133	150	
c. Bottle Gas	104	136	182	225	270	310	357	404	
d. Oil	76	99	132	164	197	226	260	294	
Older Home Converted (Semi Detached)*									
a. Natural Gas	27	34	46	57	68	76	87	99	
b. Electric	41	53	71	88	105	117	135	153	
c. Bottle Gas	111	142	190	236	281	316	363	410	
d. Oil	81	103	139	172	205	230	264	299	
Single Family Detached									
a. Natural Gas	30	41	49	62	70	82	94	107	
b. Electric	47	64	77	96	109	127	146	165	
c. Bottle Gas	127	172	206	259	293	341	392	443	
d. Oil	92	125	150	189	213	248	285	322	
All Unit Types-Cooking									
a. Natural Gas	4	6	8	9	12	13	14	16	
b. Electric	10	12	17	21	26	28	32	36	
c. Bottle Gas	18	24	32	39	48	52	60	68	
All Unit Types-Electricity	33	43	57	71	88	95	109	123	
All Unit Types-Water Heat									
a. Natural Gas	5	7	9	12	14	16	18	20	
b. Electric	12	16	21	26	32	35	40	46	
c. Bottle Gas	23	29	39	49	60	65	75	84	
d. Oil	15	20	27	33	41	44	51	57	
Range (Tenant Owned)	4	4	5	5	5	5	5	5	
Refrigerator (Tenant Owned)	4	4	4	5	5	5	5	5	
Water	28	36	43	52	58	65			
Sewer	52	52	52	52	52	52			

Summary - Air Conditioning Allowance for Tenant-Furnished Utilities and Other Services

Locality: New Jersey Department of Community Affairs		Average				Effective 10/01/2018	Expires 09/30/2019
5287 AHDD		Monthly Dollar Allowances					
Unit Type	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
Mobile Homes (Manufactured Home)*	15	19	25	32	38		
High-Rise with Elevator	9	12	16	20	24	26	
Row/House Garden Apt. (Rowhouse/Townhouse)*	10	13	17	22	26	29	
Two-Three Family Duplex (Semi-Detached)*	10	13	17	22	26	29	
✓ Older Multi-Family (Low Rise)*	9	12	16	20	24	26	
Older Home Converted (Semi-Detached)*	10	13	17	22	26	29	
Single Family Detached	18	22	30	37	44	50	

1BR

33.00+
 12.00+
 43.00+
 7.00+
 12.00+
 107.00*+

2BR

44.00+
 17.00+
 57.00+
 9.00+
 16.00+
 143.00*+



State of New Jersey
DEPARTMENT OF COMMUNITY AFFAIRS
101 SOUTH BROAD STREET
P.O. BOX 051
TRENTON, NJ 08625-0051

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

RICHARD E. CONSTABLE, III
Commissioner

December 3, 2014

Heritage Village at Oakhurst, LLC
c/o Community Investment Strategies, Inc.
Barbara k. Schoor, Vice President
1970 Brunswick Ave., Suite 100
Lawrenceville, N.J. 08648

Dear Heritage Village at Oakhurst, LLC;

Enclosed is a "PBV Agreement to Enter into Housing Assistance Payments Contract" (AHAP), Parts I and II. The agreement, between the N.J. Department of Community Affairs (DCA) and Heritage Village at Oakhurst, LLC, is for 10 one bedroom units in a proposed senior development in Ocean Township, N.J.

Please review enclosed AHAP. The owner, or owner representative, must sign part I on pg. 17 where indicated. Exhibits listed on pgs. 1 and 2, of part I, must also be completed and attached, and part I, with exhibits must be signed and returned. We must have the part I document, with original signature (no copies), part II is for the owner to retain. This must be returned no later than December 31, 2014.

This AHAP is being offered based on guidance provided by 24 CFR 983.51, it is mandatory that verification of compliance with the selection procedures (Exhibit A of the AHAP) is attached. Additionally, consideration of this AHAP is only being offered as a replacement to senior housing being lost in Ocean Township due to flood damage. Future housing assistance payments may not exceed 90% of the HUD Fair Market Rent.

If you have any questions, please contact Manny Garcia (609-633-6204) or Frank Losey (609-292-3410).

Sincerely,

Manuel Garcia
Deputy Director



**U.S. Department Of Housing And Urban Development
Office of Public and Indian Housing**

SECTION 8 PROJECT-BASED VOUCHER PROGRAM

**PBV AGREEMENT TO ENTER INTO
HOUSING ASSISTANCE PAYMENTS CONTRACT**

NEW CONSTRUCTION OR REHABILITATION

PART I

This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number. Assurances of confidentiality are not provided under this collection.

1.1 Parties

This Agreement to Enter into Housing Assistance Payments Contract ("Agreement") is entered into between: New Jersey Department of Community Affairs ("PHA") and Heritage Village at Oakhurst, LLC ("owner").

1.2 Purpose

The owner agrees to develop the Housing Assistance Payments Contract ("HAP contract") units to in accordance with Exhibit B to comply with Housing Quality Standards ("HQS"), and the PHA agrees that, upon timely completion of such development in accordance with the terms of the Agreement, the PHA will enter into a HAP contract with the owner of the contract units.

1.3 Contents of Agreement

This Agreement consists of Part I, Part II and the following Exhibits:

EXHIBIT A: The approved owner's PBV proposal. (Selection of proposals must be in accordance with 24 CFR 983.51.)

EXHIBIT B: Description of work to be performed under this Agreement, including:

- if the Agreement is for rehabilitation of units, this exhibit must include the rehabilitation work write-up and, where the PHA has determined necessary, specifications and plans.
- if the Agreement is for new construction of units, the work description must include the working drawings and specifications.
- any additional requirements beyond HQS relating to quality, design and architecture that the PHA requires.
- work items resulting from compliance with the design and construction requirements of the Fair Housing Act and implementing regulations at 24 CFR 100.205 and the accessibility requirements under section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR 8.22 and 8.23.

EXHIBIT C: Description of housing, including:

- project site.
- total number of units in project covered by this Agreement.
- location of contract units on site.
- number of contract units by area (size) and number of bedrooms and bathrooms.
- services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent to owner.
- utilities available to the contract units, including a specification of utility services to be paid by owner (without charges in addition to rent) and utility services to be paid by the tenant.
- estimated initial rent to owner for the contract units.

EXHIBIT D: The HAP contract.

1.4 Significant Dates

- A. **Effective Date of the Agreement:** The Agreement must be executed promptly after PHA notice of proposal selection to the owner has been given. The PHA may not enter this Agreement with the owner until any required subsidy layering review has been performed and an environmental review has been satisfactorily completed in accordance with HUD requirements.
- B. A project may either be a single-stage or multi-stage project. A single-stage project will have the same Agreement effective date for all contract units. A multi-stage project will have separate effective dates for each stage.



Single-stage project

- i. Effective Date for all contract units: January 1, 2015
- ii. Date of Commencement of the Work: The date for commencement of work is not later than 1/1/2016 calendar days after the effective date of this Agreement.
- iii. Time for Completion of Work: The date for completion of the work is not later than 1/1/2017 calendar days after the effective date of this Agreement.



Multi-Stage Project

Enter the information for each stage upon execution of the Agreement for the corresponding stage.

STAGE	NUMBER OF UNITS	EFFECTIVE DATE	DATE OF COMMENCEMENT OF WORK	TIME FOR COMPLETION OF WORK
1	10	01/01/2015	01/01/2016	1/1/2017

1.5 Nature of the Work



This Agreement is for New Construction of units to be assisted by the project-based voucher program.



This Agreement is for Rehabilitation of units to be assisted by the project-based voucher program.

1.6 Schedule of Completion

- A. Timely Performance of Work:** The owner agrees to begin work no later than the date for commencement of work as stated in section 1.4. In the event the work is not commenced, diligently continued and completed as required under this Agreement, the PHA may terminate this Agreement or take other appropriate action. The owner agrees to report promptly to the PHA the date work is commenced and furnish the PHA with progress reports as required by the PHA.
- B. Time for Completion:** All work must be completed no later than the end of the period stated in section 1.4. Where completion in stages is provided for, work related to units included in each stage shall be completed by the stage completion date and all work on all stages must be completed no later than the end of the period stated in section 1.4.
- C. Delays:** If there is a delay in the completion due to unforeseen factors beyond the owner's control as determined by the PHA, the PHA agrees to extend the time for completion for an appropriate period as determined by the PHA in accordance with HUD requirements.

1.7 Changes in Work

- A.** The owner must obtain prior PHA approval for any change from the work specified in Exhibit B which would alter the design or quality of the rehabilitation or construction. The PHA is not required to approve any changes requested by the owner. PHA approval of any change may be conditioned on establishment of a lower initial rent to owner as determined by PHA in accordance with HUD requirements.
- B.** If the owner makes any changes in the work without prior PHA approval, the PHA may establish lower initial rents to owner as determined by the PHA in accordance with HUD requirements.
- C.** The PHA may inspect the work during rehabilitation or construction to ensure that work is proceeding on schedule, is being accomplished in accordance with the terms of the Agreement, meets the level of material described in Exhibit B and meets typical levels of workmanship for the area.

1.8 Work Completion

- A. **Conformance with Exhibit B:** The work must be completed in accordance with Exhibit B. The owner is solely responsible for completion of the work.
- B. **Evidence of Completion:** When the work is completed, the owner must provide the PHA with the following:

1. A certification by the owner that the work has been completed in accordance with the HQS and all requirements of this Agreement.
2. A certification by the owner that the owner has complied with labor standards and equal opportunity requirements in the development of the housing. (See 24 CFR 983.155(b)(1)(ii).)
3. **Additional Evidence of Completion:** At the discretion of the PHA, or as required by HUD, the owner may be required to submit additional documentation as evidence of completion of the housing. Check the following that apply:

A certificate of occupancy or other evidence that the contract units comply with local requirements.

An architect or developer's certification that the housing complies with:

the HQS;

State, local or other building codes;

Zoning;

The rehabilitation work write-up for rehabilitated housing;

The work description for newly constructed housing; or

Any additional design or quality requirements pursuant to this Agreement.

1.9 Inspection and Acceptance by the PHA of Completed Contract Units

- A. Completion of Contract Units:** Upon receipt of owner notice of completion of contract units, the PHA shall take the following steps:
- 1. Review all evidence of completion submitted by owner.**
 - 2. Inspect the units to determine if the housing has been completed in accordance with this Agreement, including compliance with the HQS and any additional requirements imposed by the PHA under this Agreement.**
- B. Non-Acceptance:** If the PHA determines the work has not been completed in accordance with this Agreement, including non-compliance with the HQS, the PHA shall promptly notify the owner of this decision and the reasons for the non-acceptance. The parties must not enter into the HAP contract at this point. However, work deficiencies may be corrected in accordance with Section 1.10 of this Agreement.
- C. Acceptance:** If the PHA determines that the work has been completed in accordance with this Agreement, and that the owner has submitted all required evidence of completion, the PHA must submit the HAP contract for execution by the owner and must then execute the HAP contract.

1.10 Acceptance Where Work Deficiencies Exist

- A. If the PHA determines that work deficiencies exist, the PHA shall determine whether and to what extent the deficiencies are correctable, whether the units will be accepted after correction of the deficiencies, and the requirements and procedures (consistent with HUD requirements) for such correction and acceptance of contract units. The PHA shall notify the owner of the PHA's decision.**
- B. Completion in Stages:** When the units will be completed in stages, the procedures of this section shall apply to each stage.

1.11 Execution of HAP Contract

- A. Time and Execution:** Upon acceptance of the units by the PHA, the owner and the PHA execute the HAP contract.

- B. **Completion in Stages:** When the units will be completed in stages, the number and types of units in each stage, and the initial rents to owner for such units, shall be separately shown in the HAP contract for each stage. Upon acceptance of the first stage, the owner shall execute the HAP contract and the signature block provided in the HAP contract for that stage. Upon acceptance of each subsequent stage, the owner shall execute the signature block provided in the HAP contract for such stage.
- C. **Form of HAP contract:** The terms of the HAP contract shall be provided in Exhibit D of this Agreement. There shall be no change in the terms of the HAP contract unless such change is approved by HUD headquarters. Prior to execution by the owner, all blank spaces in the HAP contract shall be completed by the PHA.
- D. **Survival of Owner Obligations:** Even after execution of the HAP contract, the owner shall continue to be bound by all owner obligations under the Agreement.

1.12 Initial Determination of Rents

- A. The estimated initial rent to owner shall be established in Exhibit C of this Agreement.
- B. The initial rent to owner is established at the beginning of the HAP contract term.
- C. The estimated and initial contract rents for each unit may in no event exceed the amount authorized in accordance with HUD requirements. Where the estimated or the initial rent to owner exceeds the amount authorized under HUD requirements, the PHA shall establish a lower estimated or initial rent to owner (as applicable), in accordance with HUD requirements.

1.13 Uniform Relocation Act

- A. A displaced person must be provided relocation assistance at the levels described in and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4201-4655) and implementing regulations at 49 CFR part 24.
- B. The cost of required relocation assistance may be paid with funds provided by the owner, or with local public funds, or with funds available from other sources. Payment of relocation assistance must be in accordance with HUD requirements.

- C The acquisition of real property for a project to be assisted under the project-based voucher program is subject to the URA and 49 CFR part 24, subpart B.
- D The PHA must require the owner to comply with the URA and 49 CFR part 24.
- E In computing a replacement housing payment to a residential tenant displaced as a direct result of privately undertaken rehabilitation or demolition of the real property, the term "initiation of negotiations" means the execution of the Agreement between the owner and the PHA.

1.14 Protection of In-Place Families

- A In order to minimize displacement of in-place families, if a unit to be placed under HAP contract is occupied by an eligible family on the proposal selection date, the in-place family must be placed on the PHA's waiting list (if it is not already on the list) and, once its continued eligibility is determined, given an absolute selection preference and referred to the project owner for an appropriately sized unit in the project.
- B This protection does not apply to families that are not eligible to participate in the program on the proposal selection date.
- C The term "in-place family" means an eligible family residing in a proposed contract unit on the proposal selection date.
- D Assistance to in-place families may only be provided in accordance with HUD requirements.

1.15 Termination of Agreement and HAP Contract

The Agreement or HAP contract may be terminated upon at least 30 days notice to the owner by the PHA or HUD if the PHA or HUD determines that the contract units were not eligible for selection in conformity with HUD requirements.

1.16 Rights of HUD if PHA Defaults Under Agreement

If HUD determines that the PHA has failed to comply with this Agreement, or has failed to take appropriate action, to HUD's satisfaction or as directed by HUD, for enforcement of the PHA's rights under this Agreement, HUD may assume the PHA's rights and obligations under the Agreement, and may perform the obligations and enforce the rights of the PHA under the Agreement. HUD will, if it determines that the owner is not in

default, pay annual contributions for the purpose of providing housing assistance payments with respect to the dwelling unit(s) under this Agreement for the duration of the HAP contract.

1.17 Owner Default and PHA Remedies

A. Owner Default

Any of the following is a default by the owner under the Agreement:

1. The owner has failed to comply with any obligation under the Agreement.
2. The owner has violated any obligation under any other housing assistance payments contract under Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).
3. The owner has committed any fraud or made any false statement to the PHA or HUD in connection with the Agreement.
4. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any Federal housing assistance program.
5. If the property where the contract units are located is subject to a lien or security interest securing a HUD loan or a mortgage insured by HUD and:
 - A. The owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the regulatory agreement; or
 - B. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with the HUD loan or HUD-insured mortgage.
6. The owner has engaged in any drug-related criminal activity or any violent criminal activity.

B. PHA Remedies

1. If the PHA determines that a breach has occurred, the PHA may exercise any of its rights or remedies under the Agreement.

2. The PHA must notify the owner in writing of such determination. The notice by the PHA to the owner may require the owner to take corrective action (as verified by the PHA) by a time prescribed in the notice.
3. The PHA's rights and remedies under the Agreement include, but are not limited to: (i) terminating the Agreement; and (ii) declining to execute the HAP contract for some or all of the units.

C. PHA Remedy is not Waived

The PHA's exercise or non-exercise of any remedy for owner breach of the Agreement is not a waiver of the right to exercise that remedy or any other right or remedy at any time.

1.18 PHA and Owner Relation to Third Parties

A. Selection and Performance of Contractor

1. The PHA has not assumed any responsibility or liability to the owner, or any other party for performance of any contractor, subcontractor or supplier, whether or not listed by the PHA as a qualified contractor or supplier under the program. The selection of a contractor, subcontractor or supplier is the sole responsibility of the owner and the PHA is not involved in any relationship between the owner and any contractor, subcontractor or supplier.
2. The owner must select a competent contractor to undertake rehabilitation or construction. The owner agrees to require from each prospective contractor a certification that neither the contractor nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or otherwise excluded from participation in contracts by any Federal department or agency or the Comptroller General. The owner agrees not to award contracts to, otherwise engage in the service of, or fund any contractor that does not provide this certification.

- B. Injury Resulting from Work under the Agreement:** The PHA has not assumed any responsibility for or liability to any person, including a worker or a resident of the unit undergoing work pursuant to this Agreement, injured as a result of the work or as a result of any other action or failure to act by the owner, or any contractor, subcontractor or supplier.

- C. **Legal Relationship:** The owner is not the agent of the PHA and this Agreement does not create or affect any relationship between the PHA and any lender to the owner or any suppliers, employees, contractor or subcontractors used by the owner in the implementation of the Agreement.
- D. **Exclusion of Third Party Claims:** Nothing in this Agreement shall be construed as creating any right of any third party (other than HUD) to enforce any provision of this Agreement or the HAP contract, or to assert any claim against HUD, the PHA or the owner under the Agreement or the HAP contract.
- E. **Exclusion of Owner Claims against HUD:** Nothing in this Agreement shall be construed as creating any right of the owner to assert any claim against HUD.

1.19 PHA-Owned Units

Notwithstanding Section 1.18 of this Agreement, a PHA may own units assisted under the project-based voucher program, subject to the special requirements in 24 CFR 983.59 regarding PHA-owned units.

1.20 Conflict of Interest

- A. **Interest of Members, Officers, or Employees of PHA, Members of Local Governing Body, or Other Public Officials**
 - 1. No present or former member or officer of the PHA (except tenant-commissioners), no employee of the PHA who formulates policy or influences decisions with respect to the housing choice voucher program or project-based voucher program, and no public official or member of a governing body or State or local legislator who exercises functions or responsibilities with respect to these programs, shall have any direct or indirect interest, during his or her tenure or for one year thereafter, in the Agreement or HAP contract.
 - 2. HUD may waive this provision for good cause.

- B. **Disclosure**

The owner has disclosed to the PHA any interest that would be a violation of the Agreement or HAP contract. The owner must fully and promptly update such disclosures.

1.21 Interest of Member or Delegate to Congress

No member of or delegate to the Congress of the United States of America or resident-commissioner shall be admitted to any share or part of the Agreement or HAP contract or to any benefits arising from the Agreement or HAP contract.

1.22 Transfer of the Agreement, HAP Contract or Property

A. PHA Consent to Transfer

The owner agrees that the owner has not made and will not make any transfer in any form, including any sale or assignment, of the Agreement, HAP contract or the property without the prior written consent of the PHA. A change in ownership in the owner, such as a stock transfer or transfer of the interest of a limited partner, is not subject to the provisions of this section. Transfer of the interest of a general partner is subject to the provisions of this section.

B. Procedure for PHA Acceptance of Transferee

Where the owner requests the consent of the PHA for a transfer in any form, including any sale or assignment, of the Agreement, the HAP contract or the property, the PHA must consent to a transfer of the Agreement or HAP contract if the transferee agrees in writing (in a form acceptable to the PHA) to comply with all the terms of the Agreement and HAP contract, and if the transferee is acceptable to the PHA. The PHA's criteria for acceptance of the transferee must be in accordance with HUD requirements.

C. When Transfer is Prohibited

The PHA will not consent to the transfer if any transferee, or any principal or interested party is debarred, suspended subject to a limited denial of participation, or otherwise excluded under 2 CFR part 2424, or is listed on the U.S. General Services Administration list of parties excluded from Federal procurement or nonprocurement programs.

1.23 Exclusion from Federal Programs

A. Federal Requirements

The owner must comply with and is subject to requirements of 2 CFR part 2424.

B. Disclosure

The owner certifies that:

1. The owner has disclosed to the PHA the identity of the owner and any principal or interested party.
2. Neither the owner nor any principal or interested party is listed on the U.S. General Services Administration list of parties excluded from Federal procurement and nonprocurement programs; and none of such parties are debarred, suspended, subject to a limited denial of participation or otherwise excluded under 2 CFR part 2424.

1.24 Lobbying Certifications

A. The owner certifies, to the best of owner's knowledge and belief, that:

1. No Federally appropriated funds have been paid or will be paid, by or on behalf of the owner, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of the Agreement or HAP contract, or the extension, continuation, renewal, amendment, or modification of the HAP contract.
2. If any funds other than Federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the Agreement or HAP contract, the owner must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

B. This certification by the owner is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352.

1.25 Subsidy Layering

A. Owner Disclosure

The owner must disclose to the PHA, in accordance with HUD requirements, information regarding any related assistance from the Federal Government, a State, or a unit of general local government, or any agency or instrumentality thereof, that is made available or is expected to be made available with respect to the contract units. Such related assistance includes, but is not limited to, any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance.

B. Limit of Payments

Housing assistance payments under the HAP contract must not be more than is necessary, as determined in accordance with HUD requirements, to provide affordable housing after taking account of such related assistance. The PHA will adjust in accordance with HUD requirements the amount of the housing assistance payments to the owner to compensate in whole or in part for such related assistance.

1.26 Prohibition of Discrimination

- A. The owner may not refuse to lease contract units to, or otherwise discriminate against, any person or family in leasing of a contract unit, because of race, color, religion, sex, national origin, disability, age or familial status.
- B. The owner must comply with the following requirements: The Fair Housing Act (42 U.S.C. 3601–19) and implementing regulations at 24 CFR part 100 *et seq.*; Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959–1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 CFR part 107; title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d–2000d–4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR part 1; the Age Discrimination Act of 1975 (42 U.S.C. 6101–6107) and implementing regulations at 24 CFR part 146; section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at part 8 of this title; title II of the Americans with Disabilities Act, 42 U.S.C. 12101 *et seq.*; 24 CFR part 8; section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135; Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR, 1964–

1965 Comp., p. 339; 3 CFR, 1966-1970 Comp., p. 684; 3 CFR, 1966-1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230; and 3 CFR, 1978 Comp., p. 264, respectively) (Equal Employment Opportunity Programs) and implementing regulations at 41 CFR chapter 60; Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971-1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprises); Executive Order 12432 (3 CFR, 1983 Comp., p. 198) (Minority Business Enterprise Development); and Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393 and 3 CFR, 1987 Comp., p. 245) (Women's Business Enterprise).

- C. The PHA and the owner must cooperate with HUD in the conducting of compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and all related rules and regulations.

1.27 PHA and HUD Access to Premises and Owner Records

- A. The owner must furnish any information pertinent to this Agreement as may be reasonably required from time to time by the PHA or HUD. The owner shall furnish such information in the form and manner required by the PHA or HUD.
- B. The owner must permit the PHA or HUD or any of their authorized representatives to have access to the premises during normal business hours and, for the purpose of audit and examination, to have access to any books, documents, papers and records of the owner to the extent necessary to determine compliance with the Agreement.

1.28 Notices and Owner Certifications

- A. Where the owner is required to give any notice to the PHA pursuant to this Agreement, such notice shall be in writing and shall be given in the manner designated by the PHA.
- B. Any certification or warranty by the owner pursuant to the Agreement shall be deemed a material representation of fact upon which reliance was placed when this transaction was entered into.

1.29 HUD Requirements

- A. The Agreement and the HAP contract shall be interpreted and implemented in accordance with all statutory requirements, and with all HUD requirements, including amendments or changes in HUD requirements. The owner agrees to comply with all such laws and HUD requirements
- B. HUD requirements are requirements that apply to the project-based voucher program. HUD requirements are issued by HUD Headquarters as regulations, Federal Register notices or other binding program directives.

1.30 Applicability of Part II provisions – Check all that apply

Training, Employment and Contracting Opportunities

Section 2.1 applies if the total of the contract rents for all units under the proposed HAP contract, over the maximum term of the contract, is more than \$200,000.

Equal Employment Opportunity

Section 2.2 only applies to construction contracts of more than \$10,000.

Labor Standards Requirements

Sections 2.4, 2.8 and 2.10 apply when this Agreement covers nine or more units.

Flood Insurance

Section 2.11 applies if units are located in areas having special flood hazards and in which flood insurance is available under the National Flood Insurance Program.

EXECUTION OF THE AGREEMENT

PUBLIC HOUSING AGENCY

Name (Print) Manuel GARCIA

By: [Signature]
Signature of Authorized Representative

Official title (Print): Deputy Director

Date: 12/22/14

OWNER

Name (Print) Barbara K. School

By: [Signature]
Signature of Authorized Representative

Official Title (Print): Vice President, Community Investment Strategies, Inc.

Date: 12/19/14

By: CIS Cochurst, LLC
Its managing member
By: Heritage Village at Oakda
Its managing member



APPENDIX J

Cindy Lane Apartments Crediting Documentation, including:

- Resolution approving PILOT
- Developer's agreement
- Financing documents
- Planning Board resolution of approval
- Summary of income and bedroom distribution

**RESOLUTION
TOWNSHIP OF OCEAN**

WHEREAS, Cindy Lane Family Ventures, LLC (hereinafter referred to as the "Sponsor") proposes to construct a housing project known as Ocean Affordable Housing Development that will provide 48 units of affordable family rental housing (hereinafter referred to as the "Project") pursuant to the provisions of the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended (N.J.S.A. 55:14K-1 et seq.), the rules promulgated thereunder at N.J.A.C. 5:80-1.1 et seq. and all applicable guidelines promulgated thereunder (the foregoing hereinafter collectively referred to as the "HMFA Requirements") within the Township of Ocean (hereinafter referred to as the "Municipality") on a site described Block 1.02, Lot 51.11, as shown on the Official Assessment Map of the Township of Ocean, Monmouth County; and

WHEREAS, the Project will be subject to the HMFA Requirements and the mortgage and other loan documents executed between the Sponsor and the New Jersey Housing and Mortgage Finance Agency (hereinafter referred to as the "Agency"); and

WHEREAS, pursuant to the HMFA Requirements, the Mayor and Council of the Township of Ocean hereby determines that there is a need for this rental housing project in the Township of Ocean; and

WHEREAS, the Sponsor has presented to the Mayor and Council, a revenue projection of the Project which sets forth the anticipated revenue to be received by the Sponsor from the operation of the Project as estimated by the Sponsor and the Agency, a copy of which is attached hereto and made a part hereof as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Ocean (the "Council") that:

1. The Council finds and determines that the proposed rental project will meet or meets as existing housing need;
2. The Council does hereby adopt the within Resolution and makes the determination and finding herein contained by virtue of, pursuant to, and in conformity with the provisions of the HMFA Requirements with the intent and purpose that the Agency shall rely thereon in making a mortgage loan to the Sponsor, which shall construct, own and operate the Project; and
3. The Council does hereby adopt the within Resolution with the further intent and purpose that from the date of execution of the Agency mortgage, the proposed Project, including both the land and improvements thereon, will be exempt from real property taxation as provided in the HMFA Requirements, provided that payments in lieu of taxes for municipal services supplied to the Project are made to the municipality in such amounts and manner set forth in the Agreement for Payments in Lieu of Taxes attached hereto as Exhibit "B": and
4. The Council hereby authorizes and directs the Mayor of the Township of Ocean to execute, on behalf of the Municipality, the Agreement for Payments in Lieu of Taxes in substantially the form annexed hereto as Exhibit "B"; and
5. The Council understands and agrees that the revenue projections set forth in Exhibit "A" are estimates and that the actual payments in lieu of taxes to be paid by the Sponsor to the Municipality shall be determined pursuant to the Agreement for Payments in Lieu of Taxes executed between the Sponsor and Municipality.

Record of Vote	Deputy Mayor Garofalo	Councilman Acerra	Councilman Long	Councilwoman Schepiga	Mayor Siciliano
Motion To Approve				X	
Motion to Second			X		
Approved	X	X	X	X	X
Opposed					
Not Voting/Recuse					
Absent/Excused					

CERTIFICATION

*I hereby certify that this is a true copy of a resolution passed by the Township of Ocean Governing Body at their meeting held on **September 3, 2015.***



Vincent Buttiglieri, RMC/CMC/MMC
Township Clerk

EXHIBIT "A"

FINANCIAL ESTIMATE
RELATING TO ANNUAL SERVICE CHARGES
OF
CINDY LANE FAMILY VENTURES, LLC

With regard to a housing development to be constructed, known as Ocean Affordable Housing Development, to be located in the Township of Ocean, (Monmouth County), New Jersey.

Estimated Project Revenues \$459,368

Estimated Municipal Service Charge of 10% of Project Revenues \$ 45,937

Total Number of Residential Units: 48

ROA	# Units	Bedrooms	Gross Rent	Utility Allowance	Net Rent	Total Monthly Rent	Total Annual Rent
57.50%	4	1	\$989	\$113	\$876	\$3,504	\$ 42,048
57.50%	13	2	\$1,187	\$153	\$1,034	\$13,442	\$ 161,304
57.50%	6	3	\$1,371	\$187	\$1,184	\$7,104	\$ 85,248
47.50%	4	1	\$817	\$113	\$704	\$2,816	\$ 33,792
47.50%	10	2	\$980	\$153	\$827	\$8,270	\$ 99,240
47.50%	5	3	\$1,132	\$187	\$945	\$4,725	\$ 56,700
20.00%	1	1	\$344	\$113	\$231	\$231	\$ 2,772
20.00%	3	2	\$413	\$153	\$260	\$780	\$ 9,360
20.00%	1	3	\$477	\$187	\$290	\$290	\$ 3,480
	1	2 super	\$0			\$0	
<hr/>							\$
Total:	48		\$7,710			\$41,162	\$ 493,944
						Vacancy 7%	\$ 34,576
						Income	\$ 459,368
						PILOT 10%	\$ 45,937

EXHIBIT "B"

AGREEMENT FOR PAYMENT IN LIEU OF TAXES

THIS AGREEMENT, made this _____ day of _____, 2015, between Cindy Lane Family Ventures, LLC, a limited liability company of the State of New Jersey, having its principal office at One Parker Plaza, Fort Lee, New Jersey 07024 (hereinafter the "Sponsor") and the Township of Ocean, a municipal corporation in the County of Monmouth and State of New Jersey (hereinafter the "Municipality").

WITNESSTH:

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

1. This Agreement is made pursuant to the authority contained in Section 37 of the New Jersey Housing and Mortgage Finance Agency Law of 1983 (N.J.S.A. 55:14K-1 et. seq.) (hereinafter "HMFA Law") and a Resolution of the Council of the Municipality dated September 3, 2015 (the "Resolution") and with the approval of the New Jersey Housing and Mortgage Finance Agency (hereinafter the "Agency"), as required by N.J.S.A. 55:14K-37.

2. The Project is or will be situated on that parcel of land designated as Block 1.02, Lot 51.11, as shown on the Official Assessment Map of the Township of Ocean.

3. As of the date the Sponsor executes a first mortgage upon the Project in favor of the Agency (hereinafter referred to as the "Agency Mortgage"), the land and improvements comprising the Project shall be exempt from real property taxes, provided that the Sponsor shall make payments in lieu of taxes to the Municipality as provided hereinafter. The exemption of the Project from real property taxation and the Sponsor's obligation to make payments in lieu of taxes shall not extend beyond the date on which the Agency Mortgage is paid in full, which according to the HMFA Law, may not exceed fifty (50) years.

4. (a) For projects receiving construction and permanent financing from the Agency, the Sponsor shall make payment to the Municipality of an annual service charge in lieu of taxes in such amounts as follows:

(1) From the date of the execution of the Agency Mortgage until the date of Substantial Completion of the Project, the Sponsor shall make payment to the Municipality in an amount equal to the amount of taxes due on the property for the year preceding the recording of the Agency Mortgage. As used herein, "Substantial Completion" means the date upon which the Municipality issues the Certificate of Occupancy for all units in the Project.

(2) From the date of Substantial Completion of the Project and for the remaining term of the NJHMFA Mortgage, the Sponsor shall make payment to the Municipality in an amount equal to 10 percent of the Project Revenues.

(b) For projects receiving permanent financing only from the Agency, the Sponsor shall make payment to the Municipality in an amount equal to 10 percent of the Project Revenues from the date of the Agency Mortgage and for the remaining term of the Agency Mortgage.

(c) As used herein, "Project Revenues" means the total annual gross rental or carrying charge or other income of the Sponsor from the Project less vacancies if any.

(d) The amount of payment in lieu of taxes to be paid pursuant to paragraphs (a) or (b) or (c) above is calculated in Exhibit "A" attached hereto. It is expressly understood and agreed that the revenue projections provided to the Municipality as set forth in Exhibit "A" and as part of the Sponsor's application for an agreement for payments in lieu of taxes are estimates only. The actual payments in lieu of taxes to be paid by the Sponsor shall be determined pursuant to Section 5 below.

5 (a) Payments by the Sponsor shall be made on a quarterly basis in the same manner and on the same dates as real estate taxes are paid to the Municipality and shall be based upon Project Revenues of the previous quarter. No later than three (3) months following the end of the first fiscal year of the operation after (i) the date of Substantial Completion (for projects receiving construction and permanent financing) or (ii) the date of the Agency Mortgage for projects receiving permanent financing only) and each year thereafter that this Agreement remains in effect, the Sponsor shall submit to the Municipality a certified, audited financial statement of the operation of the Project (the "Audit"), setting forth the Project Revenues and the total payments in lieu of taxes due to the Municipality calculated at 10 percent of Projected Revenues as set forth in the Audit (the "Audit Amount"). The Sponsor simultaneously shall pay the difference, if any, between (i) the Audit Amount and (ii) payments made by the Sponsor to the Municipality for the preceding fiscal year. The Municipality may accept any such payment without prejudice to its rights to challenge the amount due. In the event that the payments made by the Sponsor for any fiscal year shall exceed the Audit Amount for such fiscal year, the Municipality shall credit the amount of such excess to the account of the Sponsor.

(b) All payments pursuant to this Agreement shall be in lieu of taxes and the Municipality shall have all rights and remedies of tax enforcement granted to Municipalities by law just as if said payments constituted regular tax obligations on real property within the Municipality. If, however, the Municipality disputes the total amount of the annual payment in lieu of taxes due it, based upon the Audit, it may apply to the Superior Court, Chancery Division for an accounting of the service charge due the Municipality, in accordance with this Agreement and HMFA Law. Any such action must be commenced within one year of the receipt of the Audit by Municipality.

(c) In the event of the delinquency in the aforesaid payments, the Municipality shall give notice to the Sponsor and the NJHMFA in the manner set forth in 9(a) below, prior to any legal action being taken.

6. The tax exemption provided herein shall apply only so long as the Sponsor or its successor and assigns and the Project remain subject to the provisions of the HMFA Law and Regulations made thereunder and the supervision of the Agency, but in no event longer than the term of the Agency Mortgage. In the event of (a) a sale, transfer or conveyance of the Project by the Sponsor or (b) a change in the organizational structure of the Sponsor, this Agreement shall be assigned to the Sponsor's successor and shall continue in full force and effect so long as the successor entity qualifies under the HMFA Law or any other state law applicable at the time of the assignment of this Agreement and is obligated under the Agency Mortgage.

7. Upon termination of such tax exemption, whether by affirmative action of the Sponsor, its successors and assigns, or by virtue of the provisions of the HMFA Law, or any other applicable state law, the Project shall be taxed as omitted property in accordance with the law.

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

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

- (a) When sent by the Municipality to the Sponsor, it shall be addressed to Joseph Alpert, One Parker Plaza, Fort Lee, New Jersey, 07024 or to such other address as the Sponsor may hereafter designate in writing and a copy of said notice or communication by the Municipality to the Sponsor shall be sent by the Municipality to the New Jersey Housing and Mortgage Finance Agency, 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085.
- (b) When sent by the Sponsor to the Municipality, it shall be addressed to the Office of the Township Manager or to such other address as the Municipality may designate in writing: and a copy of said notice or communication by the Sponsor to the Municipality shall be sent by the Sponsor to the New Jersey Housing and Mortgage Finance Agency, 637 Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085.

10. In the event of a breach of this Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court, Chancery Division, to settle and resolve said dispute in such fashion as will tend to accomplish the purposes of the HMFA Law.

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

ATTEST

CINDY LANE FAMILY VENTURES, LLC

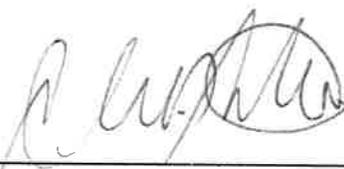


By: 
Joseph Alpert
Managing Member

ATTEST

TOWNSHIP OF OCEAN


Vincent Buttiglieri
Township Clerk

By: 
Christopher P. Siciliano
Mayor

DEVELOPER'S AGREEMENT
BETWEEN
THE TOWNSHIP OF OCEAN
AND
AFFORDABLE HOUSING ALLIANCE

THIS AGREEMENT entered into this 26 day of October, 2015 between the Township of Ocean, a municipal corporation, in the County of Monmouth, State of New Jersey, having its office at 399 Monmouth Road, Oakhurst, New Jersey 07755 (hereinafter "Municipality" or "Ocean") and the Affordable Housing Alliance having an office at 59 Broad Street, Eatontown, New Jersey 07724 (hereinafter "AHA" or "Developer").

WHEREAS, Southern Burlington County NAACP v. Tp. of Mount Laurel, 92 N.J. 158 (1983) (hereinafter "Mount Laurel"), the Fair Housing Act, N.J.S.A. 52:27D-301, *et seq.*, the regulations adopted by the Council On Affordable Housing (hereinafter "COAH"), and other applicable laws require all New Jersey municipalities to create a realistic opportunity for the provision of low and moderate income housing (hereinafter "affordable housing"); and

WHEREAS, it has been determined that the Municipality must address its obligation of its affordable housing Fair Share Plan, meaning the Municipality must provide a realistic opportunity for the creation of units affordable to low and moderate income households and conforming to the regulations of COAH and the Uniform Housing Affordability Controls ("UHAC"); and

WHEREAS, to address this obligation the Municipality and AHA have conducted several discussions with regard to creating a rental community of 48 apartments on Block 1.02 /Lot 51.11 referred to as the "West Park Avenue Project," which contemplates the construction of 48 rental units which will be affordable to certified low and moderate income households; and

WHEREAS, the Municipality is also cognizant that if West Park Avenue Project fails to materialize, it must still address its obligation to satisfy a portion of its affordable housing obligations with rental housing; and

WHEREAS, the Municipality has therefore committed to collaborating and forming an agreement with AHA; and

WHEREAS, the Municipality owns the West Park Avenue parcel, the Municipality has committed to transferring ownership of this parcel to AHA to facilitate the construction of said units and to enhance the economic feasibility of the project; and

WHEREAS, AHA has developed and submitted to the Municipality a proposal for the construction and administration of a 48-unit, municipally-sponsored rental program, attached hereto as Exhibit A; and

WHEREAS, the AHA proposal includes a *pro forma* and a construction schedule in conformity with N.J.A.C. 5:93-5.5; and

WHEREAS, AHA will endeavor to secure sufficient funding from several funding sources in order to complement the use of any municipal funds; and

WHEREAS, in the event that AHA is unable to secure a portion of the funds necessary to complete this project, the Municipality has formally committed to fund any shortfall via Resolution entitled "A Resolution of the Township Council of the Township of Ocean Expressing Its Intent to Fund for the Municipality's Affordable Housing Obligation," dated _____, and attached hereto as Exhibit B; and

WHEREAS, the Municipality has also committed to act in good faith, to assist AHA to the extent possible in securing any and all permits necessary to commence construction of the proposed project and to zone the site for the purposes intended in this contract; and

WHEREAS, AHA will assure that the affordable units comply with all applicable regulations of COAH including but not limited to those regulations concerning pricing, bedroom mix, low/moderate income split, affirmative marketing, and all other applicable COAH and UHAC regulations; and

WHEREAS, AHA shall comply with the statutory requirement for 13% of all affordable units to be affordable to very low-income households at 30% of the region's median income; and

WHEREAS, the subject property is available, approvable, developable and suitable, as those terms are defined in N.J.A.C. 5:93-5.3(b), for the project illustrated by Exhibit A; and

WHEREAS, the parties anticipate that the Municipality shall be entitled, pursuant to N.J.A.C. 5:93-5.15(d)1, to rental bonuses for some or all of the 48

affordable housing units provided pursuant to this project, which will address some of the Municipality's fair share obligation, and

NOW, THEREFORE, be it agreed as follows:

A. Purpose of Agreement

The purpose of this agreement is to create a realistic opportunity for the construction of 48 rental units affordable to very low, low and moderate income households under COAH's regulations, UHAC and Fair Housing Act.

B. Obligations of Developer

1. AHA shall file development applications with the Planning Board based upon the ordinance incorporating the relevant standards. All applications shall be substantially in accordance with the concept plan attached as Exhibit A and shall also comply with all RSIS standards.

2. AHA shall take all necessary steps to provide and maintain the creditworthiness of the affordable units or the total number of units approved by the Planning Board and constructed by this agreement against any present or future Mount Laurel obligation. Accordingly, as to the affordable units, AHA shall comply with all applicable laws including but not limited to those set forth in COAH regulations, UHAC, the New Jersey Fair Housing Act, as amended, and other applicable laws. In addition, AHA shall comply with the Land Use and Development Regulations of the Municipality Code as well as any amendments that may be necessary or desirable to ensure that the Township of Ocean complies with applicable Mount Laurel requirements.

3. AHA agrees to record deed restrictions on all units in conformance with all relevant COAH regulations and the UHAC set forth at N.J.A.C. 5:80-26 et. seq. Said controls on affordability shall be in effect for a period not less than 30 years.

4. AHA agrees to act as affordable housing administrator for the rental units associated with this project and to administer the rent controls and other associated duties consistent with COAH and UHAC regulations and other applicable laws.

5. In addition, AHA agrees to establish the aesthetics of the units in keeping with the character **of the** neighborhood including, but not limited to, landscaping and building maintenance.

6. The construction schedule shall provide for construction to begin within two years of substantive certification/judgment of repose. N.J.A.C. 5:93-5.5. Developer shall submit documentation explaining the progress of the development to the Municipality upon reasonable request by the Municipality.

C. General Conditions

1. In the event that AHA fails to perform any of the duties addressed in this agreement, the Municipality shall have a right to make application with the Court to void the agreement and to seek any relief available in law or equity. It is understood that the transfer of the property shall not occur until all approvals are received and all financing is in place.

2. Any Planning Board approval shall be subject to full compliance with this agreement as an essential and non-severable condition of the approval.

3. The Developer shall have the right to declare this agreement null and void and of no further force and effect in the event that the Approving Authority of Ocean fails to approve an application made pursuant to this agreement within 120 days from the date that such application is deemed complete pursuant to the provisions of the Municipal Land Use Law, provided that Developer pursues said approvals with reasonable diligence. In the event that the application for the development of the proposed project is reasonably rejected or denied by any land use board or the governing body of the Municipality, this agreement shall be null and void *ab initio*. Nothing in this agreement shall restrict Developer from utilizing its right to review or appeal any decisions of the Municipality or its land use boards relevant to this project."

4. The parties shall exercise good faith, cooperate and assist each other in fulfilling the intent and purpose of this Agreement; including, but not limited to, the adoption of the Zoning Amendment and Fair Share Plan amendments, compliance with any reasonable requirements of the Superior Court in conjunction with Ocean Township's efforts to secure approval of its housing element and fair share plan, and the development of the property consistent with the terms hereof and the defense of any challenge with regard to any of the foregoing.

5. The provisions of this Agreement shall run with the land, and the obligations and benefits hereunder shall be binding upon and inure to the benefit of the Parties, their successors and assigns, including any person, corporation, partnership or other legal entity which at any particular time may have a fee title interest in the subject property which is the subject of this Agreement. This Agreement may be enforced by any of the parties, and their successors and assigns, as herein set forth.

6. This Agreement has been fully negotiated, reviewed and drafted by all parties hereto and their respective attorneys. Accordingly, the common law presumption of resolving ambiguities against the drafter shall not apply.

7. AHA may assign this Developer's Agreement to an entity in which AHA is a general partner or managing member and owns an equity ownership interest of not less than forty percent.

The terms of this agreement shall be binding upon the parties, their successors and/or assigns.

ATTEST

By: 
 Vincent Buttiglieri, Clerk

TOWNSHIP OF OCEAN

By: 
 Christopher P. Siciliano, Mayor

ATTEST

By: 
 , Secretary

AFFORDABLE HOUSING ALLIANCE

By: 
 Donna M. Blaze, CEO

Record of Vote	Deputy Mayor Garofalo	Councilman Acerra	Councilman Long	Councilwoman Schepiga	Mayor Siciliano
Motion To Approve			x		
Motion to Second		x			
Approved	x	x	X	x	x
Opposed					
Not Voting/Recuse					
Absent/Excused					

CERTIFICATION

I hereby certify that this is a true copy of a resolution passed by the Township of Ocean Governing Body at their meeting held on **October 15, 2015**.


 Jessie M. Joseph, RMC/CMR
 Deputy Township Clerk

EXHIBIT A

CONCEPT PLAN

EXHIBIT B

RESOLUTION OF INTENT TO BOND

EXHIBIT C
ZONING ORDINANCE

OCEAN FAMILY APARTMENTS

NJHMFA CDBG/FRM 3B TRANCHE

PART A. APPLICATION SUBMISSION

NOVEMBER 2015

SUBMITTED BY:

CINDY LANE FAMILY VENTURES, LLC

JOSEPH ALPERT/THE ALPERT GROUP

&

AFFORDABLE HOUSING ALLIANCE, INC.

Ocean Family Housing

Table of Contents

Exhibit 1: UNIAP

Exhibit 2: Project Description

Exhibit 3: Form 10

Exhibit 4: Site Location Map

Exhibit 5: Sponsor Resumes

Exhibit 6: Site Control

Exhibit 7: Design Schematics

Exhibit 8: NJHMFA Resolution of Need

Ocean Family Housing

Exhibit 1: UNIAP

Please see the attached NJHMFA UNIAP.

PART I -- PROJECT INFORMATION SUMMARY

This form must be completed for all projects.

PROGRAM(S) YOU ARE APPLYING FOR (Check all that apply)

- HMFA Financing
 - Construction Financing Only
 - Permanent Financing Only
 - Construction/Permanent
 - Tax-Exempt Bonds (Volume Cap)
 - 501(c)(3) Tax-Exempt Bonds
 - Taxable Bonds
 - Conduit Bonds
 - Special Needs Housing Trust Fund
 - Special Needs Housing Partnership Program
 - Other Special Needs _____
- Low Income Housing Tax Credits
 - 4% credit (federally subsidized)
 - 9% credit (non federally subsidized)
- Preservation Financing
 - HMFA Portfolio
 - Section 8 Project
 - Section 236 Project
 - Section 202 Project
 - Date Current Mortgage Expires: _____
 - Date IRP or HAP Expires: _____
- Community Development Block Grant - Disaster Recovery (CDBG - DR) \$ 7,950,000 (total amt)
 - Fund for Restoration of Multifamily Housing (FRM)
 - Sandy Special Needs Housing Funds (SSNHF)
 - Fund for Restoration of Multi-Family Public Housing Authority Set-Aside Program (FRM-PHA)

PROJECT INFORMATION

Project Name (as it will appear on mortgage documents) Ocean Family Apartments

Primary address for project: Cindy Lane

City Ocean Township
07712

County

Monmouth

Zip

Code

Building Address	Block	Lot	# of Units	# of Special Needs Beds	Census Tract #	Rehab, New Construction, or Acquisition Only
Cindy Lane	1.02	51.11	48	5	8065.01	New Construction

(If more space is needed, see last page)

Number of Currently Occupied DU's: 0

Total Number of Units: 48

CONSTRUCTION TYPE

- Rehabilitation/Vacant
- Rehabilitation/Occupied
- Moderate Rehabilitation
- Conversion
- Historic
- New Construction

Substantial Rehabilitation

Modular

PROJECT CLASSIFICATION: (Please check all that apply)

- Family
- Senior Citizens*
- Nonprofit Sponsored
- Scattered Site Single Family
- Scattered Site Duplex
- Supportive Housing
- Davis-Bacon Prevailing Wages
- Ready to Grow Area

- Market
- Green Tax Credit Point
 - Energy Benchmarking
 - Solar Hot Water or Water Retainage and Reuse System
- Green Future
- Tier 2 EPA ENERGY STAR Homes Version 3.0
- Solar Photovoltaic
- LEED Certification
- National Green Building Standard
- Tier 3 Energy Star Climate Choice
- Tier 1 Energy Efficient Homes
- Inclusionary Development
- Project Has Received a Density Bonus
- Planning Area Metropolitan

*NOTE: Units financed by Special Needs Program Funds may not be age-restricted to individuals age 55 and older.

LEGISLATIVE DISTRICTS

Congressional 4

State Senate/Assembly 11

BUILDING TYPE

	# of Buildings	# of Stories	# of Residential Stories	# of Units	Elevator (Yes or No)
Lo-Rise (1-4 stories)	<u>1</u>	<u>3</u>	<u>3</u>	<u>48</u>	<u>No</u>
Mid/High-Rise (5+ stories)	_____	_____	_____	_____	_____
Garden Apartments	_____	_____	_____	_____	_____
Rowhouse/Townhouse	_____	_____	_____	_____	_____
Semi-detached	_____	_____	_____	_____	_____
Single Family	_____	_____	_____	_____	_____
TOTALS	<u>1</u>			<u>48</u>	

PROJECT DEVELOPMENT SCHEDULE

Month/Year

Preliminary Site Plan Approval	<u>01/16</u>
Final Site Plan Approval	<u>01/16</u>
Local, County and/or State Planning and Variance Approvals	<u>01/16</u>
Local, County and/or State Environmental Approvals	<u>01/16</u>
Closing and Transfer of Property	<u>08/16</u>
Construction Start	<u>08/16</u>
Construction Completion	<u>08/17</u>
Lease-Up	<u>08/17 - 02/18</u>
Expenditure of 10% of Reasonably Expected Basis (if applicable)	<u>12/18</u>
Anticipated Placed in Service Date	<u>08/17</u>
Anticipated Completion of Rent-Up	<u>02/18</u>
Anticipated Start of Compliance Period	<u>08/17</u>

PROJECT DESCRIPTION

Site Acreage 3.612 acres
 Number of buildings 1
 Number of buildings containing low-income units 1
 Number of buildings containing special needs units 1

UNIT DISTRIBUTION (Do not include non-revenue units)

Type of Unit (1BR, 2BR, etc.)	# of Affordable Units (up to 60%)	# of Moderate-Income Units (>60% to 80%)	# of Market Rate Units	# of Special Needs Units (included in # of Affordable Units)	TOTAL
<u>1 BR</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>9</u>
<u>2 BR</u>	<u>26</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>26</u>
<u>3 BR</u>	<u>12</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>12</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
<u>TOTAL</u>	<u>47</u>	<u>0</u>	<u>0</u>	<u>5</u>	<u>47</u>

NON-REVENUE UNITS: Indicate number of units, BR count and intended use (i.e. super's unit). one 2 BR super's unit.

NUMBER OF STATE SUBSIDIZED UNITS 47
 Is a superintendent's unit included in the State Subsidy units? Yes ___ No X
 If not, will the superintendent's unit be income restricted? Yes ___ No X

NUMBER OF COUNCIL ON AFFORDABLE HOUSING UNITS 47

SQUARE FOOTAGE

Gross Square Footage 55,289 s.f.
 Total residential square footage 55,289 s.f.
 Total low-income residential square footage 55,289 s.f.

SITE SECURITY:

How will site security be addressed in the building (s)? Check off Type(s):
 Cameras Monitors
 On Site Security Armed Security
 Card Entry Other: _____

SENIOR PROJECT (If applicable, must only check one)

Please indicate below which category of exempt "housing for older persons" (as defined by the Fair Housing Act) the project will meet:
 At least 80 percent of the occupied units in the building will be occupied by at least one person 55 years or older and the property will be clearly intended for older persons as evidenced by policies and procedures that demonstrate the intent that the property be housing for older persons (55+).

NOTE: This option should be selected for senior projects that will be setting aside units for special needs and seeking financing from the Special Needs Housing Trust Fund, as units financed by the Special Needs Housing Trust Fund may not be age-restricted to individuals age 55 and older.

ALL the residents of the project will be 62 or older

The Secretary of HUD has designated the project as housing for older persons (attach *documentation*)

APPLICANT INFORMATION

Developer/
Applicant

Cindy Lane Family Ventures, LLC

Address c/o The Alpert Group, One Parker Plaza

City Fort Lee State NJ Zip Code 07024

Telephone (201) 886-7800 Fax (201) 886-7806

Principals 2 members -- Joseph Alpert (50%) and Affordable Housing Alliance, Inc. (50%)

Contact Person/Consultant Joseph Alpert

Title President

Company The Alert Group, LLC

Address One Parker Plaza

City Fort Lee State NJ Zip Code 07024

Telephone (201) 886-7800 Fax (201) 886-7806

E-mail joe@thealpertgroup.com

The contact person named will be the only person with whom NJHMFA corresponds.
Any changes in the contact person must be in writing.

- Applicant is current owner and will retain ownership.
- Applicant is the project developer and will be part of the final ownership entity.
- Applicant is the project developer and will not be part of the final ownership entity.
- Other: Applicant is _____

Will property be sold or transferred by the applicant prior to project being placed in service?

- NO
- YES (If yes, provide name of the purchasing entity and experience of its principals.)

Will property be sold or transferred by the applicant within 2 years of being placed in service?

- NO
- YES (When? Provide name of purchasing entity and experience of its principals.)

Name of Final Ownership Entity

Cindy Lane Family Ventures, LLC

- Currently Exists Tax ID# _____
- To be Formed Expected Date: _____

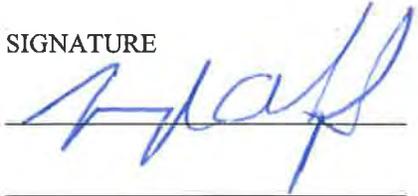
Final Ownership Entity is/will be:

- Limited Partnership
- LLP or LLC

Attach a diagram depicting the organizational structure of the final ownership entity (see Tax Credit application appendix).

LIST OF AUTHORIZED SIGNATORIES

The persons listed below are the only people authorized to sign official documents submitted to HMFA. Any change to this list must be in writing.

PRINT NAME	PRINT TITLE/AFFILIATION	SIGNATURE
<u>Joseph Alpert</u>	<u>The Alpert Group, LLC</u>	
<u>Donna Rose-Blaze</u>	<u>Affordable Housing Alliance, Inc.</u>	<hr/>
<hr/>	<hr/>	<hr/>

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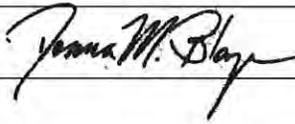
PRINT NAME

PRINT TITLE/AFFILIATION

SIGNATURE

Joseph Alpert

The Alpert Group, LLC



Donna M. Blaze

Affordable Housing Alliance, Inc.

DEVELOPMENT TEAM RESUMES

Insert a brief resume for the sponsor(s), developer(s), general partner(s), voting member(s), and limited partner, and complete the list of Development Team Members below. **Please include full address (street, city, state, zip).**

	Name	Tax ID#	Phone#	Fax#
Sponsor/Borrowing Entity	Cindy Lane Family Ventures, LLC	(201) 886-7800	(201) 886-7806	
Address:	<u>c/o The Alpert Group, LLC, One Parker Plaza</u>			
City:	<u>Fort Lee</u>			
State:	<u>NJ</u>			
Zip:	<u>07024</u>			
Email:	<u>Joe Alpert; joe@thealpertgroup.com</u>			
Developer	The Alpert Group, LLC		(201) 886-7800	(201) 886-7806
Address:	<u>One Parker Plaza</u>			
City:	<u>Fort Lee</u>			
State:	<u>NJ</u>			
Zip:	<u>07024</u>			
Email:	<u>Joe Alpert; joe@thealpertgroup.com</u>			
General Contractor	To Be Determined			
Address:	_____			
City:	_____			
State:	_____			
Zip:	_____			
Email:	_____			
Municipal Contact	Honorable Christopher Siciliano		(732) 531-5032	
Address:	<u>399 Monmouth Rd</u>			
City:	<u>Oakhurst</u>			
State:	<u>NJ</u>			
Zip:	<u>07755</u>			
Email:	<u>csiciliano@oceantwp.org</u>			
General Partner				
Address:	_____			
City:	_____			
State:	_____			
Zip:	_____			
Email:	_____			
Voting Member (LLCs)	Joseph Alpert	(201) 886-7800	(201) 886-7806	
Address:	<u>One Parker Plaza</u>			
City:	<u>Fort Lee</u>			
State:	<u>NJ</u>			
Zip:	<u>07024</u>			
Email:	<u>joe@thealpertgroup.com</u>			
Construction Lender	NJHMFA	(609) 278-7400		
Address:	<u>637 S. Clinton Avenue</u>			
City:	<u>Trenton</u>			
State:	<u>NJ</u>			
Zip:	<u>08650</u>			
Email:	<u>Marisol Rodriguez; mrodriguez@njhmfa.state.nj.us</u>			

	Name	Tax ID#	Phone#	Fax#
Limited Partner				
	Address: _____			
	City: _____			
	State: _____			
	Zip: _____			
	Email: _____			
Management Company	The Alpert Group, LLC	(201) 886-7800	(201) 886-7806	
	Address: <u>One Parker Plaza</u>			
	City: <u>Fort Lee</u>			
	State: <u>NJ</u>			
	Zip: <u>07024</u>			
	Email: <u>Joe Alpert; joe@thealpertgroup.com</u>			
Architect	Kitchen and Associates	(856) 854-1880	(856) 854-3842	
	Address: <u>756 Haddon Avenue</u>			
	City: <u>Collingswood</u>			
	State: <u>NJ</u>			
	Zip: <u>08108</u>			
	Email: <u>Steve Schoch; sschoch@kitchenandassociates.com</u>			
Attorney	Brach Eichler	(973) 403-3117	(973) 618-5517	
	Address: <u>101 Eisenhower Parkway</u>			
	City: <u>Roseland</u>			
	State: <u>NJ</u>			
	Zip: <u>08816</u>			
	Email: <u>Dave Ritter; dritter@bracheichler.com</u>			
Accountant	Wilkin & Guttenplan, PC	(732) 846-3000	(732) 846-0618	
	Address: <u>1200 Tices Lane</u>			
	City: <u>East Brunswick</u>			
	State: <u>NJ</u>			
	Zip: <u>08816</u>			
	Email: <u>Melissa Marsicano; mmarsicano@wgcpas.com</u>			
Market Analyst	Value Research Group	(973) 422-9800	(973) 422-9797	
	Address: <u>301 S. Livingston Avenue, Suite 104</u>			
	City: <u>Livingston</u>			
	State: <u>NJ</u>			
	Zip: <u>07039</u>			
	Email: <u>Robin Weiss; rweiss@valueresearch.com</u>			
Professional Planner	Monarch Housing Associates	(908) 272-5363 x 234	(908) 382-6312	
	Address: <u>29 Alden Street, Suite 1B</u>			
	City: <u>Cranford</u>			
	State: <u>NJ</u>			
	Zip: <u>07016</u>			
	Email: <u>Sharon Levy; slevy@monarchhousing.org</u>			
Environmental Consultant				
	Address: _____			
	City: _____			
	State: _____			
	Zip: _____			
	Email: _____			

	Name	Tax ID#	Phone#	Fax#
Historical Consultant				
Address:	_____			
City:	_____			
State:	_____			
Zip:	_____			
Email:	_____			
Solar Installer				
Address:	_____			
City:	_____			
State:	_____			
Zip:	_____			
Email:	_____			
LEED Professional				
Address:	_____			
City:	_____			
State:	_____			
Zip:	_____			
Email:	_____			
Project Development Consultant				
Address:	_____			
City:	_____			
State:	_____			
Zip:	_____			
Email:	_____			
Syndicator Enterprise Community Investment (212) 284-7147				
Address:	<u>One Whitehall Street, 11th Floor</u>			
City:	<u>New York</u>			
State:	<u>NY</u>			
Zip:	<u>10004</u>			
Email:	<u>Lianna Petroski; lpetroski@enterprise.com</u>			
Social Service Provider Triple C Housing (732) 297-5840				
Address:	<u>1 Distribution Way</u>			
City:	<u>Monmouth Junction</u>			
State:	<u>NJ</u>			
Zip:	<u>08852</u>			
Email:	<u>Leslie Stivale; lstivale@triplehousing.org</u>			
Other: Co Developer / Member --Affordable Housing Alliance (732) 389-2958				
Address:	<u>11 White Street</u>			
City:	<u>Eatontown</u>			
State:	<u>NJ</u>			
Zip:	<u>07724</u>			
Email:	<u>Donna M. Blaze; MHA-Ceo@housingall.org</u>			

***** FOR PROJECTS REQUESTING HMFA FINANCING AND/OR SUBSIDY *****
[NOTE: DO NOT COMPLETE IF APPLYING FOR TAX CREDITS ONLY]

INCOME RESTRICTIONS (for purposes of qualifying for Tax-Exempt Bond Financing under 26 U.S.C. §142(a)(7))

This test will impact the return on equity calculation pursuant to *N.J.A.C. 5:80-3*

- 60% of County Median Income Adjusted for Family Size
- 50% of County Median Income Adjusted for Family Size

ADDITIONAL SITE INFORMATION

Commercial Space: Provide details as to how the space will be used, whether it will be rented to a third party, the terms and conditions of that lease and the square footage.

N/A - There is no commercial space.

Community and Social Service Space: Provide details as to how the space will be used, whether it will be rented to a third party, the terms and conditions of that lease and the square footage.

There will be multi-purpose space which will be used for resident activities. The space will not be rented to third parties.

Ancillary Buildings: Examples of ancillary buildings include garages, and community buildings. Provide details as to how the space will be used and the square footage.

N/A -- There are no ancillary buildings.

On-Site Office: Identify where the on-site management office will be located and the functions to be performed in that office.

There will be an on-site management office at the project. The office will be used by property staff.

Current Zoning:

Is site zoned properly for proposed usage? Yes No

Parking:

Is there sufficient parking available on-site in accordance with code? Yes No

If not, what other arrangements are being made? _____

Site Control:

Form of Ownership

Fee Simple Leasehold

If ownership is fee simple, does the applicant currently own the site? Yes No
or optioned? Yes No

List Current Owner of Site: The Township of Ocean

Attach a diagram depicting the organizational structure of the final ownership entity (see Tax Credit application appendix).

Other:(specify) _____

Attach copies of deed, option agreement, or contract to purchase. If site control is to be in the form of leasehold, attach copy of lease and list all financial encumbrances on the site.

Are there any easements or other restrictions on the site? (Specify) No

If the municipality owns site, are there any non-monetary conditions for conveyance such as a reverter provision?
No

Purchase Price:

Of property already acquired	\$0
Of property to be acquired	<u>\$0</u>
TOTAL	<u>\$0</u>

Present tax rate of municipality:

(Per \$100)	<u>\$2.25</u>	Equalization Rate	<u>90.18</u>
-------------	---------------	-------------------	--------------

Tax Abatement:

Has the municipality designated any Areas in Need of Redevelopment? Yes No

Has tax abatement been granted? Yes No

If yes, indicate the statute under which said abatement was granted as well as the terms and conditions. (i.e. Agency Statute, Long Term or other) Tax abatement of 10% for 30 years approved under the NJHMFA statute in September 2015.

Property Tax Exemption (if applicable):

Please specify the term and status of the property tax exemption. Please include documentation in your application submission.

If new construction, indicate the availability of utilities:

			Distance from Site?
Water	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<u>at site</u>
Storm Sewer	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<u>at site</u>
Sanitary Sewer	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<u>at site</u>
Gas	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<u>at site</u>
Electric	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<u>at site</u>
Rubbish Removal	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<u>at site</u>

Is sewer capacity available? Yes No

Is sewer capacity subject to review by the New Jersey Department of Environmental Protection?
Yes No

Has a Phase I Environmental Assessment been performed? Yes No

If yes, provide a copy with the application.

Resolution of Need:

Has the municipality determined that the project will meet or meets an existing housing need?

Yes No

If yes, attach the Resolution of Need.

NOTE: The Agency must have a *Resolution of Need* in order to process applications for Multifamily and Preservation financing, or other Subsidy Loan Program.

ADDITIONAL APPLICANT INFORMATION

Type of Applicant

- | | | | |
|-------------------------------------|-------------|--------------------------|---------------------|
| <input checked="" type="checkbox"/> | For-Profit | <input type="checkbox"/> | Non-Profit |
| <input checked="" type="checkbox"/> | LLP or LLC | <input type="checkbox"/> | Limited Partnership |
| <input type="checkbox"/> | Corporation | <input type="checkbox"/> | Partnership |

Indicate the statute under which you are formed. Cindy Lane Family Ventures, LLC is a limited liability company which was formed under NJSA 42:2B-1.

Indicate affiliated entities. _____

Sponsoring Ownership Entity’s Official Name: Cindy Lane Family Ventures, LLC
(Must be exactly as it will appear in mortgage documents.)

(List all principals of the ownership entity.)

Principals of Development/Entity and percentage of ownership

Joseph Alpert (50% Member), Affordable Housing Alliance (50% Member). Joseph Alpert and Affordable Housing Alliance will together have a 0.01% project ownership interest. Enterprise Community Investment will have a 99.99% ownership interest.

Principals of the Land Ownership Entity and percentage of ownership

Joseph Alpert (50% Member), Affordable Housing Alliance (50% Member). Joseph Alpert and Affordable Housing Alliance will together have a 0.01% project ownership interest. Enterprise Community Investment will have a 99.99% ownership interest.

REQUIRED SUBMISSIONS for MULTIFAMILY OR SPECIAL NEEDS FINANCING

The following information must be provided in a three ring binder with the tabs as noted below. If this information is not available at this time you must indicate the status of the item and when it will be available.

Submit the following:

Multifamily Financing

Application Fee - \$2,500 (traditional) or \$5,000 (conduit)

Three (3) copies of the required submission below

Special Needs Financing

Application Fee - \$500

No application fee for Special Needs Housing Partnership Program

Two (2) copies of the required submission below

1. UNIAP Part I Application*
2. Project Narrative
3. Proforma - Form 10 / Cash Flow*
4. General Site Location Map (with directions to site), along with tax map showing lot and block
5. Resumes for Sponsor
6. Evidence of Site Control (Deed, Option Agreement, Contract of Sale)
7. Preliminary Drawings
8. Social Services Plan**
9. Evidence of Social Services Agreements**
10. Resolution of Need

*Agency form documents must be used.

**Required submissions for projects seeking financing for supportive housing units.

Please note a separate tax credit application is required, even if the project has applied for financing from a separate Agency division. See the current LIHTC Application for more details on submission requirements.

***** FOR PROJECTS REQUESTING FINANCING FOR SUPPORTIVE HOUSING UNITS *****

Total no. of Units in the project: 5
No. of special needs units: 5
No. of special needs beds: _____

Special Needs Population to be served:

- | | | | |
|-------------------------------------|---|--------------------------|--------------------------------|
| <input checked="" type="checkbox"/> | Homeless families and individuals | <input type="checkbox"/> | Youth aging out of foster care |
| <input type="checkbox"/> | AIDS/HIV | <input type="checkbox"/> | Blind and Visually Impaired |
| <input type="checkbox"/> | Consumers of Mental Health services | <input type="checkbox"/> | Ex-offenders |
| <input type="checkbox"/> | Individuals with Developmental Disabilities | <input type="checkbox"/> | Other: _____ |

NOTE: Units financed by Special Needs Program Funds may not be age-restricted to individuals age 55 and older.

Type of Housing

- | | | | |
|-------------------------------------|--------------------|--------------------------|---------------------|
| <input checked="" type="checkbox"/> | Supportive Housing | <input type="checkbox"/> | Community Residence |
|-------------------------------------|--------------------|--------------------------|---------------------|

If the project will be licensed, please indicate which State Agency will be licensing it:

- Department of Human Services, Division of Mental Health and Addiction Services
- Department of Human Services, Division of Developmental Disabilities
- Department of Human Services, Division of Aging Services
- Department of Children and Families
- Department of Health

Indicate source of funding for Rental Assistance:

Federal Source: _____	\$ Amount: _____	No. of Units: _____
State Source: _____	\$ Amount: _____	No. of Units: _____
Other Source: _____	\$ Amount: _____	No. of Units: _____

Indicate source of funding for Supportive Services:

Federal Source: _____	\$ Amount: _____	No. of Units: _____
State Source: _____	\$ Amount: _____	No. of Units: _____
Other Source: <u>Project Operations</u>	\$ Amount: <u>\$15,000</u>	No. of Units: <u>5</u>

Has the Special Needs Application Design Checklist been completed?

- Yes
- No

Property Management Entity: The Alpert Group, LLC

***** FOR PROJECTS REQUESTING LOW INCOME TAX CREDITS *****

CYCLE TO WHICH YOU ARE APPLYING

- Family
- Senior
- Supportive Housing
- Final
- Volume Cap Tax Credits
- Mixed Income Reserve
- Hardship Reserve

SET-ASIDE TO WHICH YOU ARE APPLYING

- HOPE VI/ CHOICE Neighborhood
- Preservation

TYPE OF TAX CREDIT REQUESTED

- Acquisition/Rehabilitation
- New Construction
- Rehabilitation

AMOUNT OF ANNUAL TAX CREDIT REQUESTED:

(Total must be supported by Breakdown of Costs & Basis)

\$0 9% tax credit

\$439,359 4% tax credit

\$439,359 TOTAL

APPLICABLE FRACTION

Unit Fraction (see unit distribution chart on page 3)

Number of Affordable Units (up to 60% AMI)/
Total Units = 100%

Floor Space Fraction:

Total low-income residential square footage /
Total residential square footage = 100%

The LESSER of the Unit Fraction and the Floor Space Fraction = 100%

FEDERAL SET-ASIDE (must select one)

- 40% AT 60%

40-60 set-aside means 40% or more of the residential units will be rent restricted and occupied by households whose income is 60% or less than the area median income.

- 20% AT 50%

20-50 set-aside means 20% or more of the residential units will be rent restricted and occupied by households whose income is 50% or less than the area median income.

NOTE: If this election is selected, *all* tax credit units must be restricted to no more than 50% of the area median income adjusted for family size. For example, if the project has an applicable fraction of 100%, then 100% of the units must be restricted to 50% of the area median income adjusted for family size.

Your selection will be reflected in the Deed of Easement & Restrictive Covenant & Part II of the IRS Form 8609.

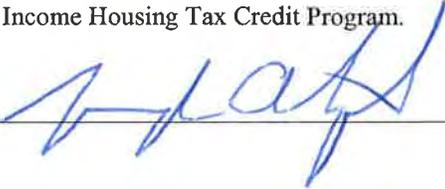
CERTIFICATION

In order to provide for the effective coordination of the New Jersey Low Income Tax Credit Program and the Internal Revenue Code of 1986, as amended ("Code"), the Qualified Allocation Plan and this Application shall be construed and administered in a manner consistent with the Code and regulations promulgated thereunder.

Compliance with the requirements of the Code is the sole responsibility of the owner of the building for which the credit is allowable. NJHMFA makes no representations to the owner or anyone else as to compliance with the Code, Treasury regulations, or any other laws or regulations governing Low-Income Housing Tax Credits or as to the financial viability of any project. All applicants should consult their tax accountant, attorney or advisor as to the specific requirements of Section 42 of the Code governing the Federal Low Income Housing Tax Credit Program.

In signing this document, I (we) (undersigned), certify that all information, included for the purpose of applying for Low-Income Housing Tax Credits, is accurate and true. I (we) acknowledge that the New Jersey Housing and Mortgage Finance Agency is relying on said information, and thereby acknowledge that I (we) are under a continuing obligation to notify NJHMFA in writing of any changes to the information in the application. I (we) understand that any failure to provide relevant information or any submission of incorrect information may result in the NJHMFA's refusal to issue the IRS Form 8609 for the project and/or possible barring from future participation in NJHMFA's Low Income Housing Tax Credit Program.

APPLICANT'S SIGNATURE:



DATE:

November 2, 2015

PREPARED BY:

(if different from applicant):

sign name

print name

print title

DATE:

Ocean Family Housing

Exhibit 2: Project Description

Please see the attached Project Description.

**Ocean Family Apartments
Project Description
November 2015**

Overview

The proposed Ocean Family Apartments project is a 48 unit, new construction family project in Ocean Township in Monmouth County. Ocean Township is very supportive of the proposed project and will count the units toward satisfying their COAH obligation.

The project is seeking NJHMFA CDBG FRM funding in the 3b round.

Development Team

Joseph Alpert of The Alpert Group and the Affordable Housing Alliance are co-developing the Ocean Family Apartments project.

The Alpert Group, LLC is a third generation, family owned and operated full-service real estate management and development company based in Fort Lee, New Jersey. Since its founding over 40 years ago, the company has developed over 2,000 units in new construction and adaptive reuse housing projects. Currently, The Alpert Group owns and manages a portfolio of over 2,500 units. The Alpert Group has extensive experience working with the requirements of municipal, state, and federal affordable housing programs such as NJHMFA loan programs, CDBG FRM, HOME, and the federal low-income housing tax credit program.

The Affordable Housing Alliance is a community-based, 501 (c) (3) nonprofit corporation with over 20 years of experience providing housing and services in Monmouth, Ocean, and Middlesex Counties. Since 1991, the Alliance has developed 400 units of housing in the community. The work of the Alliance has been recognized at local, state and national levels including the Governor's Award for Housing Excellence, the New Jersey Department of Community Affairs, the National Association of Housing and Redevelopment Officials, and the NAACP President's Community Service Award.

Other development team members include Kitchen and Associates (Architect), MidAtlantic Engineering (Engineer), Brach Eichler (Attorney), The Alpert Group (property management), and Enterprise Community Partners (tax credit equity investor). The project general contractor will be selected through a bidding process.

Project Location

The Ocean Family Apartments project will be located on Cindy Lane in Ocean Township in Monmouth County. The project site is located on vacant land in a suburban location within close proximity to shopping, employment, schools and public transportation. Ocean Township is adjacent to the municipality of Sea Bright which is listed as a municipality that sustained major or severe renter damage as a result of Superstorm Sandy. The project site is located in a designated Smart Growth Area.

Project Design

The Ocean Family Apartments project will entail the new construction of 48 high-quality apartments. The project is designed as a 3-story building totaling 55,289 square feet. The development will offer a wide range of apartment types to accommodate singles and families including: 9 one-bedroom units (611 sq. ft.); 26 two-bedroom units (853 sq. ft.); 12 three-bedroom units (1,150); and 1 two-bedroom superintendent's unit. The development will include on-site parking, community room space, common laundry facilities, security features, and offices for property staff. Energy-saving measures and green features will be incorporated in the project's design to foster a healthy living environment for residents and lower project operating costs and maintenance needs. The project will be certified through the Tier 2 Energy Star Version 3 program.

Target Population & Affordability

The Ocean Family Apartments project is a mixed-income, mixed-population project which will serve a wide range of households and promote community integration of homeless households.

Of the 48 apartments at Ocean Family Apartments, 23 apartments will be reserved for households with incomes up to 60% AMI, 18 apartments will be reserved for households with incomes up to 50% AMI, and 6 apartments will be reserved for households with incomes up to 20% AMI. The project's unit mix and income targeting complies with COAH's Uniform Housing Affordability Control requirements

Of the apartments reserved for households with incomes up to 20% AMI, 5 apartments will be permanent, supportive, and affordable housing reserved for homeless persons. Specifically, there will be 1 one-bedroom unit, 3 two-bedroom units, and 1 three-bedroom unit reserved for homeless households. Apartment rents will be affordable to persons earning less than 20% AMI and are as follows: \$227/month for the one-bedroom unit; \$256/month for the two-bedroom units; and \$283/month for three-bedroom unit.

Homeless Services

Triple C Housing is the lead support service coordinator for the project. Residents of the 5 supportive housing units for homeless persons will have access to a wide array of supportive services to help them stay permanently housed including on-site support service coordination and linkages to on-site and community-based services. Supportive services will include linkages and on-going follow-up services to health care, including dental care, mental and physical health care, and primary health care prevention services; education services; job training and job search assistance; financial management training; and socialization and recreation. Supportive services are voluntary and will be provided at no cost to residents. Acceptance of support services will not be a condition of residency.

Capital Funding & Timeline

The project's financing plan includes NJHMFA tax-exempt bond financing (construction and permanent), NJHMFA CDBG FRM funds, deferred developer fees, and equity from the sale of 4% low income housing tax credits.

The developers are seeking funding in the FRM 3b tranche. A construction start is anticipated in Summer 2016.

Ocean Family Housing

Exhibit 3: Form 10

Please see the attached Form 10.

BREAKDOWN OF COSTS & BASIS -- 2015

Reviewer: _____

Print Date: 23-Oct-15

Stage: _____

Project Name: Ocean Family
 Municipality: Ocean
 County: Monmouth

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

			<i>Development Cost</i>	<i>Non-Depreciable Costs</i>	<i>Non-Eligible Costs</i>	<i>Eligible Basis for Rehab / NC</i>	<i>Eligible Basis for Acquisition</i>
ACQUISITION							
Building							
Relocation							
Other:							
		Closing Costs					
CONSTRUCTION							
Demolition							
Off-Site Improvements							
Residential Structures			\$8,600,000			\$8,600,000	
Environmental Clearances							
Surety & Bonding			\$100,000			\$100,000	
Building Permits			\$120,000			\$120,000	
Community Service Facility							
Garage Parking							
Fire Suppression System							
Green Features (for Solar and LEED Certification costs only)							
Other:							
CONTRACTOR FEE							
Contractor Overhead & Profit			\$650,000			\$650,000	
General Requirements			\$500,000			\$500,000	
CONTINGENCY							
Hard Contingency	5.00%		\$498,500			\$498,500	
Soft Contingency	5.38%		\$83,420			\$83,420	
PROFESSIONAL SERVICES							
Appraiser & Market Study			\$15,000			\$15,000	
Architect			\$375,000			\$375,000	
Attorney			\$150,000	\$25,000		\$125,000	
Cost Certification / Audit			\$20,000	\$5,000		\$15,000	
Engineering			\$75,000			\$75,000	
Environmental Consultant			\$10,000			\$10,000	
Historical Consultant							
Professional Planner							
Soil Investigation Geotec Eng)			\$15,000			\$15,000	
Surveyor			\$10,000			\$10,000	
LEED Provider contract fees, etc.			\$25,000			\$25,000	
CARRYING & FINANCING							
Interest			\$255,635	\$106,235		\$149,400	
Points & Bank Fees			\$185,375	\$22,000		\$163,375	
R.E. Taxes			\$25,000			\$25,000	
Insurance			\$72,000			\$72,000	
Title Insurance & Recording			\$50,000			\$50,000	
Utility Connection Fees			\$100,000			\$100,000	
Other Impact Fees							
Tax Credit Fees			\$90,500	\$90,500			
Neg. Arb. & Cost of Issuance			\$25,000	\$25,000			
FF&E			\$53,018			\$53,018	
SUB-TOTAL			\$12,103,448	\$273,735		\$11,829,713	
DEVELOPER FEE - CONSTRUCTION/REHAB	15.00%		\$1,815,000			\$1,815,000	
DEVELOPER FEE - EXISTING BUILDING							
LAND					X	X	
ORGANIZATIONAL COSTS					X	X	
SYNDICATION EXPENSES					X	X	
MARKETING EXP & HAS FEE			\$48,000	\$48,000	X	X	
ESCROWS:							
Working Capital			\$163,707	\$163,707	X	X	
Replacement Reserves					X	X	
Operating Deficit Escrow					X	X	
Debt, Serv. Fees, MIP & Insur.			\$20,205	\$20,205	X	X	
Tax			\$11,239	\$11,239	X	X	
Other Escrows:							
Enterprise Operating Reserve			\$218,276	\$218,276	X	X	
Other Escrows:					X	X	
TOTAL			\$14,379,876	\$735,163		\$13,644,713	

Eligible Basis Limit	NOT APPLICABLE
Lesser of Total or Limit	\$13,644,713
x QCT / DDA Adjustment	100%
= Basis as Adjusted	\$13,644,713
x Applicable Fraction	100.00%
= Qualified Basis	\$13,644,713
x Tax Credit Percentage	3.22%
Tax Credits based on Qualified Basis	\$439,359
Total Maximum LIHTC	\$439,359

First Mortgage DSCR 1.15			
<PERMANENT PHASE NEEDS ANALYSIS>			
FUNDING SOURCE	INTEREST RATE	AMORTIZATION	AMOUNT
HMFA 1st. Mortgage, NOTE I	5.30%	30	\$1,190,000
HMFA FRM CDBG			\$7,950,000
Mandatory Deferred Fee - Constr/Rehab			\$846,724
Additional Deferred Developer Fee			
INVESTOR PROCEEDS NEEDED FROM LOW INC HSG TAX CREDITS			\$4,393,152
SYNDICATOR	Enterprise		
LP or Non-Voting Member %	99.99%	Actual Equity	\$4,393,151
PRICING	\$1.00		
FEDERAL LOW INCOME HOUSING TAX CREDITS NEEDED			\$439,359
Funding Gap		1.01	\$0

Carryover Test	\$1,375,591	\$87,872
Development Cost / Unit		43935.9
Construction Cost / Unit		
**9% projects cannot exceed \$250,000		

SCHEDULE 10-B: EST. DEVELOPMENT COSTS AND CAPITAL REQUIREMENTS

<input checked="" type="checkbox"/> Inducement	HMFA#	Prepared by: Alpert/MidAtlantic	
<input checked="" type="checkbox"/> Commitment	Reviewed by:		Date
<input type="checkbox"/> Re-Commitment		(Director of Technical Services)	
<input type="checkbox"/> Bond Sale			Date
<input type="checkbox"/> Closing		(Director of MF Programs & Lending)	
	Chief of Credit and Business Development or Accountability Officer:		Date
	Senior Director of Programs		

1. SOURCES OF FUNDS DURING CONSTRUCTION:

	Enter total Amt. of Grant/Loan Here	Will loan/s be repaid from project revenues? (If Source is a grant, enter "G"). Y, or N, or G	
a) HMFA 1st. Mortgage, NOTE I	N/A		\$ 1,190,000
b) HMFA 1st. Mortgage, NOTE II	\$6,225,000		\$ 6,225,000
c) HMFA FRM CDBG	\$7,950,000		\$ 5,191,849
d) LIHTC Equity	\$4,393,151		\$ 100
e)			\$
f)			\$
g)			\$
h) Deferred Developer's Fee			\$ 1,361,250
TOTAL SOURCES OF CONSTRUCTIONS FUNDS:			\$ 13,968,199

2. USES OF FUNDS DURING CONSTRUCTION:

A. ACQUISITION COSTS:

a) Land	6.76 @ (\$ _____ per Acre)	\$ _____	% of Const't Cost OR Cost/Unit
b) Building Acquisition	Should be between \$15,000 & \$25,000 per units		
c) Relocation			
d) Other: Closing Costs	Total Acquisition as a percent of Total Project Costs:		

B. CONSTRUCTION COSTS

a) Demolition	NOTE: Payment and Performance bonds are required through the construc and for a two-year period after the Certificate of Occupancy.	\$ _____	
b) Off-site Improvements			
c) Residential Structures (including all on-site improvement)		8,600,000	
d) Community Building			
e) Environmental Clearances			
f) Surety & Bonding	should be between .75% and 2% of Construction Costs	100,000	1.00%
g) Building Permits		120,000	
h) Garage Parking	garage should be approx \$15,000/space; parking lot around \$700/space		
i) General Requirements	should be about 6% of construction costs	500,000	5.67%
j) Contractor Overhead & Profit - should not exceed 8% of cons't costs total - usually 2% for Overhead and 6% for Profit		650,000	7.37%
k) Green Features			
l) Other			
m) Other			
	Total Const't Costs as a percent of Total Project Costs:	72.80%	

C. DEVELOPERS FEE - CONSTR/REHAB

DEVELOPERS FEE - BUILDING	15.00%	HMFA Policy is that the Developer fee is earned as a percentage of construction completion.	1,815,000
----------------------------------	--------	---	-----------

D. CONTINGENCY

	Non-Deferred Amt.:	\$968,276	8.00%	1,815,000
a) Hard Costs	5.000%	5% for New Construction & 10% for Rehabilitation		498,500
b) Soft Costs	5.000%	should be a Maximum of 5%		83,420

E. PROFESSIONAL SERVICES

a) Appraisal & Market Study		\$ 15,000		
b) Architect		375,000		
c) Engineer		75,000		
d) Attorney		150,000		
e) Cost Certification/Audit - should not exceed \$35,000		20,000		
f) Environmental Consultant		212,470		
g) Historical Consultant		10,000		
h) Geotechnical Consultant		15,000		
i) Surveyor		10,000		
j) Professional Planner:				
k) Other: Energy Star Rater				
	Total Professional fees as a % of Total Project Costs:	4.83%		25,000

HMFA CONST'T & PERM. BLENDED RATE

Construction Interest Rate Calculation	
Note I Weighted:	63,070
Note II Weighted:	149,400
TOTAL:	212,470
Const't. Int. Rate:	2.8654%

F. PRE-OPERATIONAL EXPENSES *

	* Non-eligible costs in TC basis		
a) Operator fees (pre-construction completion) *	Should Not Exceed \$250.00	\$ 18,000	
b) Advertising and Promotion (pre-construction completion)*		15,000	
c) Staffing and Start-up Supplies (pre-construction completion)*		15,000	
d) Other: *			
e) Other: *			
	Total Pre Opt Costs as a % of Total Project Costs:	0.33%	

G. CARRYING AND FINANCING COSTS DURING CONSTRUCTION

	(percentage of total development costs)		4.61%
a) Interest @ 2.8654 % for (12 mos.) on \$ 3,707,500		106,235	
b) R.E. Tax \$ 25,000 (per annum) x 1.00 Yrs.		25,000	
c) Insurance \$ 72,000 (per annum) x 1.00 Yrs.		72,000	
d) Title Insurance and Recording Expenses		50,000	
e) Points To Reduce HMFA Servicing Fee[Const't. & Perm. Only]	2%	1,190,000	23,800
f) HMFA Second Note Financing Fee[Const't & Perm Only]	2%	6,225,000	124,500
g) HMFA Constr.Loan Serv.Fee 0.50 % for (12 mos.) on 7,415,000		37,075	
h) Other Lender Construction Financing Fee			
i) Tax Credit Fees		46,500	
j) Negative Arbitrage (if Bonds are sold during Construction)	If the HMFA will be selling Bonds for the project either before or during the time the Development is under construction, these costs should be accounted for during the construction period.	25,000	(ESTIMATE)
k) Cost of Issuance (If Bonds are sold during Construction)			(ESTIMATE)
l) Furniture, Fixtures & Equipment (F,F&E)		53,018	
m) Utility Connection Fees		100,000	
	Total Carrying Fin. Costs as % of Total Project Costs:	4.61%	

This memorandum contains advisory, consultative and deliberative materials and is intended for the recipient(s).

H. Working Capital Escrow

- a) Debt Service & Operating Expenses
- b) Rental Agent Rent-up Fee (during Rent-up)
- c) Advertising and Promotion (during Rent-up)

163,707

I. Other Escrows

- a) Insurance (1/2 YR.)
- b) Taxes (1 Qtr.)
- c) Debt Service Payment & Servicing Fee for 1 Month
- d) Mortgage Insurance Premium (MIP) 1 year plus 3 months
- e) Repair & Replacement Reserves
- f) HMFA Operating Deficit Reserve
- g) Other:
- h) Other:
- i) Other:

\$ 13,200
 \$ 11,239
 \$ 7,005
 \$
 \$
 \$
 \$
 \$

Total Escrows as a % of Total Project Costs: 1.36%

3. USES OF FUNDS DURING CONSTRUCTION:

\$ **13,968,199**

4. BALANCE OF FUNDS NEEDED FOR CONSTRUCTION (overage / shortage):

\$ **-0**

5. SOURCES OF FUNDS FOR PERMANENT CLOSE-OUT:

Y, or N, or G

- a) LIHTC Equity
- b)
- c)
- d)
- e)
- f)

\$ 776,802
 \$
 \$
 \$
 \$
 \$

TOTAL SOURCES FOR PERMANENT CLOSE-OUT:

\$ 776,802

6. USES OF FUNDS FOR PERMANENT Close-out:

- A. DEVELOPER'S FEE:
- B. CONSTRUCTION LOAN PAYOFF
- C. Negative Arbitrage^{**} (ESTIMATE)
- D. Syndicator Operating Reserve
- E. Tax Credit Fees
- F. Other:

\$ 514,526
 \$
 \$
 \$ 218,276
 \$ 44,000
 \$

**** Non-eligible costs in TC basis**

7. TOTAL of NUMBER 6 A-F ABOVE:

Total Costs at Perm. Closeout as % of Total Project Costs: 1.82%

\$ 776,802

8. BALANCE NEEDED TO CLOSE (overage / shortage):

\$ **-0**

9. TOTAL PROJECT COSTS

\$ 14,379,876

10. MAXIMUM MORTGAGE LOAN

8.28 % of Item 10

\$ 1,190,000

11. 55% of Basis Test:

Aggregate Basis:	\$ 13,481,772
55% of Basis (estimated):	7,414,974
Less 1st Mtg., 1st Note:	1,190,000
Equals 1st. Mtg., 2nd Note Needed:	6,224,974

Check each line item for Eligibility

12. REPAYMENT OF SECOND NOTE (IF APPLICABLE)

List Source

Interest @ 2.40% (12) mos. Principal \$ 6,225,000
 \$ 149,400
 Total \$ 6,374,400

\$ 2,758,151	NJHMFA CDBG FRM
\$ 3,616,249	LIHTC
\$	
Total \$ 6,374,400	
\$ -0	

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

SCHEDULE 10-C: OPERATING EXPENSES

Borrowing Entity: _____
 Dev. Name: Ocean Family

HMFA# _____
 Prepared by: Alpert/MidAtlantic
 Reviewed by: _____
 Director of Property Management

10/09/15

 Date

I. ADMINISTRATIVE EXPENSE

Stationery & Suppl.	1,000
Telephone	3,000
Dues & Sub.	778
Postage	1,000
Insp. & Other Fees	5,000
Advertising	1,000
Legal Services	3,800
Auditing (Year End)	11,100
Soc. Serv. Suppl.	3,000
Misc. Adm. Expenses	2,000
Bookkeeping/Accounting and/or Computer Charges	3,802
Other:	
TOTAL \$	35,480

II. SALARIES & RELATED CHARGES

	# of Employees	Total Wages inc benefits
Superintendent	1.00	30,000
Janitorial		
Grounds & Landscaping		
Security		
Social Services		
Site Office & Admin	1.00	22,500
Maintenance		
Other Salaries:		
Empl. Benefits		7,850
Empl. Payroll Taxes		5,900
Worker's Comp.		1,250
Other: Social Service Contract		15,000
TOTAL \$	2.00	82,500

III. MAINTENANCE AND REPAIRS

Masonry	500
Carpentry	500
Plumbing	500
Electrical	600
Kitchen Equipment	
Elevator	
Windows & Glass	500
Vehicles & Equip.	
Snow Removal	3,000
Grounds & Landscaping	3,000
Paint & Dec. Supl.	2,000
Small Equip. & Tools	1,000
Janit. Sup. & Tools	1,000
HVAC Supplies	500
Misc. Maint. Suppl.	700
Other:	
TOTAL \$	13,800

IV. MAINTENANCE CONTRACTS

Security	4,000
Elevator	
Rubbish Removal	6,000
Heating & AC Maint.	6,000
Grounds, Parking & Landscaping	5,000
Exterminating	5,000
Cyclical Apt. Painting	6,000
Other:	
TOTAL \$	32,000

V. UTILITY EXPENSE

Water Charges	18,000
Sewer Charges	18,000
Electricity	12,000
Gas	10,800
Fuel	
Less Solar Energy Savings	
TOTAL \$	58,800

VI. REAL ESTATE TAX CALCULATION FOR TAX ABATEMENT

Gross Rents	\$	483,396
Less Vacancy	(-)	33,838
Less Utilities (if applicable)	(-)	
Gross Sheltered Rents	\$	449,558
x Rate	x	10.00 %
Real Estate Taxes	\$	44,956

OR ACTUAL TAXES
IF NO P.I.L.O.T.

SCHEDULE 10-D : ANTICIPATED GROSS RENTS

Mortgage Amount 1,190,000 HMFA # _____
 Mortgage Interest Rate 5.30 % Prepared by: Alpert/MidAtlantic
 Term (years) 30 Yrs. **The Interest rate has been** Reviewed by: _____ 10/09/15
 Amortization (Y,S,M) M **reduced by: _____** basis points Date _____
 FMR Area Monmouth **as the Cost-of-Issuance is being** _____ **paid out-of-pocket by the sponsor.** Date of Income Limits Chart Used: _____
 Date of Utility Chart Used: _____

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	4	60% AMI- Mod	989	117	872	3,488	41,856	
1	4	50% AMI- Mod	817	117	700	2,800	33,600	
1	1	20% AMI- Low	344	117	227	227	2,724	
2	13	60% AMI- Mod	1,187	157	1,030	13,390	160,680	
2	10	50% AMI- Mod	980	157	823	8,230	98,760	
2		30% AMI- Low	619	157	462			
2	3	20% AMI- Low	413	157	256	768	9,216	
3	6	60% AMI- Mod	1,371	194	1,177	7,062	84,744	
3	4	50% AMI- Mod	1,132	194	938	3,752	45,024	
3	2	20% AMI- Low	477	194	283	566	6,792	
Super's Apt.*	2	1						

TOTALS 48

40,283

Anticipated Annual Rents: 483,396

- * Indicate on a separate line which apartment is for the Superintendent. If it's rent-free, put \$0 in the Rent column.
- ** Indicate "Low", "Mod" or "Mkt" AND the percentage of median income. **NOTE: The percentage listed in this section is merely the percentage of the Gross Rent as to the applicable Area Median Income.**
 Low Income - 50% or less of median income
 Moderate Income - 50% to 80% of median income
 Market Income - 80%+ of median income
NOTE: For Underwriting Purposes Only, Target Occupancy is based on (1) person per Bedroom
- *** Where tenants pay their own utilities, a "utility allowance" must be subtracted from the maximum chargeable rent when determining their rental charge.

EQUIPMENT AND SERVICES

(a) Equipment:	(b) Services:	Gas, Electric or Oil	Individual or Master Meter	Paid by Tenant
Ranges	Heat	Gas	Individual	Yes
Refrigerator	Hot Water	Gas	Individual	Yes
Air Conditioning	Cooking	Gas	Individual	Yes
Laundry Facilities	Air Conditioning	Electric	Individual	Yes
Disposal	Household Electric		Individual	Yes
Dishwasher	Water		Master	No
Carpet	Sewer		Master	No
Drapes	Parking			No
Swimming Pool	Other: _____			
Tennis Court	Other: _____			
Other: _____				

UTILITY ALLOWANCE METHODS (Yes or No)

DCA Utility Allowance Chart _____ Utility Company Estimates _____
 HUD Utility Schedule Model _____ Energy Consumption Model _____

COMMERCIAL SPACE

(Include all utility costs associated with the commercial space in your description)

SCHEDULE 10-E : SUMMARY OF ANTICIPATED ANNUAL INCOME AND EXPENSES

Borrowing Entity: _____

HMFA# _____

Dev. Name: Ocean Family

Prepared by: Alpert/MidAtlantic

Reviewed by: _____

(Director of Property Management - Expenses Only)

RENTAL INCOME

Apartment Rents \$ 483,396
 Vacancy Loss (7.00 %) - 33,838
 NET APT. RENTS 449,558

Commercial Income _____ per Sq. Ft. \$ _____
 Garage & Parking _____ per Sq. Ft. _____
 Commercial Vacancy _____ % _____
 NET COMMERCIAL RENTALS _____

TOTAL RENTAL INCOME \$ 449,558

OTHER INCOME

Laundry Machines \$ _____
 Other: _____
 TOTAL OTHER INCOME \$ _____

TOTAL REVENUE \$ 449,558

EXPENSES

Administrative (Schedule I) \$ 35,480
 Salaries (Schedule II) 82,500
 Maint. & Repairs (Schedule III) 13,800
 Maint. Contracts (Schedule IV) 32,000
 Utilities (Schedule V) 58,800
 Management Fee 65.00 per unit 37,440 * Should be between \$50 & \$65 per unit
 P.I.L.O.T. on Commercial Income(_____ %)
 Real Estate Taxes (Schedule VI) 44,956
 Insurance \$550 per Unit 26,400 2-Story & below - \$500; 3-Story & above
 Reserve for Repair and Replacement 440.00 per unit 21,120

TOTAL EXPENSES \$ 352,495

NET OPERATING INCOME

\$ 97,063

DEBT SERVICE

1. Principal and Interest \$ 79,298
 2. Mortg & Bond Serv Fee 0.40 % 4,760
 3. MIP _____ % _____
 4. Debt Service on Other
 Mortgage Loans \$ _____
AGENCY DEBT SERVICE \$ 84,058

DEBT SERVICE NOT TO BE
 CONSIDERED IN DSR \$ _____

TOTAL DEBT SERVICE \$ 84,058

NET INCOME

\$ 13,005

Less Return on Equity (_____ % on \$ _____) - \$ _____

Project Profit/(Loss)

\$ 13,005

DEBT SERVICE RATIO CALCULATION :

DSR = $\frac{\text{NET OPERATING INCOME}}{\text{AGENCY DEBT SERVICE}}$ = 1.15472

**New Mortgage
 Amount**

1,190,000

This memorandum contains advisory, consultative and deliberative materials and is intended for the person(s) named as

DRAFT - for discussion purposes only and subject to change

MULTIFAMILY CASH FLOW

Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
649,644	669,133	689,207	709,863	731,180	753,115	775,709	798,980	822,949	847,638
<u>-45,475</u>	<u>-46,839</u>	<u>-48,244</u>	<u>-49,692</u>	<u>-51,183</u>	<u>-52,718</u>	<u>-54,300</u>	<u>-55,929</u>	<u>-57,606</u>	<u>-59,335</u>
604,169	622,294	640,963	660,191	679,997	700,397	721,409	743,051	765,343	788,303
604,169	622,294	640,963	660,191	679,997	700,397	721,409	743,051	765,343	788,303
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
604,169	622,294	640,963	660,191	679,997	700,397	721,409	743,051	765,343	788,303
604,169	622,294	640,963	660,191	679,997	700,397	721,409	743,051	765,343	788,303
52,518	54,619	56,804	59,076	61,439	63,897	66,453	69,111	71,875	74,750
122,120	127,005	132,085	137,369	142,863	148,578	154,521	160,702	167,130	173,815
20,427	21,244	22,094	22,978	23,897	24,853	25,847	26,881	27,956	29,075
47,368	49,263	51,233	53,282	55,414	57,630	59,935	62,333	64,826	67,419
87,038	90,520	94,141	97,906	101,823	105,895	110,131	114,537	119,118	123,883
50,316	51,826	53,380	54,982	56,631	58,330	60,080	61,883	63,739	65,651
60,417	62,229	64,096	66,019	68,000	70,040	72,141	74,305	76,534	78,830
39,078	40,642	42,267	43,958	45,716	47,545	49,447	51,425	53,482	55,621
21,120	21,120	21,120	21,120	21,120	21,120	21,120	21,120	21,120	21,120
0	0	0	0	0	0	0	0	0	0
500,404	518,468	537,221	556,690	576,903	597,888	619,675	642,295	665,780	690,164
10,425	10,801	11,192	11,598	12,019	12,456	12,910	13,381	13,870	14,378
0.83	0.83	0.84	0.84	0.85	0.85	0.86	0.86	0.87	0.88
103,765	103,826	103,742	103,501	103,094	102,509	101,734	100,756	99,563	98,139
84,058	84,058	84,058	84,058	84,058	84,058	84,058	84,058	84,058	84,058
0	0	0	0	0	0	0	0	0	0
84,058	84,058	84,058	84,058	84,058	84,058	84,058	84,058	84,058	84,058
1.23	1.24	1.23	1.23	1.23	1.22	1.21	1.20	1.18	1.17
3.83	3.83	3.83	3.83	3.82	3.82	3.81	3.80	3.78	3.76
19,707	19,769	19,684	19,444	19,037	18,451	17,676	16,699	15,505	14,082
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
19,707	19,769	19,684	19,444	19,037	18,451	17,676	16,699	15,505	14,082
218,276	218,276	218,276	218,276	218,276	218,276	218,276	218,276	218,276	218,276
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
218,276	218,276	218,276	218,276	218,276	218,276	218,276	218,276	218,276	218,276

265,695

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MULTIFAMILY CASH FLOW

Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
873,067	899,259	926,237	954,024	982,645	1,012,124	1,042,488	1,073,762	1,105,975	1,139,154
-61,115	-62,948	-64,837	-66,782	-68,785	-70,849	-72,974	-75,163	-77,418	-79,741
811,952	836,311	861,400	887,242	913,859	941,275	969,513	998,599	1,028,557	1,059,414
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
811,952	836,311	861,400	887,242	913,859	941,275	969,513	998,599	1,028,557	1,059,414
811,952	836,311	861,400	887,242	913,859	941,275	969,513	998,599	1,028,557	1,059,414
77,740	80,850	84,084	87,447	90,945	94,583	98,366	102,301	106,393	110,649
180,768	187,998	195,518	203,339	211,473	219,931	228,729	237,878	247,393	257,289
30,237	31,447	32,705	34,013	35,374	36,789	38,260	39,790	41,382	43,037
70,116	72,921	75,837	78,871	82,026	85,307	88,719	92,268	95,959	99,797
128,838	133,992	139,351	144,925	150,722	156,751	163,021	169,542	176,324	183,377
67,621	69,649	71,739	73,891	76,108	78,391	80,743	83,165	85,660	88,230
81,195	83,631	86,140	88,724	91,386	94,128	96,951	99,860	102,856	105,941
57,846	60,159	62,566	65,068	67,671	70,378	73,193	76,121	79,166	82,332
21,120	21,120	21,120	21,120	21,120	21,120	21,120	21,120	21,120	21,120
0	0	0	0	0	0	0	0	0	0
715,481	741,767	769,060	797,399	826,824	857,377	889,103	922,045	956,252	991,772
14,906	15,453	16,022	16,612	17,226	17,862	18,523	19,209	19,922	20,662
0.88	0.89	0.89	0.90	0.90	0.91	0.92	0.92	0.93	0.94
96,471	94,544	92,340	89,843	87,035	83,898	80,411	76,554	72,305	67,642
84,058	84,058	84,058	84,058	84,058	84,058	84,058	84,058	84,058	84,058
0	0	0	0	0	0	0	0	0	0
84,058	84,058	84,058	84,058	84,058	84,058	84,058	84,058	84,058	84,058
1.15	1.12	1.10	1.07	1.04	1.00	0.96	0.91	0.86	0.80
3.74	3.72	3.70	3.67	3.63	3.59	3.55	3.46	3.32	3.13
12,414	10,486	8,282	5,785	2,978	-160	-3,647	-7,504	-11,752	-16,416
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
12,414	10,486	8,282	5,785	2,978	-160	-3,647	-7,504	-11,752	-16,416
218,276	218,276	218,276	218,276	218,276	218,276	218,117	214,470	206,967	195,214
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	-160	-3,647	-7,504	-11,752	-16,416
218,276	218,276	218,276	218,276	218,276	218,117	214,470	206,967	195,214	178,799

FEDERAL LOW INCOME HOUSING TAX CREDITS

CALENDAR YEAR -- 2015

NET OPERATING INCOME

Ocean Family Ocean Monmouth			Tenant Population															
			Elevator (Y or N)		Family													
			Rehab or New		N													
	PER UNIT or %	ANNUAL TRENDING	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15	
EFFECTIVE INCOME			\$449,558	\$458,548	\$467,720	\$477,073	\$486,615	\$496,346	\$506,272	\$516,397	\$526,725	\$537,259	\$548,003	\$558,964	\$570,142	\$581,545	\$593,176	
EXPENSES																		
ADMINISTRATION	\$739.16	3.00%	\$35,480	\$36,543	\$37,639	\$38,768	\$39,931	\$41,128	\$42,361	\$43,631	\$44,939	\$46,287	\$47,675	\$49,105	\$50,578	\$52,095	\$53,657	
SALARIES	\$1,718.75	3.00%	\$82,500	\$84,975	\$87,524	\$90,149	\$92,853	\$95,638	\$98,507	\$101,462	\$104,505	\$107,640	\$110,869	\$114,195	\$117,620	\$121,148	\$124,782	
M&R	\$287.50	3.00%	\$13,800	\$14,214	\$14,640	\$15,079	\$15,531	\$15,996	\$16,475	\$16,969	\$17,478	\$18,002	\$18,542	\$19,098	\$19,670	\$20,260	\$20,867	
MAINTENANCE CONTRACTS	\$666.67	3.00%	\$32,000	\$32,960	\$33,948	\$34,966	\$36,014	\$37,094	\$38,206	\$39,352	\$40,532	\$41,747	\$42,999	\$44,288	\$45,616	\$46,984	\$48,393	
INSURANCE	\$550.00	3.00%	\$26,400	\$27,192	\$28,007	\$28,847	\$29,712	\$30,603	\$31,521	\$32,466	\$33,439	\$34,442	\$35,475	\$36,539	\$37,635	\$38,764	\$39,926	
SUBTOTAL	\$3,962.08		\$190,180	\$195,884	\$201,758	\$207,809	\$214,041	\$220,459	\$227,070	\$233,880	\$240,893	\$248,118	\$255,560	\$263,225	\$271,119	\$279,251	\$287,625	
UTILITIES	\$1,225.00	3.00%	\$58,800	\$60,564	\$62,380	\$64,251	\$66,178	\$68,163	\$70,207	\$72,313	\$74,482	\$76,716	\$79,017	\$81,387	\$83,828	\$86,342	\$88,932	
MANAGEMENT FEE	8.49%	net rent	\$37,440	\$38,188	\$38,951	\$39,730	\$40,524	\$41,334	\$42,160	\$43,003	\$43,863	\$44,740	\$45,634	\$46,546	\$47,476	\$48,425	\$49,393	
REAL ESTATE TAXES	10.00%	net rent	\$44,956	\$46,305	\$47,694	\$49,124	\$50,598	\$52,116	\$53,680	\$55,290	\$56,949	\$58,657	\$60,417	\$62,229	\$64,096	\$66,019	\$68,000	
RESERVES	\$440.00	0.00%	\$21,120	\$21,120	\$21,120	\$21,120	\$21,120	\$21,120	\$21,120	\$21,120	\$21,120	\$21,120	\$21,120	\$21,120	\$21,120	\$21,120	\$21,120	
SOCIAL SERVICES		3.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
OTHER:		3.00%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
OTHER:		3.00%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
OTHER:		3.00%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
TOTAL OPERATING EXPENSES	\$7,343.65		\$352,495	\$362,061	\$371,903	\$382,034	\$392,461	\$403,192	\$414,237	\$425,606	\$437,307	\$449,351	\$461,748	\$474,507	\$487,639	\$501,157	\$515,070	
NET OPERATING INCOME			\$97,063	\$96,487	\$95,817	\$95,039	\$94,154	\$93,154	\$92,035	\$90,791	\$89,418	\$87,908	\$86,255	\$84,457	\$82,503	\$80,388	\$78,106	
DEBT SERVICE																		
FIRST HARD DEBT SERVICE			\$79,298	\$79,298	\$79,298	\$79,298	\$79,298	\$79,298	\$79,298	\$79,298	\$79,298	\$79,298	\$79,298	\$79,298	\$79,298	\$79,298	\$79,298	
FIRST HARD DEBT SERVICING FEE	40.00	bp	\$4,760	\$4,760	\$4,760	\$4,760	\$4,760	\$4,760	\$4,760	\$4,760	\$4,760	\$4,760	\$4,760	\$4,760	\$4,760	\$4,760	\$4,760	
SECOND HARD DEBT SERVICE																		
CASH FLOW AFTER HARD DEBT			\$13,005	\$12,429	\$11,759	\$10,981	\$10,096	\$9,096	\$7,977	\$6,733	\$5,360	\$3,850	\$2,197	\$399	-\$1,555	-\$3,670	-\$5,952	
HOME EXPRESS DEBT SERVICE (If Applicable)			\$6,502	\$6,215	\$5,880	\$5,490	\$5,048	\$4,548	\$3,989	\$3,367	\$2,680	\$1,925	\$1,099	\$199	N/A	N/A	N/A	
RATIO ANALYSIS																		
FIRST HARD DEBT COVERAGE RATIO			1.15	1.15	1.14	1.13	1.12	1.11	1.09	1.08	1.06	1.05	1.03	1	0.98	0.96	0.93	
EXPENSE : EFFECTIVE INCOME			0.78	0.79	0.8	0.8	0.81	0.81	0.82	0.82	0.83	0.84	0.84	0.85	0.86	0.86	0.87	
OPERATING DEFICIT RESERVE																		
INTEREST INCOME		0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
UTILIZATION FOR CASH FLOW SHORTFALL			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,555	\$3,670	\$5,952	
BALANCE		\$218,276	\$218,276	\$218,276	\$218,276	\$218,276	\$218,276	\$218,276	\$218,276	\$218,276	\$218,276	\$218,276	\$218,276	\$218,276	\$216,721	\$213,051	\$207,099	

Ocean Family Housing

Exhibit 4: Site Location Map

The project site is located on Cindy Lane in Ocean Township in Monmouth County. Please see the attached site map and directions.

Map

Report: 1

Layer List

Map Legend

Economic Growth

Economic Opportunity Act

EOA - Basic Eligibility [i](#)

Economic Growth

Brownfield Sites [i](#)

Urban Enterprise Zones [i](#)

Innovation Zones [i](#)

Urban Aid Communities [i](#)

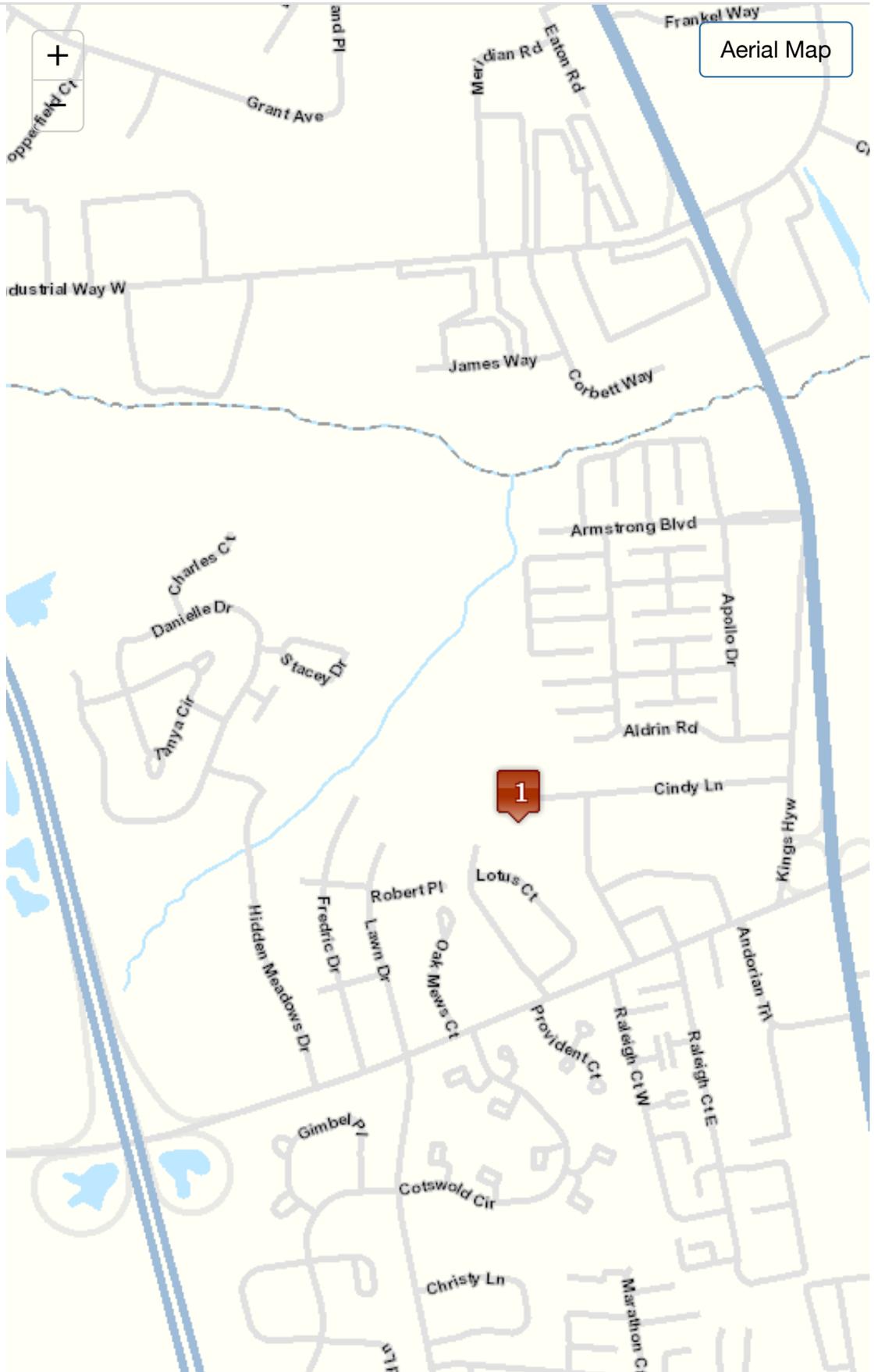
Areas in Need of Redevelopment [i](#)

Areas in Need of Rehabilitation [i](#)

Municipal Revitalization Index [i](#)

Urban Coordinating Council Qualified Municipalities [i](#)

NJ Redevelopment



Aerial Map

Authority Eligible Municipalities 
 Main Street
New Jersey Program Focus Areas 

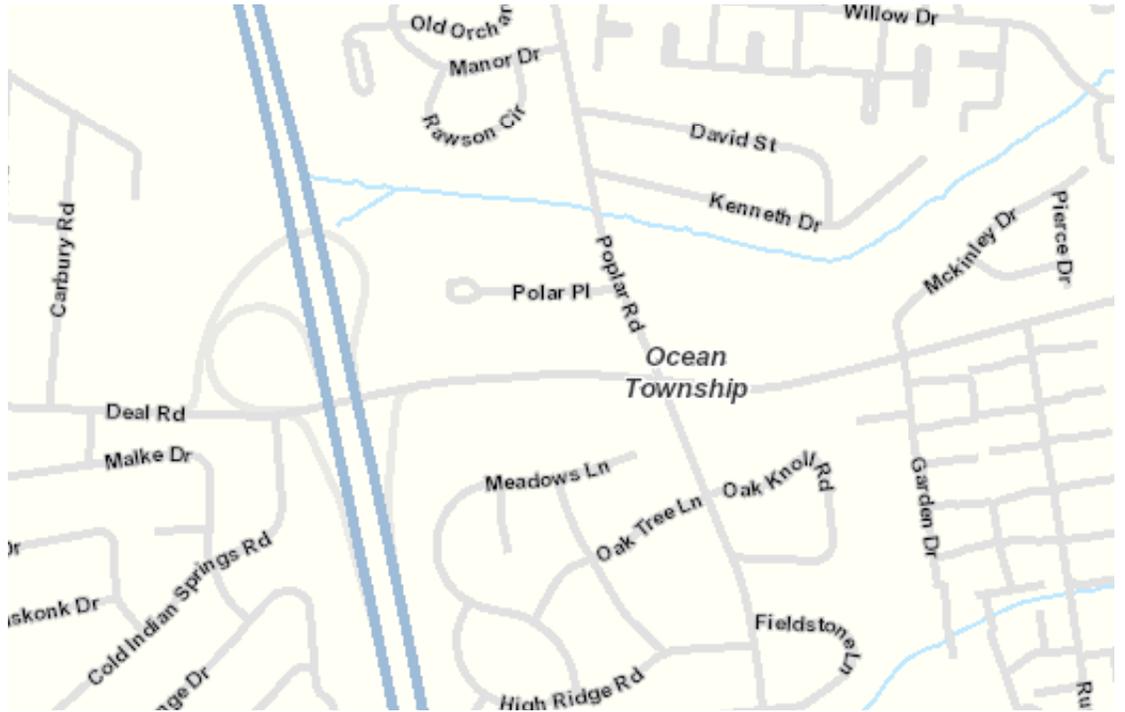
Planning

Environmental

Work Force / Demographic

HMFA

Reference Layers



YOUR TRIP TO:

1 Cindy Ln, Ocean, NJ 07712-7249



50 MIN | 47.2 MI

Trip time based on traffic conditions as of 11:25 AM on November 3, 2015. Current Traffic:



Start out going north on S Clinton Ave toward Mott St.

----- Then 0.28 miles -----



Take the 2nd left onto Hamilton Ave/County Hwy-606.

Hamilton Ave is just past Ditmar Aly.

Hong Kong Restaurant is on the corner.

If you reach Snyder Aly you've gone a little too far.

----- Then 0.14 miles -----



Turn left onto NJ-129/State Highway 129. Continue to follow NJ-129.

NJ-129 is just past E Canal St.

If you reach Conovers Aly you've gone a little too far.

----- Then 1.51 miles -----



Merge onto NJ-29 S toward I-195/I-295/Shore Points/Camden.

----- Then 1.18 miles -----



Keep left to take I-195 E toward I-95/Belmar.

----- Then 34.80 miles -----



Stay straight to go onto NJ-138 E.

----- Then 1.63 miles -----



Merge onto NJ-18 N toward Eatontown.

----- Then 6.17 miles -----



Take the Deal Rd E exit, EXIT 11A.

----- Then 0.17 miles -----



Merge onto Deal Rd.

----- Then 0.23 miles -----

 **Take the 1st left onto Poplar Rd.**
If you reach McKinley Dr you've gone about 0.2 miles too far.

Then 0.78 miles

 **Turn right onto W Park Ave/County Hwy-14.**
W Park Ave is 0.1 miles past Cotswold Cir.

If you are on Lynn Dr and reach Hanley Rd you've gone about 0.1 miles too far.

Then 0.31 miles

 **Take the 3rd left onto Cindy Ln.**
Cindy Ln is just past Raleigh Ct W.

Merendino Pizza is on the left.

If you reach Raleigh Ct E you've gone a little too far.

Then 0.00 miles

 **1 CINDY LN is on the left.**

Use of directions and maps is subject to our [Terms of Use](#). We don't guarantee accuracy, route conditions or usability. You assume all risk of use.

Ocean Family Housing

Exhibit 5: Sponsor Resumes

The project is being co-developed by a joint venture between The Alpert Group and the Affordable Housing Alliance.

Organizational resumes are attached.

The Alpert Group, LLC



The Alpert Group, LLC Firm Description

The Alpert Group, LLC



The Alpert Group, LLC is a family owned and operated full-service real estate management and development company with over 40 years of experience. Since the company's inception, we have developed and manage over 2,000 units.

Our managed and developed properties include such projects as: Low Income Housing Tax Credits, Section 8 Rehabilitation and affordable housing for multi-family, handicapped and elderly residents as well as rent stabilized and Cooperative properties.

The Alpert Group, LLC specializes in bringing quality safe and sanitary housing to diverse segments of the population. With the supervision, knowledge, experience and direction of our management team, we provide a cohesive network, capable of providing clients with the highest degree of professional service.

COMPLETED PROJECTS IN MANHATTAN

The very first venture that *Alpert & Alpert Development, LTD* embarked upon was the development of Project Based Section 8 Projects financed with FHA insured mortgages. These properties are located in the Manhattan Valley area of the Upper West Side of New York City. These properties were a contributing factor in the stabilization of that area in the late 1960's.

Suehar Associates

62-66 West 107th Street, New York -A 75 unit, 7 story elevator project consisting of three buildings cosmetically rehabilitated project.

Jodani Associates

68 West 107th Street, New York - A 25 unit, 7 story, elevator gut rehabilitated project.

COMPLETED PROJECTS IN THE BRONX

Alpert & Alpert Development, LTD was at the forefront of developing Project Based Section 8 Housing in New York. Our next endeavor to provide quality housing focused on the Fordham - Renaissance Plaza section of the Bronx. This section of the Bronx is located alongside the Bronx Park Zoo and Botanical Gardens. This area encompassed an entire block of buildings that were abandoned by previous owners. The company decided to revitalize and enhance this area and set about to make it happen.

In the early part of the 1970's, Project Based Section 8 was a new program introduced in New York by the U.S. Department of Housing and Urban Development (HUD). This program allows families to reside in government assisted housing with rental rates adjusted to their annual income. The company bid for and successfully won a Section 8 Contract with the City of New York. The company began the gut renovations on its' first building. Based on our initial efforts, seven more projects were awarded and a total of over 900 units were restored to the community.

Over a ten year span, beginning in 1976 with Bronx Park South I and ending with Fairmont Place Apartments, completed in 1986, the revitalization of the Fordham-Renaissance area was firmly established. *Alpert & Alpert Development, LTDS* created an entire community for families to reside and thrive. Today, 20 years after beginning its' rehabilitation, the Fordham - Renaissance Plaza Section of the Bronx stands as a symbol of *Alpert & Alpert Development, LTD's* commitments to provide safe, decent and affordable housing.

Bronx Park South I Associates

922-950 Bronx Park South/2137 Vyse Avenue - A 250 unit, 7 building, five story elevator gut rehabilitated project.

Bronx Park South II Associates

2132-2140 Daly Avenue - A 68 unit, 2 building, five story elevator gut rehabilitated project.

Bronx Park South III Associates

968-984 Bronx Park South/9901 Bronx Park South (East & West)/2146 Vyse Avenue - A 149 unit, 4 building, five story elevator gut rehabilitated project.

Mohegan/Crotona I Associates

282 Mohegan Avenue/2088 Crotona Parkway/2095 Honeywell Avenue/876 E. 180th St. - A 154 unit, 4 building, five story elevator gut rehabilitated project.

(continued Bronx completed)

Belartes Court

1892-94 Arthur Avenue/1899 Belmont Avenue - A 73 unit, 3 building, five story elevator gut rehabilitated project.

Belmont Court Apartments

1898-1900 Belmont Avenue/1908-1910 Belmont Avenue - A 112 unit, 4 building, five story elevator gut rehabilitated project.

Mohegan/Crotona II Associates

2075-2079 Mohegan Avenue/2074-2078 Crotona Parkway - A 85 unit, 4 building, five story elevator gut rehabilitated project.

Fairmont Place Apartments

1893-95 Belmont Avenue - A 27 unit, five story elevator gut rehabilitated project.

COMPLETED PROJECTS IN NEW JERSEY

The Weequahic Park Section of Newark had a reputation of being a severely depressed, crime ridden area in the South Ward. This once thriving neighborhood had become an area where no one wanted to live. *Alpert & Alpert Development, LTD* continued its long tradition of providing affordable housing to families by developing over 400 below market rental units. These efforts have helped Newark restore the lost luster of Weequahic Park and helped revitalize the entire neighborhood.

The lessons learned in Newark were then utilized in the various Municipalities detailed below.

Weequahic Park Apartments III

One Grumman/Two Keer Avenues AKA 815-823 Elizabeth Avenue, Newark - An 81 unit, six story elevator project consisting of two buildings renovated in 1995 utilizing Low Income Housing Tax Credits, HOME Funds and Regional Contribution Agreement Funds.

Weequahic Park Apartments IV

505 Elizabeth Avenue Newark - A 72 unit, six story elevator apartment building renovated in 1995 utilizing Low Income Housing Tax Credits and HOME Funds.

Weequahic Park Apartments V

2 Custer Avenue AKA 479-485 Elizabeth Avenue, Newark - A 50 unit, six story elevator apartment building renovated in 1997 utilizing Balanced Housing Funds and Low Income Housing Tax Credits.

Weequahic Park Apartments VI

1-11 Mapes Avenue AKA 549-555 Elizabeth Avenue, Newark - A 54 unit, six story elevator building renovated in 1997 utilizing HOME Funds and Low Income Housing Tax Credits.

Huntington-Schuyler Estates

110 Schuyler Avenue/163-169 Huntington Terrace, Newark - A 42 unit, four story project consisting of two buildings renovated in 2000 utilizing Low Income Housing Tax Credits and HOME Funds.

Wynona Lipman Arms

830-834 Clinton Avenue/9-15 Fabyan Place/258 Renner Avenue, Newark, NJ

These three four story buildings located in Newark's South Ward were purchased from the City of Newark. The project has 16 units in the Clinton Avenue location, 22 in the Fabyan location and 21 in the Renner Avenue location. Gut rehabilitation

was completed in November 2004. These buildings were financed through HOME Mortgage Funds, Balanced Housing Funds and a 2001 allocation of Low Income Housing Tax Credits.

North Bergen Renaissance I

6201 Grand Avenue, North Bergen – A 105 unit, thirteen story elevator building newly constructed and containing an 8,000 square foot Adult Senior Day Care facility. This Project is set-aside for low-income Senior Citizens. This Project was financed with HOME Mortgage Funds, Balanced Housing Funds and a 1999 allocation of Low Income Housing Tax Credits. This Project received the 2002 *Agency Award of Excellence* from the National Association of Housing and Redevelopment Officials (NAHRO).

State Theater

2854 Kennedy Blvd., Jersey City, NJ

In partnership with Applied Development Company, *Alpert & Alpert Development, LTD* constructed a new twelve story tower on the former State Theater site on Journal Square. This project contains 100 market rate rental apartments, 30 low income units, a 400 car garage and 15,000 s.f. of retail space. This Project was financed with HOME Mortgage Funds and Low Income Housing Tax Credits. The building was completed in January 2006.

Bergen Point Village

203/205/207/207A/206/212/214/216 Broadway, Bayonne, NJ

These eight brownstones have been gut rehabilitated utilizing the Department of Community Affairs's newly created "Downtown Living" Mortgage Program. The completed Project contains forty-nine apartments and eight retail stores.

Alpert Homes

Milford and Johnson Avenues, Newark, NJ

As part of Newark's South Ward Redevelopment Plan, *Alpert & Alpert Development, LTD* was designated Developer of 40 building lots. This Project contains 39 newly constructed two and three family homes and a 10,000 s.f. retail structure.

Stegman Arms Apartments

228-230 Stegman Street, Jersey City, NJ

A 19 unit, four story building that was gut rehabilitated utilizing \$950,000 from Jersey City's Affordable Housing Trust Funds. This Project is available to low income tenants who are at least 62 years old.

Eva's Village Apartments

133 Prince Street, Paterson, NJ

A 51 unit, four story newly constructed building to serve low income and formally homeless families. This Project utilized Special Needs Housing Trust Funds and HOME Express Funds from the New Jersey Housing and Mortgage Finance Agency and an allocation of Low Income Housing Tax Credits.

Walter G. Alexander Village – Phase I

98 Parrow Street, Orange, NJ

On the site of the a former public housing project, *Alpert & Alpert Development, LTD*, partnered with the Orange Housing Authority to develop two phases of newly constructed affordable housing. Phase I consists of 66 units of new family housing in 4 three-story townhouse style buildings consisting of 1, 2 and 3 bedroom apartments.

Walter G. Alexander Village – Phase II

105 Wilson Place, Orange, NJ

The Walter G. Alexander Village redevelopment received a second allocation of tax credits in a single round allowing Phase II to be developed simultaneously with Phase I. Phase II resulted in 48 units of senior housing in a three-story building that has similar architectural design as the townhouses.

COMPLETED PROJECTS IN CONNECTICUT

In 2004, the Stamford Housing Authority received an award of HOPE VI funds in order to revitalize Fairfield Court, a 144 unit public housing complex built in 1936. The design of the complex, combined with its' age and poor physical condition resulted in its' obsolescence.

The Fairfield Court revitalization plan has produced a total of 174 housing units in 3 phases. The plan has incorporated supportive services and occupational initiatives that have increased the economic self-sufficiency and independence of the residents.

Taylor Street Apartments

25 Taylor Street, Stamford -- This development is a unique combination of 16 rental and 8 homeownership units. Eight townhomes with individual entrances occupy the lower two floors and 16 one-bedroom rental units comprise the third and fourth floors. The townhomes were sold to first-time homebuyers and the rental units provide supportive housing. Both the rental and ownership components were part of the Fairfield Court HOPE VI revitalization.

Post House Apartments

40 Clinton Avenue, Stamford -- This six-story building includes 60 one-bedroom apartments and extensive community space. Fifty of the apartments receive project-based Section 8 subsidy, and ten are assisted under the federal public housing program. In addition to on-site property management, Post House residents benefit from an on-site Resident Service Coordinator and Program Assistant.

Fairgate

Fairfield Avenue and Stillwater Avenue, Stamford -- Located on the site of the former Fairfield Court public housing development, Fairgate was the final phase of the Fairfield Court HOPE VI revitalization and was completed in late 2009. Of the 90 units at Fairgate, 55 are affordable to households with a wide range of incomes and 35 are market rate units without subsidy. Fairgate offers one, two and three-bedroom units, mostly in a townhouse configuration with individual entrances, as well as a community building and an after-school program.

CURRENT PROJECTS

Boris Kroll Fabric Mill Complex

47-55 State Street, Paterson
200-214 20th Avenue, Paterson
50-72 Gray Street, Paterson

The Boris Kroll Complex is a one and a half city block complex consisting of over 250,000 square feet of vacant industrial space. *Alpert & Alpert Development, LTD* plans to perform an adaptive reuse of the site to include affordable and market rate housing, a school facility and retail space.

Paterson Commons I

200-214 20th Avenue, Paterson, NJ

This project consists of 39 apartments (28 market rate units, 10 HOME-assisted units and a Superintendent unit). Construction began in January 2002 and is currently 100% occupied.

Paterson Commons II

50-72 Gray Street, Paterson, NJ

This project will consist of 99 apartments and 10,605 s.f. of retail space. The Project has received approval of it's Part I and Part II Historic Tax Credit application from the National Park Service. The project has also received approval of it's Remedial Action Work plan from the Department of Environmental Protection. We have also received letters of interest for approximately 50% of the retail space. Our architect has completed the drawings necessary for final site plan approval.

Paterson Commons School

47 State Street, Paterson, NJ

This 20,000 s.f. two story building has been leased to the Board of Education for use as a vocational high school. Final site plan approval was received on December 18, 2002 and the school was ready for occupancy in March 2004.

Woodlands at Upsala

Springdale and Prospect Avenues, East Orange, NJ

In October 2003, the team of *Alpert & Alpert Development, LTD* and Applied Development Company were designated Developers of the former Upsala College campus. This 20 acre site will be transformed into 51 single family homes and 17 townhouse units. Construction began in 2006 and had reached 80% completion by year end 2008.

St. Bridget's Senior Residence

372 Montgomery Street, Jersey City, NJ

This Project has received a 2012 allocation of Low Income Housing Tax Credits for the rehabilitation of the Rectory, Convent and School building on the St. Bridget's campus. Originally constructed in the late 1800's, these buildings will be rehabilitated utilizing both Low Income Housing and Historic Tax Credits. This Project will provide 46 units of affordable Senior housing.

Affordable Housing Alliance Organizational Resume

The Affordable Housing Alliance is a private, nonprofit 501(c)3 corporation which was created in response to the overwhelming need for quality, affordable housing in New Jersey. Founded as the Monmouth Housing Alliance in 1991, the agency was renamed the Affordable Housing Alliance in 2008 to better reflect its expanded mission and service area. The Alliance is based in Eatontown, New Jersey and serves Monmouth, Ocean, and Middlesex Counties.

The Alliance was formed in April, 1991 with a start-up grant from the Robert Wood Johnson Foundation. The idea sprang from a group of interested colleagues who were struggling to find housing for individuals with disabilities, low-wage workers, single parents and other disenfranchised groups. Founding director Donna Blaze, now Chief Executive Officer, was the agency's first and only staff until more substantial funding could be secured. Today, the Affordable Housing Alliance employs close to forty professional and staff members augmented by interns, volunteers, and community partners. The Board was established with members whose passion and expertise was in the area of commercial and residential development, finance and management. Nineteen years later the Chief Executive Officer and many of those same founding directors remain with the organization, growing it from the initial \$25,000 grant to nearly \$5 million in operations annually.

The Alliance has established itself as an important provider of affordable housing and housing services in the community. The agency's programs include Housing Development; Property Management; Housing Intake, Information and Referral; Housing Counseling and Income Certification; Energy Assistance Programs; and Administration of Municipal Fair Housing Programs. These programs serve more than 10,000 people annually from Monmouth County and expect to grow to nearly 30,000 a year with the implementation of new statewide utility assistance programs. The Alliance receives contacts from nearly 4,000 individuals monthly either directly or through our website seeking assistance. The Alliance has developed 400 units of housing in the community, including 380 units in Monmouth County. The agency currently owns and manages 360 properties in the community. Specifically, the Alliance's redevelopment of the 131-unit Grandview Apartments (30 are seniors) and 14-unit Carver Hotel (11 are seniors) are comparable in scope, extent, and quality to the proposed 10-unit Allen House project.

The philosophy of the Affordable Housing Alliance is one of simplicity: it develops its services, programs and housing based on a shared human need for shelter, food, comfort, and quality of life and treats all seeking assistance with dignity, compassion, and respect regardless of race, religion, ethnicity, sex, disability or income.

The Alliance mission is to improve the quality of life for all New Jersey residents by developing and preserving affordable housing, by providing services that maintain affordability, by providing housing education and by helping communities meet their legal and moral housing obligations. This task is accomplished through inter-agency cooperation and partnerships, and all facets of real estate development, from consultation and acquisition to construction or renovation and management.

In 2011, the Alliance was accepted into the network of Neighborworks affiliate organizations.

The Alliance is governed by a 16-member volunteer Board of Trustees that meets every month. Of the current board members, approximately 90% live in Monmouth County, 10% are themselves low-income persons, 65% are seniors, 35% are female, and 14% are minority.

The agency is a designated Community Housing Development Organization (CHDO) which incorporates low-income persons, renters, and persons of color into the evaluation, selection, development, and management of its projects. As a designated Community Housing Development Organization (CHDO), at least 1/3 of the board members are low-income, live in a low-income neighborhood, or represent a low-income group.

The board members are all local citizens or are employed by local businesses and organizations such as Patock Construction Company, New Jersey Natural Gas, BRICON International, Inc., Playgoers Theatre Club, PS&S Architecture, MIP Associates, attorney offices, Two River Community Bank, Lane Northeast Real Estate Development, Birdsall Service Group (Civil Engineer), Stafford Smith, Tinton Falls State Bank, Stasi Landscaping, and Sorrentino Development Construction Corporation.

The Alliance has received acknowledgement at the local, state, and national levels for the quality of its housing work:

- The Alliance received the Governor's Award for Housing Excellence in 1998 and 1999 from the New Jersey Housing and Mortgage Finance Agency for housing administration and preservation, respectively.
- In 2001, the Alliance was bestowed the National Award of Merit from the National Association of Housing and Redevelopment Officials for the agency's Community Outreach Initiative.
- The Alliance received the National Association for the Advancement of Colored People (N.A.A.C.P.)'s coveted President's Community Service Award for the agency's commitment to providing housing for all people of Monmouth County in 2001.

- In 2007, the Alliance was named an Outstanding New Jersey Community Development Corporation by the Local Initiative Support Corporation.
- In 2007, the Alliance received a special designation of the Governor's Excellence in Housing Award for Special Achievement for the Millstone House.
- The Alliance was selected as the nonprofit agency of the year by the Eastern Monmouth Chamber of Commerce awarding the Alliance the beautiful Spinnaker Award.

The Alliance believes housing is the foundation of a family and a community and approaches this need from many directions. Below is the description of its present service continuum:

- **Housing Intake, Information and Referral** provides personal service to those needing housing with a wealth of information on a variety of programs offered on the local, state and federal level. A data base of available housing including housing for special needs populations is kept to assist callers in narrowing an often difficult search. Phones are answered during business hours of 8 to 6 Monday thru Friday without the use of voice mail. Clients seeking any assistance related to housing or housing related services know they will be received personally by a qualified and compassionate counselor waiting to assist with addressing their needs. Those who do not have time or capacity to call and speak with our counselors directly can use the interactive website and integrated intake system located at www.housingall.org.
- **Housing Counseling and Income Certification** – as a HUD certified counseling agency we provide the full range of counseling, education and training services needed. From reverse mortgages to homeownership education our counselors are here to help with housing. The Alliance provides the full range of foreclosure mediation programs available in the state of NJ. Over 2,324 clients have directly received housing counseling services in the years ending 2009 and 2010. 31% of those served have been African American, 15% of multiple races, 2.5% Asian and 51% Caucasian. The Alliance was recently selected to implement the HAMP program in this area providing additional options to those facing foreclosure due to the loss of income. The Alliance is one of the largest homeownership education providers in the Region and participates with the Web based Home America program as well.
- **Housingall.com (the official Affordable Housing Alliance website)** was created in 1999 by volunteers to broaden the dissemination of housing information to residents throughout cyberspace. Today over 16,000 visits a month are recorded. In 2010 the site was expanded to include a cloud access intake system allowing clients who are unable to call or access the office complete intakes in any of our service lines. Emails are then immediately forwarded to the appropriate counselors for follow-up and the data recorded for use in planning better programs in the future.

- **Housing Management** - The Alliance has over 360 affordable housing units presently in its portfolio. Units cover all forms and types from the administration of two supportive rooming houses, a McKinney funded permanent housing for the disabled site, supportive apartments for the disabled, senior housing, single family homes, and a group home for aging out youth, a 131 unit apartment complex and a 125 unit manufactured home park. Where possible, we work with service organizations to serve special needs populations in the least restrictive environment possible. Present partnerships include Catholic Charities, Declarations, the Mental Health Association of Monmouth County, Easter Seals, Manna House and Spring House. The Alliance portfolio has been consistently operated with vacancy rates below 5%.



Novad Court SF rental

- **Administrative Agency** -The Alliance is a designated administrative agency providing services to local governments and builders seeking to be in compliance with the Fair Housing Act of NJ. Contracts include Spring Lake, Atlantic Highlands, Wall Township, Manalapan Township, Eatontown, and numerous private builders. Both rental and for sale units are affirmatively marketed and clients income certified for thousands of units throughout this portfolio. We administer the rehab component for several communities providing low income owners with options to keep and preserve their homes. All contractors and scope of work is coordinated by Alliance staff.
- **Energy Assistance Programs** –The Alliance began the provision of energy assistance programs in 2009 we were the recipient of a NJ Department of Community Affairs contract to administer the USF/LIHEAP program. In 2010 after a competitive RFP process we were selected as the highest scoring proposal and have since signed contracts with the Board of Public Utilities to administer \$25 million in TRUE utility assistance. In 2012 AHA was awarded the PAGE Utility Program which is for the entire state of New Jersey. In 2015 AHA was awarded TRUE 2 \$6 Million grant for NJ residents. Programs are administered by 15 staff and volunteers and now serve the entire state of NJ through an innovative cloud portal making utility assistance services available to all homes having internet access. To

those that don't offices are still operated in Eatontown and through affiliate agencies under partnership with the Alliance throughout the state.

- **Senior Citizen Job Training** -- The Affordable Housing Alliance has established a relationship with the **Senior Community Service Employment Program, formerly the National Council on Aging**. The Alliance is a training site for participants, ages 55 and older. We help educate and train participants that are interested in re-entering the workforce. Over the last three years, the total number of hours volunteered are 7,965. The Alliance has given these participants the opportunity to learn and develop new skills for the current work place. The Alliance has hired six participants from this program, most of whom were beginning a second or third career in their 60's and even 70's. Currently we have two former SCSEP participants that are now AHA employees, recently celebrating their 78th and 79th birthdays. Their life experiences and dedication to the mission of the Alliance truly helps our clients. Often times, our clients develop a connection with these participants because they share many similarities, having grown up in the same generation as one another. They are an inspiration to our staff, volunteers, and most of all the college interns that see their strong work ethic and job satisfaction. They are the first to admit that being trained and adapting to the work environment has expanded their repertoire by using the computers, scanners, and "modern technology" at their age. Through their part-time work, they are living a more fulfilled life by making significant contributions to the Alliance and helping its clients.
- **Mortgage Counseling** -- **The Alliance also provides mortgage delinquency counseling to seniors.** Counselors will work one-on-one with our senior clients to make sure they understand all of their options and provide them with the information and tools necessary to make an informed decision. If the individual wants to retain their home, the counselor will assist them in working with their mortgage company on a retention solution. If the individual can no longer afford their home, the counselor will work with them on liquidation options (such as selling the home or doing a deed in lieu of foreclosure) and will refer them to our intake specialists to assist with finding alternative housing. The agency is involved in continuous outreach to the elderly community. Each year the agency provides information and referral services to at least 1000 older adults in the community.
- **Housing Developer** - The Alliance has developed, financed, renovated or constructed over \$30 million of housing since 1991.

Through these initiatives, the Alliance has gained extensive experience managing all aspects of the development process including leading development teams; purchasing land; meeting development budgets and timelines; obtaining local and state approvals; creating multi-layered financing plans, raising capital and operating funds, complying with funder compliance and reporting requirements; designing buildings with are accessible, encourage visitability, and incorporate green features; overseeing construction; managing completed properties; and coordinating supportive services for residents.



In the early 90's it acted as a consultant on the development of several group homes including housing for the Developmentally Disabled through ARC of Monmouth, an 8 unit apartment building in Paterson serving



clients of SJHMC, and three group homes in Monmouth for Collaborative Support Programs of NJ.

The Alliance has successfully developed over 400 units of affordable housing. It maintains a rental portfolio of 360 units and has successfully worked with several municipalities to develop a low impact rental option to their affordable housing plans. We have also developed or rehabilitated fifteen single family homes and marketed them to qualifying first time homebuyers. The Alliance is presently working on completing a HUD Neighborhood Stabilization Program funded community redevelopment project in Asbury Park in partnership with Interfaith Neighbors and Habitat for Humanity which consists of building up to 22 single family homes. The Alliance has infrastructure improvements including water, hydrant and gas service installation contracted for our 120 unit manufactured home park. Numerous permanent rental projects remain in our pipeline as local communities struggle with reconciling their affordable housing obligations under a moving target of legislation regarding the NJ Fair Housing Act.

Housing Projects Completed

The 131 unit **Grandview Apartments, Keansburg, New Jersey**, serves individuals and families who were initially eligible for project based rental assistance. Residents have since been converted to a voucher system however nearly 89% continue to use their rental voucher at this site. The Alliance in 1995 completed a gut renovation of all 131 units and the community room using one of the largest LIHPRHA renovation grant awards in the country. Nearly 9.5 million was expended including \$300,000 in local HOME funds, 1.2 million in private mortgage financing and 8 million in LIHPRHA funding. This site won the *Governor's Award* for its innovative tenant partnership approach to management where tenants maintain a majority interest in the Board of Directors. A tenants association, Senior Service Committee and a contracted social services director insure a broad



range of services are available to residents. Thirty residents are over 62 and 22 are legally disabled.



Senior open house and children's holiday party.

The Alliance at Beacon Place, Middletown,

New Jersey, 28 rental units were purchased in a 131 unit private for sale condo community in partnership with a private developer and offer 1, 2 and 3 bedroom apartments to low- and moderate income renters. The Alliance works with Middletown Township to insure that all residents meet the Council on Affordable Housing income guidelines and maintain the 56 housing credits offered the town. Funding was provided by the Federal Home Loan Bank, New Jersey Department of Community Affairs and private bank loan. All units are maintained under the Federal Home Loan Bank guidelines. Donna Blaze, the Alliance's Chief Executive Officer, has sat on the Board of Directors of the condo association for over ten years in the position of Treasurer to insure low and moderate income tenants are afforded the same rights as the condominium owners. Three residents of this complex are senior and five have legal disabilities.





The Monmouth Highlands Apartments, Highlands, New Jersey, provides 16 units to low- and moderate income residents. This project was an acquisition from the Resolution Trust Corporation (RTC) and it was renovated with Monmouth County HOME funds. Although not specifically designated, 8 of the 16 residents have special needs that warrant supportive services and two senior residents live here as well. Working with the Mental Health Association of Monmouth County and the MCPAC Team tenants have remained stable in their living setting for over a decade outside any specifically identifiable program or facility.

The Laurels of Long Branch, Long Branch, New Jersey,

Built new 6 new 2,400 square foot homes within two triplexes for low-, moderate-income and entry market families. Built in 1997, 5 of the original six families remain stably housed. HMFA gave \$140,000 in subsidy financing for 4 of the units and the balance of the \$740,000 was provided through private construction financing. Units sold at prices ranging from \$56,000 - \$135,000.



Oceanport Manor, Oceanport, New Jersey, Provides Six 1,2 & 3 bedroom rental units. Renovations have been made including a total makeover, accessibility, and the installation of laundry facilities with funds from the Federal Home Loan Bank and Monmouth County HOME Funds. Three of the six

households have a head of household with a disability.

Viking House in Keansburg, NJ.

Renovations to this rooming house are complete. The Viking accommodates 18 residents in addition to a manager's apartment. Four residents' rooms are handicapped accessible. Funding was received from Monmouth County HOME Funds, New Jersey Department of Community Affairs Boarding Home Life Safety funding and State HOME funds. Six of the residents are frail or have a special need requiring supportive services. Two of the residents are seniors. Staff works with area agencies to see that all basis needs are met.



The Carver Hotel, a historic site in Neptune, was reconstructed to serve 14 senior citizens in 1 bedroom apartments. Over two million in Home Funds, Federal Home Loan Bank funds, Regional Contribution Agreement funding and New Jersey Department of Community Affairs special projects money was used to develop a plan with the help of local resident seniors that returned this facility to the anchor property it had once been. After years of planning and design work with local residents, the original structure collapsed and a new building had to be reconstructed to stay true to the original intent. All residents are low income and over 55. Services are coordinated through service agreements with the Office on Aging, the VNA, and local case management providers. On site staff help residents with daily needs and provide security and emergency response. Eleven residents are senior over 62 and five have a disability.



Carver Planning Committee members.

Pine Tree Mobile Home Park –The Alliance has secured a 130-unit mobile home park in a precedent-setting acquisition dedicated to preserving the existing affordable homeownership for over 130 residents. Funding from the CFED foundation, Chase and the Borden Foundation is being used to examine the threat to this form of housing throughout the state. Over 2.5 million was secured from the New Jersey Balanced Housing Fund and \$250,000 secured from local municipal resources to acquire and improve the infrastructure. Habitat for Humanity worked with the Alliance to rebuild an old storage building into an inviting community center and laundry facility while staff of Bank of America spent the day painting the facility. The facility is now used by Social Service staff to administer the Food Bank program, provide homework club activities, offer free medical screenings and vaccinations, and facilitate tenant association meetings and participation. Five units were purchased by Declarations -- a nonprofit providing independent supportive housing. Twenty six of the residents are seniors and 8 have a disability.



Open house at the new Carver Apts.



New unit purchased by Declarations



enjoying the spring flowers

Residents



Bank of America volunteers painting community room

Park Avenue Apartments was created as a design build partnership with a local builder, the municipality and the U. S. Department of Housing and Urban Development. Four of the six units provide permanent housing for the disabled who were homeless. The other two units provide affordable housing under the municipality's affordable housing obligation. Nearly \$400,000 in McKinney funds were used to purchase the completed facility along with a municipal tax waiver and private financing. Services are provided by the Mental Health Association through McKinney funds matched with funding from the Department of Human Services. Five of the residents have a disability.



Park Avenue Apartments

6th Avenue Neptune is a unique partnership with the Alliance and Catholic Charities to provide transitional housing for young adults aging out of the foster care system. Catholic Charities had come to the Alliance requesting assistance for the development of the residential component of this unique program. The Alliance acquired Shelter Support funds and Human Service Bond funds to purchase what was the boyhood home of Jack Nicholson. After completing necessary renovations including an access ramp and central air conditioning, the Alliance leases this home back to Catholic Charities who supervises the programming for up to six young men. Located in Neptune, it provides each resident a sense of pride to identify oneself as a resident of this beautiful period home.



Catholic Charities Director excited about new home.

Single Family Rentals: The Alliance has renovated and retained ownership of several single family units over the past eight years. The units were purchased from the Resolution Trust Corporation, from the U. S. Department of Housing and Urban Development, and Federal Housing Administration all having been previously foreclosed upon. The units were privately financed and have been leased back primarily too large families with rental vouchers who have been unable to locate accommodating apartment units. The homes are located in Neptune, Red Bank, Millstone, and Monmouth Beach. One of the units is occupied by a disabled head of household.



Red Bank



Neptune



Monmouth Beach

Asbury Park, Red Bank, and Long Branch Single Family For Sale The Alliance has constructed or renovated ten 14 family homes in the past several years providing homeownership to low and moderate income families in free standing fee simple ownership. Homes are three and four bedroom units and were designed to provide all of the amenities and characteristics of other homes in the neighborhood. Experience in this market allowed the Alliance to capitalize on the availability of Neighborhood Stabilization Program funding to expand this concept in Asbury Park, NJ where we received a multimillion dollar NSP award in partnership with Interfaith Neighbors and Coastal Habitat for Humanity. Three of the eight homes to be built by the Alliance have already been completed. The Alliance also took the lead on establishing a Neighborhood Leadership and good neighbor program to encourage future homeowners to be more than just a resident but a participant in their community. The Alliance is also responsible for homeowner education and income certification for all buyers within the partnership.



Hendrikson, Long Branch



7th Avenue, Long Branch



Summerfield New construction Asbury Park

Summerfield 4 BR Asbury Park

Special Partnerships have always been important to the Alliance. Single family revitalization efforts were completed and/or under way with smaller local nonprofits including the NAACP in Long Branch, STARS Neighborhood CDC in Asbury Park and HOMES in Red Bank. Funding was provided directly by the State legislature for this capital funding pilot program. Eight single family homes were rehabilitated or constructed new. The Alliance is presently administering rehabilitation programs for several towns working with local municipal officials and homeowners. The Alliance is presently working with Ladacin to develop 2 new group homes for adults with physical challenges.

The Alliance is undertaking the new HUD 202 seniors project in Millstone Township as the natural next step in providing permanent, affordable housing for older adults. Through its 20 years of service in the community, the Alliance has become acutely

aware of the affordable housing crisis facing low-income seniors in Monmouth County who can still live independently. These seniors, many of whom are retired and living on fixed incomes, are unable to meet the high costs of maintaining houses or renting apartments in the area. Additionally, many seniors are in need case management and supportive services to stay housed independently. As a result, seniors are being forced to impose upon their children or other relatives for housing, leave town to find more reasonable accommodations elsewhere, or must give up living independently. The new Allen House project in Millstone Township will allow seniors with very low incomes to age in place within their community in close proximity to their families, social contacts and community supports.

The new Allen House project will create 10 units of permanent, affordable rental housing for independent seniors. The building will be designed as an elevator building with on-site parking. Every apartment will have its own kitchen, bathroom, eating area, and living area. Amenities will include Energy Star appliances, window blinds, ample closet space, security and emergency call features, common laundry, and hardwiring for telephone, cable TV and internet access. The building will include a community room, common laundry facilities, and property management/social services offices. Exterior amenities will include a covered entryway, walking paths, and a pond.

Ocean Family Housing

Exhibit 6: Site Control

Please see the attached site control documentation.

DEVELOPER'S AGREEMENT
BETWEEN
THE TOWNSHIP OF OCEAN
AND
AFFORDABLE HOUSING ALLIANCE

THIS AGREEMENT entered into this 26 day of October, 2015 between the Township of Ocean, a municipal corporation, in the County of Monmouth, State of New Jersey, having its office at 399 Monmouth Road, Oakhurst, New Jersey 07755 (hereinafter "Municipality" or "Ocean") and the Affordable Housing Alliance having an office at 59 Broad Street, Eatontown, New Jersey 07724 (hereinafter "AHA" or "Developer").

WHEREAS, Southern Burlington County NAACP v. Tp. of Mount Laurel, 92 N.J. 158 (1983) (hereinafter "Mount Laurel"), the Fair Housing Act, N.J.S.A. 52:27D-301, *et seq.*, the regulations adopted by the Council On Affordable Housing (hereinafter "COAH"), and other applicable laws require all New Jersey municipalities to create a realistic opportunity for the provision of low and moderate income housing (hereinafter "affordable housing"); and

WHEREAS, it has been determined that the Municipality must address its obligation of its affordable housing Fair Share Plan, meaning the Municipality must provide a realistic opportunity for the creation of units affordable to low and moderate income households and conforming to the regulations of COAH and the Uniform Housing Affordability Controls ("UHAC"); and

WHEREAS, to address this obligation the Municipality and AHA have conducted several discussions with regard to creating a rental community of 48 apartments on Block 1.02 /Lot 51.11 referred to as the "West Park Avenue Project," which contemplates the construction of 48 rental units which will be affordable to certified low and moderate income households; and

WHEREAS, the Municipality is also cognizant that if West Park Avenue Project fails to materialize, it must still address its obligation to satisfy a portion of its affordable housing obligations with rental housing; and

WHEREAS, the Municipality has therefore committed to collaborating and forming an agreement with AHA; and

WHEREAS, the Municipality owns the West Park Avenue parcel, the Municipality has committed to transferring ownership of this parcel to AHA to facilitate the construction of said units and to enhance the economic feasibility of the project; and

WHEREAS, AHA has developed and submitted to the Municipality a proposal for the construction and administration of a 48-unit, municipally-sponsored rental program, attached hereto as Exhibit A; and

WHEREAS, the AHA proposal includes a *pro forma* and a construction schedule in conformity with N.J.A.C. 5:93-5.5; and

WHEREAS, AHA will endeavor to secure sufficient funding from several funding sources in order to complement the use of any municipal funds; and

WHEREAS, in the event that AHA is unable to secure a portion of the funds necessary to complete this project, the Municipality has formally committed to fund any shortfall via Resolution entitled "A Resolution of the Township Council of the Township of Ocean Expressing Its Intent to Fund for the Municipality's Affordable Housing Obligation," dated _____, and attached hereto as Exhibit B; and

WHEREAS, the Municipality has also committed to act in good faith, to assist AHA to the extent possible in securing any and all permits necessary to commence construction of the proposed project and to zone the site for the purposes intended in this contract; and

WHEREAS, AHA will assure that the affordable units comply with all applicable regulations of COAH including but not limited to those regulations concerning pricing, bedroom mix, low/moderate income split, affirmative marketing, and all other applicable COAH and UHAC regulations; and

WHEREAS, AHA shall comply with the statutory requirement for 13% of all affordable units to be affordable to very low-income households at 30% of the region's median income; and

WHEREAS, the subject property is available, approvable, developable and suitable, as those terms are defined in N.J.A.C. 5:93-5.3(b), for the project illustrated by Exhibit A; and

WHEREAS, the parties anticipate that the Municipality shall be entitled, pursuant to N.J.A.C. 5:93-5.15(d)1, to rental bonuses for some or all of the 48

affordable housing units provided pursuant to this project, which will address some of the Municipality's fair share obligation, and

NOW, THEREFORE, be it agreed as follows:

A. Purpose of Agreement

The purpose of this agreement is to create a realistic opportunity for the construction of 48 rental units affordable to very low, low and moderate income households under COAH's regulations, UHAC and Fair Housing Act.

B. Obligations of Developer

1. AHA shall file development applications with the Planning Board based upon the ordinance incorporating the relevant standards. All applications shall be substantially in accordance with the concept plan attached as Exhibit A and shall also comply with all RSIS standards.

2. AHA shall take all necessary steps to provide and maintain the creditworthiness of the affordable units or the total number of units approved by the Planning Board and constructed by this agreement against any present or future Mount Laurel obligation. Accordingly, as to the affordable units, AHA shall comply with all applicable laws including but not limited to those set forth in COAH regulations, UHAC, the New Jersey Fair Housing Act, as amended, and other applicable laws. In addition, AHA shall comply with the Land Use and Development Regulations of the Municipality Code as well as any amendments that may be necessary or desirable to ensure that the Township of Ocean complies with applicable Mount Laurel requirements.

3. AHA agrees to record deed restrictions on all units in conformance with all relevant COAH regulations and the UHAC set forth at N.J.A.C. 5:80-26 et. seq. Said controls on affordability shall be in effect for a period not less than 30 years.

4. AHA agrees to act as affordable housing administrator for the rental units associated with this project and to administer the rent controls and other associated duties consistent with COAH and UHAC regulations and other applicable laws.

5. In addition, AHA agrees to establish the aesthetics of the units in keeping with the character **of the** neighborhood including, but not limited to, landscaping and building maintenance.

6. The construction schedule shall provide for construction to begin within two years of substantive certification/judgment of repose. N.J.A.C. 5:93-5.5. Developer shall submit documentation explaining the progress of the development to the Municipality upon reasonable request by the Municipality.

C. General Conditions

1. In the event that AHA fails to perform any of the duties addressed in this agreement, the Municipality shall have a right to make application with the Court to void the agreement and to seek any relief available in law or equity. It is understood that the transfer of the property shall not occur until all approvals are received and all financing is in place.

2. Any Planning Board approval shall be subject to full compliance with this agreement as an essential and non-severable condition of the approval.

3. The Developer shall have the right to declare this agreement null and void and of no further force and effect in the event that the Approving Authority of Ocean fails to approve an application made pursuant to this agreement within 120 days from the date that such application is deemed complete pursuant to the provisions of the Municipal Land Use Law, provided that Developer pursues said approvals with reasonable diligence. In the event that the application for the development of the proposed project is reasonably rejected or denied by any land use board or the governing body of the Municipality, this agreement shall be null and void *ab initio*. Nothing in this agreement shall restrict Developer from utilizing its right to review or appeal any decisions of the Municipality or its land use boards relevant to this project."

4. The parties shall exercise good faith, cooperate and assist each other in fulfilling the intent and purpose of this Agreement; including, but not limited to, the adoption of the Zoning Amendment and Fair Share Plan amendments, compliance with any reasonable requirements of the Superior Court in conjunction with Ocean Township's efforts to secure approval of its housing element and fair share plan, and the development of the property consistent with the terms hereof and the defense of any challenge with regard to any of the foregoing.

5. The provisions of this Agreement shall run with the land, and the obligations and benefits hereunder shall be binding upon and inure to the benefit of the Parties, their successors and assigns, including any person, corporation, partnership or other legal entity which at any particular time may have a fee title interest in the subject property which is the subject of this Agreement. This Agreement may be enforced by any of the parties, and their successors and assigns, as herein set forth.

6. This Agreement has been fully negotiated, reviewed and drafted by all parties hereto and their respective attorneys. Accordingly, the common law presumption of resolving ambiguities against the drafter shall not apply.

7. AHA may assign this Developer's Agreement to an entity in which AHA is a general partner or managing member and owns an equity ownership interest of not less than forty percent.

The terms of this agreement shall be binding upon the parties, their successors and/or assigns.

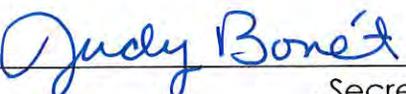
ATTEST

By: 
 Vincent Buttiglieri, Clerk

TOWNSHIP OF OCEAN

By: 
 Christopher P. Siciliano, Mayor

ATTEST

By: 
 , Secretary

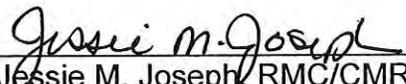
AFFORDABLE HOUSING ALLIANCE

By: 
 Donna M. Blaze, CEO

Record of Vote	Deputy Mayor Garofalo	Councilman Acerra	Councilman Long	Councilwoman Schepiga	Mayor Siciliano
Motion To Approve			x		
Motion to Second		x			
Approved	x	x	X	x	x
Opposed					
Not Voting/Recuse					
Absent/Excused					

CERTIFICATION

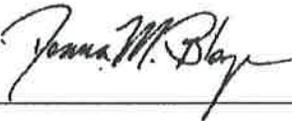
I hereby certify that this is a true copy of a resolution passed by the Township of Ocean Governing Body at their meeting held on **October 15, 2015**.


 Jessie M. Joseph, RMC/CMR
 Deputy Township Clerk

November 4, 2015

In accordance with Section 7 of the Developer's Agreement dated October 26, 2015 between The Township of Ocean and Affordable Housing Alliance, Inc., we hereby assign all of our rights specified in the Agreement to Cindy Lane Family Ventures, LLC.

Affordable Housing Alliance, Inc.



Donna M. Blaze, Chief Executive Office

Cindy Lane Family Ventures, LLC



Joseph Alpert, Managing Member

Ocean Family Housing

Exhibit 7: Design Schematics

The project's design schematics are attached.

CONCEPT DEVELOPMENT STATISTICS

TYPE	#UNITS	RATIO
1 BEDROOM	9	18.75%
2 BEDROOM	27	56.25%
3 BEDROOM	12	25.00%
TOTAL	48	100.00%

PARKING REQUIRED AS PER RSIS 95 SPACES

PARKING PROVIDED 77 SPACES



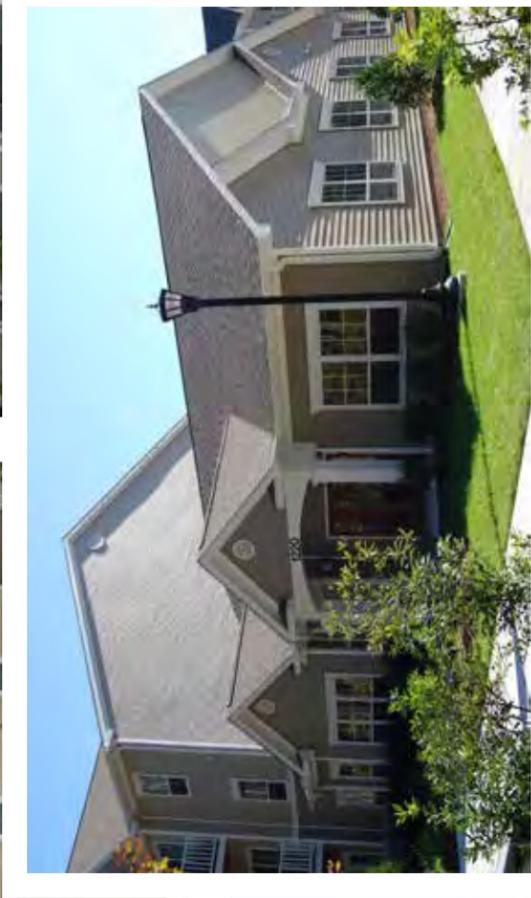
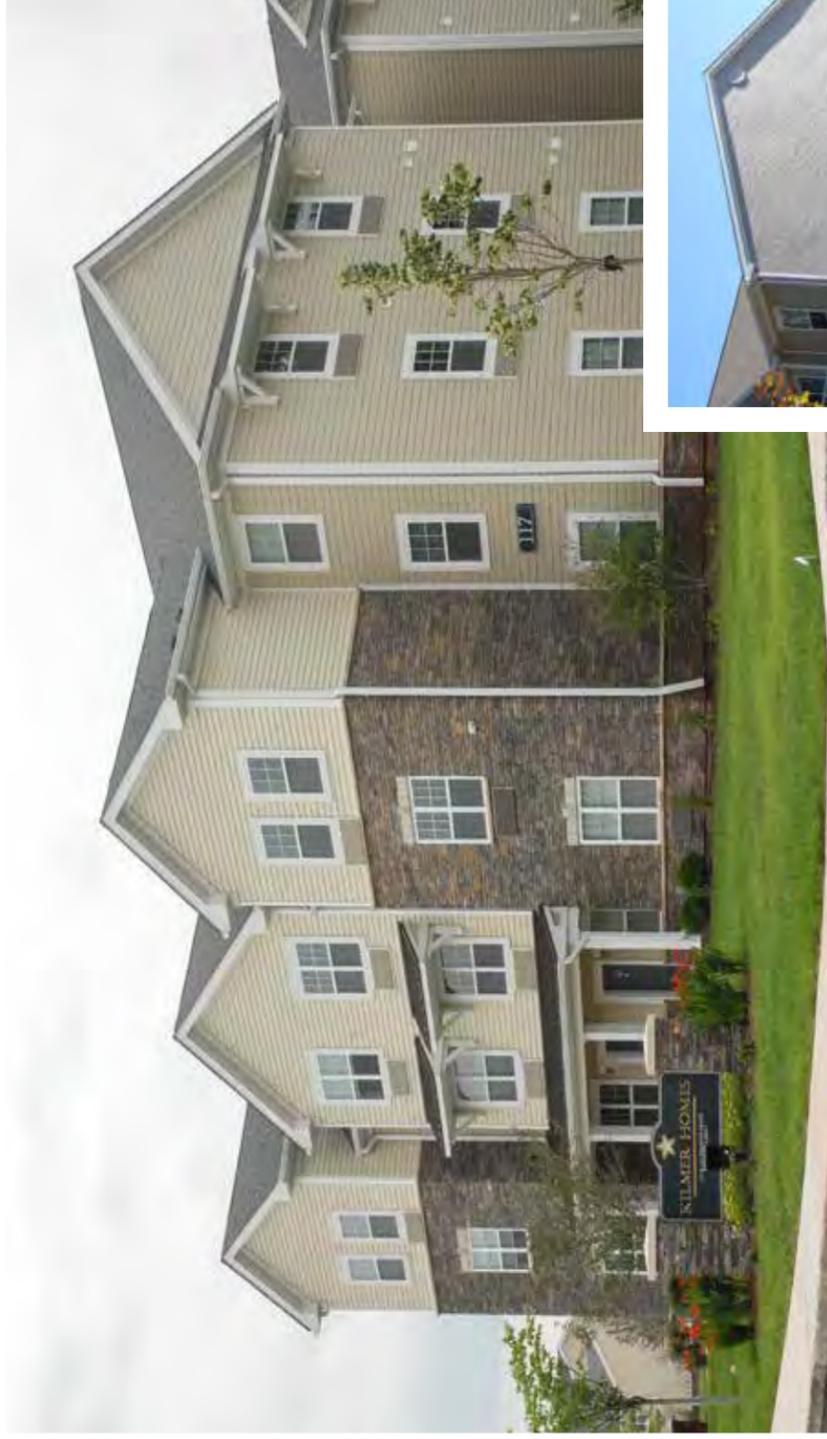
**THE
ALPERT
GROUP LLC**

CONCEPTUAL SITE PLAN



DATE: 03 SEPTEMBER 2015 K&A #: 15104-001

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DATE: 03 SEPTEMBER 2015

K&A #: 15104-001

Ocean Family Housing

Exhibit 8: NJHMFA Resolution of Need

The municipality approved the NJHMFA Resolution of Need which is attached.

**RESOLUTION OF NEED FROM THE TOWNSHIP OF OCEAN
CINDY LANE FAMILY VENTURES, LLC
OCEAN AFFORDABLE HOUSING DEVELOPMENT**

WHEREAS, Cindy Lane Family Ventures, LLC (hereinafter referred to as the "Sponsor") proposes to construct 48 units of affordable housing for families with low & moderate incomes (hereinafter referred to as the "Project") pursuant to the provisions of the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended (N.J.S.A. 55:14K-1 et seq.), the rules promulgated thereunder at N.J.A.C. 5:80-1.1 et seq., and all applicable guidelines promulgated thereunder (the foregoing hereinafter collectively referred to as the "HMFA Requirements") within the Township of Ocean (hereinafter referred to as the "Municipality") on a site described as Block 1.02, Lot 51.11 as shown on the Official Assessment Map of the Township of Ocean, Monmouth County; and

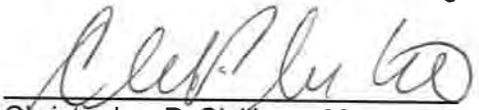
WHEREAS, the Project will be subject to the HMFA Requirements and the mortgage and other loan documents executed between the Sponsor and the New Jersey Housing and Mortgage Finance Agency (hereinafter referred to as the "Agency"); and

WHEREAS, the Project will or may be subject to requirements of the New Jersey Department of Community Affairs (hereinafter referred to as the "Department of Community Affairs"), Neighborhood Preservation Balanced Housing Program in accordance with N.J.S.A. 52:27D-320 and applicable rules promulgated thereunder at N.J.A.C. 5:43-1.1 et seq., and the mortgage and other loan documents executed between the Sponsor and the Commissioner of the Department of Community Affairs; and

WHEREAS, pursuant to the HMFA Requirements, the governing body of the Municipality hereby determines that there is a need for this housing project in the Municipality.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Township of Ocean (the "Council") that:

- (1) The Council finds and determines that Ocean Affordable Housing Development, the 48-unit family housing Project proposed by the Sponsor meets or will meet an existing housing need;
- (2) The Council finds and determines that Ocean Affordable Housing Development, the 48-unit family housing Project proposed by the Sponsor, meets all or part of the municipality's low and moderate income housing obligation;
- (3) The Council does hereby adopt the within Resolution and makes the determination and findings herein contained by virtue of, pursuant to, and in conformity with the provisions of the HMFA Law to enable the Agency to process the Sponsor's application for Agency funding to finance the Project.


Christopher P. Siciliano, Mayor

Record of Vote	Deputy Mayor Garofalo	Councilman Acerra	Councilman Long	Councilwoman Schepiga	Mayor Siciliano
Motion To Approve				X	
Motion to Second			X		
Approved	X	X	X	X	X
Opposed					
Not Voting/Recuse					
Absent/Excused					

CERTIFICATION

*I hereby certify that this is a true copy of a resolution passed by the Township of Ocean Governing Body at their meeting held on **September 3, 2015.***


Vincent Buttiglieri, RMC/CMC/MMC
Township Clerk

Approved
14 Mar 2016

File
Applicant
Tax
Building
Clerk
Twp Atty
Engineer
TOSA
Planner
Original

AMENDED TOWNSHIP OF OCEAN PLANNING BOARD RESOLUTION

**GRANTING PRELIMINARY SITE PLAN AND BULK VARIANCE APPROVALS TO
CINDY LANE FAMILY VENTURES, LLC**

WHEREAS, Cindy Lane Family Ventures, LLC, hereinafter referred to as "Applicant", is the applicant for certain property known as Block 1.02, Lot 51.11 as shown on the official tax map of the Township of Ocean, which property is owned by the Township of Ocean and is located on Cindy Lane in the Township of Ocean, County of Monmouth, and State of New Jersey; and

WHEREAS, the Applicant is proposing to develop and construct a 48 unit apartment community; and

WHEREAS, this application was first discussed before the Board at a special meeting on February 1, 2016 at which time some testimony was presented and during the meeting an Attorney for an objecting neighbor questioned the Notice and after a new notice was sent, a public "hearing" on the within application was held on February 22, 2016 and at the end of that hearing the Board voted in favor of granting relief to the Applicant; and

WHEREAS, a Resolution of Memorialization("Original Resolution") was voted on by the Board at its meeting of March 1, 2016 and the Applicant has since requested the Board consider an Amended Resolution to more accurately reflect the findings of the Board in rendering the decision which it did; and

WHEREAS, this Amended Resolution being discussed by the

Board at its meeting of March 14, 2016 based on the requests of the Applicant and the recommendations and/or affirmation of the Board Planner and the Board Engineer in supporting any clarifications, the Board reaffirms its findings of all relief granted to the Applicant in the Original Resolution and clarifies only a few of the factual findings and Conditions as set forth in this Resolution as set forth below and

WHEREAS, the Board considered the reports of the Board Engineer dated February 1, 2016 and February 20, 2016; the Board Planner dated January 27, 2016 and February 17, 2016; the Applicant Attorney's Letter of January 22, 2016; the Environmental Commission's report dated January 29, 2016 and February 19, 2016; the Code enforcement report dated January 26, 2016; and the Township of Ocean Traffic Safety Report dated February 22, 2016.

WHEREAS, the Board carefully considered the evidence and documents presented to it, by or on behalf of the Applicant, together with the comments of the Township's Professionals at the hearing, and the concerns of property owners, if any, voiced at the public hearing; and

WHEREAS, after carefully considering all the evidence presented to it, the Board made the following findings of fact:

1. The Applicant is the contract purchaser of property

owned by the Township of Ocean which is known as Block 1.02, Lot 51.11 located on Cindy Lane in the Township of Ocean, County of Monmouth, and State of New Jersey.

2. The Applicant is proposing to construct 48 affordable apartments in two 3-story buildings. The development will consist of 9 one-bedroom, 27 two-bedroom, and 12 three-bedroom apartments.

3. The site is a rectangular shaped parcel of 3.61 acres. It has over 139 feet of frontage on Cindy Lane and approximately 55 feet of frontage on Clearview Drive at the end of the Clearview Drive right-of-way. The site is currently vacant and heavily wooded.

4. The site is located in the AR-3/PRD Affordable Housing Zone. The proposed use is a conditional use in the zone, subject to meeting five conditions (A through E below). The Board makes the following findings in concluding that all conditions are met:

A. Bulk Requirements:

- Minimum Lot Area -- 3.0 acres
 - Minimum Lot Width -- 200'
 - Minimum Lot Depth -- 200'
 - Minimum Building Setbacks -
 - Minimum Front Yard -- 50'
 - Minimum Side Yard -- 30'
 - Minimum Rear Yard - 50'
 - Maximum Building Height -- 45'
 - Maximum Stories above Grade - 3
 - Maximum Impervious Coverage - 50%
- (Based on gross tract area)

Maximum Density - 14 dwelling units/gross acre

The Plan submitted by the Applicant, meets all of the above stated requirements for a conditional use in the zone.

B. Accessory buildings shall conform to the height and setback requirements of the principal building.

There are no accessory buildings for this development.

C. No unit shall have more than 2 bedrooms except that affordable units may have 3 bedrooms per unit up to the number of units necessary to comply with New Jersey Council on Affordable Housing (COAH) regulations, UHAC regulations, or to fulfill HMFA's low income housing tax credit (LIHTC) funding requirement. The only exception would be that one unit may be specified for an on-site superintendent or for management purposes.

At the hearing the Applicant clarified that the proposed number of three-bedroom units complies with the above regulations and clarified the inquiry about whether there is a unit for a manager.

D. The total number of units to be affordable units shall be based on applicable COAH regulations. More specifically, if the development is intended to address Round 2 COAH regulations, a minimum of 15% of the total units shall be affordable units. If the development is intended to address Round 3 COAH regulations, a minimum of 20% of the units shall be affordable units. In the event the Applicant proposes to provide affordable housing units by expanding an existing facility, the Applicant shall calculate the affordable obligation as a percentage of the existing market units and add that product to the total.

The Board finds that all units are to be affordable.

E. The provision of affordable units shall be based on a plan approved by the appropriate Municipal Agency. The affordable housing units shall comply with all applicable COAH and UHAC regulations including but not limited to those regulations concerning pricing; bedroom distribution;

the statutory requirement for 13% of the units be reserved for very low income households and the low/moderate income split such that the affordable units shall be at least 13% very low income, at least 37% low income and no more than 50% moderate income; affirmative marketing and ongoing monitoring.

The Applicant provided satisfactory testimony at the hearing as to all of the required conditions and the Board finds the application meets all of the Conditional Use requirements. Therefore, this Board has jurisdiction to hear and decide this application.

5. The Board finds that the proposed site plan is consistent with the intent and standards of the Ordinance as it relates to the Affordable Apartment Flats.

6. Several variances and waivers are necessary from the general requirements of the Ordinance. The following bulk variances are required in order to grant approval of the application:

21-20.16 2' Change in Grade - The Ordinance requires a variance to be granted for any change in grade of more than 2 feet. The plan proposes changes in grade in excess of 2 feet in a number of areas, including the eastern side of the site and the detention basin. The Board finds that it is not unusual for such a development to have changes in grade in excess of 2 feet, particularly where there are drainage basins proposed. The Applicant provided satisfactory testimony at the hearing to prove

the reasons for such changes because of necessary heights of the basin. Additional landscaping will be necessary to better screen the detention basins, and approval is conditioned upon the Applicant submitting a revised landscape plan, to provide additional landscaping to screen the detention basins, subject to the approval of the Board Planner.

21-455.c. Size of Parking Spaces - The Ordinance requires parking spaces to be 10 feet wide. The proposed plan has parking spaces that are 9 feet wide with hairpin striping. The original plans provided 10 foot wide parking spaces. The width of the spaces was reduced at the request of the Board professionals in order to reduce impervious coverage and increase the width of the buffer area.

21-45.13.a. Location of Curb Cuts - The Ordinance limits the number of curb cuts to one and requires that it be within the center 1/3 of the lot. The proposed plan has one curb cut located in the eastern 1/3 of the lot. The intent of this requirement is to keep driveways as far from adjacent properties as possible. In this instance, the driveway is located as far from adjacent driveways as is possible. The variance is granted.

21-47.d.1 Buffer Requirement - The Ordinance requires that multi-family residences provide a minimum 100 foot buffer area adjacent to single family residences. The plan proposes a buffer

area ranging from 44 feet to 70.8 feet on the southern property line adjacent to the single family residences. The intent of this requirement is to limit the impact of large multi-family developments on adjacent residences. In this instance, the size of the proposed development is limited. The Ordinance also requires that buffer areas be heavily planted. In this instance, up to 70 new evergreen trees are proposed within the buffer area. The Board finds that approval of the application is contingent upon the Applicant submitting a revised Landscaping Plan stating that (a) the evergreen trees be a minimum of 14' in height, since the building heights are greater than anticipated by the Ordinance, and (b) with a mix of tree species so if there is a problem with one species, the others can fill the gap; all subject to the approval and/or at the direction of the Board Planner.

21-47.e. Design - The Ordinance requires that Landscape plans shall be prepared under the supervision of and signed by a Licensed Landscape Architect. The proposed Landscape Plan is signed by a Professional Engineer. Approval is conditioned upon the Applicant submitting a revised landscape plan subject to the approval of the Board Planner. Such plan should include, but not be limited to, adequate buffer plantings, and adequate screening of the detention and trash areas, and adequate irrigation.

7. The following Design Waivers were considered by the Board:

21-55.1.f. Sodding - The Ordinance requires that all lawn areas be sodded. The plans indicate that there will be sod planted in limited areas adjacent to the buildings and that other areas shall be seeded. The waiver is granted on the condition that the Applicant provides revised plan to prove that all other areas are adequately irrigated, subject to the approval of the Board Planner.

21-55.1.h. Buffer Planting Requirements - The Ordinance requires that all buffer areas be planted with a minimum of two staggered rows of evergreen trees spaced 10 feet on centers and 10 feet apart. The Board finds that the size of the trees shall be increased to a minimum of 14 feet and that the evergreen trees shall include a mix of evergreens as recommended and approved by the Board Planner in the field. Approval is granted subject to the submittal of a revised Landscape Plan, and subject to the approval of the Board Planner.

21-55.2.a.1. Tree Location and Preservation Plan - The Ordinance requires a Tree Location and Preservation Plan that locates all trees on disturbed areas of the site that are 6" caliper or larger, and provides replacement for each tree that is to be removed by either one 4" caliper tree, two 2.5" caliper trees, or

a donation of \$350 to the Township Shade Tree Fund. The Applicant has requested that this requirement be a condition of approval. The site is very heavily wooded. The Board makes its approval conditioned upon the Applicant returning to the Board as soon as reasonably possible for final resolution of this item as part of a required submission of a Landscape Plan.

8. Another condition required by Board in granting relief in question is regarding the following:

a. **Irrigation System** - The plans indicate that an irrigation system is to be provided for front facade foundation plantings. Provision of such a system is necessary to assure that all planting areas and lawn areas will remain healthy. Given the fact that there are significant buffer plantings proposed and the buffer width is significantly undersized, the Board requires the installation of an underground irrigation system for all landscaped areas including the buffer area, the area between the buildings and the street line, and within 30 feet of the buildings, subject to the submission of a Water Impact Study and final approval of the Board Engineer, Board Planner and the Board.

9. Other Finding: **Sidewalks** - The plans provide sidewalks on both sides of Building A, but only on the west side of Building B. The Applicant testified that this would allow for

less impervious coverage in a less traveled area, which the Board accepts.

WHEREAS, the Board finds that the granting of the approvals as set forth herein, and subject to the various conditions set forth herein, will result in the overall improvement and enhancement to the zone plan and will be without any substantial detriment to the public welfare and without substantial impairment to the intent and purpose of the zoning plan or zoning ordinance; and

WHEREAS, the Board finds that the purpose of the Municipal Land Use Law will be advanced by the approval of the proposed preliminary site plan, with variances and waivers, and that the benefits substantially outweigh any possible detriments to the within application.

NOW, THEREFORE, BE IT RESOLVED that the Planning Board of the Township of Ocean hereby approves the application for subdivision and preliminary site plan approval, with variances and waivers, for the property known as Block 1.02, Lot 51.11, as shown on the official tax map of the Township of Ocean, and in accordance with the application submitted, subject to the following conditions:

A. Applicant shall comply with all comments in the February reports by the Board Planner and Engineer and as

required by the Board as a condition of granting the relief requested.

B. Applicant is to submit a revised Stormwater Management Report and Groundwater Mounding Analysis, Water Impact Study and a Traffic Control Plan (relative to the suggestion of making Cindy Lane and the Cindy Lane extension a three-way stop) to the Board Engineer and subject to his approval. The Applicant shall submit a revised Landscape Plan and the Water Impact Study to the Board Planner subject to his approval.

C. After submission of the plans set forth in Conditions A and B above, and the approval of same by the Board Planner and Engineer under the respective submissions, the Applicant may move for Final Site Plan Approval, which requires Public Notice.

D. Applicant shall file all appropriate documents consistent with the testimony of Applicant and Applicant's experts at the hearing and shall construct the Project in full conformance with said testimony.

E. Applicant shall comply with any and all other requirements of any governmental subdivisions as set forth in any laws, ordinances or regulations and obtainment of any permits or approvals required thereunder.

BE IT FURTHER RESOLVED that a copy of this Resolution, certified by the Secretary of the Planning Board to be a true

copy, be forwarded to the Township Manager, the Township Construction Official, the Board Engineer, the Township Clerk, the Township Tax Collector, the Township Tax Assessor, the Township Attorney, the Board Attorney, and the Applicant herein.

BE IT FURTHER RESOLVED that this Amended Resolution shall serve to formalize the action taken by this Board at its meeting on February 22, 2016.

The foregoing Resolution was offered by Warren Goode and seconded by Joseph DiBenedetto and adopted on Roll Call by the following vote:

ROLL CALL:

In Favor: DiBenedetto, Duthie, Goode

Opposed: None

Abstained: None

Ineligible: Acerra, Lefferson

Absent: Andrisano, Brody, Klose, Levy, Verrilli, Means

The foregoing is a true copy of a Resolution adopted by the Planning Board of the Township of Ocean on the 14th day of March, 2016.


RACHEL MONTEMARANO
Secretary, Planning Board

223	CL21075	853	929	RENT \$	929	\$	929.00	4/1/2019	3/31/2020	N/A
				T-VOUCHURE \$	-					
				TOTAL \$	929					

224	CL21072	853	348	RENT \$	348	\$	348.00	4/26/2019	4/25/2020	N/A
				T-VOUCHURE \$	-					
				TOTAL \$	348					

Cindy Lane Totals \$ 45,607 \$ 86,146

Totals:										
One Bedroom	TC 20%	1								
One Bedroom	TC 50%	4								
One Bedroom	TC 60%	4								
Two Bedroom	TC 20%	3								
Two Bedroom	TC 50%	10								
Two Bedroom	SUPER	1								
Two Bedroom	TC 60%	13								
Three Bedroom	TC 20%	2								
Three Bdrroom	TC 50%	4								
Three Bdrroom	TC 60%	6								
Total Units:		48								

APPENDIX K

Roosevelt Properties Crediting Documentation, including:

- Settlement Agreement and Authorizing Resolution
- Rezoning Ordinance

**RESOLUTION AUTHORIZING MAYOR SICILIANO TO SIGN
SETTLEMENT AGREEMENT WITH ROOSEVELT PROPERTIES, LLC**

WHEREAS, Roosevelt filed a builder's remedy lawsuit against the Township and its Planning Board on December 1, 2009, which is styled Roosevelt Properties, LLC v. Township of Ocean et al, Docket No. MON-L-5930-09, which was filed in the Superior Court of New Jersey, Law Division, Monmouth County ("Roosevelt Litigation"), and seeking to develop an inclusionary project ("Inclusionary Development") on an approximately 11-acre site, with approximately 2.48 developable acres, known as Block 22, Lots 11, 12 and 22 on the Township of Ocean's Tax Maps in Ocean Township, New Jersey (hereinafter the "Roosevelt Site"); and

WHEREAS, on July 15, 2010, the trial judge entered an immunity order barring the filing of all builder's remedy lawsuits but reserving its decision of whether the Roosevelt lawsuit was "barred by the doctrine of temporary immunity," and after an extended briefing period, on November 21, 2014, the trial judge issued a written opinion which, among other things, barred the Roosevelt builder's remedy suit; and

WHEREAS, on September 4, 2015, the trial judge entered an order reaffirming the Township's immunity against all Mount Laurel lawsuits, including Roosevelt's, after the Township had filed a timely Declaratory Judgment Action in the wake of In re Adoption of N.J.A.C. 5:96 & 5:97 by N.J. Council on Affordable Housing, 221 N.J. 1 (2015)("Mount Laurel IV"); and

WHEREAS, Ocean filed a declaratory action on July 2, 2015, which is styled In the Matter of the Application of the Township of Ocean, Docket No. MON-L-2531-15 in the Superior Court of New Jersey, Law Division, Monmouth County ("Declaratory Action"), seeking a Final Round 3 Judgment of Compliance and Repose based upon a judicial determination that the Township satisfied its constitutional fair share housing obligations for the period between 1987 and 2025; and

WHEREAS, the Township is amenable to accepting a realistic development potential ("RDP") for the Roosevelt parcel and for zoning the Roosevelt site to enable Roosevelt to satisfy the RDP it creates; and

WHEREAS, the Township has entered into a Settlement Agreement with Fair Share Housing Center ("FSHC"), which was approved at a duly-noticed Fairness Hearing, which envisions that the Roosevelt site would generate an RDP of five and that the Township would satisfy this RDP by Roosevelt reserving 2 of the units in its project for moderate-income units and by making a payment in lieu for three low-income units; and

WHEREAS, in furtherance of the FSHC Settlement, it was desirable to negotiate an Agreement with Roosevelt to facilitate the construction of five affordable units; and

WHEREAS, the Inclusionary Development for the Roosevelt site will be a multi-family residential project consisting of twenty two (22) units, twenty (20) of which will be market-priced townhouse units, and two (2) of which will be on-site moderate-income units located within an additional townhouse structure. In addition, Roosevelt will make a \$475,000.00 payment in lieu of constructing three (3) affordable units, including one very-low income unit and two low-income units at a rate of \$158,333.33 each; and

WHEREAS, the Township and Roosevelt have negotiated and agreed upon a Settlement Agreement, which is attached hereto as Exhibit A; and

WHEREAS, the Settlement Agreement and its exhibits, in the forms attached hereto, have been reviewed and approved by the Township's professionals, along with the attorney and principals of Roosevelt, and general terms of said agreement have been presented to the Court and Special Court Master at the Township's Compliance Hearing, held on February 4, 2020; and

WHEREAS, the Township Council finds it to be in the best interest of the Township to enter into the Settlement Agreement;

NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Ocean, County of Monmouth that authorization is hereby given for the Mayor and Municipal Clerk to execute the Agreement to resolve issues between the Township of Ocean and Roosevelt Properties, LLC concerning the Township's Mount Laurel Fair Share obligations and the means by which the Township shall satisfy same; and

BE IT FURTHER RESOLVED that a certified copy of this resolution shall be forwarded to the following:

1. Martin J. Arbus, Esq., Township Attorney
2. Mary Beth Lonergan, PP, AICP, Township COAH Planner
3. Nancy L. Holm, Esq., Township COAH Attorney

Record of Vote	Deputy Mayor Napolitani	Councilman Acerra	Councilwoman Donlon	Councilman Fisher	Mayor Siciliano
Motion To Approve	X				
Motion to Second				X	
Approved	X	X	X	X	X
Opposed					
Not Voting/Recuse					
Absent/Excused					

CERTIFICATION

*I hereby certify that this is a true copy of a resolution passed by the Township of Ocean Governing Body at their meeting held on **April 23, 2020**.*



Vincent Buttiglieri, RMC/MMC
Township Clerk

AGREEMENT TO RESOLVE ISSUES BETWEEN THE TOWNSHIP OF OCEAN AND ROOSEVELT PROPERTIES, LLC REGARDING A PROPOSED INCLUSIONARY DEVELOPMENT LOCATED ON BLOCK 22, LOTS 11, 12, AND 22 ON THE OCEAN TOWNSHIP TAX MAPS.

THIS SETTLEMENT AGREEMENT (“Agreement”) made this _____ day of April, 2020, by and between:

THE TOWNSHIP OF OCEAN, a municipal corporation of the State of New Jersey, County of Monmouth, having an address at 399 Monmouth Road, Oakhurst, NJ 07755 (hereinafter the “Township”);

And

THE MAYOR AND COUNCIL OF THE TOWNSHIP OF OCEAN, the governing body of the Township, having an address at 399 Monmouth Road, Oakhurst, New Jersey 07755 (hereinafter the “Mayor and Council”)

And

THE PLANNING BOARD OF THE TOWNSHIP OF OCEAN, a municipal land use agency created by the Township, organized and existing under the Municipal Land Use Law, N.J.S.A. 40:55D-1, et seq. (the “MLUL”), having an address at 399 Monmouth Road, Oakhurst, NJ 07755, (hereinafter the “Planning Board” or “Board”, and together with the Township and the Mayor and Council, “Ocean”);

And

ROOSEVELT PROPERTIES, LLC, a New Jersey limited liability corporation having an address at 1806 Route 35 South, Ocean Township, New Jersey (hereinafter “Roosevelt”);

Collectively, the Township, and the Mayor and Council, the Planning Board, and Roosevelt shall be referred to as the “Parties.”

WHEREAS, Roosevelt filed a builder’s remedy lawsuit against the Township and its Planning Board on December 1, 2009, which is styled Roosevelt Properties, LLC v. Township of Ocean et al, Docket No. MON-L-5930-09, which was filed in the Superior Court of New Jersey, Law Division, Monmouth County (“Roosevelt Litigation”), and seeking to develop an inclusionary project (“Inclusionary Development”) on an approximately 11-acre site known as Block 22, Lots 11, 12 and 22 on the Township of Ocean’s Tax Maps in Ocean Township, New Jersey (hereinafter the “Roosevelt Site”); and

WHEREAS, on July 15, 2010, the trial judge entered an immunity order barring the filing of all builder’s remedy lawsuits but reserving its decision of whether the Roosevelt lawsuit was “barred by the doctrine of temporary immunity;” and

WHEREAS, after an extended briefing period, on November 21, 2014, the trial judge issued a written opinion which, among other things, barred the Roosevelt builder's remedy suit; and

WHEREAS, on September 4, 2015, the trial judge entered an order reaffirming the Township's immunity against all Mount Laurel lawsuits, including Roosevelt's, after the Township had filed a timely Declaratory Judgment Action in the wake of In re Adoption of N.J.A.C. 5:96 & 5:97 by N.J. Council on Affordable Housing, 221 N.J. 1 (2015)("Mount Laurel IV"); and

WHEREAS, Ocean filed a declaratory action on July 2, 2015, which is styled In the Matter of the Application of the Township of Ocean, Docket No. MON-L-2531-15 in the Superior Court of New Jersey, Law Division, Monmouth County ("Declaratory Action"), seeking a Final Round 3 Judgment of Compliance and Repose based upon a judicial determination that the Township satisfied its constitutional fair share housing obligations for the period between 1987 and 2025; and

WHEREAS, the Township is amenable to accepting a realistic development potential ("RDP") for the Roosevelt parcel and for zoning the Roosevelt site to enable Roosevelt to satisfy the RDP it creates; and

WHEREAS, the Township has entered into a Settlement Agreement with Fair Share Housing Center ("FSHC") which envisions that the Roosevelt site would generate an RDP of five and that the Township would satisfy this RDP by Roosevelt reserving 2 of the units in its project for moderate-income units and by making a payment in lieu for three low-income units; and

WHEREAS, the Court conducted a Mount Laurel Fairness Hearing to determine if the Settlement Agreement with FSHC (hereinafter "FSHC Agreement") is fair and reasonable to low- and moderate-income households in the region; and

WHEREAS after considering the Report and testimony of the Special Master; the documents submitted into evidence by FSHC and the Township; and the testimony of the Township's Mount Laurel Planner, the Court determined on the record that the Township provided the public and all interested parties adequate notice of the Fairness Hearing and that the FSHC Agreement is fair and reasonable to low- and moderate-income households in the region; and

WHEREAS, in furtherance of the FSHC Settlement, it is desirable to negotiate an Agreement with Roosevelt to facilitate the construction of five affordable units; and

WHEREAS, more specifically, the Township proposes to create a realistic opportunity for five units consistent with the negotiations between the Township and Roosevelt and subject to the details delineated herein; and

WHEREAS, the Inclusionary Development for the Roosevelt site will be a multi-family

residential project consisting of twenty two (22) units, twenty (20) of which will be market-priced townhouse units, and two (2) of which will be on-site moderate-income units located within an additional townhouse structure. In addition, Roosevelt will make a \$475,000.00 payment in lieu of constructing two (2) low-income units and one (1) very-low-income unit at a rate of \$158,333.33 each; and

WHEREAS, to further effectuate this Settlement, the Township shall rezone the Roosevelt Site pursuant to an ordinance (hereinafter "Rezoning Ordinance"), in a form attached hereto as **Exhibit A**; and

WHEREAS, Roosevelt has not provided the Township with certain relevant information including, but not limited to, detailed engineering information and a proposed Stormwater Management Plan; and

WHEREAS, as a result, this Agreement is subject to Roosevelt addressing all reasonable engineering issues and concerns raised by the Township; and

WHEREAS, the Parties wish to execute this comprehensive Settlement Agreement, setting forth the terms, conditions, responsibilities and obligations of the Parties, as the Court was assured at the Compliance Hearing on February 4, 2020 ; and

NOW, THEREFORE, in consideration of the promises, the mutual obligations contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, the Parties hereto, each binding itself, its successors and assigns, do hereby covenant and agree, each with the other, as follows:

ARTICLE I – PURPOSE

1.1 The purpose of this Agreement is to create a realistic opportunity for five affordable units through the adoption of an Inclusionary Zoning Ordinance on the Roosevelt site, which will permit the construction of 22 units, 20 of which will be market-priced townhouse units and 2 of which will be on-site moderate income units located within an additional townhouse structure; and

1.2 Roosevelt shall also remit to the Township a \$475,000 payment in lieu of constructing two (2) low-income units and one (1) very-low-income unit, at a rate of \$158,333.33 per unit, with the timing of said payments being further addressed below.

ARTICLE II - BASIC TERMS AND CONDITIONS

2.1 The essential terms of this Agreement have been presented to the Court and the Court-appointed Master at the time of the Compliance Hearing held on February 4, 2020.

2.2 In the event of any legal challenges to the Court's approval of this Agreement or the Rezoning Ordinance (attached hereto as **Exhibit A**), the Parties must jointly and vigorously defend any such challenge. In addition, if any such challenge results in a modification of this Agreement or the Rezoning Ordinance, the Parties must negotiate in good faith with the intent to

draft a mutually-acceptable amended Agreement, provided that no such modification requires an increase or decrease in density than that agreed upon and reflected in the within Agreement. If the Parties cannot reach an amended agreement, they shall be restored to the *status quo ante*, meaning all Parties shall have the rights and responsibilities that existed prior to the entry of this Agreement; and no Party shall be permitted to use this Agreement to the detriment of the other in any future proceeding.

ARTICLE III – ROOSEVELT OBLIGATIONS

3.1 Affordable Housing Set-Aside. In lieu of constructing two (2) low-income units and one (1) very-low-income unit (which, together with the two (2) moderate-income on-site units, is a setaside of 20 percent), Roosevelt shall have an obligation to pay into the Ocean Township Affordable Housing Trust Fund the sum of \$475,000.00, broken down further as \$23,750.00 per market-priced unit or \$158,333.33 per low-income unit not constructed on site. Roosevelt shall pay \$11,875.00 as a condition of the issuance of the building permit for each of the 20 market units, and an additional payment of \$11,875.00 shall be made as a condition of the issuance of the final Certificate of Occupancy for each of the 20 market units. Except as otherwise provided in this Agreement, the moderate-income units shall be constructed and operated in accordance with the Uniform Housing Affordability Controls (“UHAC”), N.J.A.C. 5:80-26.1 et. seq., or any statutes, judicial decisions, or regulations superseding the UHAC regulations. Subject to the standards set forth in the Rezoning Ordinance attached as Exhibit A, market priced units may be constructed anywhere on the Roosevelt Site permitted by the New Jersey Department of Environmental Protection. However, the moderate-income units may be constructed only on the portion of the Roosevelt Site outside the Flood Hazard Area delineated by the New Jersey Department of Environmental Protection.

3.2 Obligation Not To Interefere With the Township’s Adoption and Implementation of the Housing Element and Fair Share Plan Adopted Pursuant to the FSHC Agreement: Unless the Affordable Housing Plan deprives Roosevelt of any rights created hereunder, Roosevelt shall not directly or indirectly oppose or undertake any action to interfere with the (a) the implementation of the FSHC Settlement; and/or (b) the implementation by the Township and Planning Board of the Affordable Housing Plan adopted and endorsed pursuant to the FSHC Settlement, as it may be amended in any form.

3.3 Obligation to Voluntarily Dismiss the Roosevelt Litigation. Upon the Court approving this Agreement at the Compliance Hearing and entry of a Final Round 3 Judgment of Compliance and Repose in favor of Ocean, and no appeal of either having been filed, this Agreement shall operate as a dismissal with prejudice of any claims that Roosevelt has against the Township.

3.4 Obligation To Pay Half Of The Special Master’s Bills In Conjunction With The Application of Approval Of This Agreement. Roosevelt shall pay half of the Special Master’s costs and fees for reviewing this Agreement and issuing a Report advising the Court (a) if this Settlement Agreement is fair and reasonable to Region 4 low- and moderate-income households; and (b) whether the Court should otherwise approve this Agreement.

3.5 Engineering and Stormwater Management Issues. Because Roosevelt has not provided the Township relevant information including, but not limited to, detailed engineering information and a Stormwater Management Plan, this Agreement is subject to Roosevelt's compliance with applicable DEP stormwater management regulations and the provisions of the Rezoning Ordinance attached hereto as Exhibit A, and addressing all reasonable engineering issues and concerns raised by the Township; and

3.6 No Vehicular Access from Pine Street. No parking by contractors or their employees shall be permitted along Pine Street during the construction process, and there shall be no vehicular access to the project at any time via Pine Street, except for emergency vehicles; and

3.7 Conversion of Attics, Basements, and Garages Into Living Space . Owner of units within the project shall be allowed to convert the attic and/or basements into living space only to the extent permitted by the applicable Uniform Construction Code, this Settlement, and subject Ordinance, but shall not be converted into additional bedrooms. Garage space shall not be converted into living space; and

ARTICLE IV - OBLIGATIONS OF THE TOWNSHIP

4.1 Obligation To Rezone the Subject Property. Within sixty (60) days of the Court's approval of this Agreement at the Compliance Hearing, the Township shall duly rezone the Property by adopting an ordinance in the form attached hereto as **Exhibit A**. Should strict compliance with the 60-day timeframe not be possible due to some unforeseen event beyond the control of the Township, Roosevelt, upon appropriate notice from the Township, shall permit an extension of time accordingly so that the Township can rezone the Property. If, after the duly-noticed public hearing(s), the Township fails to adopt the Rezoning Ordinance in its current form or in a form acceptable to Roosevelt within the time frames set forth herein, the Roosevelt Litigation shall revert to the *status quo ante* to the execution date of this Agreement and all claims and defenses available to the Parties now shall be available then. In such an event, the Parties shall not take any action whatsoever to use this Agreement, the negotiations in conjunction therewith, or any statements by Township officials, Roosevelt representatives, professionals, or the general public as a means to prejudice the other Party in any future proceedings.

4.2 Obligation To Pay For Half Of The Special Master's Bills In Conjunction With Application of Approval Of This Agreement. The Township shall pay half of the Special Master's costs and fees for reviewing this Agreement and issuing a Report advising the Court (a) if this Settlement Agreement is fair and reasonable to Region 4 low- and moderate-income households; and (b) whether the Court should otherwise approve this Agreement.

4.3 Obligation To Preserve The Rezoning Ordinance. The Rezoning Ordinance shall not be amended or rescinded, without the approval of Roosevelt or order of the Court, until

the later of: (a) twenty (20) years from the effective date of the Rezoning Ordinance; or (b) any date which may be otherwise applicable under the body of law, which is generally referred to as the Mount Laurel doctrine. Conversely, there shall be no requirement for the Rezoning Ordinance to remain in effect upon the expiration of both of the aforesaid two events. Notwithstanding the foregoing, the time period for the preservation of the Rezoning Ordinance shall be tolled for a period equal in length to the time of any appeal of the Rezoning Ordinance, this Agreement, or any of the Required Approvals (as defined in Section 4.5).

4.4 Representation regarding Sufficiency of Water and Sewer: The Township hereby represents that there is sufficient potable water and sewer capacity to service the proposed Inclusionary Development.

4.5 Obligation To Cooperate: The Township acknowledges that, in order for Roosevelt to construct its Inclusionary Development, it must obtain any and all necessary and applicable agreements, approvals, and permits from all relevant public entities and utilities; such as, by way of example only, the Township, the Planning Board, the County of Monmouth, the Monmouth County Utilities Authority, the Monmouth County Planning Board, the New Jersey Department of Environmental Protection, the New Jersey Department of Transportation, the Soil Conservation District and the like, including the Township's ordinance requirements as to site plan and subdivision (the "Required Approvals"). The Township agrees to use all reasonable efforts to assist Roosevelt in its undertakings to obtain the Required Approvals without interfering with the independence of the Planning Board.

4.6 Cost Generative Requirements. Ocean acknowledges that the Inclusionary Development entitles Roosevelt to all of the benefits and burdens afforded to developers of inclusionary developments by the FHA, COAH's regulations, and the UHAC regulations. The Parties acknowledge that the express terms of this Agreement and the Rezoning Ordinance satisfy the Township's obligation to remove all "cost generative features not necessary for health or safety" as set forth in N.J.A.C. 5:93-10 et seq. If the Township or Planning Board impose any *additional* requirement that may be considered improperly cost generative and/or not expressly or impliedly required by this Agreement or the Rezoning Ordinance, (a) Roosevelt may request a determination by the Master as to the appropriateness of said additional requirement; and (b) the Township and its Planning Board have the right to oppose Roosevelt's claim regarding said cost-generative requirement.

4.7 CONCEPT PLAN. The Township stipulates that the Roosevelt Properties site is suitable for development of a multi-family inclusionary residential development substantially consistent with that shown in the Concept Plan Roosevelt Avenue Properties, LLC ("Concept Plan"), dated February 5, 2020, attached hereto as Exhibit B, and said Concept Plan conforms to the engineering requirements set forth in the proposed rezoning ordinance in Exhibit A. The Township further stipulates that a development substantially consistent with the Concept Plan would be an acceptable implementation of the Rezoning Ordinance.

ARTICLE V – OBLIGATIONS OF THE PLANNING BOARD

5.1 Obligation to Process Roosevelt's Development Applications with Reasonable

Diligence. The Planning Board shall reasonably expedite the processing of Roosevelt's development application(s) in accordance with N.J.A.C. 5:93-10.1(a) and within the time limits imposed by the Municipal Land Use Law, N.J.S.A. 40:55D-1 et. seq. In accordance with N.J.A.C. 5:93-10(b), the Planning Board shall not deny any reasonable waivers and/or variances that are necessary to develop the Inclusionary Development contemplated in this Agreement. If the Rezoning Ordinance or Court approval of this Agreement is appealed, the Board shall nevertheless consider any properly filed application for Roosevelt's Inclusionary Development. However, any approval by the Planning Board may be conditioned upon the outcome of any pending appeal.

5.2 Obligation to Refrain From Imposing Cost-Generative Requirements. Notwithstanding the provisions set forth in Section 4.6 above, nothing shall prevent Roosevelt from applying to the Planning Board for reasonable waivers, *de minimus* exceptions, and/or variances from any standard imposed by the Township's Land Use and Development Ordinance or the Rezoning Ordinance, and the Planning Board shall not unreasonably deny such requests. To determine whether Roosevelt is entitled to the relief sought, it shall utilize the relevant standards set forth in the MLUL and the Residential Site Improvement Standards ("RSIS").

5.3 Amendment to Master Plan. To the extent that adoption of the Rezoning Ordinance requires the Planning Board to amend the Master Plan, the Planning Board shall consider such amendments, prior to adoption of the Rezoning Ordinance, in accordance with all relevant MLUL provisions including, but not limited to, the public's right to notice and the opportunity to be heard on such amendment(s).

ARTICLE VI – MUTUAL OBLIGATIONS

6.1 Obligation To Comply with State Regulations: The Parties shall comply with any and all Federal, State, County and local laws, rules, regulations, statutes, ordinances, permits, resolutions, judgments, orders, decrees, directives, interpretations, standards, licenses, approvals, and similarly binding authority, applicable to the Inclusionary Development or the performance by the Parties of their respective obligations or the exercise by the Parties of their respective rights in connection with this Agreement.

6.2 Mutual Good Faith, Cooperation and Assistance. The Parties shall exercise good faith, cooperate, and assist each other in fulfilling the intent and purpose of this Agreement, including, but not limited to, the approval of this Agreement by the Superior Court, the adoption of the Rezoning Ordinance, the development of the Inclusionary Development on the Roosevelt Site consistent with the terms hereof, and the defense of any challenge with regard to any of the foregoing.

6.3 Defense of Agreement. Each party shall exclusively be responsible for all costs which they may incur in obtaining Court approval of this Agreement and any appeal therefrom, or from the adoption of the Rezoning Ordinance or the Affordable Housing Plan or any part thereof. The Parties shall cooperate to vigorously defend any such challenge.

ARTICLE VII - COOPERATION AND COMPLIANCE

7.1 Implementation And Enforcement of Agreement. The Parties agree to cooperate with each other, provide all reasonable and necessary documentation, and take all necessary actions to satisfy the terms and conditions hereof and assure compliance with the terms of this Agreement, subject to prior written agreement between the Parties on payment by the requesting party of the requested party's direct costs and expenses in connection with such assistance. The Township's obligation to cooperate shall be further conditioned upon Roosevelt paying and maintaining current real estate taxes.

ARTICLE VIII - NOTICES

Any notice or transmittal of any document required, permitted or appropriate hereunder and/or any transmittal between the Parties relating to the Roosevelt Site (herein "Notice[s]") shall be written and shall be served upon the respective Parties by facsimile or by certified mail, return receipt requested, or recognized overnight or personal carrier such as, for example, Federal Express, with certified proof of receipt, and, where feasible (for example, any transmittal of less than fifty (50) pages), and in addition thereto, a facsimile delivery shall be provided. All Notices shall be deemed received upon the date of delivery set forth in such certified proof, and all times for performance based upon notice shall be from the date set forth therein. Delivery shall be affected as follows, subject to change as to the person(s) to be notified and/or their respective addresses upon ten (10) days' notice as provided herein:

TO ROOSEVELT: Richard D. Schibell, Esq.
1806 Route 35 South
Ocean Township, New Jersey

WITH COPIES TO: Hill Wallack, LLP
Attention: Thomas F. Carroll, III, Esq.
21 Roszel Road
Princeton, New Jersey 08534
Fax: (609) 452-1888

TO THE TOWNSHIP OF OCEAN: The Township of Ocean
Attention: Vincent G. Buttiglieri, Township Clerk
399 Monmouth Road
Oakhurst NJ 07755
Fax: (732) 531-5286

WITH COPIES TO: Arbus, Maybruch & Goode, LLC
Attention: Martin J. Arbus, Esq.
61 Village Court
Hazlet, NJ 07730
Fax: (732) 888-0024

AND TO: Surenian, Edwards & Nolan, LLC

Attention: Nancy L. Holm, Esq.
707 Union Avenue, Suite 301
Brielle, NJ 08730
Fax: (732) 612-3101

TO THE PLANNING BOARD: The Township of Ocean Planning Board
Attention: Planning Board Clerk
399 Monmouth Road
Oakhurst NJ 07755
Fax: (732) 531-5286

WITH COPIES TO: Sanford Brown, Esq., Board Attorney
Brown & Connelly, LLC
1127 Highway 35
Ocean NJ 07712
Fax: (732) 517-0722

If any of the individuals identified above has a successor, said individual shall provide all others identified of the name and contact information for the successor.

ARTICLE IX - MISCELLANEOUS

9.1 Severability: Unless otherwise specified, it is intended that the provisions of this Agreement are to be severable. The validity of any article, section, clause or provisions of this Agreement shall not affect the validity of the remaining articles, sections, clauses or provisions hereof. If any section of this Agreement shall be adjudged by a court to be invalid, illegal, or unenforceable in any respect, such determination shall not affect the remaining sections.

9.2 Successors Bound: The provisions of this Agreement shall run with the land, and the obligations and benefits hereunder shall be binding upon and inure to the benefit of the Parties, their successors and assigns, including any person, corporation, partnership or other legal entity which at any particular time may have a fee title interest in the Roosevelt Site which is the subject of this Agreement. This Agreement may be enforced by any of the Parties, and their successors and assigns, as herein set forth. Developer shall record this Agreement following its approval by the Court to put all successors and assigns on notice of this Agreement.

9.3 Governing Law: This Agreement shall be governed by and construed by the laws of the State of New Jersey.

9.4 No Modification: This Agreement may not be modified, amended or altered in any way except by a writing signed by each of the Parties.

9.5 Effect of Counterparts: This Agreement may be executed simultaneously in one (1) or more facsimile or e-mail counterparts, each of which shall be deemed an original. Any facsimile or e-mail counterpart forthwith shall be supplemented by the delivery of an original counterpart pursuant to the terms for notice set forth herein.

9.6 Voluntary Agreement: The Parties acknowledge that each has entered into this Agreement on its own volition without coercion or duress after consulting with its counsel, that each party is the proper person and possess the authority to sign the Agreement, that this Agreement contains the entire understanding of the Parties and that there are no representations, warranties, covenants or undertakings other than those expressly set forth herein.

9.7 Interpretation: Each of the Parties hereto acknowledges that this Agreement was not drafted by any one of the Parties, but was drafted, negotiated and reviewed by all Parties, and, therefore, the presumption of resolving ambiguities against the drafter shall not apply. Each of the Parties expressly represents to the other Parties that: (a) it has been represented by counsel in connection with negotiating the terms of this Agreement; and (b) it has conferred due authority for execution of this Agreement upon the person(s) executing it.

9.8 Compliance with Municipal Land Use Law: The Parties recognize that the site plans required to implement the development provided in this Agreement, and such other actions as may be required of the Planning Board or Township under this Agreement, cannot be approved except on the basis of the independent reasonable judgment by the Planning Board and the Township Council, as appropriate, and in accordance with the procedures established by law. Nothing in this Agreement is intended to constrain that judgment or to authorize any action not taken in accordance with procedures established by law. Similarly, nothing herein is intended to preclude Roosevelt from appealing any denials of or conditions imposed by the Planning Board in accordance with the MLUL or taking any other action permitted by law.

9.9 Schedules: Any and all Exhibits and Schedules annexed to this Agreement are hereby made a part of this Agreement by this reference thereto. Any and all Exhibits and Schedules now and/or in the future are hereby made or will be made a part of this Agreement with prior written approval of both Parties.

9.10 Entire Agreement: This Agreement constitutes the entire Agreement between the parties hereto and supersedes all prior oral and written agreements between the parties with respect to the subject matter hereof except as otherwise provided herein.

9.11 Conflict Of Interest: No member, official or employee of the Township shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to the Agreement which is prohibited by law, absent the need to invoke the rule of necessity.

9.12 Effective Date: Anything herein contained to the contrary notwithstanding, the effective date ("Effective Date") of this Agreement shall be the date upon which all of the Parties hereto have executed and delivered this Agreement.

9.13 Waiver. Each of the Parties waive all rights to challenge the validity or the ability to enforce this Agreement. Failure to enforce any of the provisions of this Agreement by any of the Parties shall not be construed as a waiver of these or other provisions.

9.14 Captions. The captions and titles to this Agreement and the several sections and subsections are inserted for purposes of convenience of reference only and are in no way to be

construed as limiting or modifying the scope and intent of the various provisions of this Agreement.

9.15 Default. In the event that any of the Parties shall fail to perform any material obligation on its part to be performed pursuant to the terms and conditions of this Agreement, unless such obligation is waived by all of the other Parties for whose benefit such obligation is intended, or by the Court, such failure to perform shall constitute a default of this Agreement. Upon the occurrence of any default, the non-defaulting Party shall provide notice of the default and the defaulting Party shall have a reasonable opportunity to cure the default within forty-five (45) days. In the event the defaulting Party fails to cure within forty-five (45) days or such reasonable period of time as may be appropriate, the Party(ies) for whose benefit such obligation is intended shall be entitled to exercise any and all rights and remedies that may be available in equity or under the laws of the State of New Jersey, including the right of specific performance to the extent available. Further, the Parties may apply to the Court for relief, by way of a motion for enforcement of litigant's rights.

9.16 Notice of Actions. The Parties and their respective counsel agree immediately to provide each other with notice of any lawsuits, actions or governmental declarations threatened or pending by third parties of which they are actually aware which may affect the provisions of this Agreement.

9.17 Construction, Resolution of Disputes. This Agreement has been entered into and shall be construed, governed and enforced in accordance with the laws of the State of New Jersey without giving effect to provisions relating to the conflicts of law. Jurisdiction of any litigation ensuing with regard to this Agreement exclusively shall be in the Superior Court of New Jersey, with venue in Monmouth County. Service of any complaint may be effected consistent with the terms hereof for the delivery of "Notices," hereinafter defined. The Parties waive formal service of process. The Parties expressly waive trial by jury in any such litigation.

9.18 Conflicts. The Parties acknowledge that this Agreement cannot be affected by any amendments to the Township's Affordable Housing Plan or Land Use and Development Ordinances adopted/endorsed pursuant to the FSHC Agreement. Upon dismissal of the Roosevelt builder's remedy lawsuit and the DJ Action, the Court shall retain jurisdiction to ensure compliance with the terms and conditions of this Agreement. As to any inconsistencies between the Rezoning Ordinance and this Agreement, the Rezoning Ordinance shall control. The Parties further acknowledge that this Agreement cannot be affected by any change in State law affecting the Township's fair share housing obligation, whether by judicial decision, constitutional amendment, statute, or regulation. Upon any dismissal of the In the Matter of the Township of Ocean, Docket No. MON-L-2531-15, the Court shall retain jurisdiction to ensure compliance with the terms and conditions of this Agreement.

THIS AGREEMENT IS CONTINUED ON THE NEXT PAGE.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be properly executed, their corporate seals affixed and attested and this Agreement to be effective as of the Effective Date.

Witness/Attest:

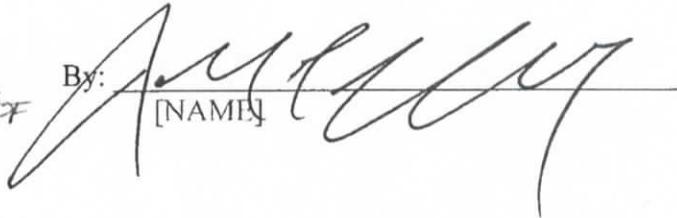
ROOSEVELT PROPERTIES, LLC

By: _____

as its [CORPORATE TITLE]



Dated: ~~February~~ ^{April} 20, 2020
ATTORNEY AT LAW OF NJ

By: 

[NAME]

Witness/Attest:

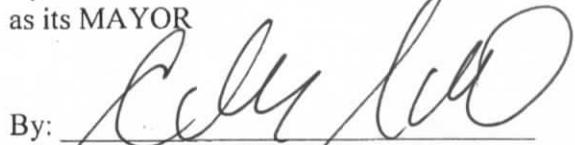
TOWNSHIP OF OCEAN

By: CHRISTOPHER P. SICILIANO

as its MAYOR



Dated: April 23, 2020

By: 

Christopher P. Siciliano, Mayor

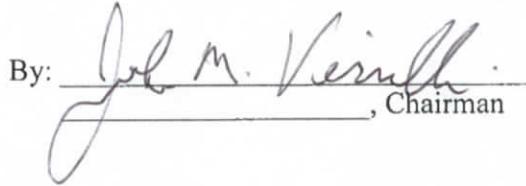
Witness/Attest:

TOWNSHIP OF OCEAN PLANNING BOARD

By: John Verrill, as its CHAIRMAN



Dated: April 24, 2020

By: 

John M. Verrill, Chairman

EXHIBIT A
(REZONING ORDINANCE)

ORDINANCE 2334A

ROOSEVELT AVENUE INCLUSIONARY OVERLAY ZONE

AN ORDINANCE AMENDING AND SUPPLEMENTING CHAPTER 21 OF THE REVISED GENERAL ORDINANCES OF THE TOWNSHIP OF OCEAN, 1965 ENTITLED: LAND DEVELOPMENT ORDINANCE

- PURPOSE.** The purpose of this Roosevelt Avenue Inclusionary Overlay Zone is to create an overlay zone for certain properties within the existing Multi-Family Residential zone for Lots 11, 12 and 22 of Block 22, as shown on the official tax maps of the Township of Ocean, County of Monmouth. This overlay zone is created pursuant to the terms of a settlement agreement dated _____, entered in litigation entitled *Roosevelt Properties LLC v. Township of Ocean, Docket. No. MON-L-5930-09* and that resolves all issues in that case as well as in *In re Ocean Township, Docket. No. MON-L-2531-15*. The provisions set forth herein shall permit the development of twenty-two (22) units of townhouses and a stacked townhouse, and at a higher density than permitted in the existing and underlying zone to accommodate the required provision of affordable housing.
- CONFLICTING PROVISIONS.** Provisions of this Roosevelt Avenue Inclusionary Overlay Zone Ordinance shall supersede any provision of the Township of Ocean Land Development Ordinance as currently amended and/or supplemented, which conflicts with, or is contrary to, the provisions set forth in this Overlay Zone Ordinance.
- PERMITTED PRIMARY USES.** All uses permitted in the underlying zone continue to be permitted in compliance with the standards of the underlying zone. In addition, multi-family units, consisting of townhouses and apartment flats within a townhouse structure shall be permitted, provided that 22 such multi-family residential units may be constructed in accordance with the development standards listed below for this zone, of which two (2) shall be moderate-income affordable units provided as apartment flats located within one townhouse structure. Two market rate flats will be located in the first building next to Roosevelt Avenue along with the two affordable flats. All other multi-family units shall be market rate townhouse units. In addition to the on-site construction of two (2) moderate income units, the developer shall make a payment into the Housing Trust Fund of Ocean Township of \$475,000 or \$23,750 per market unit in lieu of constructing three (3) low income units including one (1) very-low income unit.
- DEFINITIONS:** For purposes of this ordinance, the terms below have the following meanings:

APARTMENT FLAT- A dwelling unit consisting of a single story or level, which may be at ground level or above a ground level unit and shall be located in a building type that also includes townhouses.

LOT LINE, FRONT – Any lot line, or segment thereof, that is collinear with the right-of-way line of a public thoroughfare.

LOT LINE, REAR – The lot line (or lines) of a tract to be developed pursuant to the Multi-Family Residential Overlay provisions of the Ordinance which is opposite and generally parallel to the LOT LINE, FRONT of the tract from which primary access to the development obtains.

LOT LINE, SIDE – Any lot line that is not a LOT LINE, FRONT or a LOT LINE, REAR.

5. **PERMITTED ACCESSORY USES.** All accessory uses permitted in the underlying zone continue to be permitted.
6. **DEVELOPMENT (BULK) STANDARDS.** The following bulk standards shall apply to the development of any property located in the Roosevelt Avenue Inclusionary Overlay zone:
 - a. More than one (1) primary building may be constructed per lot;
 - b. Minimum Gross Lot Area: 10 acres;
 - c. Minimum Lot Frontage: 125 feet;
 - d. Minimum Lot Depth: 125 feet;
 - e. Minimum Front Yard Setback: 30 feet;
 - f. Minimum Side Yard Setback: 15 feet;
 - g. Minimum Rear Yard Setback: 100 feet;
 - h. Minimum Setback from Pavement of Internal Roadway: 24 feet from front of building, excluding roof soffits the fascia of which shall be permitted to have setbacks of 22 feet;
 - i. Maximum Principal Building Height: 38 feet from the garage floor to the highest roof point;
 - j. Maximum Number of Levels of Living Space: 3;
 - k. Maximum Building Coverage 7.5% of total lot area;
 - l. Maximum Impervious Lot Coverage: 15% of total lot area;
 - m. Number of Dwellings per Building: 8 dwellings;
 - n. Maximum Dwelling Unit Density: 2.5 dwelling units per acre;
 - o. Maximum Length of Building: 200 feet;
 - p. Minimum Distances Between Buildings:
 - i. Front to Front: 50 feet;

- ii. Rear to Front: 50 feet;
 - iii. Front to Side: 50 feet;
 - iv. Rear to Rear: 50 feet excluding building eaves which shall be permitted to extend a maximum of twenty four (24) inches beyond the primary vertical planes of the building walls below;
 - v. Rear to Side: 50 feet; and
 - vi. Side to Side: 20 feet.
- q. Onsite Emergency Vehicle Access/Circulation: Every onsite street and/or common access/circulation drive shall meet, or exceed NFPA requirements for a "fire access road."
- r. Subject to the development standards set forth in this Inclusionary Overlay Zone Ordinance, and notwithstanding the provisions of any other ordinance, market priced units may be constructed anywhere in the Inclusionary Overlay Zone permitted by the New Jersey Department of Environmental Protection, including flood hazard areas. Subject to the development standards set forth in this Inclusionary Overlay Zone Ordinance, and notwithstanding the provisions of any other ordinance, moderate income units may be constructed anywhere in the Inclusionary Overlay Zone permitted by the New Jersey Department of Environmental Protection, except they may only be constructed on the portion of the zone outside the Flood Hazard Area delineated by the New Jersey Department of Environmental Protection. Documents showing the location of proposed units with regard to NJDEP-approved Floodway and Flood Hazard areas shall be disclosed to all prospective buyers prior to the entry of a contract for sale.
- s. Access Driveways and Onsite Parking - Access driveways and onsite parking shall be provided in strict compliance with requirements of N.J.A.C. 5:21-4.14, subject to the right of the applicant to seek relief from the provisions of the RSIS, with the understanding that the Planning Board, in its sole discretion, shall determine whether or not to grant relief to the applicant, and the following:
- i. All interior access driveways shall be curbed.
 - ii. All interior access driveways shall have minimum travelled-way pavement widths (i.e., curb face to curb face) of twenty-four feet (24').
 - iii. A continuous concrete walk, four feet (4') in width, shall be provided along the entire building-side length of every interior access driveway. A 4-foot wide concrete walk shall connect the interior of the development with each, and every, public right-of-way adjoining the development site.
 - iv. The minimum distance between any travelled way pavement edge and any point upon the architectural front façade of any building shall be twenty

four feet (24') excluding roof soffits the fascia of which shall be permitted to have setbacks of twenty two feet (22').

v. All market-priced residential units shall include, at a minimum, an attached, fully-enclosed, one-car garage having minimum inside clear dimensions of twelve feet (12') wide by twenty feet (20') deep. Direct access shall be provided between the interior of any garage and the interior living space of the dwelling unit of which the garage is a part.

vi. Every market-priced unit shall be provided with a paved driveway having a minimum width of ten feet (10') which shall provide a continuous paved connection between the unit's garage and the travelled way upon which the unit fronts.

vii. On-street parallel parking shall not be permitted. All parking spaces not located within enclosed garages or upon residential driveways shall be provided within onsite common parking lots or within onsite common parking areas located directly adjacent to the travelled way of a development access driveway.

viii. Onsite parking lots and parking areas shall be screened from view of offsite persons by six-foot (6') tall, architecturally solid-faced fencing and landscaping designed to minimize impacts of vehicle headlight illumination upon offsite properties. The designs of all such fencing and landscaping shall be subject to site-specific review and approval of the Planning Board and its Professional Staff.

ix. No point upon the paved surface of any onsite parking lot or parking area, excluding townhouse driveways, shall be located within fifty feet (50') of a development site front boundary line and/or no closer than eight feet (8') to a development site side or rear boundary line except that, such pavement may be located as close as four feet (4') to a development site side or rear boundary line if a six foot (6') tall brick or stone masonry screen wall, which will aesthetically match the architectural design of the townhomes on both sides of the wall, of a design acceptable to the Planning Board and its Professional Staff, is provided in place of the required solid faced fencing.

- t. All outdoor spaces reserved for private use by residents of one (1) single dwelling unit including, but not limited to, patios, decks and balconies, excluding building front entry porches having areas of thirty-two (32) square feet or less, shall be located along, or upon, exterior building facades other than architectural front facades and shall not face parking areas or access drives of the development.
- u. No portion of any horizontal structural member nor any exterior facade element of any building shall be located at an elevation lower than the New Jersey Flood Hazard Area Design Flood Elevation for the site provided, however, that building design and construction shall strictly comply with all applicable building codes and/or NJDEP requirements in effect at the time of construction.

- v. The buffer requirements of Section 21-47.1.d.1. shall not apply. Where a building, parking space, drive aisle or drainage structure is located within 100' of an adjacent lot, a solid fence shall be constructed in accordance with the requirements of Section 21-48. Unless located in the required front yard, such fence shall be 6' in height.
- w. The recommended maximum townhouse driveway pavement slope is 7.50% with driveway surface slopes no greater than 3.00% within ten (10) feet of a garage door. At the sole discretion of Developer's New Jersey Professional Engineer, steeper driveway surface slopes shall be permitted upon signed/sealed construction drawings submitted for review during the Site Plan approval process. In no case, however, shall the elevation differential between a point along the gutter line of any onsite circulation drive and any point upon an adjacent townhouse driveway surface located along the line perpendicular to said gutter line from said gutter line point be greater than eighteen (18) inches.
- x. Within this Inclusionary Overlay Zone, ground surface elevation changes of two (2) feet or more shall be permitted if, and only if, (1) all yard areas of the site located within twenty (20) feet of a townhouse unit and having ground surface elevations above that of the New Jersey Flood Hazard Area Design Flood Elevation (NJFHADFE) for the site as established by the NJDEP, have slopes no greater than 25% (i.e. 1V:4H); and, (2) all other yard areas of the site above the NJFHADFE shall have surface grading no steeper than 40% (i.e., 1V:2.5H) and be permanently stabilized with approved ground cover.
- y. No wall or structure constructed upon, or within ten (10) feet of, a tract boundary line shall serve as an earth retaining structure unless it results in a lowering of the ground surface of the subject tract to elevation levels below those of the adjacent property at all points of its length.
- z. No point upon the pavement surface of any onsite street and/or common access/circulation drive shall have an elevation below that of the New Jersey Flood Hazard Area Flood Elevation for the site.

7. AFFORDABLE HOUSING REQUIREMENTS.

- a. Twenty percent (20%) of the units constructed shall be affordable to low and moderate income households of which at least 50 percent of the units shall be low income units.
- b. In lieu of reserving twenty percent (20%) of all units for low and moderate income households, the developer shall have the right, pursuant to the Settlement Agreement, to satisfy its 20 percent affordable housing obligation through the on-site construction of two (2) moderate income for-sale units and an in-lieu contribution to the Township for three (3) low income affordable units including one (1) very-low income unit.

- c. The two (2) on-site affordable units shall address the affordable housing requirements of the Township of Ocean, the Council on Affordable Housing ('COAH') at N.J.A.C. 5:93 and the Uniform Housing Affordability Controls ('UHAC') per N.J.A.C. 5:80-26.1. The two (2) affordable units shall be provided within one stacked townhouse structure, with one (1) unit provided as a two-bedroom unit and one (1) as a three-bedroom unit. Pursuant to COAH's phasing requirements at N.J.A.C. 5:93-5.6(d), both on-site affordable housing units must receive a certificate of occupancy ('C.O.') before the tenth (10th) of the 20 total market-rate units receives a C.O. The affordable units shall remain affordable to a moderate income household for a period of at least 30 years by virtue of a deed restriction per UHAC at N.J.A.C. 5:80-26.11(a). UHAC at N.J.A.C. 5:80-26.3(f) requires that affordable units utilize the same type of heating source as market units within the affordable development. The townhouse units shall comply with the accessibility and adaptability requirements of the International Building Code – NJ Edition 2015 ("IBC-NJ 2015") and the affordable stacked townhouse units shall comply as well with COAH's accessibility and adaptability rules, including, but not limited to, N.J.A.C. 5:97-3.14. COAH Regulations at N.J.A.C. 5:93-11 and UHAC at N.J.A.C. 5:80-26.15 requires an affirmative marketing program for the affordable units. Furthermore, pursuant to N.J.A.C. 5:93-11.3(e), the cost of affirmatively advertising the affordable units is to be the developer's responsibility. The developer shall enter into an agreement with an experienced affordable housing administrative agent per UHAC at N.J.A.C. 5:80-26.14 to oversee the placement of a deed restriction on the units, household income qualification, setting the moderate income sales prices at an average of no more than 55% of the regional median income, ongoing affirmative marketing and administrative oversight efforts, etc.
- d. In lieu of construction of three (3) of the residential units as affordable to very-low and low income households on site, the developer shall make a payment into the Housing Trust Fund of Ocean Township of \$158,333.33 for each of the three (3) very-low and low income units, for a total contribution of \$475,000. The developer shall pay into the Ocean Township Affordable Housing Trust fund the sum of \$23,750 per market priced unit. The developer shall pay one half of this sum as a condition of receipt of the building permit for that unit and the remainder as a condition of receipt of the final certificate of occupancy for that unit.
8. **BULK STANDARDS AS APPLIED TO ACCESSORY STRUCTURES.** All accessory structures within this zone shall be constructed in accord with the provisions of sect. 21-24A.2(a)(2).
9. **COMMON OWNERSHIP AND MAINTENANCE.** If property developed in accordance with the development standards for this zone is subdivided into separate residential lots, all common lands not deeded to and accepted by the municipality shall be owned in common by a non-profit Homeowner's Association for the development within this overlay zone in accordance with the provisions of section 21-31.3. Maintenance of any such common area shall be in accordance with the provisions of section 21-31.2(b)(8)(o)(17). All homeowners' documents shall be submitted, reviewed and approved as part of the land use application.

10. COST GENERATION AND DEVELOPMENT REVIEW PROCESS. Pursuant to the executed settlement agreement referenced in para. 1 (PURPOSE) above, Roosevelt is entitled to all of the benefits and burdens afforded to developers of inclusionary developments by the FHA, COAH's regulations, and the UHAC regulations. However, per the agreement, this Ordinance satisfies the Township's obligation to remove all "cost generative features not necessary for health or safety" as set forth in N.J.A.C. 5:93-10 et seq. If the Township or Planning Board impose any *additional* requirement that may be considered improperly cost generative and/or not expressly or impliedly required by the agreement or this ordinance, (a) Roosevelt may request a determination by the Special Master as to the appropriateness of said additional requirement; and (b) the Township and its Planning Board have the right to oppose Roosevelt's claim regarding said cost-generative requirement.

Record of Vote	Deputy Mayor Napolitani	Councilman Acerra	Councilwoman Donlon	Councilman Fisher	Mayor Siciliano
Motion To Approve			X		
Motion to Second		X			
Approved	X	X	X	X	X
Opposed					
Not Voting/Recuse					
Absent/Excused					

CERTIFICATION

*I hereby certify that this is a true copy of a Ordinance adopted by the Township of Ocean Governing Body at their meeting held on **April 23, 2020.***



 Vincent Buttiglieri, RMC/MMC
 Township Clerk

EXHIBIT B
(CONCEPT PLAN)

ORDINANCE 2334A

ROOSEVELT AVENUE INCLUSIONARY OVERLAY ZONE

AN ORDINANCE AMENDING AND SUPPLEMENTING CHAPTER 21 OF THE REVISED GENERAL ORDINANCES OF THE TOWNSHIP OF OCEAN, 1965 ENTITLED: LAND DEVELOPMENT ORDINANCE

1. **PURPOSE.** The purpose of this Roosevelt Avenue Inclusionary Overlay Zone is to create an overlay zone for certain properties within the existing Multi-Family Residential zone for Lots 11, 12 and 22 of Block 22, as shown on the official tax maps of the Township of Ocean, County of Monmouth. This overlay zone is created pursuant to the terms of a settlement agreement dated _____, entered in litigation entitled *Roosevelt Properties LLC v. Township of Ocean, Docket. No. MON-L-5930-09* and that resolves all issues in that case as well as in *In re Ocean Township, Docket. No. MON-L-2531-15*. The provisions set forth herein shall permit the development of twenty-two (22) units of townhouses and a stacked townhouse, and at a higher density than permitted in the existing and underlying zone to accommodate the required provision of affordable housing.
2. **CONFLICTING PROVISIONS.** Provisions of this Roosevelt Avenue Inclusionary Overlay Zone Ordinance shall supersede any provision of the Township of Ocean Land Development Ordinance as currently amended and/or supplemented, which conflicts with, or is contrary to, the provisions set forth in this Overlay Zone Ordinance.
3. **PERMITTED PRIMARY USES.** All uses permitted in the underlying zone continue to be permitted in compliance with the standards of the underlying zone. In addition, multi-family units, consisting of townhouses and apartment flats within a townhouse structure shall be permitted, provided that 22 such multi-family residential units may be constructed in accordance with the development standards listed below for this zone, of which two (2) shall be moderate-income affordable units provided as apartment flats located within one townhouse structure. Two market rate flats will be located in the first building next to Roosevelt Avenue along with the two affordable flats. All other multi-family units shall be market rate townhouse units. In addition to the on-site construction of two (2) moderate income units, the developer shall make a payment into the Housing Trust Fund of Ocean Township of \$475,000 or \$23,750 per market unit in lieu of constructing three (3) low income units including one (1) very-low income unit.
4. **DEFINITIONS:** For purposes of this ordinance, the terms below have the following meanings:

APARTMENT FLAT- A dwelling unit consisting of a single story or level, which may be at ground level or above a ground level unit and shall be located in a building type that also includes townhouses.

LOT LINE, FRONT – Any lot line, or segment thereof, that is collinear with the right-of-way line of a public thoroughfare.

LOT LINE, REAR – The lot line (or lines) of a tract to be developed pursuant to the Multi-Family Residential Overlay provisions of the Ordinance which is opposite and generally parallel to the LOT LINE, FRONT of the tract from which primary access to the development obtains.

LOT LINE, SIDE – Any lot line that is not a LOT LINE, FRONT or a LOT LINE, REAR.

5. **PERMITTED ACCESSORY USES.** All accessory uses permitted in the underlying zone continue to be permitted.
6. **DEVELOPMENT (BULK) STANDARDS.** The following bulk standards shall apply to the development of any property located in the Roosevelt Avenue Inclusionary Overlay zone:
 - a. More than one (1) primary building may be constructed per lot;
 - b. Minimum Gross Lot Area: 10 acres;
 - c. Minimum Lot Frontage: 125 feet;
 - d. Minimum Lot Depth: 125 feet;
 - e. Minimum Front Yard Setback: 30 feet;
 - f. Minimum Side Yard Setback: 15 feet;
 - g. Minimum Rear Yard Setback: 100 feet;
 - h. Minimum Setback from Pavement of Internal Roadway: 24 feet from front of building, excluding roof soffits the fascia of which shall be permitted to have setbacks of 22 feet;
 - i. Maximum Principal Building Height: 38 feet from the garage floor to the highest roof point;
 - j. Maximum Number of Levels of Living Space: 3;
 - k. Maximum Building Coverage 7.5% of total lot area;
 - l. Maximum Impervious Lot Coverage: 15% of total lot area;
 - m. Number of Dwellings per Building: 8 dwellings;
 - n. Maximum Dwelling Unit Density: 2.5 dwelling units per acre;
 - o. Maximum Length of Building: 200 feet;
 - p. Minimum Distances Between Buildings:
 - i. Front to Front: 50 feet;

- ii. Rear to Front: 50 feet;
 - iii. Front to Side: 50 feet;
 - iv. Rear to Rear: 50 feet excluding building eaves which shall be permitted to extend a maximum of twenty four (24) inches beyond the primary vertical planes of the building walls below;
 - v. Rear to Side: 50 feet; and
 - vi. Side to Side: 20 feet.
- q. Onsite Emergency Vehicle Access/Circulation: Every onsite street and/or common access/circulation drive shall meet, or exceed NFPA requirements for a "fire access road."
- r. Subject to the development standards set forth in this Inclusionary Overlay Zone Ordinance, and notwithstanding the provisions of any other ordinance, market priced units may be constructed anywhere in the Inclusionary Overlay Zone permitted by the New Jersey Department of Environmental Protection, including flood hazard areas. Subject to the development standards set forth in this Inclusionary Overlay Zone Ordinance, and notwithstanding the provisions of any other ordinance, moderate income units may be constructed anywhere in the Inclusionary Overlay Zone permitted by the New Jersey Department of Environmental Protection, except they may only be constructed on the portion of the zone outside the Flood Hazard Area delineated by the New Jersey Department of Environmental Protection. Documents showing the location of proposed units with regard to NJDEP-approved Floodway and Flood Hazard areas shall be disclosed to all prospective buyers prior to the entry of a contract for sale.
- s. Access Driveways and Onsite Parking - Access driveways and onsite parking shall be provided in strict compliance with requirements of N.J.A.C. 5:21-4.14, subject to the right of the applicant to seek relief from the provisions of the RSIS, with the understanding that the Planning Board, in its sole discretion, shall determine whether or not to grant relief to the applicant, and the following:
- i. All interior access driveways shall be curbed.
 - ii. All interior access driveways shall have minimum travelled-way pavement widths (i.e., curb face to curb face) of twenty-four feet (24').
 - iii. A continuous concrete walk, four feet (4') in width, shall be provided along the entire building-side length of every interior access driveway. A 4-foot wide concrete walk shall connect the interior of the development with each, and every, public right-of-way adjoining the development site.
 - iv. The minimum distance between any travelled way pavement edge and any point upon the architectural front façade of any building shall be twenty

four feet (24') excluding roof soffits the fascia of which shall be permitted to have setbacks of twenty two feet (22').

v. All market-priced residential units shall include, at a minimum, an attached, fully-enclosed, one-car garage having minimum inside clear dimensions of twelve feet (12') wide by twenty feet (20') deep. Direct access shall be provided between the interior of any garage and the interior living space of the dwelling unit of which the garage is a part.

vi. Every market-priced unit shall be provided with a paved driveway having a minimum width of ten feet (10') which shall provide a continuous paved connection between the unit's garage and the travelled way upon which the unit fronts.

vii. On-street parallel parking shall not be permitted. All parking spaces not located within enclosed garages or upon residential driveways shall be provided within onsite common parking lots or within onsite common parking areas located directly adjacent to the travelled way of a development access driveway.

viii. Onsite parking lots and parking areas shall be screened from view of offsite persons by six-foot (6') tall, architecturally solid-faced fencing and landscaping designed to minimize impacts of vehicle headlight illumination upon offsite properties. The designs of all such fencing and landscaping shall be subject to site-specific review and approval of the Planning Board and its Professional Staff.

ix. No point upon the paved surface of any onsite parking lot or parking area, excluding townhouse driveways, shall be located within fifty feet (50') of a development site front boundary line and/or no closer than eight feet (8') to a development site side or rear boundary line except that, such pavement may be located as close as four feet (4') to a development site side or rear boundary line if a six foot (6') tall brick or stone masonry screen wall, which will aesthetically match the architectural design of the townhomes on both sides of the wall, of a design acceptable to the Planning Board and its Professional Staff, is provided in place of the required solid faced fencing.

- t. All outdoor spaces reserved for private use by residents of one (1) single dwelling unit including, but not limited to, patios, decks and balconies, excluding building front entry porches having areas of thirty-two (32) square feet or less, shall be located along, or upon, exterior building facades other than architectural front facades and shall not face parking areas or access drives of the development.
- u. No portion of any horizontal structural member nor any exterior facade element of any building shall be located at an elevation lower than the New Jersey Flood Hazard Area Design Flood Elevation for the site provided, however, that building design and construction shall strictly comply with all applicable building codes and/or NJDEP requirements in effect at the time of construction.

- v. The buffer requirements of Section 21-47.1.d.1. shall not apply. Where a building, parking space, drive aisle or drainage structure is located within 100' of an adjacent lot, a solid fence shall be constructed in accordance with the requirements of Section 21-48. Unless located in the required front yard, such fence shall be 6' in height.
- w. The recommended maximum townhouse driveway pavement slope is 7.50% with driveway surface slopes no greater than 3.00% within ten (10) feet of a garage door. At the sole discretion of Developer's New Jersey Professional Engineer, steeper driveway surface slopes shall be permitted upon signed/sealed construction drawings submitted for review during the Site Plan approval process. In no case, however, shall the elevation differential between a point along the gutter line of any onsite circulation drive and any point upon an adjacent townhouse driveway surface located along the line perpendicular to said gutter line from said gutter line point be greater than eighteen (18) inches.
- x. Within this Inclusionary Overlay Zone, ground surface elevation changes of two (2) feet or more shall be permitted if, and only if, (1) all yard areas of the site located within twenty (20) feet of a townhouse unit and having ground surface elevations above that of the New Jersey Flood Hazard Area Design Flood Elevation (NJFHADFE) for the site as established by the NJDEP, have slopes no greater than 25% (i.e. 1V:4H); and, (2) all other yard areas of the site above the NJFHADFE shall have surface grading no steeper than 40% (i.e., 1V:2.5H) and be permanently stabilized with approved ground cover.
- y. No wall or structure constructed upon, or within ten (10) feet of, a tract boundary line shall serve as an earth retaining structure unless it results in a lowering of the ground surface of the subject tract to elevation levels below those of the adjacent property at all points of its length.
- z. No point upon the pavement surface of any onsite street and/or common access/circulation drive shall have an elevation below that of the New Jersey Flood Hazard Area Flood Elevation for the site.

7. AFFORDABLE HOUSING REQUIREMENTS.

- a. Twenty percent (20%) of the units constructed shall be affordable to low and moderate income households of which at least 50 percent of the units shall be low income units.
- b. In lieu of reserving twenty percent (20%) of all units for low and moderate income households, the developer shall have the right, pursuant to the Settlement Agreement, to satisfy its 20 percent affordable housing obligation through the on-site construction of two (2) moderate income for-sale units and an in-lieu contribution to the Township for three (3) low income affordable units including one (1) very-low income unit.

- c. The two (2) on-site affordable units shall address the affordable housing requirements of the Township of Ocean, the Council on Affordable Housing ('COAH') at N.J.A.C. 5:93 and the Uniform Housing Affordability Controls ('UHAC') per N.J.A.C. 5:80-26.1. The two (2) affordable units shall be provided within one stacked townhouse structure, with one (1) unit provided as a two-bedroom unit and one (1) as a three-bedroom unit. Pursuant to COAH's phasing requirements at N.J.A.C. 5:93-5.6(d), both on-site affordable housing units must receive a certificate of occupancy ('C.O.') before the tenth (10th) of the 20 total market-rate units receives a C.O. The affordable units shall remain affordable to a moderate income household for a period of at least 30 years by virtue of a deed restriction per UHAC at N.J.A.C. 5:80-26.11(a). UHAC at N.J.A.C. 5:80-26.3(f) requires that affordable units utilize the same type of heating source as market units within the affordable development. The townhouse units shall comply with the accessibility and adaptability requirements of the International Building Code – NJ Edition 2015 ("IBC-NJ 2015") and the affordable stacked townhouse units shall comply as well with COAH's accessibility and adaptability rules, including, but not limited to, N.J.A.C. 5:97-3.14. COAH Regulations at N.J.A.C. 5:93-11 and UHAC at N.J.A.C. 5:80-26.15 requires an affirmative marketing program for the affordable units. Furthermore, pursuant to N.J.A.C. 5:93-11.3(e), the cost of affirmatively advertising the affordable units is to be the developer's responsibility. The developer shall enter into an agreement with an experienced affordable housing administrative agent per UHAC at N.J.A.C. 5:80-26.14 to oversee the placement of a deed restriction on the units, household income qualification, setting the moderate income sales prices at an average of no more than 55% of the regional median income, ongoing affirmative marketing and administrative oversight efforts, etc.
- d. In lieu of construction of three (3) of the residential units as affordable to very-low and low income households on site, the developer shall make a payment into the Housing Trust Fund of Ocean Township of \$158,333.33 for each of the three (3) very-low and low income units, for a total contribution of \$475,000. The developer shall pay into the Ocean Township Affordable Housing Trust fund the sum of \$23,750 per market priced unit. The developer shall pay one half of this sum as a condition of receipt of the building permit for that unit and the remainder as a condition of receipt of the final certificate of occupancy for that unit.
8. **BULK STANDARDS AS APPLIED TO ACCESSORY STRUCTURES.** All accessory structures within this zone shall be constructed in accord with the provisions of sect. 21-24A.2(a)(2).
9. **COMMON OWNERSHIP AND MAINTENANCE.** If property developed in accordance with the development standards for this zone is subdivided into separate residential lots, all common lands not deeded to and accepted by the municipality shall be owned in common by a non-profit Homeowner's Association for the development within this overlay zone in accordance with the provisions of section 21-31.3. Maintenance of any such common area shall be in accordance with the provisions of section 21-31.2(b)(8)(o)(17). All homeowners' documents shall be submitted, reviewed and approved as part of the land use application.

10. COST GENERATION AND DEVELOPMENT REVIEW PROCESS. Pursuant to the executed settlement agreement referenced in para. 1 (PURPOSE) above, Roosevelt is entitled to all of the benefits and burdens afforded to developers of inclusionary developments by the FHA, COAH's regulations, and the UHAC regulations. However, per the agreement, this Ordinance satisfies the Township's obligation to remove all "cost generative features not necessary for health or safety" as set forth in N.J.A.C. 5:93-10 et seq. If the Township or Planning Board impose any *additional* requirement that may be considered improperly cost generative and/or not expressly or impliedly required by the agreement or this ordinance, (a) Roosevelt may request a determination by the Special Master as to the appropriateness of said additional requirement; and (b) the Township and its Planning Board have the right to oppose Roosevelt's claim regarding said cost-generative requirement.

Record of Vote	Deputy Mayor Napolitani	Councilman Acerra	Councilwoman Donlon	Councilman Fisher	Mayor Siciliano
Motion To Approve			X		
Motion to Second		X			
Approved	X	X	X	X	X
Opposed					
Not Voting/Recuse					
Absent/Excused					

CERTIFICATION

I hereby certify that this is a true copy of a Ordinance adopted by the Township of Ocean Governing Body at their meeting held on **April 23, 2020**.



 Vincent Buttiglieri, RMC/MMC
 Township Clerk



APPENDIX L

C-1 District Zoning Ordinance Amendment – Norwood Avenue. No. 2333

Ordinance No. 2282

**TOWNSHIP OF OCEAN
ORDINANCE 2333**

**AN ORDINANCE AMENDING AND SUPPLEMENTING CHAPTER XXI OF THE
REVISED GENERAL ORDINANCES OF THE TOWNSHIP OF OCEAN**

WHEREAS, in response to the New Jersey Supreme Court's decision in In re Adoption of N.J.A.C. 5:96 and 5:97 by N.J. Council on Affordable Housing, 221 N.J. 1 (2015), on or about July 2, 2015, the Township filed an action with the Superior Court of New Jersey ("Court"), entitled In the Matter of the Application of the Township of Ocean, County of Monmouth, Docket No. MON-L-2531-15, seeking a Judgment of Compliance and Repose approving its Housing Element and Fair Share Plan, in addition to related relief, and simultaneously filed a motion for temporary immunity, which was subsequently granted by the Court and is still in force and effect; and

WHEREAS, the Township has a constitutional obligation to create a realistic opportunity for the construction of its fair share of the region's need for affordable housing; and

WHEREAS, the Township Council of the Township of Ocean desires to create a realistic opportunity for the creation of affordable housing within the Township; and

WHEREAS, the Township, through Ordinance 2282, has previously designated the C-1 District on its zoning map as an area suitable for inclusionary residential development, and permits residential development when it is part of an inclusionary development (market-rate and affordable housing) as a conditional use in that District.

NOW THEREFORE BE IT ORDAINED by the Township Council of the Township of Ocean, County of Monmouth, State of New Jersey, that Chapter XXI of the Revised General Ordinances of the Township of Ocean, as previously amended by Ordinance 2282, is hereby amended and supplemented as follows:

1. **Chapter XXI Article IV Section 21-51.47, Mixed Use Inclusionary Development in the C-1 Zone**, shall be amended as follows (deletions represented by strikethroughs, additions in **bold**):
 - a.1. (No change)
 - a.2. (No change)
 - a.3. Affordable housing is required to be provided. ~~If rental units are proposed, at least 15 percent of the total number of dwellings [20 percent if for sale dwellings]~~ **At least 20 percent of the total number of dwellings** shall be affordable to very low-, low- and moderate-income households in accordance with the Uniform Housing Affordability Controls ("UHAC") at N.J.A.C. 5:80-26.1 et seq. and the affordable housing regulations of the Township of Ocean (Article III, Section 21-9A, Affordable Housing Development Fees and Section 21-9B, Affordable Housing),

with the exceptions noted in a.4, below. A fractional unit shall be addressed through the payment of an in-lieu contribution to the Township's Affordable Housing Trust Fund at Article III, Section 21-9A. ~~Very low income units (reserved for households earning 30 percent or less of the regional median income) shall be provided pursuant to the amended Fair Housing Act ("FHA") at N.J.S.A. 52:27D-329.1.~~

a.4. A minimum of fifty-three percent (53%) of the affordable units provided must be affordable to families making no more than 50% of regional median income by household size, including at least thirteen percent (13%) that must be affordable to families making 30% or less of the regional income by household size pursuant to the amended Fair Housing Act ("FHA") at N.J.S.A. 52:27D-329.1. The remaining forty-seven percent (47%) may be made available to families making less than 80% of regional median income by household size.

b. Bulk Requirements

~~1. Minimum lot area — 1 acre~~

~~2. Minimum frontage on a public street — 175 feet~~

(Remainder of sub-paragraph b – no change)

2. All other requirements of Ordinance 2282 shall apply.
3. All other ordinances or parts of ordinances inconsistent herewith are hereby repealed to the extent of such inconsistencies.
4. If any section, paragraph, subparagraph, clause or provision of this ordinance shall be adjudged invalid, such adjudication shall apply only to the section, paragraph, subparagraph, clause or provision so adjudged and the remainder of this ordinance shall be deemed valid and effective.
5. This ordinance shall take effect following the final adoption and publication pursuant to the law subject to the filing of a copy of same with the Monmouth County Planning Board.

Record of Vote	Deputy Mayor Napolitani	Councilman Acerra	Councilwoman Donlon	Councilman Fisher	Mayor Siciliano
Motion To Approve	X				
Motion to Second			X		
Approved	X	X	X	X	X
Opposed					
Not Voting/Recuse					
Absent/Excused					

CERTIFICATION

*I hereby certify that this is a true copy of a Ordinance adopted by the Township of Ocean Governing Body at their meeting held on **February 27, 2020**.*



 Vincent Buttiglieri, RMC/MMC
 Township Clerk

ORDINANCE # 2282

ORDINANCE AMENDING AND SUPPLEMENTING
CHAPTER 21 OF THE COMPREHENSIVE LAND
DEVELOPMENT ORDINANCE OF THE
TOWNSHIP OF OCEAN

BE IT ORDAINED by the Township Council of the Township of Ocean, County of Monmouth, State of New Jersey as follows:

1. Chapter 21, The Comprehensive Land Development Ordinance of the Township of Ocean is hereby amended and supplemented to read as follows:
2. **Article IV Subsection 21-35.1.c. Neighborhood Commercial Zone Conditional Uses** shall be amended to add:

6. Mixed Use Inclusionary Development in the C-1 Zone.

3. **Article IV Subsection 21-51 Conditional Uses** shall be amended to add:

21-51.46 - Mixed Use Inclusionary Development in the C-1 Zone

- a. Mixed Use Inclusionary Development shall consist of a mix of commercial and residential uses (both market-rate and affordable dwellings) in the same building subject to the following restrictions.
 1. Commercial uses shall be limited to those uses otherwise permitted in the C-1 Zone (Section 21-35.1.a) and shall be limited to the first floor of the building. All portions of the building fronting on a public street Norwood Ave shall be occupied by commercial uses, except that a portion of the facade equal to 12' or 8% of the full width of the building facing a public street Norwood Ave, whichever is the smaller dimension, may be used for common space including access to the residential uses in the building.
 2. Residential uses shall consist of 1, 2 and 2 3 bedroom dwellings, which may be in the form of flats or multi-level units. Residential units may occupy portions of the first floor of the building, but in no case shall a residential unit occupy any portion of the first floor within 20' of any portion of the building facade that faces a public street Norwood Ave. Stairs and common space including access to residential uses shall not be considered part of a residential unit.
 3. Affordable housing is required to be provided. If rental units are proposed, at least fifteen percent (15%) of the total number of dwellings [twenty percent (20%) if for-sale dwellings] shall be affordable to very-low, low- and moderate-income households in accordance with the Uniform Housing Affordability Controls ("UHAC") at N.J.A.C. 5:80-26.1 et seq. and the affordable housing regulations of the Township of Ocean (Article III ___, Subsection 21-9.B. ___ A fractional unit shall be addressed through the payment of an in-lieu contribution to the Township's Affordable Housing Trust Fund at Article III Subsection 21-9.A. Very-low income units (reserved for households earning 30% or less of the regional median income) shall be provided pursuant to the amended Fair Housing Act ("FHA") at N.J.S.A. 52:27D-329.1.
- b. Bulk Requirements
 1. Minimum Lot Area - 1 acre
 2. Minimum Frontage on a public street - 175'
 3. Minimum front yard setback
(measured from the future street R.O.W.) - 5 feet
 4. Minimum side yard setback - 0 feet

In order to encourage an end product which provides parking, access, and architectural continuity even where development occurs piece-meal and with diverse ownership, buildings may be attached and may be built to the interior side lines in order to be attached. The minimum distance between structures, if not attached, shall be 15 feet whether on the same lot or an adjacent lot. Attached buildings may include two walls

which must be keyed to each other. Where buildings are built to both side lot lines, the site plan shall be accompanied by appropriate easements and plans showing properly located loading spaces and trash receptacles with permitted access across adjacent properties. If the property abuts a residential zone, the building shall be set back a distance of 25 feet from the residential zone.

5. Minimum rear yard setback - 10 feet

If the property abuts a residential zone, the building shall be set back a distance of 25 feet from the residential zone.

6. Maximum Building Height - 40'**

** Architectural elements including elevator towers, stair towers and chimneys, as well as screening elements necessary to hide rooftop equipment, may exceed the 40' height requirement provided that these elements do not exceed 6' in height and do not occupy more than 10% of the roof area of the building. Furthermore, screening elements necessary to hide rooftop equipment shall be set back from the edge of the roof a minimum of 3 feet for every 1 foot in height of the screening element.

7. Maximum Stories Above Grade - 3
 8. Maximum Retail Space - 5,000 sq. ft.
 9. Minimum Common Area on First Floor - 25% of retail space

c. Residential Density Requirements

1. Maximum Residential Density shall not exceed 18 units per acre
 2. No more than 80% of the apartments shall be 2 bedroom apartments.

d. Parking Requirements

1. 1.25 spaces per dwelling unit - up to .5 spaces per unit may be provided on-street allowing 22 ft. per parking space as per Section 21-45.5.c. of this Ordinance.
 2. 1 space per 200 sq. ft. of retail space excluding common area

e. All other requirements of the C-1 Zone shall apply.

4. All other ordinances or parts of ordinances inconsistent thereof are hereby repealed to the extent of such inconsistencies.
 5. If any section, paragraph, subparagraph, clause or provision of this ordinance shall be adjudged invalid, such adjudication shall apply only to the section, paragraph, subparagraph, clause or provision so adjudged and the remainder of this ordinance shall be deemed valid and effective.
 6. This ordinance shall take effect following the final adoption and publication pursuant to the law subject to the filing of a copy of same with the Monmouth County Planning Board.

Record of Vote	Deputy Mayor Garofalo	Councilman Acerra	Councilman Long	Councilwoman Schepiga	Mayor Siciliano
Motion To Approve				X	
Motion to Second	X				
Approved	X	X	X	X	X
Opposed					
Not Voting/Recuse					
Absent/Excused					

CERTIFICATION

I hereby certify that this is a true copy of an Ordinance adopted by the Township of Ocean Governing Body at their meeting held on **October 13, 2016**.

 Jessie M. Joseph, RMC/CMR
 Deputy Township Clerk

APPENDIX M

Golf Course Overlay Zoning Ordinance

TOWNSHIP OF OCEAN

ORDINANCE 2332

AN ORDINANCE AMENDING AND SUPPLEMENTING CHAPTER XXI OF THE REVISED GENERAL ORDINANCES OF THE TOWNSHIP OF OCEAN

WHEREAS, in response to the New Jersey Supreme Court's decision in In re Adoption of N.J.A.C. 5:96 and 5:97 by N.J. Council on Affordable Housing, 221 N.J. 1 (2015), on or about July 2, 2015, the Township filed an action with the Superior Court of New Jersey ("Court"), entitled In the Matter of the Application of the Township of Ocean, County of Monmouth, Docket No. MON-L-2531-15, seeking a Judgment of Compliance and Repose approving its Housing Element and Fair Share Plan, in addition to related relief, and simultaneously filed a motion for temporary immunity, which was subsequently granted by the Court and is still in force and effect; and

WHEREAS, the Township Council of the Township of Ocean desires to create a realistic opportunity for the creation of affordable housing within the Township to address its Prior Round and Third Round Unmet Need; and

WHEREAS, the Township has determined that certain lands comprising approximately 276 acres within the R-1 and adjacent R-2 and R-3 Districts commonly referred to as the 180-acre Hollywood Golf Course, Block 40, Lots 1, 2, 34, 82, 83, 84, 88, and 111; and the 96-acre Deal Golf Course, Block 59, Lot 1 and Block 60, Lot 1, may be suited for inclusionary development at such time when the member-owned golf course use on the site(s) is changed to a residential use; and

WHEREAS, the Township wishes to foster potential future development that would provide a realistic opportunity for the construction of affordable housing, via inclusionary residential development.

NOW, THEREFORE, BE IT ORDAINED by the Township Council of the Township of Ocean, County of Monmouth, State of New Jersey, that Chapter XXI of the Township's Revised General Ordinances is hereby amended and supplemented as follows:

1. **Chapter XXI Article IV Section 21-17 Establishment of Zones** is hereby supplemented to add:

AH-G - Affordable Housing Golf Course Residential Inclusionary Overlay Zone (Added February 27, 2020 by Ord. no. 2332)

2. **Chapter XXI Article IV Section 21-18.1 Amendments** is hereby amended to add the following subsection:

21-18.1.a.35. The Official Zoning Map is hereby amended to create:

"AH-G Affordable Housing Golf Course Residential Inclusionary Overlay Zone" in the R-1 and adjacent R-2 and R-3 Zones on the following lots:

R-1 Zone: Block 59, Lot 1
 Block 60, Lot 1
 Block 40, Lots 1, 2, 34

R-2 Zone: Block 40, Lots 82, 83, 84, 88

R-3 Zone: Block 40, Lot 111

3. **Chapter XXI Article IV Section 21-32B AH-G Affordable Housing Golf Course Residential Inclusionary Overlay Zone** is hereby added:

21-32B AH-G Affordable Housing Golf Course Residential Inclusionary Overlay Zone

The intent of the AH-G Affordable Housing Golf Course Residential Inclusionary Overlay Zone (AH-G Overlay Zone) is to establish a suitable location within the Township for the development of low- and moderate-income housing uses in the form of an inclusionary (market-rate and affordable housing) development. This overlay zoning district will provide future opportunities for the construction of low- and moderate-income housing to implement the Township's Unmet Need provision in its Third Round Housing Element and Fair Share Plan.

For the purpose of permitting inclusionary development, in the event of a change of use from golf course to a residential use, the provisions and requirements of the Affordable Housing Golf Course Residential Inclusionary Overlay Zone shall supersede the provisions and requirements of the underlying R-1, R-2 or R-3 zones. In the event of a conflict between the provisions of this section and other sections of the Township development regulations with respect to the development of market-rate and affordable townhouses and apartment flats, the provisions of this Affordable Housing Golf Course Residential Inclusionary Overlay Zone shall govern.

- a. Permitted principal uses in the AH-G Affordable Housing Golf Course Residential Inclusionary Overlay Zone shall include:
 - 1. Townhouses.
 - 2. Multi-family apartment flats designed to appear as a townhouse.
- b. Accessory buildings not to exceed 15 feet in height, structures and uses including:
 - 1. Private residential off-street parking subject to the requirements of this chapter.
 - 2. Decks and open porches subject to the requirements of this chapter.

3. Outdoor recreational uses for residents and their guests.
 4. Fences and hedges.
 5. Satellite dish antennas attached to a principal structure, not to exceed 3' in diameter or extend above the top of the roof of the building.
 6. Other customary accessory uses and structures that are clearly incidental to the principal structures and uses.
- c. Required use. Affordable housing is required to be provided, in accordance with the provisions of the Township of Ocean Revised General Ordinances, Chapter XXI, Article III, Section 21-9B, as follows:
1. Twenty (20) percent of the total number of dwellings produced shall be affordable to low- and moderate-income households and in accordance with the Uniform Housing Affordability Controls (UHAC) at N.J.A.C. 5:80-26.1, with the one UHAC exception to very low-income units required in c.3. below.
 2. At least 53 percent of the total number of affordable units produced shall be affordable to low-income households including very low-income households. The remaining 47 percent may be affordable to moderate-income households.
 3. At least 13 percent of the total number of affordable units produced shall be affordable to very low-income households pursuant to N.J.S.A. 52:27D-329.1.
 4. The affordable units shall not be age-restricted.
 5. Each affordable unit shall have at least one bedroom with a minimum of 150 sq.ft. and all other required bedrooms shall have at least 100 sq.ft.
- d. The following conditional uses are permitted subject to approval of the Planning Board and the special conditions of this chapter:
1. Public utility installations
- e. Townhouse and Multi-Family Apartment Flat Development Standards. The following development standards shall apply to the AH-G Affordable Housing Golf Course Residential Inclusionary Overlay Zone:
1. Minimum lot size: 75 acres (For the purposes of this Zone, Block 59 Lot 1 and Block 60 Lot 1 shall be considered to be one lot.)
 2. Maximum density: 8 units per gross acre

3. The developer shall reserve no less than 25 percent of the site for open space purposes. No more than one-third of the reserved open space shall be part of any flood plain, freshwater wetlands area or freshwater wetlands area buffer; and a minimum of five contiguous acres of usable land, not a part of any flood plain, freshwater wetlands area or freshwater wetlands area buffer, shall be reserved for open space purposes. The location shall be approved by the Planning Board. The open space may be a part of the land reserved for common use. Title to all reserved or common land shall be held in fee simple by the Homeowners Association, except that the municipality may elect to have certain areas dedicated to the municipality.

4. The minimum width of the entire parcel containing an affordable residential development shall not be less than 400 feet.

5. The minimum depth of the entire parcel containing an affordable residential development shall not be less than 1,000 feet.

6. Multiple road accesses from any affordable residential development onto any single street shall be separated by at least 500 feet of frontage.

7. Road access shall be prohibited from any affordable residential development into any of the following single family residential streets in order to protect the single family residential character of the area: Crosby Ave., Runyon Ave., Parker Ave., Dwight Dr., Fairway Ln., and Brook Dr.

8. Townhouse dwelling units including affordable townhouse or multi-family apartment flat dwelling units, shall utilize the following standards:

(a) Minimum setback from all public roads - 100 feet.

(b) Minimum setback from pavement of internal public or private road or parking area - 20 feet.

(c) Minimum setback from perimeter property lines of entire site - 100 feet.

(d) Maximum Lot Coverage - Building - 25% of total lot area
Impervious - 50% of total lot area

(e) Minimum width per unit - 20 feet.

(f) Maximum building height - two stories above grade or 35 feet, whichever is less.

(g) Maximum number of units per structure -

Townhouse - 6

Multi-Family Apartment Flat - 12

(h) Minimum number of units per structure -

Townhouse - 4

Multi-Family Apartment Flat - 8

(i) Maximum length of structure - 150 feet.

(j) Minimum interior storage area per unit - 700 cubic feet. Required storage space shall have a minimum vertical clearance of 5' and shall be located in a basement, attic or attached storage room and shall not include garage or closets.

(k) Minimum distance between buildings - 85 feet between any two rear or front facades or any rear or front facade with a side facade; 35 feet between any two side facades. No portion of a front facade shall face any portion of a rear facade.

(l) Minimum number of outside accesses per unit - two.

(m) Other provisions:

(1) A structure shall not have more than two connected townhouse units on one facade without providing a variation in setback of at least five feet.

(2) A structure shall not have more than two connected townhouse units on one facade without providing a reasonable variation in the facade architecture.

(3) Television antenna equipment shall be built into the buildings. No antennas shall be erected on the roof.

(4) There shall be a minimum buffer of 50 feet along all side and rear property lines.

(5) Buffers of no less than 50 feet shall be placed along all roads where a dwelling unit's rear or side facade faces a public road. The use of landscaped berms or decorative masonry walls can be utilized in addition to an all landscaped buffer. The use of a decorative wall and material to be used for the wall shall be at the discretion of the Planning Board.

(6) No individually registered commercial vehicle longer than 22 feet in length or 10 feet in height measured from the highest point of said vehicle excluding exhaust stacks and antennae, or having a registered weight of 18,000 pounds or more, shall be stored or parked on any lot or portion of a lot nor parked on any street overnight situated in this residential zone.

(7) Accessory buildings shall conform to the height and setback requirements of the principal building.

(8) Fences, patios, or similar outside facilities to the rear of each unit may only be constructed by the original developer or by the Homeowners Association and only after a set of architectural standards is approved by the Municipal Agency and administered by the original developer or the Homeowners Association.

(9) There shall be within each townhouse and multi-family apartment flat unit, adequate area for the temporary storage of recyclable materials, as required in this Chapter.

(10) There shall be a trash and recyclable storage area completely surrounded by a six foot high solid architectural fence with front solid gates. All outside trash and recyclables shall be stored in this area and shall not be in public view over the fence height. All accessory apparatuses such as propane tanks shall be similarly enclosed.

(11) Common areas of any tract utilized for any development shall be deeded to a homeowners association consisting of the property owners within the development, for their use, control, management and maintenance.

(12) Only the land directly under each unit, and land adjacent thereto with an area not greater than 50 percent of said land under each unit shall be sold in fee simple to the purchaser of the unit. All other lands shall be the ownership and responsibility of the Homeowners Association. All land other than that directly under each unit shall be under the maintenance responsibility of the Homeowners Association.

(13) Off-street parking is required subject to the regulations of this chapter.

(14) Landscaping is required subject to the regulations of this chapter.

(15) All internal and external improvements found necessary in the public interest, including but not limited to streets, driveways, parking areas, sidewalks, curbs, gutters, lighting, shade trees, water mains, water systems, culverts, storm sewers, sanitary sewers or other means of sewage disposal, drainage structures and the like, shall be installed in accordance with the standards set forth for major subdivisions of land. All curb to curb pavement widths shall not be less than 30 feet. No building permit shall be issued unless and until adequate performance guarantees of proper installation of such improvements shall have been posted in accordance with municipal ordinances.

(16) There shall be no direct access of driveways from any dwelling unit onto a public street.

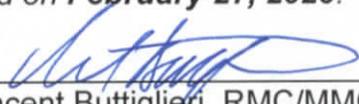
(17) Affordable townhouse units and multi-family apartment flats shall be integrated throughout the development and not separated from market rate units.

4. All other ordinances or parts of ordinances inconsistent herewith are hereby repealed to the extent of such inconsistencies.
5. If any section, paragraph, subparagraph, clause or provision of this ordinance shall be adjudged invalid, such adjudication shall apply only to the section, paragraph, subparagraph, clause or provision so adjudged and the remainder of this ordinance shall be deemed valid and effective.
6. This ordinance shall take effect following the final adoption and publication pursuant to the law subject to the filing of a copy of same with the Monmouth County Planning Board.

Record of Vote	Deputy Mayor Napolitani	Councilman Acerra	Councilwoman Donlon	Councilman Fisher	Mayor Siciliano
Motion To Approve	X				
Motion to Second			X		
Approved	X	X	X	X	X
Opposed					
Not Voting/Recuse					
Absent/Excused					

CERTIFICATION

*I hereby certify that this is a true copy of an Ordinance adopted by the Township of Ocean Governing Body at their meeting held on **February 27, 2020.***



 Vincent Buttiglieri, RMC/MMC
 Township Clerk



APPENDIX N

Amended Affordable Housing Ordinance

TOWNSHIP OF OCEAN

ORDINANCE 2331

AN ORDINANCE OF THE TOWNSHIP OF OCEAN TO IMPLEMENT THE TOWNSHIP'S AMENDED THIRD ROUND HOUSING PLAN ELEMENT AND FAIR SHARE PLAN CONSISTENT WITH THE TERMS OF A SETTLEMENT AGREEMENT REACHED BETWEEN THE TOWNSHIP OF OCEAN AND THE FAIR SHARE HOUSING CENTER REGARDING COMPLIANCE WITH THE TOWNSHIP'S THIRD ROUND AFFORDABLE HOUSING OBLIGATIONS IN ACCORDANCE WITH IN RE: N.J.A.C. 5:96 AND 5:97, 221 N.J. 1 (2015), THE NEW JERSEY FAIR HOUSING ACT, AND RELEVANT REGULATIONS AND POLICIES ADOPTED BY THE NEW JERSEY COUNCIL ON AFFORDABLE HOUSING.

WHEREAS, the Township of Ocean ("Township") filed a Mount Laurel declaratory judgment action in the Superior Court of New Jersey bearing the caption In the Matter of the Township of Ocean, County of Monmouth, Docket No. MON-L-2531-15, following the New Jersey Supreme Court's decision in Mount Laurel IV; and

WHEREAS, the Township entered into a Settlement Agreement with Fair Share Housing Center on or about January 24, 2019, establishing the Township's affordable housing obligations for the Prior and Third Round periods and the compliance mechanisms by which the Township will meet its constitutional obligation to provide for its fair share of affordable housing; and

WHEREAS, the Court entered an order on June 25, 2019 approving the Settlement Agreement by and between the Township and Fair Share Housing Center, finding on a preliminary basis that the Settlement Agreement is fair to low- and moderate-income households; and

WHEREAS, the Court Order approving the Settlement Agreement requires the Township to amend its affordable housing ordinance to comply with the terms of the Settlement Agreement; and

WHEREAS, the Township Council find it is in the best interest of the Township to implement the terms and conditions of the Settlement Agreement and the requirements of the Court's order approving the Settlement Agreement.

NOW, THEREFORE BE IT ORDAINED by the Township Council of the Township of Ocean that §21-32.4 of Chapter XXI of Article IV of the Township Revised General Ordinances, **Affordable Housing Requirements**, is hereby repealed.

NOW, THEREFORE BE IT FURTHER ORDAINED, by the Township Council of the Township of Ocean that §21-9A and §21-9B of Chapter XXI, Article III of the Township Revised General Ordinances is hereby amended as follows (~~stricken text~~ indicates deletions, **bolded text** indicates additions):

SECTION 1. Article III §21-9A, **Affordable Housing Development Fees**, is hereby amended as follows:

21-9A.1 Purpose

- a. In Holmdel Builder's Association v. Holmdel Township, 121 N.J. 550 (1990), the New Jersey Supreme Court determined that mandatory development fees are authorized by the Fair Housing Act of 1985 (the Act), N.J.S.A. 52:27d-301 et seq., and the State Constitution, subject to the Council on Affordable Housing's (COAH's) adoption of rules.
- b. Pursuant to P.L. 2008, c.46 section 8 (C. 52:27D-329.2) and the Statewide Non-Residential Development Fee Act (C. 40:55D-8.1 through 8.7), COAH is **was** authorized to adopt and promulgate regulations necessary for the establishment, implementation, review, monitoring and enforcement of municipal affordable housing trust funds and corresponding spending plans. Municipalities that are under the jurisdiction of a court of competent jurisdiction may retain fees collected from non-residential development.

- c. ~~This ordinance, codified as Section 21-9A, establishes standards for the collection, maintenance, and expenditure of development fees pursuant to COAH's regulations and in accordance P.L.2008, c.46, Sections 8 and 32 through 38. Fees collected pursuant to this ordinance shall be used for the sole purpose of providing low and moderate income housing. This ordinance shall be interpreted within the framework of COAH's rules on development fees, codified at N.J.A.C. 5:97-8.~~
- c. **In Re: Adoption of N.J.A.C. 5:96 and 5:97 by the New Jersey Council on Affordable Housing, 221 N.J. 1 (2015), also known as the Mount Laurel IV decision, the Supreme Court remanded COAH's duties to the Superior Court. As a result, affordable housing development fee collections and expenditures from the municipal affordable housing trust funds to implement municipal Third Round Fair Share Plans through July 7, 2025 are under the Court's jurisdiction and are subject to approval by the Court.**
- d. **This section, codified as Section 21-9A, establishes standards for the collection, maintenance, and expenditure of development fees pursuant to COAH's regulations and in accordance P.L.2008, c.46, Sections 8 and 32 through 38. Fees collected pursuant to this section shall be used for the sole purpose of providing low- and moderate-income housing. This section shall be interpreted within the framework of COAH's rules on development fees, codified at N.J.A.C. 5:93-8.**

21-9A.2 Basic Requirements

- a. ~~This ordinance, codified as Section 21-9A, shall not be effective until approved by the Superior Court or COAH pursuant to N.J.A.C. 5:96-5.1.~~
- b. ~~Ocean Township, Monmouth County, shall not spend development fees until the Superior Court or COAH has approved a plan for spending such fees in conformance with N.J.A.C. 5:97-8.10 and N.J.A.C. 5:96-5.3.~~
- a. **The Township's development fee ordinance, which originally received Court approval in 2011, remains effective pursuant to the Superior Court's jurisdiction in accordance with N.J.A.C. 5:93.8.**
- b. **At such time that the Court approves the Township's Third Round Housing Element and Fair Share Plan and its Third Round Spending Plan, the Township may begin spending development fees in conformance with N.J.A.C. 5:93-8.**

21-9A.3 Definitions

The following terms, as used in Section 21-9A, shall have the following meanings:

"Affordable housing development" shall mean a development included in the Housing Element and Fair Share Plan, and includes, but is not limited to, an inclusionary development, a municipal construction project or a 100 percent affordable development.

"COAH" or the "Council" shall mean the New Jersey Council on Affordable Housing established under the Act, which ~~has~~ **had** primary jurisdiction for the administration of housing obligations in accordance with sound regional planning consideration in the State.

"Development fee" shall mean money paid by a developer for the improvement of property as permitted in N.J.A.C. 5:978.3.

"Developer" shall mean the legal or beneficial owner or owners of a lot or of any land proposed to be included in a proposed development, including the holder of an option or contract to purchase, or other person having an enforceable proprietary interest in such land.

"Equalized assessed value" shall mean the assessed value of a property divided by the current average ratio of assessed to true value for the municipality in which the property

is situated, as determined in accordance with sections 1, 5, and 6 of P.L. 1973, c. 123 (C.54:1-35a through C.54:1-35c).

"Green building strategies" shall mean those strategies that minimize the impact of development on the environment, and enhance the health, safety and well-being of residents by producing durable, low-maintenance, resource-efficient housing while making optimum use of existing infrastructure and community services.

21-9A.4 Residential Development Fees

a. Imposed Fees

1. Within all zoning districts, residential developers, except for developers of the types of development specifically exempted below, shall pay a fee of one and a half (1.5%) percent of the equalized assessed value for residential development, provided no increased density is permitted.
2. When an increase in residential density pursuant to N.J.S.A. 40:55D-70d(5) (known as a "d" variance) has been permitted, developers may be required to pay a development fee of six (6%) percent of the equalized assessed value for each additional unit that may be realized. However, if the zoning on a site has changed during the two-year period preceding the filing of such a variance application, the base density for the purposes of calculating the bonus development fee shall be the highest density permitted by right during the two-year period preceding the filing of the variance application.

Example: If an approval allows four units to be constructed on a site that was zoned for two units, the fees could equal one and a half percent of the equalized assessed value on the first two units; and the specified higher percentage up to six percent of the equalized assessed value for the two additional units, provided zoning on the site has not changed during the two-year period preceding the filing of such a variance application.

b. Eligible Exactions, Ineligible Exactions and Exemptions for Residential Development.

1. Affordable housing developments, developments where the developer is providing for the construction of affordable units elsewhere in the municipality, and developments where the developer has made a payment in lieu of on-site construction of affordable units shall be exempt from development fees.
2. Developments that have received preliminary or final site plan approval prior to the adoption of a municipal development fee ordinance shall be exempt from development fees, unless the developer seeks a substantial change in the approval. Where a site plan approval does not apply, a zoning and/or building permit shall be synonymous with preliminary or final site plan approval for this purpose. The fee percentage shall be vested on the date that the building permit is issued.
3. Owner-occupied residential structures demolished and replaced as a result of a fire, flood, or natural disaster shall be exempt from paying a development fee.
4. Developers of new single-family detached dwelling units built on an infill lot or as part of a minor subdivision that does not involve the creation of more than one new lot shall be exempt from paying a development fee.
5. **Except as enumerated above, development fees shall be imposed and collected when an existing structure undergoes a change to a more intense use, or is demolished and replaced. The development fee shall be calculated on the increase in the equalized assessed value of the improved structure. However, improvements that increase the equalized assessed value less than \$20,000 shall be exempt from development fees.**

21-9A.5

Non-Residential Development Fees

a. Imposed Fees

1. Unless otherwise prohibited by law, within all zoning districts, non-residential developers, except for developers of the types of development specifically exempted, shall pay a fee equal to two and one-half (2.5%) percent of the equalized assessed value of the land and improvements, for all new non-residential construction on an unimproved lot or lots.
2. Non-residential developers, except for developers of the types of development specifically exempted, shall also pay a fee equal to two and one-half (2.5%) percent of the increase in equalized assessed value resulting from any additions to existing structures to be used for non-residential purposes.
3. Development fees shall be imposed and collected when an existing structure is demolished and replaced. The development fee of two and one-half (2.5%) percent shall be calculated on the difference between the equalized assessed value of the pre-existing land and improvement and the equalized assessed value of the newly improved structure, i.e. land and improvement, at the time final certificate of occupancy is issued. If the calculation required under this section results in a negative number, the non-residential development fee shall be zero.

b. Eligible Exactions, Ineligible Exactions and Exemptions for Non-Residential Development

1. The non-residential portion of a mixed-use inclusionary or market rate development shall be subject to the two and one-half (2.5%) percent development fee, unless otherwise exempted below.
2. The two and one-half (2.5%) percent fee shall not apply to an increase in equalized assessed value resulting from alterations, change in use within existing footprint, reconstruction, renovations and repairs.
3. Non-residential developments shall be exempt from the payment of non-residential development fees in accordance with the exemptions required pursuant to P.L.2008, c.46, as specified in the Form NRDF "State of New Jersey Non-Residential Development Certification/Exemption" Form. Any exemption claimed by a developer shall be substantiated by that developer.
4. A developer of a non-residential development exempted from the non-residential development fee pursuant to P.L.2008, c.46 shall be subject to it at such time as the basis for the exemption no longer applies, and shall make the payment of the non-residential development fee, in that event, within three years after that event or after the issuance of the final certificate of occupancy of the non-residential development, whichever is later.
5. If a property which was exempted from the collection of a non-residential development fee thereafter ceases to be exempt from property taxation, the owner of the property shall remit the fees required pursuant to this section within 45 days of the termination of the property tax exemption. Unpaid non-residential development fees under these circumstances may be enforceable by Ocean Township as a lien against the real property of the owner.

21-9A.6 Collection Procedures

- a. Upon the granting of a preliminary, final or other applicable approval, for a development, the applicable approving authority shall direct its staff to notify the Construction Official responsible for the issuance of a building permit.
- b. For nonresidential developments only, the developer shall also be provided with a copy of Form NRDF "State of New Jersey Non-Residential Development Certification/Exemption" to be completed as per the instructions provided. The developer of a nonresidential development shall complete Form N-RDF as per the instructions provided. The Construction Official shall verify the information submitted by the non-residential developer as per the instructions provided in the Form N-RDF. The Tax Assessor shall verify exemptions and prepare estimated and final assessments as per the instructions provided in Form N-RDF.

- c. The Construction Official responsible for the issuance of a building permit shall notify the local Tax Assessor of the issuance of the first building permit for a development which is subject to a development fee.
- d. Within 90 days of receipt of that notice, the municipal Tax Assessor, based on the plans filed, shall provide an estimate of the equalized assessed value of the development.
- e. The Construction Official responsible for the issuance of a final certificate of occupancy notifies the local Assessor of any and all requests for the scheduling of a final inspection on property which is subject to a development fee.
- f. Within 10 business days of a request for the scheduling of a final inspection, the municipal Assessor shall confirm or modify the previously estimated equalized assessed value of the improvements of the development; calculate the development fee; and thereafter notify the developer of the amount of the fee.
- g. Should Ocean Township fail to determine or notify the developer of the amount of the development fee within 10 business days of the request for final inspection, the developer may estimate the amount due and pay that estimated amount consistent with the dispute process set forth in subsection b. of section 37 of P.L.2008, c.46 (~~C.40:55D-8.6~~ N.J.S.A. 40:55D-8.6).
- h. Fifty (50%) percent of the development fee shall be collected at the time of issuance of the building permit. The remaining portion shall be collected at the issuance of the certificate of occupancy. The developer shall be responsible for paying the difference between the fee calculated at building permit and that determined at issuance of certificate of occupancy.
- i. Appeal of Development Fees
 1. A developer may challenge residential development fees imposed by filing a challenge with the County Board of Taxation. Pending a review and determination by the Board, collected fees shall be placed in an interest-bearing escrow account by Ocean Township. Appeals from a determination of the Board may be made to the tax court in accordance with the provisions of the State Tax Uniform Procedure Law, N.J.S.A. 54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.
 2. A developer may challenge non-residential development fees imposed by filing a challenge with the Director of the Division of Taxation. Pending a review and determination by the Director, which shall be made within 45 days of receipt of the challenge, collected fees shall be placed in an interest-bearing escrow account by Ocean Township. Appeals from a determination of the Director may be made to the tax court in accordance with the provisions of the State Tax Uniform Procedure Law, N.J.S.A. 54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.

21-9A.7 Affordable Housing Trust Fund

- a. ~~There is hereby created a~~ **A separate, interest-bearing Housing Trust Fund to has been established and will continue to** be maintained by the Chief Financial Officer for the purpose of depositing development fees collected from residential and non-residential developers and proceeds from the sale of units with extinguished controls.
- b. The following additional funds shall be deposited in the Affordable Housing Trust Fund and shall at all times be identifiable by source and amount:
 1. Payments in lieu of on-site construction of affordable units;
 2. Developer contributed funds to make ten (10%) percent of the adaptable entrances in a townhouse or other multi-story attached development accessible;

3. Rental income from municipally operated units;
 4. Repayments from affordable housing program loans;
 5. Recapture funds;
 6. Proceeds from the sale of affordable units; and
 7. Any other funds collected in connection with Ocean Township's affordable housing program.
- c. ~~Within seven days from the opening of the trust fund account,~~ Ocean Township shall provide **has previously provided** COAH with written authorization, in the form of a three-party escrow agreement between the municipality, ~~the bank,~~ **Investors Bank**, and COAH to permit COAH to direct the disbursement of the funds as provided for in ~~N.J.A.C. 5:97-8.13(b)~~ **N.J.A.C. 5:93-8**. **COAH approved the tri-party escrow agreement in 2015. The Superior Court shall now have such jurisdiction to direct the disbursement of the Township's trust funds per N.J.A.C. 5:93-8.**
- d. All interest accrued in the Housing Trust Fund shall only be used on eligible affordable housing activities approved by ~~COAH~~ **the Court**.

21-9A.8 Use of Funds

- a. The expenditure of all funds shall conform to a spending plan approved by ~~COAH~~ **the Court**. Funds deposited in the Housing Trust Fund may be used for any activity approved by ~~COAH~~ **the Court** to address Ocean Township's fair share obligation and may be set up as a grant or revolving loan program. Such activities include, but are not limited to: preservation or purchase of housing for the purpose of maintaining or implementing affordability controls, rehabilitation, new construction of affordable housing units and related costs, accessory apartment, market to affordable, or regional housing partnership programs, conversion of existing non-residential buildings to create new affordable units, green building strategies designed to be cost saving and in accordance with accepted national or state standards, purchase of land for affordable housing, improvement of land to be used for affordable housing, extensions or improvements of roads and infrastructure to affordable housing sites, financial assistance designed to increase affordability, administration necessary for implementation of the Housing Element and Fair Share Plan, or any other activity as permitted pursuant to ~~N.J.A.C. 5:97-8.7 through 8.9~~ **N.J.A.C. 5:93-8.16** and specified in the approved spending plan.
- b. Funds shall not be expended to reimburse Ocean Township for past housing activities.
- c. At least thirty (30%) percent of all development fees collected and interest earned shall be used to provide affordability assistance to low- and moderate-income households in affordable units included in the municipal Fair Share Plan. One-third (1/3) of the affordability assistance portion of development fees collected shall be used to provide affordability assistance to those households earning thirty (30%) percent or less of median income by region.
1. Affordability assistance programs may include down payment assistance, security deposit assistance, low interest loans, rental assistance, assistance with homeowners association or condominium fees and special assessments, and assistance with emergency repairs.
 2. Affordability assistance to households earning thirty (30%) percent or less of median income may include buying down the cost of low or moderate income units in the municipal Fair Share Plan to make them affordable to households earning thirty (30%) percent or less of median income.
 3. Payments in lieu of constructing affordable units on site and funds from the sale of units with extinguished controls shall be exempt from the affordability assistance requirement.

- d. Ocean Township may contract with a private or public entity to administer any part of its Housing Element and Fair Share Plan, including the requirement for affordability assistance, in accordance with N.J.A.C. 5:96-18 **N.J.A.C. 5:93-8.16**.
- e. No more than twenty (20%) percent of all revenues collected from development fees, may be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to develop or implement a new construction program, a Housing Element and Fair Share Plan, and/or an affirmative marketing program. In the case of a rehabilitation program, no more than twenty (20%) percent of the revenues collected from development fees shall be expended for such administrative expenses. Administrative funds may be used for income qualification of households, monitoring the turnover of sale and rental units, and compliance with COAH's monitoring requirements. Legal or other fees related to litigation opposing affordable housing sites or objecting to the Council's regulations and/or action are not eligible uses of the Affordable Housing Trust Fund.

21-9A.9 Monitoring

- ~~a. Ocean Township shall complete and return to COAH all monitoring forms included in monitoring requirements related to the collection of development fees from residential and non-residential developers, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, barrier free escrow funds, rental income, repayments from affordable housing program loans, and any other funds collected in connection with Ocean Township's housing program, as well as to the expenditure of revenues and implementation of the plan approved by the court. All monitoring reports shall be completed on forms designed by COAH.~~
- a. **On or about June 25 of each year through 2025, Ocean shall provide annual reporting of trust fund activity to the DCA, COAH, or NJLGS, or other entity designated by the State of New Jersey, with a copy provided to Fair Share Housing Center and posted on the municipal website, using forms developed for this purpose by the DCA, COAH, or NJLGS. This reporting shall include an accounting of all housing trust fund activity, including the collection of development fees from residential and nonresidential developers, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, barrier-free escrow funds, rental income, repayments from affordable housing program loans, and any other funds collected in connection with Ocean Township's housing program, as well as to the expenditure of revenues and implementation of the plan approved by the Court.**

21-9A.10 Ongoing Collection of Fees

- a. The ability for Ocean Township to impose, collect and expend development fees shall expire with its **Court-issued** judgment of compliance unless Ocean Township has filed an adopted Housing Element and Fair Share Plan with COAH or the Superior Court **or other appropriate jurisdiction**, has petitioned for substantive certification or filed a declaratory action, and has received COAH or a court's **the Court's** approval of its development fee ordinance. If Ocean Township fails to renew its ability to impose and collect development fees prior to the expiration of its judgment of compliance it may be subject to forfeiture of any or all funds remaining within its municipal trust fund. Any funds so forfeited shall be deposited into the "New Jersey Affordable Housing Trust Fund" established pursuant to section 20 of P.L.1985, c.222 (~~C-52:27D-320~~ **N.J.S.A. 52:27D-320**). Ocean Township shall not impose a residential development fee on a development that receives preliminary or final site plan approval after the expiration of its substantive certification or judgment of compliance, nor shall Ocean Township retroactively impose a development fee on such a development. Ocean Township shall not expend development fees after the expiration of its substantive certification or judgment of compliance.

21-9A.11 Non-Residential Fee Provisions

This ordinance and the provisions set forth in subsections 21-9A.1 through 21-9A.10 above are being adopted in accordance with Section 8 of P.L. 2008, c.46 (N.J.S.A. 52:27D-329.2(a)) and the policies, procedures and requirements of the New Jersey

Council on Affordable Housing ("COAH"). Pursuant to COAH's requirements for approval of a municipal development fee ordinance and the model ordinance promulgated by COAH, the Township is required to, and has, included provisions for the assessment and collection of non-residential development fees. Notwithstanding the inclusion of such provisions as required by COAH, the Township notes and acknowledges that recently there have been legislative enactments impacting upon the collection of nonresidential development fees, including but not limited to, Sections 32 through 38 of P.L. 2008, c. 46 (N.J.S.A. 40:55D-8.1 through 40:55D-8.7), known as the "Statewide NonResidential Development Fee Act," and Sections 36 through 41 of P.L. 2009, c. 90, known as the "Economic Stimulus Act of 2009." The Township shall continue to abide by the applicable law concerning the collection of non-residential development fees.

SECTION 2. Article III §21-9B, **Affordable Housing**, is hereby amended as follows:

21-9B.1 General Program Purposes, Procedures

a. Affordable Housing Obligation

1. This Section 21-9B of the Township's Comprehensive Land Development Ordinance sets forth regulations regarding the very low-, low- and moderate-income housing units in the Township consistent with the provisions known as the "Substantive Rules of the New Jersey Council on Affordable Housing", N.J.A.C. 5:93 et seq., the Uniform Housing Affordability Controls ("UHAC"), N.J.A.C. 5:80-26.1 et seq., and ~~the Township's constitutional obligation to provide a fair share of affordable housing for very low, low and moderate-income households as reflected in the NJ Fair Housing Act ("FHA") at N.J.S.A. 52:27D301. In addition, this section applies requirements for very low-income housing as established by an amendment to the FHA [P.L. 2008, c.46 (the "Roberts Bill")].~~ **except where modified by the requirements for very low-income housing as established in P.L. 2008, c.46 (the "Roberts Bill", codified at N.J.S.A. 52:27D-329.1) as reflected in the terms of a Settlement Agreement between the Township and Fair Share Housing Center ("FSHC") such that the statutory requirement to provide very low-income units equal to 13% of affordable units approved and constructed after July 17, 2008, to be affordable households at 30% of the regional median income, overrides the UHAC requirement that 10% of all low- and moderate-income units must be affordable at 35% of the regional median income, and the Township's constitutional obligation to provide a fair share of affordable housing for very-low-, low-, and moderate-income households.**
2. This section is intended to assure that very low-, low- and moderate-income units ("affordable units") are created with controls on affordability over time and that very low-, low- and moderate-income households shall occupy these units. This section shall apply ~~except where inconsistent with applicable law.~~ **to all inclusionary developments and 100% affordable developments (including those funded with low-income housing tax credit financing) except where inconsistent with applicable law.**
3. The Township of Ocean Planning Board has adopted a Housing Element and Fair Share Plan pursuant to the Municipal Land Use Law at N.J.S.A. 40:55D-1, et seq. The Plan has also been endorsed by the Township Council of the Township of Ocean. The Fair Share Plan describes the ways the Township shall address its fair share for low- and moderate-income housing as previously determined by the Council on Affordable Housing ("COAH"), to be determined by the Superior Court and documented in the Township's Housing Element and Fair Share Plan.
4. This section implements and incorporates the Fair Share Plan and addresses the requirements of N.J.A.C. 5:93, as may be amended and supplemented.
5. ~~The Township shall file monitoring reports with the NJ Superior Court, the Court's special master and COAH in accordance with N.J.A.C. 5:91, tracking the status of the implementation of the Housing Element and Fair Share Plan. Any plan evaluation report of the Housing Element and Fair Share Plan and~~

~~monitoring report prepared by the Court's special master shall be available to the public at the Township of Ocean Municipal Building 399 Monmouth Road, Oakhurst, New Jersey, or from the Township's webpage.~~

5. The Township of Ocean shall comply with the following monitoring and reporting requirements regarding the status of the implementation of its Court-approved Housing Element and Fair Share Plan:

- (a) Beginning on June 25, 2020, and on every anniversary of that date through June 25, 2025, the Township agrees to provide annual reporting of its Affordable Housing Trust Fund activity to the New Jersey Department of Community Affairs ("NJCA"), Council on Affordable Housing ("COAH"), or Local Government Services ("NJLGS"), or other entity designated by the State of New Jersey, with a copy provided to FSHC and posted on the municipal website, using forms developed for this purpose by the NJCA, COAH, or NJLGS. The reporting shall include an accounting of all Affordable Housing Trust Fund activity, including the source and amount of funds collected and the amount and purpose for which any funds have been expended.
- (b) Beginning on June 25, 2020, and on every anniversary of that date through June 25, 2025, the Township agrees to provide annual reporting of the status of all affordable housing activity within the municipality through posting on the municipal website with a copy of such posting provided to FSHC, using forms previously developed for this purpose by COAH or any other forms endorsed by the Special Master and FSHC.
- (c) By July 1, 2020, as required pursuant to N.J.S.A. 52:27D-313, the Township will post on its municipal website, with a copy provided to FSHC, a status report as to its implementation of its Plan and an analysis of whether any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity. Such posting shall invite any interested party to submit comments to the municipality, with a copy to FSHC, regarding whether any sites no longer present a realistic opportunity. Any interested party may by motion request a hearing before the Court regarding these issues.
- (d) By June 25, 2022, and every third year thereafter, as required by N.J.S.A. 52:27D-329.1, the Township will post on its municipal website, with a copy provided to FSHC, a status report as to its satisfaction of its very low income requirements, including its family very low income requirements. Such posting shall invite any interested party to submit comments to the municipality and FSHC on the issue of whether the municipality has complied with its very low income and family very low income housing obligations.

6. Applicability

- (a) The provisions of this section shall apply to all affordable housing developments and affordable housing units that currently exist and that are proposed to be created within the Township of Ocean pursuant to the Township's most recently adopted Housing Element and Fair Share Plan.
- (b) Moreover, this section shall apply to all developments that contain very low-, low- and moderate-income housing units, including any currently unanticipated future developments that will provide very-low, low- and moderate-income housing units.
- (c) Projects receiving Federal Low Income Housing Tax Credit financing shall comply with the income and bedroom distribution requirements of UHAC at N.J.A.C. 5:80-26.3 (with the exception that the UHAC requirement for 10% of the affordable units in rental projects being required to be at 35% of median income be modified as required by the statutory requirement, N.J.S.A. 52:27D-329.1 to 13% of affordable

units in such projects shall be required to be at 30% of median income) and the length of the affordability controls applicable to such projects shall be not less than a thirty (30) year compliance period plus a 15 year extended use period.

7. Township-wide Mandatory Set-Aside

- (a) A multi-family development providing a minimum of five (5) new housing units created through a municipal rezoning; Zoning Board use or density variance; redevelopment plan or rehabilitation plan that provide for densities at or above six (6) units per acre is required to include an affordable housing set-aside of 20% if the affordable units will be for-sale and 15% if the affordable units will be for rent.
 - (b) At least 50% of the affordable units in each development shall be affordable to low-income housing. At least 13% of all affordable units in rental developments shall be affordable to very-low-income households.
 - (c) All such affordable units, including bedroom distribution, shall be governed by the controls on affordability and affirmatively marketed in conformance with UHAC, N.J.A.C. 5:80-26.1 et seq., or any successor regulation, and all other applicable law.
 - (d) No subdivision shall be permitted or approved for the purpose of avoiding compliance with this requirement. Developers cannot, for example, subdivide a project into two lots and then make each of them a number of units just below the threshold.
 - (e) This requirement does not give any developer the right to any such rezoning, variance or other relief, or establish any obligation on the part of the Township of Ocean to grant such rezoning, variance or other relief.
 - (f) This Township-wide mandatory set-aside requirement does not apply to any sites or specific zones otherwise identified in the Township's Settlement Agreement with FSHC or Fair Share Plan, for which density and set-aside requirements shall be governed by the specific standards as set forth therein. The Township shall maintain this mandatory set-aside provision through at least July 7, 2025, at which time the Township may determine to extend the applicability of the provision.
- b. Definitions. As used herein in Sections 21-9A and 21-9B of this chapter, the following terms shall have the following meanings:

"Accessory apartment" shall mean a self-contained residential dwelling unit with a kitchen, sanitary facilities, sleeping quarters and a private entrance, which is created within an existing home, or through the conversion of an existing accessory structure on the same site, or by an addition to an existing home or accessory building, or by the construction of a new accessory structure on the same site.

"Act" shall mean the Fair Housing Act of 1985, P.L. 1985, c. 222 (N.J.S.A. 52:27D-301 et seq.).

"Adaptable" shall mean constructed in compliance with the technical design standards of the Barrier Free Subcode, N.J.A.C. 5:23-7.

"Administrative agent" shall mean the entity responsible for the administration of affordable units in accordance with this Section 219B, N.J.A.C. 5:91, N.J.A.C. 5:93 and N.J.A.C. 5:80-26.1 et seq.

"Affirmative marketing" shall mean a regional marketing strategy designed to attract buyers and/or renters of affordable units pursuant to N.J.A.C. 5:80-26.15.

"Affordability average" shall mean the average percentage of median income at which restricted units in an affordable housing development are affordable to low- and moderate-income households per N.J.A.C. 5:80-26.3.

"Affordable" shall mean a sales price or rent within the means of a low- or moderate-income household as defined in N.J.A.C. 5:93-7.4; in the case of an ownership unit, that the sales price for the unit conforms to the standards set forth in N.J.A.C. 5:80-26.6, as may be amended and supplemented, and, in the case of a rental unit, that the rent for the unit conforms to the standards set forth in N.J.A.C. 5:80-26.12, as may be amended and supplemented.

"Affordable development" shall mean a housing development all or a portion of which consists of restricted units.

"Affordable housing development" shall mean a development included in the Housing Element and Fair Share Plan, and includes, but is not limited to, an inclusionary development, a municipal construction project or a 100 percent affordable development.

"Affordable housing program(s)" shall mean any mechanism in a municipal Fair Share Plan prepared or implemented to address a municipality's fair share obligation.

"Affordable unit" shall mean a housing unit proposed or created pursuant to the Act, ~~credited pursuant to N.J.A.C. 5:93~~ **and approved for crediting by the Court**, and/or funded through an affordable housing trust fund.

"Agency" shall mean the New Jersey Housing and Mortgage Finance Agency established by P.L. 1983, c. 530 (N.J.S.A. 55:14K-1 et seq.).

"Age-restricted unit" shall mean a housing unit designed to meet the needs of, and exclusively for, the residents of an age-restricted segment of the population such that: 1) all the residents of the development where the unit is situated are 62 years or older; or 2) at least 80 percent of the units are occupied by one person that is 55 years or older; or 3) the development has been designated by the Secretary of the U.S. Department of Housing and Urban Development as "housing for older persons" as defined in Section 807(b)(2) of the Fair Housing Act, 42 U.S.C. § 3607.

"Alternative living arrangement" shall mean a structure in which households live in distinct bedrooms, yet share kitchen and plumbing facilities, central heat and common areas. Alternative living arrangement includes, but is not limited to: transitional facilities for the homeless, Class A, B, C, D, and E boarding homes as regulated by the New Jersey Department of Community Affairs; residential health care facilities as regulated by the New Jersey Department of Health; group homes for the developmentally disabled and mentally ill as licensed and/or regulated by the New Jersey Department of Human Services; and congregate living arrangements.

"Assisted living residence" shall mean a facility licensed by the New Jersey Department of Health and Senior Services to provide apartment-style housing and congregate dining and to assure that assisted living services are available when needed for 4 or more adult persons unrelated to the proprietor and that offers units containing, at a minimum, 1 unfurnished room, a private bathroom, a kitchenette and a lockable door on the unit entrance.

"Certified household" shall mean a household that has been certified by an Administrative Agent as a **very low-income household**, a low-income household or moderate-income household.

~~"COAH" shall mean the Council on Affordable Housing, which is in, but not of, the Department of Community Affairs of the State of New Jersey, that was established under the New Jersey Fair Housing Act (N.J.S.A. 52:27D-301 et seq.).~~

"COAH" of the "Council" shall mean the New Jersey Council on Affordable Housing, as established by the New Jersey Fair Housing Act (N.J.S.A. 52:27D-301, et seq.) which had primary jurisdiction for the administration of

housing obligations in accordance with sound regional planning consideration in the State.

"DCA" shall mean the State of New Jersey Department of Community Affairs.

"Deficient housing unit" shall mean a housing unit with health and safety code violations that require the repair or replacement of a major system. A major system includes weatherization, roofing, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems), lead paint abatement and/or load bearing structural systems.

"Developer" shall mean any person, partnership, association, company or corporation that is the legal or beneficial owner or owners of a lot or any land proposed to be included in a proposed development including the holder of an option to contract or purchase, or other person having an enforceable proprietary interest in such land.

"Development" shall mean the division of a parcel of land into 2 or more parcels, the construction, reconstruction, conversion, structural alteration, relocation, or enlargement of any use or change in the use of any building or other structure, or of any mining, excavation or landfill, and any use or change in the use of any building or other structure, or land or extension of use of land, for which permission may be required pursuant to N.J.S.A. 40:55D-1 *et seq.*

"Development fee" shall mean money paid by a developer for the improvement of property as permitted in N.J.A.C. 5:97-8.3.

"Equalized assessed value" shall mean the assessed value of a property divided by the current average ratio of assessed to true value for the municipality in which the property is situated, as determined in accordance with sections 1, 5, and 6 of P.L. 1973, c. 123 (C.54:1-35a through C.54:1-35c).

"Fair Share Plan" shall mean the plan that describes the mechanisms, strategies and the funding sources, if any, by which the Township proposes to address its affordable housing obligation as established in the Housing Element, including the draft ordinances necessary to implement that plan, and addresses the requirements of N.J.A.C. 5:93-5.

"Green building strategies" shall mean those strategies that minimize the impact of development on the environment, and enhance the health, safety and well-being of residents by producing durable, low-maintenance, resource-efficient housing while making optimum use of existing infrastructure and community services.

"Housing Element" shall mean the portion of the Township's Master Plan, required by the Municipal Land Use Law ("MLUL"), N.J.S.A. 40:55D-28b.(3) and the Act, that includes the information required by N.J.A.C. 5:93-5.1 and establishes the Township's fair share obligation.

"Inclusionary development" shall mean a development containing both affordable units and market rate units. This term includes, but is not necessarily limited to: new construction, the conversion of a non-residential structure to residential and the creation of new affordable units through the reconstruction of a vacant residential structure.

"Low-income household" shall mean a household with a total gross annual household income equal to 50% or less of the median **regional household income by household size.**

"Low-income unit" shall mean a restricted unit that is affordable to a low-income household.

"Major system" shall mean the primary structural, mechanical, plumbing, electrical, fire protection, or occupant service components of a building which include but are not limited to, weatherization, roofing, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems), lead paint abatement or load bearing structural systems.

"Market-rate units" shall mean housing not restricted to low- and moderate-income households that may sell or rent at any price.

~~"Median income" shall mean the median income by household size for the applicable county, as adopted annually by COAH or approved by the Superior Court.~~

"Median income" means the median income by household size for the applicable housing region, as adopted annually by the Township pursuant to this ordinance, by COAH or a successor entity approved by the Court.

"Moderate-income household" shall mean a household with a total gross annual household income in excess of 50% but less than 80% of the **regional** median household income **by household size**.

"Moderate-income unit" shall mean a restricted unit that is affordable to a moderate-income household.

"Non-exempt sale" shall mean any sale or transfer of ownership other than the transfer of ownership between husband and wife; the transfer of ownership between former spouses ordered as a result of a judicial decree of divorce or judicial separation, but not including sales to third parties; the transfer of ownership between family members as a result of inheritance; the transfer of ownership through an executor's deed to a class A beneficiary and the transfer of ownership by court order.

"Random selection process" shall mean a process by which currently income-eligible households are selected for placement in affordable housing units such that no preference is given to one applicant over another except for purposes of matching household income and size with an appropriately priced and sized affordable unit (e.g., by lottery).

~~"Regional asset limit" shall mean the maximum housing value in each housing region affordable to a four-person household with an income at 80% of the regional median as defined by adopted/approved Regional Income Limits.~~

"Regional asset limit" means the maximum housing value in each housing region affordable to a four-person household with an income at 80 percent of the regional median as defined by duly adopted Regional Income Limits published annually by COAH or a successor entity.

"Rehabilitation" shall mean the repair, renovation, alteration or reconstruction of any building or structure, pursuant to the Rehabilitation Subcode, N.J.A.C. 5:23-6.

"Rent" shall mean the gross monthly cost of a rental unit to the tenant, including the rent paid to the landlord, as well as an allowance for tenant-paid utilities computed in accordance with allowances published by DCA for its Section 8 program. In assisted living residences, rent does not include charges for food and services.

"Restricted unit" shall mean a dwelling unit, whether a rental unit or ownership unit, that is subject to the affordability controls of N.J.A.C. 5:80-26.1, as may be amended and supplemented, but does not include a market-rate unit financed under UHORP or MONI.

"Special master" shall mean an expert appointed by a judge to make sure that judicial orders are followed. A master's function is essentially investigative, compiling evidence or documents to inform some future action by the court.

"UHAC" shall mean the Uniform Housing Affordability Controls set forth in N.J.A.C. 5:80-26.1 et seq.

"Very low-income household" shall mean a household with a total gross annual household income equal to 30 percent or less of the **regional** median household income **by household size**.

“Very low-income unit” shall mean a restricted unit that is affordable to a very low-income household.

“Weatherization” shall mean building insulation (for attic, exterior walls and crawl space), siding to improve energy efficiency, replacement storm windows, replacement storm doors, replacement windows and replacement doors, and is considered a major system for **purposes of a rehabilitation program**.

c. New Construction. The following requirements shall apply to all new or planned developments that contain very low-, low- and moderate-income housing units.

1. Phasing. Final site plan or subdivision approval shall be contingent upon the affordable housing development meeting the following phasing schedule for very low-, low- and moderate-income units whether developed in a single-phase development or in a multi-phase development:

Maximum Percentage of Market-Rate Units Completed	Minimum Percentage of Low- and Moderate-Income Units Completed
25	0
25+1	10
50	50
75	75
90	100

2. Design

(a) In inclusionary developments, to the extent possible, low- and moderate-income units shall be integrated with the market units.

(b) In inclusionary developments, low- and moderate-income units shall have access to all of the same common elements and facilities as the market-rate units.

3. Payments-in-lieu and off-site construction. The standards for the collection of payments-in-lieu of constructing affordable units or standards for constructing affordable units off-site, shall be in accordance with N.J.A.C. 5:93-8.10(c).

4. Utilities. Affordable units shall utilize the same type of heating source as market units within the affordable development.

5. Low/Moderate Split and Bedroom Distribution of Affordable Housing Units:

(a) The fair share obligation shall be divided equally between low- and moderate- income units N.J.A.C. 5:93-2.20, except that where there is an odd number of affordable housing units, the extra unit shall be a low-income unit.

(b) In each affordable development, at least 50 percent of the restricted units shall be affordable to low-income households. Also, at least 50 percent of the restricted units within each bedroom distribution shall be low-income units.

(c) Within rental developments, of the total number of affordable rental units, at least 13 percent shall be affordable to very-low income households.

(d) Affordable developments that are not age-restricted shall be structured in conjunction with realistic market demands such that:

(1) The combined number of efficiency and one-bedroom units shall be no greater than 20 percent of the total low- and moderate-income units;

(2) At least 30 percent of all low- and moderate-income units shall be two bedroom units;

- (3) At least 20 percent of all low- and moderate-income units shall be three bedroom units; and
 - (4) The remaining affordable units may be allocated among 2 and 3 bedroom units at the discretion of the developer.
- (e) Affordable developments that are age-restricted shall be structured such that the number of bedrooms shall equal the number of age-restricted low- and moderate-income units within the inclusionary development. The standard may be met by having all one-bedroom units or by having a two-bedroom unit for each efficiency unit.

6. Accessibility Requirements:

- (a) The first floor of all restricted townhouse dwelling units and all restricted units in all other multistory buildings shall be subject to the technical design standards of the Barrier Free Subcode, N.J.A.C. 5:23-7 **and the following:**
- (b) All restricted townhouse dwelling units and all restricted units in other multistory buildings in which a restricted dwelling unit is attached to at least one other dwelling unit shall have the following features:
 - (1) An adaptable toilet and bathing facility on the first floor;
 - (2) An adaptable kitchen on the first floor;
 - (3) An interior accessible route of travel on the first floor;
 - ~~(4) An interior accessible route of travel shall not be required between stories within an individual unit;~~
 - (4) An adaptable room that can be used as a bedroom, with a door or the casing for the installation of a door, on the first floor; and
- (5) If not all of the foregoing requirements in b.1) through b.4) can be satisfied, then an interior accessible route of travel must be provided between stories within an individual unit, but if all of the terms of paragraphs b.1) through b.4) above have been satisfied, then an interior accessible route of travel shall not be required between stories within an individual unit; and**
- (6) An accessible entranceway as set forth at P.L. 2005, c. 350 (N.J.S.A. 52:27D-311a et seq.) and the Barrier Free Subcode, N.J.A.C. 5:23-7, or evidence that the Township has collected funds from the developer sufficient to make 10 percent of the adaptable entrances in the development accessible:
 - (i) Where a unit has been constructed with an adaptable entrance, upon the request of a disabled person who is purchasing or will reside in the dwelling unit, an accessible entrance shall be installed.
 - (ii) To this end, the builder of restricted units shall deposit funds within the Township of Ocean's affordable housing trust fund sufficient to install accessible entrances in 10 percent of the affordable units that have been constructed with adaptable entrances.
 - (iii) The funds deposited under paragraph 6(b)(6)(ii) herein, shall be used by the Township for the sole purpose of making the adaptable entrance of any affordable unit accessible when requested to do so by a person with a disability who occupies or intends to occupy the unit and requires an accessible entrance.
 - (iv) The developer of the restricted units shall submit a design plan and cost estimate for the conversion from adaptable to accessible entrances to the Construction Official of the Township of Ocean.

(v) Once the Construction Official has determined that the design plan to convert the unit entrances from adaptable to accessible meet the requirements of the Barrier Free Subcode, N.J.A.C. 5:23-7, and that the cost estimate of such conversion is reasonable, payment shall be made to the Township of Ocean's affordable housing trust fund in care of the Chief Financial Officer who shall ensure that the funds are deposited into the affordable housing trust fund and appropriately earmarked.

(vi) Full compliance with the foregoing provisions shall not be required where an entity can demonstrate that it is site impracticable to meet the requirements. Determinations of site impracticability shall be in compliance with the Barrier Free Subcode, N.J.A.C. 5:23-7.

7. Maximum Rents and Sales Prices. In conjunction with realistic market information, the following criteria shall be used in determining maximum rents and sale prices:

~~(a) In establishing rents and sales prices of affordable housing units, the administrative agent shall follow the procedures set forth in UHAC and by the Superior Court, utilizing the regional income limits established by the Court.~~

(a) In establishing rents and sales prices of affordable housing units, the Administrative Agent shall follow the procedures set forth in UHAC, utilizing the most recently published regional weighted average of the uncapped Section 8 income limits published by HUD and the calculation procedures as approved by the Court and detailed herein.

“Regional income units shall be established for the region that the Township is located within (i.e., Region 4) based on the median income by household size, which shall be established by a regional weighted average of the uncapped Section 8 income limits published by HUD. To compute this regional income limit, the HUD determination of median county income for a family of four is multiplied by the estimated households within the county according to the most recent decennial Census. The resulting product for each county within the housing region is summed. The sum is divided by the estimated total households from the most recent decennial Census in the Township's housing region. This quotient represents the regional weighted average of median income for a household of four. The income limit for a moderate-income unit for a household of four shall be 80 percent of the regional weighted average median income for a family of four. The income limit for a low-income unit for a household of four shall be 50 percent of the HUD determination of the regional weighted average median income for a family of four. The income limit for a very low income unit for a household of four shall be 30 percent of the regional weighted average median income for a family of four. These income limits shall be adjusted by household size based on multipliers used by HUD to adjust median income by household size. In no event shall the income limits be less than those for the previous year.”

(b) The maximum rent for restricted rental units within each affordable development shall be affordable to households earning no more than 60 percent of median income, and the average rent for restricted low- and moderate-income units shall be affordable to households earning no more than 52 percent of median income.

(c) The developers and/or municipal sponsors of restricted rental units shall establish at least one rent for each bedroom type for both low-income and moderate-income units.

(1) Very low-Income. At least 13 percent of all low- and moderate-income rental units shall be affordable to households earning no more than 30 percent of median income.

- (d) The maximum sales price of restricted ownership units within each affordable development shall be affordable to households earning no more than 70 percent of median income, and each affordable development must achieve an affordability average of 55 percent for restricted ownership units; in achieving this affordability average, moderate-income ownership units must be available for at least three different prices for each bedroom type, and low-income ownership units must be available for at least two different prices for each bedroom type.
- (e) In determining the initial sales prices and rents for compliance with the affordability average requirements for restricted units other than assisted living facilities, the following standards shall be met:
- (1) A studio or efficiency unit shall be affordable to a one-person household;
 - (2) A one-bedroom unit shall be affordable to a one and one-half person household;
 - (3) A two-bedroom unit shall be affordable to a three-person household;
 - (4) A three-bedroom unit shall be affordable to a four and one-half person household; and
 - (5) A four-bedroom unit shall be affordable to a six-person household.
- (f) In determining the initial **sales prices and** rents for compliance with the affordability average requirements for restricted units in assisted living facilities **and age-restricted developments**, the following standards shall be met:
- (1) A studio or efficiency unit shall be affordable to a one-person household;
 - (2) A one-bedroom unit shall be affordable to a one and one-half person household; and
 - (3) A two-bedroom unit shall be affordable to a two-person household or to two one-person households.
- (g) The initial purchase price for all restricted ownership units shall be calculated so that the monthly carrying cost of the unit, including principal and interest (based on a mortgage loan equal to 95 percent of the purchase price and the Federal Reserve H. 15 rate of interest), taxes, homeowner and private mortgage insurance and condominium or homeowner association fees do not exceed 28 percent of the eligible monthly income of the appropriate size household as determined under N.J.A.C. 5:80-26.4, as may be amended and supplemented; provided, however, that the price shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.3, as may be amended and supplemented.
- (h) The initial rent for a restricted rental unit shall be calculated so as not to exceed 30 percent of the eligible monthly income of the appropriate household size as determined under N.J.A.C. 5:80-26.4, as may be amended and supplemented; provided, however, that the rent shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.3, as may be amended and supplemented.
- (i) The price of owner-occupied low- and moderate-income units may increase annually based on the percentage increase in the regional median income limit for each housing region. In no event shall the maximum resale price established by the administrative agent be lower than the last recorded purchase price.
- (j) The rent of **very low-**, low- and moderate-income units may be increased annually based on the percentage increase in the Housing Consumer Price Index for the United States. This increase shall not exceed 9 percent in any one year. ~~Rents~~ **Rent increases** for units constructed pursuant to low-

income housing tax credit regulations shall be indexed pursuant to the regulations governing low- income housing tax credits.

(k) Tenant-paid utilities that are included in the utility allowance shall be so stated in the lease and shall be consistent with the utility allowance approved by DCA for its Section 8 program.

d. Condominium and Homeowners Association Fees

For any affordable housing unit that is part of a condominium association and/or homeowners association, the Master Deed shall reflect that the association fee assessed for each affordable housing unit shall be established at 100 percent of the market rate fee.

21-9B.2 Affordable Unit Controls and Requirements

a. Purpose

The requirements of this subsection 21-9B.2 apply to all developments that contain affordable housing units, including any currently unanticipated future developments that will provide low- and moderate- income housing units.

b. Affirmative Marketing

1. The Township shall adopt by resolution an Affirmative Marketing Plan, subject to approval of the Superior Court, compliant with N.J.A.C. 5:80-26.15, as may be amended and supplemented.
2. The affirmative marketing plan is a regional marketing strategy designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age or number of children to housing units which are being marketed by a developer, sponsor or owner of affordable housing. The affirmative marketing plan is also intended to target those potentially eligible persons who are least likely to apply for affordable units in that region. It is a continuing program that directs all marketing activities toward COAH Housing Region ~~3~~ **Region 4** and ~~covers~~ **is required to be followed throughout** the period of deed restriction.
3. The affirmative marketing plan shall provide a regional preference for all households that live and/or work in COAH Housing Region 4, comprised of Mercer, Monmouth and Ocean counties.
4. **The municipality has the ultimate responsibility for adopting the affirmative marketing plan and for the proper administration of the affirmative marketing program, including initial sales and rentals and resales and rerentals.** The Administrative Agent designated by the Township shall assure the affirmative marketing of all affordable units is consistent with the affirmative marketing plan for the municipality.
5. In implementing the affirmative marketing plan, the Administrative Agent shall provide a list of counseling services to low- and moderate-income applicants on subjects such as budgeting, credit issues, mortgage qualification, rental lease requirements, and landlord/tenant law.
6. The affirmative marketing process for available affordable units shall begin at least 4 months **(120 days)** prior to the expected date of occupancy.
7. The costs of advertising and affirmative marketing of the affordable units shall be the responsibility of the developer, sponsor or owner, unless otherwise determined or agreed to by the Township of Ocean.
8. **Applications for affordable housing shall be available in several locations, including, at a minimum, the County Administration Building and/or the County Library for each county within the housing region; the municipal administration building and the municipal library in the**

municipality in which the units are located; and the developer's rental office. Applications shall be mailed to prospective applicants upon request.

9. In addition to other affirmative marketing strategies, the Administrative Agent shall provide specific notice of the availability of affordable housing units in Ocean Township, and copies of the application forms, to the following entities: Fair Share Housing Center, the New Jersey State Conference of the NAACP, the Latino Action Network, STEPS, OCEAN, Inc., the Greater Red Bank, Asbury Park/Neptune, Bayshore, Greater Freehold, Greater Long Branch, and Trenton Branches of the NAACP, and the Supportive Housing Association.

c. Occupancy Standards

1. In referring certified households to specific restricted units, to the extent feasible, and without causing an undue delay in occupying the unit, the Administrative Agent shall strive to:
 - (a) Provide an occupant for each bedroom;
 - (b) Provide children of different sex with separate bedrooms; and
 - (c) Prevent more than 2 persons from occupying a single bedroom; and
 - (d) **Provide separate bedrooms for parents and children.**
2. Additional provisions related to occupancy standards (if any) shall be provided in the municipal Operating Manual.

d. Selection of Occupants of Affordable Housing Units

1. The Administrative Agent shall use a random selection process to select occupants of low- and moderate- income housing.
2. A waiting list of all eligible candidates will be maintained in accordance with the provisions of N.J.A.C. 5:80-26.1 et seq.

e. Control Periods for Restricted Ownership Units and Enforcement Mechanisms

- ~~1. Control periods for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.5, and each restricted ownership unit shall remain subject to the controls on affordability for a period of at least 30 years.~~
- ~~2. Rehabilitated owner-occupied single family housing units that are improved to code standards shall be subject to affordability controls for a period of 10 years.~~
- ~~3. The affordability control period for a restricted ownership unit shall commence on the date the initial certified household takes title to the unit.~~
- ~~4. The affordability controls set forth in this section shall remain in effect despite the entry and enforcement of any judgment of foreclosure with respect to restricted ownership units.~~
- ~~5. A restricted ownership unit shall be required to obtain a Continuing Certificate of Occupancy or a certified statement from the Construction Official stating that the unit meets all code standards upon the first transfer of title that follows the expiration of the applicable minimum control period provided under N.J.A.C. 5:80-26.5(a), as may be amended and supplemented.~~

1. **Control periods for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.5, as may be amended and supplemented, and each restricted ownership unit shall remain subject to the requirements of this ordinance for a period of at least thirty (30) years, until Ocean Township takes action to release the unit from such requirements; prior to such action, a restricted ownership unit must remain subject to the**

requirements of N.J.A.C. 5:80-26.1, as may be amended and supplemented.

2. The affordability control period for a restricted ownership unit shall commence on the date the initial certified household takes title to the unit.
 3. Prior to the issuance of the initial certificate of occupancy for a restricted ownership unit and upon each successive sale during the period of restricted ownership, the Administrative Agent shall determine the restricted price for the unit and shall also determine the non-restricted, fair market value of the unit based on either an appraisal or the unit's equalized assessed value without the restrictions in place.
 4. At the time of the initial sale of the unit, the initial purchaser shall execute and deliver to the Administrative Agent a recapture note obligating the purchaser (as well as the purchaser's heirs, successors and assigns) to repay, upon the first non-exempt sale after the unit's release from the restrictions set forth in this ordinance, an amount equal to the difference between the unit's non-restricted fair market value and its restricted price, and the recapture note shall be secured by a recapture lien evidenced by a duly recorded mortgage on the unit.
 5. The affordability controls set forth in this ordinance shall remain in effect despite the entry and enforcement of any judgment of foreclosure with respect to restricted ownership units.
 6. A restricted ownership unit shall be required to obtain a Continuing Certificate of Occupancy or a certified statement from the Construction Official stating that the unit meets all Code standards upon the first transfer of title following the removal of the restrictions provided under N.J.A.C. 5:80-26.5(a), as may be amended and supplemented.
- f. Price Restrictions for Restricted Ownership Units, Homeowner Association Fees and Resale Prices.

Price restrictions for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.1, as may be amended and supplemented, including:

1. The initial purchase price for a restricted ownership unit shall be approved by the Administrative Agent.
2. The Administrative Agent shall approve all resale prices, in writing and in advance of the resale, to assure compliance with the foregoing standards.
3. The method used to determine the condominium association fee amounts and special assessments shall be indistinguishable between the low- and moderate-income unit owners and the market unit owners.
4. The owners of restricted ownership units may apply to the Administrative Agent to increase the maximum sales price for the unit on the basis of capital improvements. Eligible capital improvements shall be those that render the unit suitable for a larger household or the addition of a bathroom. **In no event shall the maximum sales price of an improved housing unit exceed the limits of affordability for the larger household.**
5. Upon the resale of a restricted ownership unit, all items of property that are permanently affixed to the unit or were included when the unit was initially restricted (for example, refrigerator, range, washer, dryer, dishwasher, wall-to-wall carpeting) shall be included in the maximum allowable resale price. Other items may be sold to the purchaser at a reasonable price that has been approved by the Administrative Agent at the time of the signing of the agreement to purchase. The purchase of central air conditioning installed subsequent to the initial sale of the unit and not included in the base price may be made a condition of the unit resale provided the price, which shall be subject to 10-year, straight-line depreciation, has been approved by the Administrative Agent. Unless otherwise approved by the Administrative Agent, the purchase of any

property other than central air conditioning shall not be made a condition of the unit resale. The owner and the purchaser must personally certify at the time of closing that no unapproved transfer of funds for the purpose of selling and receiving property has taken place at the time of or as a condition of resale.

g. Buyer Income Eligibility

1. Buyer income eligibility for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.1, as may be amended and supplemented, such that low-income ownership units shall be reserved for households with a gross household income less than or equal to 50 percent of median income and moderate-income ownership units shall be reserved for households with a gross household income less than 80 percent of median income.
2. The Administrative Agent shall certify a household as eligible for a restricted ownership unit when the household is a low-income household or a moderate-income household, as applicable to the unit, and the estimated monthly housing cost for the particular unit (including principal, interest, taxes, homeowner and private mortgage insurance and condominium or homeowner association fees, as applicable) does not exceed 33 percent of the household's certified monthly income.
3. **Notwithstanding the foregoing, the Administrative Agent may, upon approval by the Township Committee, and subject to the Court's approval, permit a moderate-income purchaser to buy a low-income unit if and only if the Administrative Agent can demonstrate that there is an insufficient number of eligible low-income purchasers in the housing region to permit prompt occupancy of the unit and all other reasonable efforts to attract a low income purchaser, including pricing and financing incentives, have failed. Any such low-income unit that is sold to a moderate-income household shall retain the required pricing and pricing restrictions for a low-income unit.**
4. **A certified household that purchases a restricted ownership unit must occupy it as the certified household's principal residence and shall not lease the unit; provided, however, that the Administrative Agent may permit the owner of a restricted ownership unit, upon application and a showing of hardship, to lease the restricted unit to another certified household for a period not to exceed one year.**

h. Limitations on Indebtedness Secured by Ownership Unit; Subordination

1. Prior to incurring any indebtedness to be secured by a restricted ownership unit, the administrative agent shall determine in writing that the proposed indebtedness complies with the provisions of this section, **and the Administrative Agent shall issue such determination prior to the owner incurring such indebtedness.**
2. With the exception of original purchase money mortgages, during a control period neither an owner nor a lender shall at any time cause or permit the total indebtedness secured by a restricted ownership unit to exceed 95 percent of the maximum allowable resale price of that unit, as such price is determined by the administrative agent in accordance with N.J.A.C. 5:80-26.6(b).

i. Control Periods for Restricted Rental Units

- ~~1. Control periods for restricted rental units shall be in accordance with N.J.A.C. 5:80-26.11, and each restricted rental unit shall remain subject to the controls on affordability for a period of at least 30 years.~~
1. **Control periods for restricted rental units shall be in accordance with N.J.A.C. 5:80-26.11, as may be amended and supplemented, and each restricted rental unit shall remain subject to the requirements of this ordinance for a period of at least 30 years, until Ocean Township takes action to release the unit from such requirements. Prior to such action,**

a restricted rental unit must remain subject to the requirements of N.J.A.C. 5:80-26.1, as may be amended and supplemented.

2. Rehabilitated renter-occupied housing units that are improved to code standards shall be subject to affordability controls for a period of 10 years.
3. Deeds of all real property that include restricted rental units shall contain deed restriction language. The deed restriction shall have priority over all mortgages on the property, and the deed restriction shall be filed by the developer or seller with the records office of the County of Monmouth. A copy of the filed document shall be provided to the Administrative Agent within 30 days of the receipt of a Certificate of Occupancy.
4. A restricted rental unit shall remain subject to the affordability controls of this section, despite the occurrence of any of the following events:
 - (a) Sublease or assignment of the lease of the unit;
 - (b) Sale or other voluntary transfer of the ownership of the unit; or
 - (c) The entry and enforcement of any judgment of foreclosure **on the property containing the unit.**

j. **Price Rent Restrictions for Rental Units; Leases**

1. A written lease shall be required for all restricted rental units, except for units in an assisted living residence, and tenants shall be responsible for security deposits and the full amount of the rent as stated on the lease. A copy of the current lease for each restricted rental unit shall be provided to the Administrative Agent.
2. No additional fees or charges shall be added to the approved rent (except, in the case of units in an assisted living residence, to cover the customary charges for food and services) without the express written approval of the Administrative Agent.
3. Application fees (including the charge for any credit check) shall not exceed 5 percent of the monthly rent of the applicable restricted unit and shall be payable to the Administrative Agent to be applied to the costs of administering the controls applicable to the unit as set forth in this section.
4. **No rent control ordinance or other pricing restriction shall be applicable to either the market units or the affordable units in any development in which at least 15% of the total number of dwelling units are restricted rental units in compliance with this ordinance.**

k. **Tenant Income Eligibility**

1. Tenant income eligibility shall be in accordance with N.J.A.C. 5:80-26.13, as may be amended and supplemented, and shall be determined as follows:
 - (a) Very low-income rental units shall be reserved for households with a gross household income less than or equal to 30 percent of **regional** median income **by household size**.
 - (b) Low-income rental units shall be reserved for households with a gross household income less than or equal to 50 percent of **regional** median income **by household size**.
 - (c) Moderate-income rental units shall be reserved for households with a gross household income less than 80 percent of **regional** median income **by household size**.
2. The Administrative Agent shall certify a household as eligible for a restricted rental unit when the household is a very low-income, low-income household or a moderate-income household, as applicable to the unit, and the rent proposed for the unit does not exceed 35 percent (40 percent for age-restricted units) of

the household's eligible monthly income as determined pursuant to N.J.A.C. 5:80-26.16, as may be amended and supplemented; provided, however, that this limit may be exceeded if one or more of the following circumstances exists:

- (a) The household currently pays more than 35 percent (40 percent for households eligible for age-restricted units) of its gross household income for rent, and the proposed rent will reduce its housing costs;
 - (b) The household has consistently paid more than 35 percent (40 percent for households eligible for age-restricted units) of eligible monthly income for rent in the past and has proven its ability to pay;
 - (c) The household is currently in substandard or overcrowded living conditions;
 - (d) The household documents the existence of assets with which the household proposes to supplement the rent payments; or
 - (e) The household documents ~~proposed~~ **reliable anticipated** third-party assistance from an outside source such as a family member in a form acceptable to the Administrative Agent and the owner of the unit.
3. The applicant shall file documentation sufficient to establish the existence of the circumstances in paragraphs k.2(a) through k.2(e) above with the Administrative Agent, who shall counsel the household on budgeting.
- i. Conversions. Each housing unit created through the conversion of a non-residential structure shall be considered a new housing unit and shall be subject to the affordability controls for a new housing unit.

m. Alternative Living Arrangements

1. **The administration of an alternative living arrangement shall be in compliance with N.J.A.C. 5:93-5.8 and UHAC, with the following exceptions:**
 - (a) **Affirmative marketing (N.J.A.C. 5:80-26.15), provided, however, that the units or bedrooms may be affirmatively marketed by the provider in accordance with an alternative plan approved by the Court;**
 - a. **Affordability average and bedroom distribution (N.J.A.C. 5:80-26.3).**
2. **With the exception of units established with capital funding through a 20-year operating contract with the Department of Human Services, Division of Developmental Disabilities, alternative living arrangements shall have at least 30-year controls on affordability in accordance with UHAC, unless an alternative commitment is approved by the Court.**
3. **The service provider for the alternative living arrangement shall act as the Administrative Agent for the purposes of administering the affirmative marketing and affordability requirements for the alternative living arrangement.**

21-9B.3 Administration

- a. **Unnecessary Cost-Generating Features.** Section 14(b) of the Fair Housing Act, N.J.S.A. 52:270-301 et seq. incorporates the need to eliminate unnecessary cost-generating features from Ocean Township's land use ordinances. Accordingly, the Township will eliminate development standards that are not essential to protect the public welfare and to expedite or fast-track municipal approvals/denials on inclusionary development applications. Ocean Township will adhere to the components of N.J.A.C. 5:93-10.1 - 10.3.
- b. **Municipal Housing Liaison**
 1. ~~The position of Municipal Housing Liaison for the Township of Ocean is hereby established.~~ **The Township shall appoint a Municipal Housing Liaison shall**

~~be appointed~~ by duly adopted resolution of the Township Council, and ~~be~~ subject to the approval by the Superior Court.

2. The Municipal Housing Liaison must be either a full-time or part-time employee of the Township of Ocean.
3. The Municipal Housing Liaison must meet the requirements for qualifications, including initial and periodic training found in N.J.A.C. 5:93.
4. The Municipal Housing Liaison shall be responsible for oversight and administration of the affordable housing program for the Township of Ocean, including the following responsibilities which may not be contracted out to the Administrative Agent:
 - (a) Serving as the municipality's primary point of contact for all inquiries from the State, affordable housing providers, Administrative Agents and interested households;
 - (b) The implementation of the Affirmative Marketing Plan and affordability controls;
 - (c) When applicable, supervising any contracting Administrative Agent;
 - (d) Monitoring the status of all restricted units in the Township of Ocean's Fair Share Plan;
 - (e) Compiling, verifying and submitting annual reports as required by GOAH ~~or the NJ Superior Court~~ **and this ordinance**;
 - (f) Coordinating meetings with affordable housing providers and Administrative Agents, as applicable; and
 - (g) Attending continuing education opportunities on affordability controls, compliance monitoring and affirmative marketing as offered or approved by the Superior Court.

c. Administrative Agent

1. The Township shall designate by resolution of the Township Council, subject to the approval of GOAH ~~the Court~~, one or more Administrative Agents to administer **and to affirmatively market the** newly-constructed affordable units in accordance with N.J.A.C. 5:93, and UHAC ~~and this ordinance~~.
2. An Operating Manual **for each program** shall be provided by the Administrative Agent(s) to be adopted by resolution of the Governing Body and subject to approval of the Superior Court. The Operating Manuals shall be available for public inspection in the Office of the Municipal Clerk, **the Municipal Housing Liaison**, and in the office(s) of the Administrative Agent(s).
3. The Administrative Agent(s) shall perform the duties and responsibilities of an administrative agent as are set forth in UHAC and which are described in full detail in the Operating Manual, including those set forth in N.J.A.C. 5:80-26.14, 16 and 18 thereof, which includes:
 - (a) Attending continuing education opportunities on affordability controls, compliance monitoring, and affirmative marketing ~~as offered or approved by the Superior Court~~ **at least annually and more often as needed**.
 - (b) Affirmative marketing:
 - (1) **Conducting an outreach process to affirmatively market affordable housing units in accordance with the Affirmative Marketing Plan of the Township of Ocean and the provisions of N.J.A.C. 5:80-26.15; and**
 - (2) **Providing counseling or contracting to provide counseling services to low- and moderate-income applicants on subjects such**

as budgeting, credit issues, mortgage qualification, rental lease requirements, and landlord/tenant law.

(c) Household certification:

- (1) Soliciting, scheduling, conducting and following up on interviews with interested households;
- (2) Conducting interviews and obtaining sufficient documentation of gross income and assets upon which to base a determination of income eligibility for a low- or moderate-income unit;
- (3) Providing written notification to each applicant as to the determination of eligibility or non-eligibility;
- (4) Requiring that all certified applicants for restricted units execute a certificate substantially in the form, as applicable, of either the ownership or rental certificates set forth in Appendices J and K of N.J.A.C. 5:80-26.1 et seq.;
- (5) Creating and maintaining a referral list of eligible applicant households living in the housing region and eligible applicant households with members working in the housing region where the units are located; and
- (6) Employing a random selection process as provided in the Affirmative Marketing Plan of the Township of Ocean when referring households for certification to affordable units.

(d) Affordability controls:

- (1) Furnishing to attorneys or closing agents forms of deed restrictions and mortgages for recording at the time of conveyance of title of each restricted unit;
- (2) Creating and maintaining a file on each restricted unit for its control period, including the recorded deed with restrictions, recorded mortgage and note, as appropriate;
- (3) Ensuring that the removal of the deed restrictions and cancellation of the mortgage note are effectuated and properly filed with the Somerset County Register of Deeds or Somerset County Clerk's office after the termination of the affordability controls for each restricted unit;
- (4) Communicating with lenders regarding foreclosures; and
- (5) Ensuring the issuance of Continuing Certificates of Occupancy or certifications pursuant to N.J.A.C. 5:80-26.10.

(e) Records retention;

(f) Resale and re-rental:

- (1) Instituting and maintaining an effective means of communicating information between owners and the Administrative Agent regarding the availability of restricted units for resale or re-rental; and
- (2) Instituting and maintaining an effective means of communicating information to low- (or very low-) and moderate-income households regarding the availability of restricted units for resale or re-rental.

(g) Processing requests from unit owners; and:

- (1) Reviewing and approving requests for determination from owners of restricted units who wish to take out home equity loans or refinance during the term of their ownership that the amount of indebtedness to be incurred will not violate the terms of this ordinance;
 - (2) Reviewing and approving requests to increase sales prices from owners of restricted units who wish to make capital improvements to the units that would affect the selling price, such authorizations to be limited to those improvements resulting in additional bedrooms or bathrooms and the depreciated cost of central air conditioning systems;
 - (3) Notifying the municipality of an owner's intent to sell a restricted unit; and
 - (4) Making determinations on requests by owners of restricted units for hardship waivers.
- (h) Enforcement, although the ultimate responsibility for retaining controls on the units rests with the municipality:
- (1) Securing annually from the municipality a list of all affordable housing units for which tax bills are mailed to absentee owners, and notifying all such owners that they must either move back to their unit or sell it;
 - (2) Securing from all developers and sponsors of restricted units, at the earliest point of contact in the processing of the project or development, written acknowledgement of the requirement that no restricted unit can be offered, or in any other way committed, to any person, other than a household duly certified to the unit by the Administrative Agent;
 - (3) Posting annually, in all rental properties (including two-family homes), a notice as to the maximum permitted rent together with the telephone number of the Administrative Agent where complaints of excess rent or other charges can be made;
 - (4) Sending annual mailings to all owners of affordable dwelling units, reminding them of the notices and requirements outlined in N.J.A.C. 5:80-26.18(d)4;
 - (5) Establishing a program for diverting unlawful rent payments to the municipality's Affordable Housing Trust Fund; and
 - (6) Creating and publishing a written operating manual for each affordable housing program administered by the Administrative Agent, to be approved by the Township Committee and the Court, setting forth procedures for administering the affordability controls.
- ~~(i) The Administrative Agent shall, as delegated by the Township Council, have the authority to take all actions necessary and appropriate to carry out its responsibilities, hereunder.~~
- (i) Preparation of monitoring reports for submission to the Municipal Housing Liaison in time to meet the Court-approved monitoring and reporting requirements in accordance with the deadlines set forth in this ordinance; and
 - (j) The Administrative Agent shall, as delegated by the Township Council, have the authority to take all actions necessary and appropriate to carry out its responsibilities, hereunder.

d. Enforcement of Affordable Housing Regulations

1. Upon the occurrence of a breach of any of the regulations governing the affordable unit by an Owner, Developer or Tenant, the municipality shall have all remedies provided at law or equity, including but not limited to foreclosure, tenant eviction, municipal fines, a requirement for household recertification, acceleration of all sums due under a mortgage, recoupment of any funds from a sale in the violation of the regulations, injunctive relief to prevent further violation of the regulations, entry on the premises, and specific performance.
2. After providing written notice of a violation to an Owner, Developer or Tenant of a low- or moderate-income unit and advising the Owner, Developer or Tenant of the penalties for such violations, the municipality may take the following action against the Owner, Developer or Tenant for any violation that remains uncured for a period of 60 days after service of the written notice:
 - (a) The municipality may file a court action pursuant to N.J.S.A. 2A:58-11 alleging a violation, or violations, of the regulations governing the affordable housing unit. If the Owner, Developer or Tenant is found by the court to have violated any provision of the regulations governing affordable housing units the Owner, Developer or Tenant shall be subject to one or more of the following penalties, at the discretion of the court:
 - (1) A fine of not more than five hundred (\$500.00) dollars or imprisonment for a period not to exceed 90 days, or both. Each and every day that the violation continues or exists shall be considered a separate and specific violation of these provisions and not as a continuing offense;
 - (2) In the case of an Owner who has rented his or her low- or moderate-income unit in violation of the regulations governing affordable housing units, payment into the Township of Ocean Affordable Housing Trust Fund of the gross amount of rent illegally collected;
 - (3) In the case of an Owner who has rented his or her low- or moderate-income unit in violation of the regulations governing affordable housing units, payment of an innocent tenant's reasonable relocation costs, as determined by the court.
 - (b) The municipality may file a court action in the Superior Court seeking a judgment, which would result in the termination of the Owner's equity or other interest in the unit, in the nature of a mortgage foreclosure. Any judgment shall be enforceable as if the same were a judgment of default of the First Purchase Money Mortgage and shall constitute a lien against the low- and moderate-income unit.
3. Such judgment shall be enforceable, at the option of the municipality, by means of an execution sale by the Sheriff, at which time the low- and moderate-income unit of the violating Owner shall be sold at a sale price which is not less than the amount necessary to fully satisfy and pay off any First Purchase Money Mortgage and prior liens and the costs of the enforcement proceedings incurred by the municipality, including attorney's fees. The violating Owner shall have the right to possession terminated as well as the title conveyed pursuant to the Sheriff's sale.
4. The proceeds of the Sheriff's sale shall first be applied to satisfy the First Purchase Money Mortgage lien and any prior liens upon the low- and moderate-income unit. The excess, if any, shall be applied to reimburse the municipality for any and all costs and expenses incurred in connection with either the court action resulting in the judgment of violation or the Sheriff's sale. In the event that the proceeds from the Sheriff's sale are insufficient to reimburse the municipality in full as aforesaid, the violating Owner shall be personally responsible for and to the extent of such deficiency, in addition to any and all costs incurred by the municipality in connection with collecting such deficiency. In the event that a surplus remains after satisfying all of the above, such surplus, if any, shall be placed in escrow by the municipality for the Owner and shall be held in such escrow for a maximum period of two years or until such earlier time as the Owner shall make a claim with the municipality for such. Failure of the Owner to claim such balance within the two-year period shall

automatically result in a forfeiture of such balance to the municipality. Any interest accrued or earned on such balance while being held in escrow shall belong to and shall be paid to the municipality, whether such balance shall be paid to the Owner or forfeited to the municipality.

5. Foreclosure by the municipality due to violation of the regulations governing affordable housing units shall not extinguish the restrictions of the regulations governing affordable housing units as the same apply to the low- and moderate-income unit. Title shall be conveyed to the purchaser at the Sheriff's sale, subject to the restrictions and provisions of the regulations governing the affordable housing unit. The Owner determined to be in violation of the provisions of this plan and from whom title and possession were taken by means of the Sheriff's sale shall not be entitled to any right of redemption.
 6. If there are no bidders at the Sheriff's sale, or if insufficient amounts are bid to satisfy the First Purchase Money Mortgage and any prior liens, the municipality may acquire title to the low- and moderate-income unit by satisfying the First Purchase Money Mortgage and any prior liens and crediting the violating owner with an amount equal to the difference between the First Purchase Money Mortgage and any prior liens and costs of the enforcement proceedings, including legal fees and the maximum resale price for which the low- and moderate-income unit could have been sold under the terms of the regulations governing affordable housing units. This excess shall be treated in the same manner as the excess which would have been realized from an actual sale as previously described.
 7. Failure of the low- and moderate-income unit to be either sold at the Sheriff's sale or acquired by the municipality shall obligate the Owner to accept an offer to purchase from any qualified purchaser which may be referred to the Owner by the municipality, with such offer to purchase being equal to the maximum resale price of the low- and moderate-income unit as permitted by the regulations governing affordable housing units.
 8. The Owner shall remain fully obligated, responsible and liable for complying with the terms and restrictions of governing affordable housing units until such time as title is conveyed from the Owner.
- e. Appeals. Appeals from all decisions of an Administrative Agent designated pursuant to this section shall be filed in writing to the Township.

SECTION 3. Repealer. All ordinances or parts of ordinances inconsistent herewith are repealed as to such inconsistencies.

SECTION 4. Severability. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

SECTION 5. Except as amended hereinabove, all other provisions of Chapter XXI, Article III of the Township Revised General Ordinances shall remain in full force and effect.

SECTION 6. Effective Date. This ordinance shall take effect upon passage and publication as provided by law.

Record of Vote	Deputy Mayor Napolitani	Councilman Acerra	Councilwoman Donlon	Councilman Fisher	Mayor Siciliano
Motion to Approve			X		
Motion to Second		X			
Approved	X	X	X	X	X
Opposed					
Not Voting/ Recused					
Absent/Excused					

Introduced: January 8, 2020

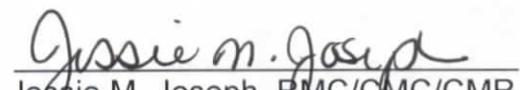
Adopted: January 30, 2020

CERTIFICATION

*I hereby certify that this is a true copy of a Ordinance adopted by the Township of Ocean Governing Body at their meeting held on **January 30, 2020.***



Christopher P. Siciliano, Mayor



Jessie M. Joseph, RMC/CMC/CMR
Deputy Township Clerk

APPENDIX O

Resolution Appointing Municipal Housing Liaison

**RESOLUTION
APPOINTING A MUNICIPAL HOUSING LIAISON**

WHEREAS, on April 5, 2019, the Superior Court ("Court") held a fairness hearing and on June 25, 2019 approved the Settlement Agreement between the Township of Ocean ("Township") and Fair Share Housing Center ("FSHC"), which included the Township's Third Round fair share obligation and preliminary compliance measures; and

WHEREAS, the Township will be filing with the Court a Housing Element and Fair Share Plan in order to secure a Judgment of Compliance and Repose approving said Plan to protect the Township from any Mount Laurel lawsuits; and

WHEREAS, pursuant to N.J.A.C. 5:93 and N.J.A.C. 5:80-26.1 et seq., the Township of Ocean is required to appoint a Municipal Housing Liaison for the administration of the Township's affordable housing program to enforce the requirements of N.J.A.C. 5:93 and N.J.A.C. 5:80-26.1 et seq.; and

WHEREAS, Chapter XXI, Article III, Section 21-9B.3.b of the Township's Land Use Ordinance, "Municipal Housing Liaison," adopted on October 13, 2016 by Ordinance No. 2281, provides for the appointment of a Municipal Housing Liaison to administer the Township's affordable housing program.

NOW THEREFORE BE IT RESOLVED, by the Governing Body of Ocean Township in the County of Monmouth, state of New Jersey, that Ronald J. Kirk, the Director of Community Development for the Township, is hereby appointed by the Mayor and Township Council of Ocean Township as the Municipal Housing Liaison for the administration of the Township's affordable housing program, pursuant to and in accordance with Chapter XXI, Article III, Section 21-9B.3.b of the Township's Land Use Ordinance.

BE IT FURTHER RESOLVED that a certified copy of this resolution be forwarded to:

1. Township Manager
2. Director of Community Development

Record of Vote	Deputy Mayor Napolitani	Councilman Acerra	Councilwoman Donlon	Councilman Fisher	Mayor Siciliano
Motion to Approve	X				
Motion to Second			X		
Approved	X	X	X	X	X
XOpposed					
Not Voting/ Recused					
Absent/Excused					

CERTIFICATION

*I hereby certify that this is a true copy of a resolution passed by the Township of Ocean Governing Body at their meeting held on **December 5, 2019***



 Vincent Buttiglieri, RMC/MMC
 Township Clerk



APPENDIX P

Agreement with Administrative Agent and Authorizing Resolution

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT by and between the Township of Ocean (hereinafter referred to as "Township"), a Municipal Corporation of the State of New Jersey and CGP&H LLC, 1249 South River Road, Suite 301, Cranbury, NJ 08512-3633 (hereinafter referred to as "CGP&H"); and

WHEREAS, both the Township and CGP&H desire to set forth the various duties, terms and responsibilities of the parties hereto;

WHEREAS, the Township Council hereby desires to approve of this Contract that was presented for the provision of said services.

WITNESSETH, that the parties hereto, for and in consideration of the mutual agreements herein contained, promise and agree as follows:

1. The term of the Agreement shall become effective as of the _____ day of November, 2019 for a period of twelve months (12), terminating at the close of business on the _____ day of November, 2020. The Agreement may be terminated by either party, by giving one (1) month advanced written notice to the other.
2. CGP&H shall furnish all equipment and materials and shall perform the services set forth in Schedule A, Scope of Services and Compensation. Compensation will be provided as in this Agreement and as awarded in accordance with Compensation Schedule in strict accordance with the contract as the word "contract" is hereinafter defined and in accordance with all other terms and provisions.
3. The "contract" shall consist of the following:
 - a. This Agreement and all Schedules annexed thereto.
 - b. Resolution of appointment made by the Mayor and Township Council.
 - c. All other terms required by law to be inserted in this contract, whether actually inserted or not.

- d. The Affirmative Action Requirements annexed hereto, applicable to this contract, as Schedule B.
4. CGP&H hereby represents to the Township that CGP&H is qualified to fulfill the position set forth herein with applicable requirements. CGP&H further represents that CGP&H is familiar with all applicable statutes, laws, regulations, procedures and requirements in connection with this appointment.
 5. CGP&H hereby agrees to perform the services set forth under the Scope of Services and Compensation, Schedule A, for the Township of Ocean during the period set forth herein above.
 6. Notwithstanding anything herein to the contrary, CGP&H will provide all services required of an Administrative Agent pursuant to the Uniform Housing Affordability Controls (N.J.A.C. 5:80-26.14(a)) and applicable portions of §21-9B ("Affordable Housing") of Chapter XXI, Article III of the Township Revised General Ordinances, as may be amended or supplemented.
 7. CGP&H shall not assign this contract or any of its rights or monies due hereunder without the previous written consent of the Township of Ocean as evidenced by a duly adopted Resolution.
 8. CGP&H represents that they currently have professional liability insurance in a minimum amount of \$1,000,000 per occurrence and \$2,000,000 aggregate, and that they shall supply a certificate to the Township showing said coverage. CGP&H further covenants and agrees to protect, keep and hold the Township of Ocean harmless against any and all actions, claims or demands for damages, which may be caused by the negligent error, act or omission of CGP&H or by the improper performance of the contract.
 9. Payment to CGP&H shall be made in strict accordance with the terms of this contract. It is understood and agreed that in the event CGP&H is required to perform services that are not contemplated and are not within the subject matter of this contract and are extraordinary and are of a kind which would not ordinarily be performed in the normal course of providing services, that

CGP&H shall be paid additional sums of money based upon change orders duly approved by Resolution of the Township of Ocean Council.

AND IT IS FURTHER UNDERSTOOD AND AGREED that the covenants, conditions and agreements herein contained are binding of the parties hereto, their successors, assigns and legal representatives.

IN WITNESS WHEREOF, the parties hereto have caused their presents to be signed by the respective authorized officers and the proper corporate and/or municipal seals affixed hereto, the date and year first written above.

WITNESS:

TOWNSHIP OF OCEAN

BY: _____

BY: _____

NAME: _____

NAME: _____

TITLE: _____

TITLE: _____

DATE: _____

WITNESS:

CGP&H, LLC

NAME: _____

NAME: Randall Gottesman, PP

TITLE: _____

TITLE: President

DATE: _____

SCHEDULE A: SCOPE OF SERVICES AND COMPENSATION

For services rendered by the Consultant, including that spent in the Consultant's office, under the terms of this document, the Consultant shall be compensated as follows:

Fees Paid by Ocean Township	
1. General Program Administration	Not-to-exceed fee of \$5,000 billed at rate of \$125 per hour for senior staff and \$80 per hour for all other staff.

- 1. General Program Administration:** This includes but is not limited to creating Administrative Agent manuals, providing a centralized webpage with information about all affordable housing opportunities in the Township and advising developers on affordable housing requirements. CGP&H will also expertly perform all of the mandated reporting as identified in Ocean's Settlement Agreement. CGP&H will request authorization to proceed with additional work In the event that additional services are required beyond the contracted \$5,000.

Fees That Are Generally Paid in Full by Developer/Landlord, whenever applicable:

Service	Fee Explanation
Project Setup	\$1,000 per development billed at \$80 per hour
Rental Income Certification Fees	Flat fee of \$700 per rental certification Applicants found ineligible will be billed hourly at \$80 per hour up to \$275
Waiting List Management	\$25 per unit per year (waiting list fee will not be charged until all units have been leased)
Lease Renewal Fee	\$25 per lease renewal (not applicable in first year)
Reimbursement of Expenses	Cost of postage, printing of notices, copying costs, and advertising up to \$250 per year

Project Setup

This includes, but is not limited to, establishing the initial rents for the project, drafting the deed restriction, preparing the affirmative marketing plan, answering questions from applicants during the initial affirmative marketing period and conducting the lottery. Affirmative marketing includes setting up a dedicated website on AffordableHomesNewJersey.com as well as postings on NJHRC.gov, Twitter, Instagram and Facebook where we 3,000 followers. We also send out

mailings quarterly to our distribution list of over 200 community groups, major employers, and social service providers to the housing region where the affordable units are located.

Rental Income Certification Fees

CGP&H will contact the next applicant on the waiting list to prescreen them for eligibility, refer them to the landlord, and invite them to submit a full application. CGP&H will collect and review documentation from the applicant households to determine their eligibility. Eligibility determination fees do not include credit or background checks, which are done by the landlord. There is no charge to prescreen applicants and referring multiple, screened applicants to landlord until a proper match is made.

Waiting List Management Fee

The waiting list management fee will allow us to maintain the waiting list on our web-based Affordable Homes New Jersey Profile. The fee will be \$25 per constructed unit per year and paid in four quarterly payments. This fee will be waived in the first year.

Lease Renewal Fee

CGP&H will advise the landlord of the maximum rental amount before each new lease is executed and we will review all executed leases and maintain copies in our files.

Direct (Reimbursable) Expenses

CGP&H will bill direct costs related to the required affirmative marketing mailing to community groups, major employers, and government agencies in the housing region. If additional paid advertising is required, CGP&H will advise and approve of the newspaper ad for compliance with state rules and Ocean will be responsible for the cost of newspaper advertising. CGP&H's affirmative marketing activities (non-newspaper related) will ensure that this project meets state marketing requirements of the Uniform Housing Affordability Controls.

CGP&H will monitor and administer the affordable homes covered under this contract utilizing HomeKeeper, a powerful database designed by industry experts to manage affordable housing programs. No personal or confidential information will be disclosed by CGP&H outside of HomeKeeper, and only CGP&H will have access to any such information within HomeKeeper. In addition, data CGP&H inputs into HomeKeeper about the affordable homes will be aggregated and analyzed at the national level as a tool for policy makers to evaluate the impact of affordable housing. Only non-personal information relating to performance measurements (such as the number of vacancies annually, demographic data and rents) will be aggregated into reports and disclosed to the public.

SCHEDULE B

N.J.S.A. 10-5-31 et seq., (N.J.A.C. 17-27)

MANDATORY AFFIRMATIVE ACTION LANGUAGE

GOODS PROFESSIONAL SERVICES AND GENERAL SERVICE CONTRACTS

During the performance of this contract, the contractor agrees as follows:

- a. The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation or sex. Except with respect to affectional or sexual orientation, the contractor will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation or sex. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.
- b. The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation or sex.
- c. The contractor or subcontractor, where applicable, will send to each labor union or representative or workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer advising the labor union or workers' representative of the contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- d. The contractor or subcontractor, where applicable, agrees to comply with the regulations promulgated by the Treasurer pursuant to **N.J.S.A. 10:5-31 et seq.** as amended and supplemented from time to time and the American with Disabilities Act.
- e. The contractor or subcontractor agrees to make good faith efforts to employ minority and women workers consistent with the applicable county employment goals established in accordance with N.J.A.C 17:-5.2. or a binding determination of the applicable county employment goals determined by the Division pursuant to N.J.A.C.17:27-5.2.

- f. The contractor or subcontractor agrees to inform in writing appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, labor unions, that it does not discriminate on the basis of age, creed, color, national origin, ancestry, marital status, affectional or sexual orientation or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.
- g. The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal Law and applicable Federal Court decisions.
- h. In conforming with the applicable employment goals, the contractor or subcontractor agrees to review all procedures to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, creed, color, national origin, ancestry, marital status, affectional or sexual orientation or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions
- i. The contractor shall submit to the public agency, after notification of award but prior to execution of a goods and services contract, one of the following three documents:
 - Letter of Federal Affirmative Action Plan Approval
 - Certificate of Employee Information Report
 - Employee Information Report Form AA302
- j. The contractor and its subcontractor shall furnish such reports or other documents to the Division of Contract Compliance and EEO as may be requested by the Division from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Division of Contract Compliance and EEO for conducting a compliance investigation pursuant to **Subchapter 10 of the Administrative Code at N.J.A.C.17:27.**

COMPANY CGP&H, LLC

SIGNATURE _____

TITLE PRESIDENT

DATE _____

TOWNSHIP OF OCEAN, COUNTY OF MONMOUTH

RESOLUTION 20-026

A RESOLUTION OF THE COUNCIL OF THE TOWNSHIP OF OCEAN, COUNTY OF MONMOUTH, AUTHORIZING ENTERING INTO A CONTRACT WITH AN ADMINISTRATIVE AGENT FOR THE ADMINISTRATION OF AFFORDABLE HOUSING UNITS

WHEREAS, the Planning Board of the Township of Ocean adopted a 2019 Third Round Housing Element and Fair Share Plan at a public hearing on December 16, 2019, which was endorsed by the Township Council on January 30, 2020; and

WHEREAS, the Council had previously adopted an Affordable Housing Ordinance that created the position of Administrative Agent; and

WHEREAS, the Mayor and Council of the Township of Ocean wish to enter into a contract with Community Grants, Planning & Housing (CGP&H), LLC, which is attached hereto as Exhibit A, to become the Township's Affordable Housing Administrative Agent for the purpose of administering and enforcing the affordability controls and the Affirmative Marketing Plan of the Township of Ocean, in accordance with acceptable COAH regulations and the New Jersey Uniform Housing Affordability Controls (N.J.A.C. 5:80-26.1 et seq.).

NOW, THEREFORE, BE IT RESOLVED by the Council of the Township of Ocean in the County of Monmouth, State of New Jersey, that CGP&H, LLC, is hereby designated as the Township's Affordable Housing Administrative Agent; and

BE IT FURTHER RESOLVED that the Mayor and the Township Clerk are hereby authorized to sign the contract between the Township of Ocean and CGP&H, LLC, which is attached hereto as Exhibit A; and

BE IT FURTHER RESOLVED that this resolution shall take effect pursuant to law.

Dated: January 30, 2020

Jessie M. Joseph
Deputy Township Clerk

Christopher P. Siciliano
Mayor

Table with 6 columns: Record of Vote, Deputy Mayor Napolitani, Councilman Acerra, Councilwoman Donlon, Councilman Fisher, Mayor Siciliano. Rows include Motion to Approve, Motion to Second, Approved, Opposed, Not Voting/Recused, Absent/Excused.

APPENDIX Q

Affirmative Marketing Plan and Adopting Resolution

AFFIRMATIVE FAIR HOUSING MARKETING PLAN
For Affordable Housing in **(REGION 4)**

I. APPLICANT AND PROJECT INFORMATION

(Complete Section I individually for all developments or programs within the municipality.)

1a. Administrative Agent Name, Address, Phone Number Community Grants, Planning & Housing 101 Interchange Plaza, Suite 301 Cranbury, NJ 08512-3716 609 664-2769		1b. Development or Program Name, Address Primrose Place 20 Hidden Meadows Dr. Ocean Township, NJ 07712	
1c. Number of Affordable Units: 19 Number of Rental Units: 19 Number of For-Sale Units: 0	1d. Price or Rental Range From To	1e. State and Federal Funding Sources (if any)	
1f. <input type="checkbox"/> Age Restricted <input checked="" type="checkbox"/> Non-Age Restricted	1g. Approximate Starting Dates Advertising: _____ Occupancy: _____		
1h. County <p style="text-align: center;">Mercer, Monmouth, Ocean</p>		1i. Census Tract(s):	
1j. Managing/Sales Agent's Name, Address, Phone Number			
1k. Application Fees (if any):			

1a. Administrative Agent Name, Address, Phone Number Community Investment Strategies Heritage Village at Oakhurst 777 West Park Avenue Oakhurst, NJ 07755 (732) 493-6454		1b. Development or Program Name, Address Heritage Village at Oakhurst 777 West Park Avenue Oakhurst, NJ 07755	
1c. Number of Affordable Units: 87 Number of Rental Units: 87 (plus 5 special-needs units) Number of For-Sale Units: 0	1d. Price or Rental Range From \$853 To \$1,318	1e. State and Federal Funding Sources (if any)	
1f. <input checked="" type="checkbox"/> Age Restricted <input type="checkbox"/> Non-Age Restricted	1g. Approximate Starting Dates Advertising: _____ Occupancy: _____		
1h. County <p style="text-align: center;">Mercer, Monmouth, Ocean</p>		1i. Census Tract(s):	
1j. Managing/Sales Agent's Name, Address, Phone Number (same as administrative agent)			
1k. Application Fees (if any): \$50.00 per applicant age 19+, payable by money order; fee is waived for participants in Section 8 or public housing programs			

1a. Administrative Agent Name, Address, Phone Number Affordable Housing Alliance 3535 Route 66, Parkway 100 Building 4 Neptune Township, NJ 07753 732-393-2958		1b. Development or Program Name, Address Cindy Lane Apartments 16 Cindy Lane Ocean Township, NJ 07755	
1c. Number of Affordable Units: 48 Number of Rental Units: 48 Number of For-Sale Units: 0	1d. Price or Rental Range From \$ 287 To \$1,316		1e. State and Federal Funding Sources (if any) CDBG-DR. tax credit funds
1f. <input type="checkbox"/> Age Restricted <input checked="" type="checkbox"/> Non-Age Restricted	1g. Approximate Starting Dates Advertising: Spring 2019 Occupancy: Summer 2019		
1h. County Mercer, Monmouth, Ocean		1i. Census Tract(s):	
1j. Managing/Sales Agent's Name, Address, Phone Number (same as administrative agent)			
1k. Application Fees (if any):			

1a. Administrative Agent Name, Address, Phone Number Community Grants, Planning & Housing 101 Interchange Plaza, Suite 301 Cranbury, NJ 08512-3716 609 664-2769		1b. Development or Program Name, Address Wayside Point 17 Cindy Lane Ocean, NJ 07755	
1c. Number of Affordable Units: 11 Number of Rental Units: 11 Number of For-Sale Units: 0	1d. Price or Rental Range From \$ 374 To \$1,286		1e. State and Federal Funding Sources (if any)
1f. <input type="checkbox"/> Age Restricted <input checked="" type="checkbox"/> Non-Age Restricted	1g. Approximate Starting Dates Advertising: 2020 Occupancy: 2020-2021		
1h. County Mercer, Monmouth, Ocean		1i. Census Tract(s):	
1j. Managing/Sales Agent's Name, Address, Phone Number (same as above)			
1k. Application Fees (if any):			

1a. Administrative Agent Name, Address, Phone Number		1b. Development or Program Name, Address Roosevelt Properties	
1c. Number of Affordable Units: 5 Number of Rental Units: Number of For-Sale Units:	1d. Price or Rental Range From To		1e. State and Federal Funding Sources (if any)
1f. <input type="checkbox"/> Age Restricted <input checked="" type="checkbox"/> Non-Age Restricted	1g. Approximate Starting Dates Advertising: Occupancy:		
1h. County Mercer, Monmouth, Ocean		1i. Census Tract(s):	
1j. Managing/Sales Agent's Name, Address, Phone Number			
1k. Application Fees (if any):			

1a. Administrative Agent Name, Address, Phone Number		1b. Development or Program Name, Address Ocean Glades	
1c. Number of Affordable Units: 46 Number of Rental Units: 46 Number of For-Sale Units: 0	1d. Price or Rental Range From To		1e. State and Federal Funding Sources (if any)
1f. <input type="checkbox"/> Age Restricted <input checked="" type="checkbox"/> Non-Age Restricted	1g. Approximate Starting Dates Advertising: 2022 Occupancy: 2022-2023		
1h. County Mercer, Monmouth, Ocean		1i. Census Tract(s):	
1j. Managing/Sales Agent's Name, Address, Phone Number			
1k. Application Fees (if any):			

(Sections II through IV should be consistent for all affordable housing developments and programs within the municipality. Sections that differ must be described in the approved contract between the municipality and the administrative agent and in the approved Operating Manual.)

II. RANDOM SELECTION

2. Describe the random selection process that will be used once applications are received.

The Administrative Agent will assign random numbers to each applicant through a computerized random number generator.

After the list of applications submitted during the initial lottery period is exhausted, the priority of preliminary applications is established by the date the household submitted their preliminary application (Interest Date).

In addition to the random number assigned to the household and/or the Interest Date, there are other factors affecting waiting priority that are described below.

- **Regional Preference:** Applicants who indicate that they live or work in the Affordable Housing Region will be contacted first. Once those applicants are exhausted, applicants outside the region will be contacted.
- **Household Size:** Whenever possible, there will be at least one person for each bedroom. If the waiting list is exhausted and there are no in- or out-region households with a person for each bedroom size, units will be offered to smaller sized households that do not have a person for each bedroom. The Administrative Agent cannot require an applicant household to take an affordable unit with a greater number of bedrooms, as long as overcrowding is not a factor. A household can be eligible for more than one unit category.
- **Fully Accessible Units:** A household with a person with physical disabilities will get preference on the waiting list because of the very limited number of accessible units. If there is more than one household with a person with physical disabilities on the waiting list, in-region households with a person for each bedroom will be contacted first. Applicants must provide a letter from their doctor stating what kind of accommodation they require as a result of their disability.

III. MARKETING

3a. Direction of Marketing Activity: (indicate which group(s) in the housing region are least likely to apply for the housing without special outreach efforts because of its location and other factors)

- White (non-Hispanic)
 Black (non-Hispanic)
 Hispanic
 American Indian or Alaskan Native
 Asian or Pacific Islander
 Other group:

3b. **HOUSING RESOURCE CENTER** (www.njhousing.gov) A free, online listing of affordable housing

3c. Commercial Media (required) (Check all that applies)

	DURATION & FREQUENCY OF OUTREACH	NAMES OF REGIONAL NEWSPAPER(S)	CIRCULATION AREA
TARGETS PARTIAL COAH REGION 4			
Daily Newspaper			
<input checked="" type="checkbox"/>	At outset; ongoing as needed	Trenton Times	Mercer
<input checked="" type="checkbox"/>	At outset; ongoing as needed	Trentonian	Mercer
<input checked="" type="checkbox"/>	At outset; ongoing as needed	Asbury Park Press	Monmouth, Ocean
<input type="checkbox"/>		Ocean County Observer	Ocean
Weekly Newspaper			
<input type="checkbox"/>		Ewing Observer	Mercer

<input type="checkbox"/>		Hopewell Valley News	Mercer
<input type="checkbox"/>		Lawrence Ledger	Mercer
<input type="checkbox"/>		Pennington Post	Mercer
<input type="checkbox"/>		Princeton Town Topics	Mercer
<input type="checkbox"/>		Tempo Mercer	Mercer
<input type="checkbox"/>		Trenton Downtowner	Mercer
<input checked="" type="checkbox"/>	At outset; ongoing as needed	Windsor Heights Herald	Mercer
<input type="checkbox"/>		West Windsor-Plainsboro News	Mercer, Middlesex
<input checked="" type="checkbox"/>	At outset; ongoing as needed	Princeton Packet	Mercer, Middlesex, Somerset
<input type="checkbox"/>		Messenger-Press	Mercer, Monmouth, Ocean
<input type="checkbox"/>		Woodbridge Sentinel	Middlesex
<input type="checkbox"/>		Atlanticville	Monmouth
<input type="checkbox"/>		Coaster	Monmouth
<input type="checkbox"/>		Courier	Monmouth
<input type="checkbox"/>		Examiner	Monmouth
<input type="checkbox"/>		Hub, The	Monmouth
<input type="checkbox"/>		Independent, The	Monmouth
<input checked="" type="checkbox"/>	At outset; ongoing as needed	News Transcript	Monmouth
<input type="checkbox"/>		Two River Times	Monmouth
<input type="checkbox"/>		Coast Star, The	Monmouth, Ocean
<input type="checkbox"/>		Beach Haven Times	Ocean
<input type="checkbox"/>		Beacon, The	Ocean
<input type="checkbox"/>		Berkeley Times	Ocean
<input type="checkbox"/>		Brick Bulletin	Ocean
<input type="checkbox"/>		Brick Times	Ocean
<input type="checkbox"/>		Jackson Times	Ocean
<input type="checkbox"/>		Lacey Beacon	Ocean
<input type="checkbox"/>		Manchester Times	Ocean
<input type="checkbox"/>		New Egypt Press	Ocean
<input type="checkbox"/>		Ocean County Journal	Ocean
<input checked="" type="checkbox"/>	At outset; ongoing as needed	Ocean Star, The	Ocean

<input checked="" type="checkbox"/>	At outset; ongoing as needed	Tri-Town News	Ocean
<input type="checkbox"/>		Tuckerton Beacon	Ocean
<input type="checkbox"/>		Atlantic Highlands Herald	Monmouth

	DURATION & FREQUENCY OF OUTREACH	NAMES OF REGIONAL TV STATION(S)	CIRCULATION AREA AND/OR RACIAL/ETHNIC IDENTIFICATION OF READERS/AUDIENCE
--	----------------------------------	---------------------------------	--

TARGETS ENTIRE COAH REGION 4

<input type="checkbox"/>		2 WCBS-TV CBS Broadcasting Inc.	
<input type="checkbox"/>		4 WNBC NBC Telemundo License Co. (General Electric)	
<input type="checkbox"/>		5 WNYW Fox Television Stations, Inc. (News Corp.)	
<input type="checkbox"/>		7 WABC-TV American Broadcasting Companies, Inc (Walt Disney)	
<input type="checkbox"/>		9 WWOR-TV Fox Television Stations, Inc. (News Corp.)	
<input type="checkbox"/>		10 WCAU NBC Telemundo License Co. (General Electric)	
<input type="checkbox"/>		11 WPIX WPIX, Inc. (Tribune)	
<input type="checkbox"/>		13 WNET Educational Broadcasting Corporation	
<input type="checkbox"/>		58 WNJB New Jersey Public Broadcasting Authority	

TARGETS PARTIAL COAH REGION 4

<input type="checkbox"/>		25 W25AW WZBN TV, Inc.	Mercer
<input type="checkbox"/>		39 WLVT-TV Lehigh Valley Public Telecommunications Corp.	Mercer
<input type="checkbox"/>		60 WBPH-TV Sonshine Family Television Corp	Mercer
<input type="checkbox"/>		63 WMBC-TV Mountain Broadcasting Corp.	Mercer
<input type="checkbox"/>		69 WFMZ-TV Maranatha Broadcasting Company, Inc.	Mercer
<input type="checkbox"/>		41 WXTV WXTV License Partnership, G.P. (Univision Communications Inc.)	Mercer, Monmouth
<input type="checkbox"/>		3 KYW-TV CBS Broadcasting Inc.	Mercer, Ocean
<input type="checkbox"/>		6 WPVI-TV American Broadcasting Companies, Inc (Walt Disney)	Mercer, Ocean

<input type="checkbox"/>		12 WHYY-TV WHYY, Inc.	Mercer, Ocean
<input type="checkbox"/>		17 WPHL-TV Tribune Company	Mercer, Ocean
<input type="checkbox"/>		23 WNJS New Jersey Public Broadcasting Authority	Mercer, Ocean
<input type="checkbox"/>		29 WTXF-TV Fox Television Stations, Inc. (News Corp.)	Mercer, Ocean
<input type="checkbox"/>		35 WYBE Independence Public Media Of Philadelphia, Inc.	Mercer, Ocean
<input type="checkbox"/>		48 WGTW-TV Trinity Broadcasting Network	Mercer, Ocean
<input type="checkbox"/>		52 WNJT New Jersey Public Broadcasting Authority	Mercer, Ocean
<input type="checkbox"/>		57 WPSG CBS Broadcasting Inc.	Mercer, Ocean
<input type="checkbox"/>		61 WPPX Paxson Communications License Company, LLC	Mercer, Ocean
<input type="checkbox"/>		65 WUVP-TV Univision Communications, Inc.	Mercer, Ocean
<input type="checkbox"/>		25 WNYE-TV New York City Dept. Of Info Technology & Telecommunications	Monmouth
<input type="checkbox"/>		31 WPXN-TV Paxson Communications License Company, LLC	Monmouth
<input type="checkbox"/>		47 WNJU NBC Telemundo License Co. (General Electric)	Monmouth
<input type="checkbox"/>		50 WNJN New Jersey Public Broadcasting Authority	Monmouth
<input type="checkbox"/>		68 WFUT-TV Univision New York LLC	Monmouth, Ocean (Spanish)
<input type="checkbox"/>		62 WWSI Hispanic Broadcasters of Philadelphia, LLC	Ocean

	DURATION & FREQUENCY OF OUTREACH	NAMES OF CABLE PROVIDER(S)	BROADCAST AREA
TARGETS PARTIAL COAH REGION 4			
<input type="checkbox"/>		Cablevision of Hamilton	Partial Mercer, Monmouth
<input type="checkbox"/>		Comcast of Central NJ,	Partial Mercer, Monmouth
<input type="checkbox"/>		Patriot Media & Communications, CNJ	Partial Mercer
X	At outset; ongoing as needed	Cablevision of Monmouth, Raritan Valley	Partial Monmouth
<input type="checkbox"/>		Comcast of Mercer County, Southeast Pennsylvania	Partial Middlesex
X	At outset; ongoing as needed	Comcast of Monmouth County	Partial Monmouth, Ocean

X	At outset; ongoing as needed	Comcast of Garden State, Long Beach Island, Ocean County, Toms River	Partial Ocean
	DURATION & FREQUENCY OF OUTREACH	NAMES OF REGIONAL RADIO STATION(S)	BROADCAST AREA AND/OR RACIAL/ETHNIC IDENTIFICATION OF READERS/AUDIENCE
TARGETS ENTIRE COAH REGION 4			
AM			
<input type="checkbox"/>		WWJZ 640	
<input type="checkbox"/>		WOR 710	
<input type="checkbox"/>		WABC 770	
<input type="checkbox"/>		WCBS 880	
<input type="checkbox"/>		WBBR 1130	
<input type="checkbox"/>		WPST 94.5	
FM			
<input type="checkbox"/>		WKXW-FM 101.5	
<input type="checkbox"/>		WPRB 103.3	
TARGETS PARTIAL COAH REGION 4			
AM			
<input type="checkbox"/>		WFIL 560	Mercer, Monmouth
<input type="checkbox"/>		WMCA 570	Monmouth, Ocean
<input type="checkbox"/>		WFAN 660	Mercer, Monmouth
<input type="checkbox"/>		WNYC 820	Mercer, Monmouth
<input type="checkbox"/>		WWBD 860	Mercer
<input type="checkbox"/>		WPHY 920	Mercer
<input type="checkbox"/>		WNTP 990	Mercer
<input type="checkbox"/>		WCHR 1040	Mercer
<input type="checkbox"/>		WOBM 1160	Monmouth, Ocean
<input type="checkbox"/>		WWTR 1170	Mercer
<input type="checkbox"/>		WPHT 1210	Mercer, Monmouth
<input type="checkbox"/>		WBUD 1260	Mercer, Monmouth
<input type="checkbox"/>		WIMG 1300	Mercer
<input type="checkbox"/>		WADB 1310	Monmouth, Ocean
<input type="checkbox"/>		WHTG 1410	Monmouth
<input type="checkbox"/>		WCTC 1450	Mercer, Monmouth

<input type="checkbox"/>		WBCB 1490	Mercer
<input type="checkbox"/>		WTTM 1680	Mercer, Monmouth
FM			
<input type="checkbox"/>		WNJT-FM 88.1	Mercer
<input type="checkbox"/>		WWFM 89.1	Mercer, Monmouth
<input type="checkbox"/>		WRDR 89.7	Monmouth, Ocean
<input type="checkbox"/>		WRTI 90.1	Mercer
<input type="checkbox"/>		WBJB-FM 90.5	Monmouth
<input type="checkbox"/>		WWNJ 91.1	Ocean
<input type="checkbox"/>		WTSR 91.3	Mercer
<input type="checkbox"/>		WBGD 91.9	Ocean
<input type="checkbox"/>		WFNY-FM 92.3	Mercer, Monmouth
<input type="checkbox"/>		WXTU 92.5	Mercer
<input type="checkbox"/>		WOBM-FM 92.7	Ocean
<input type="checkbox"/>		WPAT-FM 93.1	Mercer, Monmouth
<input type="checkbox"/>		WMMR 93.3	Mercer
<input type="checkbox"/>		WNYC-FM 93.9	Mercer, Monmouth
<input type="checkbox"/>		WYSP 94.1	Mercer
<input type="checkbox"/>		WJLK-FM 94.3	Monmouth, Ocean
<input type="checkbox"/>		WFME 94.7	Mercer, Monmouth
<input type="checkbox"/>		WZZO 95.1	Mercer
<input type="checkbox"/>		WPLJ 95.5	Mercer, Monmouth
<input type="checkbox"/>		WBEN-FM 95.7	Mercer
<input type="checkbox"/>		WRAT 95.9	Monmouth, Ocean
<input type="checkbox"/>		WCTO 96.1	Mercer
<input type="checkbox"/>		WQXR-FM 96.3	Mercer, Monmouth
<input type="checkbox"/>		WRDW-FM 96.5	Mercer
<input type="checkbox"/>		WQHT 97.1	Mercer, Monmouth
<input type="checkbox"/>		WSKQ-FM 97.9	Mercer, Monmouth
<input type="checkbox"/>		WUGL 98.1	Mercer
<input type="checkbox"/>		WMGQ 98.3	Mercer, Monmouth
<input type="checkbox"/>		WRKS 98.7	Mercer, Monmouth

<input type="checkbox"/>		WUSL 98.9	Mercer, Monmouth
<input type="checkbox"/>		WAWZ 99.1	Mercer, Monmouth
<input type="checkbox"/>		WBAI 99.5	Mercer, Monmouth
<input type="checkbox"/>		WJRZ-FM 100.1	Ocean
<input type="checkbox"/>		WHTZ 100.3	Mercer, Monmouth
<input type="checkbox"/>		WCBS-FM 101.1	Mercer, Monmouth
<input type="checkbox"/>		WQCD 101.9	Mercer, Monmouth
<input type="checkbox"/>		WIOQ 102.1	Mercer
<input type="checkbox"/>		WNEW 102.7	Mercer, Monmouth
<input type="checkbox"/>		WMGK 102.9	Mercer
<input type="checkbox"/>		WKTU 103.5	Mercer, Monmouth
<input type="checkbox"/>		WAXQ 104.3	Mercer, Monmouth
<input type="checkbox"/>		WWPR-FM 105.1	Mercer, Monmouth
<input type="checkbox"/>		WDAS-FM 105.3	Mercer, Monmouth
<input type="checkbox"/>		WCHR-FM 105.7	Ocean
<input type="checkbox"/>		WJJZ 106.1	Mercer, Monmouth
<input type="checkbox"/>		WHTG-FM 106.3	Monmouth, Ocean
<input type="checkbox"/>		WLTW 106.7	Mercer, Monmouth
<input type="checkbox"/>		WKDN 106.9	Mercer
<input type="checkbox"/>		WWZY 107.1	Monmouth, Ocean
<input type="checkbox"/>		WBLS 107.5	Mercer, Monmouth
<input type="checkbox"/>		WWPH 107.9	Mercer

3d. Other Publications (such as neighborhood newspapers, religious publications, and organizational newsletters)
(Check all that applies)

	NAME OF PUBLICATIONS	OUTREACH AREA	RACIAL/ETHNIC IDENTIFICATION OF READERS/AUDIENCE
TARGETS ENTIRE COAH REGION 4			
Weekly			
<input checked="" type="checkbox"/>	At outset; ongoing as needed	Nuestra Comunidad	Central/South Jersey
			Spanish-Language
TARGETS PARTIAL COAH REGION 4			
Weekly			
<input type="checkbox"/>	New Jersey Jewish News	Northern and Central New Jersey	Jewish

<input checked="" type="checkbox"/>	At outset; ongoing as needed	El Hispano	Camden and Trenton areas	Spanish-Language
<input type="checkbox"/>		Ukrainian Weekly	New Jersey	Ukrainian community
3e. Employer Outreach (names of employers throughout the housing region that can be contacted to post advertisements and distribute flyers regarding available affordable housing) (Check all that applies)				
DURATION & FREQUENCY OF OUTREACH		NAME OF EMPLOYER/COMPANY		LOCATION
Mercer County				
<input checked="" type="checkbox"/>	At outset; ongoing as needed	Mercer County Board of Education	1075 Old Trenton Rd, Trenton, NJ	
<input type="checkbox"/>		Medical Center at Princeton	253 Witherspoon St, Princeton, NJ	
<input checked="" type="checkbox"/>	At outset; ongoing as needed	Bristol-Myers Squibb	100 Nassau Park Blvd, Princeton, NJ and 820 Bear Tavern Rd, Trenton, NJ	
<input checked="" type="checkbox"/>	At outset; ongoing as needed	Educational Testing Service	660 Rosedale Rd., Princeton, NJ	
<input checked="" type="checkbox"/>	At outset; ongoing as needed	Princeton Theological Seminary	P.O. Box 821, Princeton, NJ	
<input checked="" type="checkbox"/>	At outset; ongoing as needed	Princeton University	Office of Human Resources, 2 New South, Princeton, NJ	
<input checked="" type="checkbox"/>	At outset; ongoing as needed	Westminster Choir College of Rider University	2083 Lawrenceville Rd., Lawrenceville, NJ	
<input checked="" type="checkbox"/>	At outset; ongoing as needed	St. Lawrence Rehabilitation Center	2381 Lawrenceville Rd, Lawrenceville, NJ	
<input type="checkbox"/>		McGraw-Hill	120 Windsor Center Dr, East Windsor, NJ	
<input checked="" type="checkbox"/>	At outset; ongoing as needed	Conair Corporation	150 Milford Rd, Hightstown, NJ	
<input checked="" type="checkbox"/>	At outset; ongoing as needed	Shiseido America, Inc.	366 Princeton Hightstown Rd, East Windsor, NJ	
<input checked="" type="checkbox"/>	At outset; ongoing as needed	NJ Manufacturers Insurance Company	P.O. Box 1428, West Trenton, NJ	
<input checked="" type="checkbox"/>	At outset; ongoing as needed	Homasote	932 Lower Ferry Rd, Trenton, NJ	
<input type="checkbox"/>		Robert Wood Johnson University Hospital	1 Hamilton Health Pl, Trenton, NJ	
<input checked="" type="checkbox"/>	At outset; ongoing as needed	Congoleum Corp.	3500 Quakerbridge Rd, Mercerville, NJ	
<input type="checkbox"/>		Coca-Cola Foods	480 Mercer St, Hightstown, NJ	
<input checked="" type="checkbox"/>	At outset; ongoing as needed	Peddie School	201 S. Main St., Hightstown, NJ	
<input type="checkbox"/>		Dana Communications	2 E Broad St, Hopewell, NJ	
<input checked="" type="checkbox"/>	At outset; ongoing as needed	Merrill Lynch	7 Roszel Road, Princeton, NJ; 1300 Merrill Lynch Drive, Pennington, NJ; and 410 Scotch Rd, Hopewell, NJ	
<input checked="" type="checkbox"/>	At outset; ongoing as needed	Janssen Pharmaceutical	1125 Trenton Harbourton Rd, Titusville, NJ	
<input checked="" type="checkbox"/>	At outset; ongoing as needed	St. Francis Medical Center	601 Hamilton Ave., Trenton NJ 08629-1986	
<input checked="" type="checkbox"/>	At outset; ongoing as needed	The Trenton Times	413 Riverview Plazat, Trenton, NJ	
<input checked="" type="checkbox"/>	At outset; ongoing as needed	Gaum. Inc.	1080 US Highway 130, Robbinsville, NJ	

Monmouth County			
X	At outset; ongoing as needed	Meridian Health System	1350 Campus Parkway Neptune
<input type="checkbox"/>		US Army Communications Electronics Command Fort Monmouth	CECOM Bldg 901 Murphy Drive Fort Monmouth
X	At outset; ongoing as needed	County of Monmouth Hall of Records	1 East Main Street Freehold
X	At outset; ongoing as needed	Central State Healthcare Systems	West Main Street Freehold
X	At outset; ongoing as needed	Monmouth Medical Center	300 Second Ave Long Branch
<input type="checkbox"/>		Asbury Park Press	3601 Route 66 Neptune, NJ
X	At outset; ongoing as needed	Food Town Circus Super Markets, Inc.	835 Highway 35 PO BOX 278 Middletown, NJ
X	At outset; ongoing as needed	Monmouth University	400 Cedar Ave, West Long Branch
<input type="checkbox"/>		Naval Weapons stations Earle	State Highway 34 Colts Neck, NJ
X	At outset; ongoing as needed	Norkus Enterprises, Inc.	505 Richmond Ave Point Pleasant, NJ
X	At outset; ongoing as needed	Horizon Blue Cross Blue Shield	1427 Wyckoff Road Farmingdale, NJ

Ocean County			
<input type="checkbox"/>		Saint Barnabas Health Care System	300 2nd Ave Long Branch, NJ 07740
X	At outset; ongoing as needed	Six Flags Theme Parks Inc.	Route 537 Jackson, NJ 08527
<input type="checkbox"/>		Meridian Health Care System	415 Jack Martin Blvd, Brick, NJ
X	At outset; ongoing as needed	Southern Ocean County Hospital	1140 Route 72 West, Manahawkin, NJ
X	At outset; ongoing as needed	Jenkinson's	300 Ocean Ave Pt. Pleasant Beach, NJ 08742

3f. Community Contacts (names of community groups/organizations throughout the housing region that must be contacted to post advertisements and distribute flyers regarding available affordable housing)

Name of Group/Organization	Outreach Area	Racial/Ethnic Identification of Readers/Audience	Duration & Frequency of Outreach
Fair Share Housing Center 510 Park Blvd. Cherry Hill, NJ 08002	Statewide	N/A	At outset; ongoing as needed
New Jersey State Conference of the NAACP 4326 Harbor Beach Blvd., #775, Brigantine, NJ 08203	Statewide	African-American	At outset; ongoing as needed
Latino Action Network 2560 U.S. Highway 22, Suite 322 Scotch Plains, NJ 07076	Statewide	Hispanic	At outset; ongoing as needed
STEPS P.O. Box 638 Lakewood, NJ 08701	Ocean County	N/A	At outset; ongoing as needed
OCEAN, Inc. 40 Washington Street Toms River, NJ 08753	Ocean County	N/A	At outset; ongoing as needed
Greater Red Bank Branch of the NAACP	Monmouth County	African-American	At outset; ongoing as needed

PO Box 311 Navesink, NJ 07752			
Asbury Park/Neptune Branch of the NAACP 401 Atkins Avenue Neptune, NJ 07753	Monmouth County	African-American	At outset; ongoing as needed
Bayshore Branch of the NAACP PO Box 865 Matawan, NJ 07747	Monmouth County	African-American	At outset; ongoing as needed
Greater Freehold Branch of the NAACP PO Box 246 Marlboro Annex, NJ 07746	Monmouth County	African-American	At outset; ongoing as needed
Greater Long Branch Branch of the NAACP PO Box 472 Long Branch, NJ 07740	Monmouth County	African-American	At outset; ongoing as needed
Trenton Branch of the NAACP PO Box 1355 Trenton, NJ 08608	Mercer County	African-American	At outset; ongoing as needed
Supportive Housing Association of New Jersey 185 Valley Street South Orange, NJ 07079	Statewide	Special needs	At outset; ongoing as needed

IV. APPLICATIONS

Applications for affordable housing for the above units will be available at the following locations:		
4a. County Administration Buildings and/or Libraries for all counties in the housing region (list county building, address, contact person) (Check all that applies)		
	BUILDING	LOCATION
X	Mercer County Library Headquarters	2751 Brunswick Pike, Lawrenceville, NJ 08648
X	Monmouth County Headquarters Library	125 Symmes Drive, Manalapan, NJ 07726
X	Ocean County Library	101 Washington Street, Toms River, NJ 08753
4b. Municipality in which the units are located (list municipal building and municipal library, address, contact person)		
Township of Ocean Municipal Building 399 Monmouth Rd. Oakhurst, NJ 07755 Attn.:		
Township of Ocean Library 701 Deal Road Ocean, NJ 07712		
4c. Sales/Rental Office for units (if applicable)		

V. CERTIFICATIONS AND ENDORSEMENTS

I hereby certify that the above information is true and correct to the best of my knowledge. I understand that knowingly falsifying the information contained herein may affect the Township's Judgment of Repose.

ELAINE R. CLISHAM

Name (Type or Print)

Planner

Title/Municipality



Signature

December 2, 2019

Date

TOWNSHIP OF OCEAN, COUNTY OF MONMOUTH

RESOLUTION 20-024

A RESOLUTION OF THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF OCEAN, COUNTY OF MONMOUTH ADOPTING AN AFFIRMATIVE MARKETING PLAN

WHEREAS, the Township Council of the Township of Ocean, County of Monmouth, have reviewed and endorsed the 2019 Third Round Housing Element and Fair Share Plan; and

WHEREAS, the Plan contains, as required, an Affirmative Fair Share Housing Marketing Plan; and

WHEREAS, the Township has reviewed the Affirmative Fair Share Housing Marketing Plan and finds it to be acceptable and in accordance with statutory requirements.

NOW THEREFORE BE IT RESOLVED that the Township Council of the Township of Ocean, County of Monmouth adopts the Affirmative Fair Share Housing Marketing Plan, which is part of the 2019 Third Round Housing Element and Fair Share Plan adopted by the Planning Board on December 16, 2019, a true copy of which is on file with the Township Clerk and can be reviewed during normal business hours; and

BE IT FURTHER RESOLVED that the Township of Ocean, County of Monmouth authorizes and directs the Mayor, Township Clerk, and Township Administrator to execute any and all necessary documents in order to implement the intent of this Resolution.

Dated: January 30, 2020

Jessie M. Joseph

Jessie M. Joseph
Deputy Township Clerk

Christopher P. Siciliano

Christopher P. Siciliano
Mayor

Record of Vote	Deputy Mayor Napolitani	Councilman Acerra	Councilwoman Donlon	Councilman Fisher	Mayor Siciliano
Motion to Approve			X		
Motion to Second		X			
Approved	X	X	X	X	X
Opposed					
Not Voting/ Recused					
Absent/Excused					



APPENDIX R

Spending Plan, Adopting Resolution, and Resolution of Intent to Bond



INTRODUCTION

A 2010 Consent Order approved by the Honorable Paul A. Kapalko determined that Ocean Township's affordable housing obligation would be limited to the municipality's Present Need and First and Second Round (Prior Round) fair share obligation. On June 27, 2011, the Township adopted its Housing Element and Fair Share Plan (HEFSP). COAH's 873-unit Prior Round obligation for Ocean Township was reduced by the Special Master to a 240-unit RDP, resulting in a 633-unit prior round unmet need.

On July 6, 2015, the Township filed its Declaratory Judgment action with the Superior Court. In January 2019 the Township and FSHC negotiated and executed a Settlement Agreement that was approved by Court order dated June 25, 2019. The Township's 2019 Housing Element and Fair Share Plan and this Spending Plan have been prepared to conform to the terms of the Court-approved Settlement Agreement.

Ocean Township first adopted a development fee ordinance on May 16, 2011, creating a dedicated revenue source for affordable housing. The ordinance was approved by Judge Kapalko on December 12, 2011, and it established Ocean Township's Affordable Housing Trust Fund, for which this revised 2019 Spending Plan is prepared. The development fee ordinance set development fees at 1.5% and 2.5% of equalized assessed property value for residential development and non-residential development, respectively. COAH approved the Township's tri-party escrow agreement in 2015.

As of July 31, 2019, Ocean Township has collected a total of \$1,750,290.49 in development fees, payments in lieu of construction, and interest. Since it did not have Court spending plan approval, no funds have been expended. All development fees, payments in lieu of constructing affordable units on site, and interest generated by the fees are deposited in an interest-bearing affordable housing trust fund at Investors Savings Bank for affordable housing purposes. These funds shall be spent in accordance with N.J.A.C. 5:93-8.16 as described in the sections that follow.

This revised Spending Plan is submitted to the Superior Court of New Jersey for approval to expend up to \$2,581,942.37 of a total of \$3,272,871.87 in current and future affordable housing trust fund monies during the period of Third Round Judgment of Repose (JOR), including \$500,000 to extend affordability controls and \$250,000 for affordability assistance to subsidize rents at Heritage Village at Ocean (formerly known as Whalepond Village), \$1.6 million for the development of the Heritage Village at Oakhurst site (formerly known as 777 W. Park Avenue), including \$500,000 in affordability assistance; and \$231,942.37 for administrative expenses.



REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated during the period of Third Round Judgement of Repose, Ocean Township considered the following:

(a) **Development fees: \$631,190**

1. Residential and non-residential projects that have had development fees imposed upon them at the time of preliminary or final development approvals over the past five years;
2. Any fee-generating projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy; and
3. Future development that is likely to occur based on historical rates of development and the availability of land.

(b) **Payments in lieu – actual and committed payments in lieu of construction from developers: \$826,438.57**

The Township anticipates payments in lieu of construction from three projects:

- As of July 31, 2019, the Township has received a total of \$302,721.43 in payments in lieu from the Martelli at Wayside, LLC (Martelli) development (Block 37.16, Lots 33 through 36, 46 and 47) over 29 payments of \$10,438.67 each. The Martelli settlement agreement, signed June 10, 2010 and approved by Judge Kapalko on November 30, 2010 required Martelli to make a \$313,160 in payments in lieu on a per-unit basis for a 30-unit single-family residential subdivision. A balance of \$10,438.57 remains outstanding.
- The Township approved a 75-unit Toll Brothers age-restricted single-family residential development on January 9, 2017. The approval was memorialized on February 27, 2017, with an agreement for Toll Brothers to provide a \$1.8 million payment in lieu to the Township. As of July 31, 2019, Toll Brothers has paid \$984,000. The Township anticipates the remaining units to be completed and payments made by the end of 2020.
- Although the Township is in the process of negotiating an agreement with Roosevelt Properties for a potential payment in lieu of construction on its property at Block 22, lots 11, 12, and 22, no agreement has been reached to date. At such time as an agreement may be reached, the Township will amend this spending plan to include any proposed in-lieu payments.



(c) **Other funding sources: \$0**

Ocean Township does not anticipate collecting money from other funding sources at this time. Funds from other sources include, but are not limited to, the sale of units with extinguished controls, repayment of affordable housing program loans, rental income, and proceeds from the sale of affordable units. All revenues to the affordable housing trust fund are anticipated to come from development fees, payments in lieu, and interest.

(d) **Projected interest: \$64,952.81**

Based on interest payments since the creation of the trust fund, revenue projections, and prevailing interest rates, Ocean Township anticipates collecting \$64,952.81 in interest through 2025.

Ocean Township projects a total of \$1,522,581.38 in revenue to be collected between August 1, 2019, and June 30, 2025, from non-residential development fees, payments in lieu and accrued interest. There are no known properties that may be subject to residential subdivisions or other non-exempt residential development, so the Township does not anticipate any residential development fees.

The Township anticipates non-residential redevelopment and additions to occur over the next decade that would generate non-residential development fees. Non-residential development fees are levied at 2.5% of the equalized assessed value of non-residential development, or of change in assessed value resulting from additions or reconstruction. For the purposes of this plan, anticipated non-residential development fees are calculated based on historic and projected development trends and development fee payments, and on the availability of land with the realistic potential for development, redevelopment, or other improvement.

Interest is calculated based on historic interest earnings to the Affordable Housing Trust Fund. Interest is added to the total earned in development fees and payments in lieu less anticipated direct expenditures, to calculate annual revenue. All interest earned on the account will accrue to the account, to be used only for the purposes of affordable housing.



Source of Funds – Housing Trust Fund 2019 through 2025

Year	8/1/19-12/31/19	2020	2021	2022	2023	2024	1/1/25-6/30/25	2019-2025 Total
Source of Funds	STARTING BALANCE July 31, 2019 \$1,750,290.49							
Payments in Lieu	\$466,438.57	\$360,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$826,438.57
<i>Martelli</i>	\$10,438.57							\$10,438.57
<i>Toll Brothers</i>	\$456,000.00	\$360,000.00						\$816,000.00
Projected Non-Residential Development Fees	\$44,450.00	\$106,680.00	\$106,680.00	\$106,680.00	\$106,680.00	\$106,680.00	\$53,340.00	\$631,190.00
Interest	\$12,248.05	\$5,071.39	\$6,524.16	\$14,495.81	\$9,571.10	\$11,082.36	\$5,959.93	\$64,952.81
Total	\$523,136.62	\$471,751.39	\$113,204.16	\$121,175.81	\$116,251.10	\$117,762.36	\$59,299.93	\$1,522,581.38



ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

The following procedural sequence for the collection and distribution of development fee revenues shall be followed by Ocean Township:

(a) Collection of development fee revenues:

Collection of development fee revenues shall be consistent with the Township of Ocean's development fee ordinance for both residential and non-residential developments, in accordance with COAH's rules and P.L. 2008, c.46, sections 8 (N.J.S.A. 52:27D-329.2) and 32-38 (N.J.S.A. 40:55D-8.1 through 8.7).

(b) Distribution of development fee revenues:

The governing body reviews an expenditure request for consistency with the Spending Plan and adopts the recommendation by resolution. The release of the funds requires the adoption of the governing body resolution in accordance with the Court-approved spending plan. Once a request is approved by resolution, the Chief Financial Officer releases the requested funds from the trust fund for the specific use approved in the governing body's resolution.



DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

(a) Affordability Assistance (N.J.A.C. 5:93-8.16(c))

Ocean Township is required to spend a minimum of 30% of development fee revenue to render existing affordable units more affordable, and at least one-third of that amount must be dedicated to very low-income households (i.e., households earning less than 30% of the regional median income) or to create very low-income units. The actual affordability assistance minimums are calculated on an ongoing basis in COAH's online monitoring system, known as the CTM system, based on actual revenues.

Projected Minimum Affordability Assistance Requirements		
Actual development fees thru 7/31/2019		\$426,871.94
Actual interest earned thru 7/31/2019	+	\$ 36,697.12
Development fees projected 8/1/2019-6/30/2025	+	\$ 631,190.00
Interest projected 8/1/2019-6/30/2025	+	\$64,952.81
Total	=	\$1,159,711.87
30% requirement	x 0.30 =	\$347,913.56
Less Affordability Assistance expenditures to date	-	\$0
PROJECTED MINIMUM Affordability Assistance Requirement	=	\$347,913.56
PROJECTED MINIMUM Very Low-Income Affordability Assistance Requirement	÷ 3 =	\$115,971.19

Based on projected revenues, Ocean Township must dedicate at least \$347,913.56 from its Affordable Housing Trust Fund to render units more affordable, including \$115,971.19 to render units more affordable to households earning 30% or less of regional median income. It may use a variety of vehicles to do this, including the following:



- Down-payment assistance;
- Rental assistance;
- Security deposit assistance
- Low interest loans
- Assistance with homeowners' association or condominium fees and special assessments; and/or
- Converting low-income units to very low-income units, creating very low-income units, etc.

Ocean Township will exceed its minimum affordability assistance expenditure through its proposed new construction and preservation/extension of controls at Heritage Village at Ocean. The Township will expend a total of \$250,000 for rental assistance at the Heritage Village at Ocean site, and will subsidize the creation of five very low-income units at the Heritage Village at Oakhurst site through the contribution of land and a payment of approximately \$500,000 to mitigate construction costs.

Heritage Village at Ocean (Block 1.02, Lot 21.02; formerly known as Whalepond Village): \$250,000

In 2013, the Township purchased the existing 96-unit senior affordable rental complex that had been constructed by K. Hovnanian in 1994, in order to ensure the units would remain restricted to income-eligible seniors. Controls on affordability were set to expire on March 1, 2014. The Township imposed a deed restriction on the land to keep the units affordable for a new 30-year period. In 2013 the Township transferred the site, at a net loss of \$500,000, to Community Investment Strategies, which now owns and manages the senior affordable rental complex. In addition, the Township has contributed \$250,000 in rental assistance to affordable units at the site.

Heritage Village at Oakhurst (Block 3, Lots 16.03 and 16.04): \$500,000

Ocean Township will contribute a total of \$1.6 million to this municipally sponsored 100% affordable housing development. This includes transferring municipally owned land purchased for \$1.3 million, and providing a low-interest \$300,000 loan from municipal funds to cover construction costs, in accordance with agreements entered into between CIS and the Township on May 23, 2013 and December 29, 2015. The Township bonded for \$1.3 million to purchase the site in June 2003. An appraisal conducted in May of 2013 valued the property at \$1.35



million. The Township will expend \$1.3 million of trust fund revenues for the cost of acquiring the land, plus \$300,000 for the subsidization of construction costs. Five of the 92 affordable units at this site are reserved for very low-income households. The portion of the total payment considered to be a subsidy for very-low income units is estimated at \$100,000 per unit, totaling \$500,000 of affordability assistance expense.

(b) New construction project(s) ([N.J.A.C. 5:93-8.16\(a\)](#)):

Heritage Village at Oakhurst: \$1,100,000
Heritage Village at Ocean: \$500,000

The \$1.1 million balance of the Township's \$1.6 million payment toward the Heritage Village at Oakhurst site and the \$500,000 balance of the Township's \$750,000 payments for the Heritage Village at Ocean site are new construction expenditures.

(c) Administrative Expenses ([N.J.A.C. 5:93-8.16\(e\)](#))

Ocean Township may use up to 20% of Affordable Housing Trust Fund development fee and interest revenue for related administrative costs, pending funding availability after programmatic and affordability assistance expenditures. The actual administrative expense maximum is calculated on an ongoing basis in the CTM system based on actual revenues.



Projected Administrative Expenses	
Development fees/interest collected through 7/31/19	\$463,569.06
Payments in lieu of construction through July 17, 2008	+
Development fees projected 2019-2025	\$631,190.00
Interest projected 2019-2025	+
Total	= \$1,159,711.87
20% maximum permitted administrative expenses	x 0.20 = \$231,942.37
Less administrative expenditures to date	-
Projected allowed administrative expenditures	= \$231,942.37

Ocean Township projects that over the entire Third Round, \$231,942.37 may be available from the Affordable Housing Trust Fund to be used for administrative purposes. As of July 31, 2019, the Township was able to expend \$92,713.81 on administrative fees based on collected development fees and interest. Projected administrative expenditures, subject to the 20% cap, are as follows:

- Township Attorney, Engineer, and Planner fees related to plan preparation and implementation, and to obtaining Judgment of Compliance and Repeal;
- Rehabilitation program administration fees (if necessary); and
- Administration fees related to the municipally sponsored new construction or extension of control programs.



EXPENDITURE SCHEDULE

Ocean Township intends to use Affordable Housing Trust Fund revenues for the creation and subsidization of affordable housing units including very low-income units. Where applicable, the creation/subsidization funding schedule below will parallel the implementation schedule to be set forth in the Housing Element and Fair Share Plan and is summarized as follows.

Projected Expenditure Schedule 2019 Through 2025

Program	Units	2020	2021	2022	2023	2024	Total
Affordability Assistance		\$750,000.00					\$750,000.00
<i>Heritage Village @ Ocean</i>		\$250,000.00					
<i>Heritage Village @ Oakhurst Very Low-Income Units</i>	5	\$500,000.00					
Housing Activity		\$1,600,000.00					\$1,600,000.00
<i>Heritage Village @ Oakhurst</i>		\$1,100,000.00					
<i>Heritage Village at Ocean</i>	5	\$500,000.00					
Administration		\$92,713.81	\$79,559.18	\$79,559.18	\$59,669.38	\$59,669.38	\$231,942.37
TOTAL		\$2,442,713.81	\$79,559.18	\$79,559.18	\$59,669.38	\$59,669.38	\$2,581,942.37



EXCESS OR SHORTFALL OF FUNDS

Pursuant to this 2019 Housing Element and Fair Share Plan, the governing body of Ocean Township will adopt a resolution agreeing to fund any shortfall of funds required for implementing its affordable housing mechanisms. In the event that a shortfall of anticipated revenues occurs, Ocean Township may bond to satisfy the gap in funding. The Township's resolution of intent to fund will conform to the provisions in the Court-approved Settlement Agreement. In the event that funds exceed projected expenditures, the Township will devote any excess funds on additional affordability assistance above the 30% minimum requirement. Alternatively, the Township reserves the opportunity to amend its Housing Element and Fair Share Plan, as well as this Spending Plan, to create additional affordable housing opportunities.

SUMMARY

The Township of Ocean intends to spend affordable housing trust fund revenues pursuant to the extant regulations governing such funds and consistent with a portion of the housing programs outlined in its 2019 Third Round Housing Element and Fair Share Plan. Ocean Township had a trust fund balance of \$1,750,290.49 as of July 31, 2019 and anticipates collecting an additional \$1,522,581.38 in revenues and interest through the end of the Third Round, for a total of \$3,272,871.87. The Township will expend \$750,000 of trust funds for preserving affordable units and affordability assistance towards age-restricted units at Heritage Village at Ocean, including \$250,000 on affordability assistance in the form of subsidized rents and \$500,000 to extend affordability controls on 95 units for 30 years. It will also expend \$1.6 million, including \$500,000 for affordability assistance to create five very low-income units and \$1.1 million for assisting to finance the construction of Heritage Village at Oakhurst. The \$750,000 in total affordability assistance exceeds the \$347,913.56 minimum required, and the minimum \$500,000 designated for very low-income assistance exceeds the \$115,971.19 minimum required such expenditure. The Township currently has approximately \$92,713.81 available toward administrative costs, and once additional projected development fees are collected may be able to spend up to \$231,942.37 toward administrative costs.



Spending Plan Summary	
Revenues	
Balance as of 7/31/2019	\$1,750,290.49
1. Development fees and interest projected through 6/30/2025	+ \$631,190.00
2. Payments in lieu of construction projected through 6/30/2025	+ \$826,438.57
<i>Martelli: \$10,438.57</i>	
<i>Toll Brothers: \$816,000.00</i>	
3. Other funds	+ \$0
Interest	+ \$64,952.81
Total Projected Revenues	= \$3,272,871.87
Expenditures	
Affordability Assistance	- \$750,000.00
<i>Heritage @ Ocean: \$250,000.00</i>	
<i>Heritage @ Oakhurst Very-Low Income Units: \$500,000.00</i>	
New Construction	- \$1,600,000.00
<i>Heritage @ Oakhurst: \$1,100,000.00</i>	
<i>Heritage Village at Ocean: \$500,000.00</i>	
Administration	- \$231,942.37
Total Projected Expenditures	= \$2,581,942.37
POTENTIAL SURPLUS	\$690,929.50¹

¹ The Township will commit to expending this potential surplus in a future amended Spending Plan.

TOWNSHIP OF OCEAN, COUNTY OF MONMOUTH

RESOLUTION 20-025

A RESOLUTION OF THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF OCEAN, COUNTY OF MONMOUTH
ADOPTING AN AFFORDABLE HOUSING SPENDING PLAN

WHEREAS, regulations adopted by the New Jersey Council on Affordable Housing (COAH) have consistently required a municipality with an Affordable Housing Trust Fund to receive approval of a Spending Plan by COAH (and now by the Superior Court) prior to spending any of the funds in its trust fund; and

WHEREAS, these regulations required a Spending Plan to include the following:

1. A projection of revenues anticipated from imposing fees on development, based on pending, approved and anticipated developments and historic development activity;
2. A projection of revenues anticipated from other sources, including payments in lieu of constructing affordable units, funds from the sale of units with extinguished controls, proceeds from the sale of affordable units, rental income, repayments from affordable housing program loans, and interest earned;
3. A description of the administrative mechanism that the municipality will use to collect and distribute revenues;
4. A description of the anticipated use of all affordable housing trust funds;
5. A schedule for the expenditure of all affordable housing trust funds;
6. A pro-forma statement of the anticipated costs and revenues associated with the development if the municipality envisions supporting or sponsoring public-sector or nonprofit construction of housing;
7. A plan to spend the trust fund balance in accordance with the implementation schedule within the Spending Plan and approved by a settlement agreement;
8. The manner through which the municipality will address any expected or unexpected shortfall if the anticipated revenues are not sufficient to implement the Plan; and
9. A description of the anticipated use of excess affordable housing trust funds, in the event more funds than anticipated are collected, or projected funds exceed the amount necessary for satisfying the municipal affordable housing obligation.

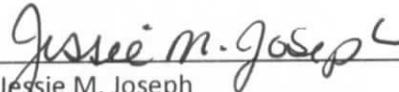
WHEREAS, the Township of Ocean has prepared a Spending Plan consistent with the Township's 2019 Third Round Housing Element and Fair Share Plan and with the 2019 Settlement Agreement with Fair Share Housing Center; and

WHEREAS, the Township of Ocean seeks review and approval of its adopted and endorsed Spending Plan as part of its obligations under the adopted 2019 Third Round Housing Element and Fair Share Plan and the 2019 Settlement Agreement between the Township of Ocean and Fair Share Housing Center.

NOW THEREFORE BE IT RESOLVED that the Township Council of the Township of Ocean, County of Monmouth hereby adopts and endorses the Spending Plan attached hereto; and

BE IT FURTHER RESOLVED that the Township of Ocean, County of Monmouth hereby requests that the Special Master and Court review and approve its Spending Plan.

Dated: January 30, 2020


Jessie M. Joseph
Deputy Township Clerk


Christopher P. Siciliano
Mayor

Record of Vote	Deputy Mayor Napolitani	Councilman Acerra	Councilwoman Donlon	Councilman Fisher	Mayor Siciliano
Motion to Approve			X		
Motion to Second		X			
Approved	X	X	X	X	X
Opposed					
Not Voting/ Recused					
Absent/Excused					

TOWNSHIP OF OCEAN, COUNTY OF MONMOUTH

RESOLUTION 20-028

A RESOLUTION OF THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF OCEAN, COUNTY OF MONMOUTH, OF INTENT TO APPROPRIATE FUNDS OR BONDS FOR AFFORDABLE HOUSING IN THE EVENT OF A FUNDING SHORTFALL

WHEREAS, the members of the Township Council of the Township of Ocean, County of Monmouth, have reviewed and approved the 2019 Third Round Housing Element and Fair Share Plan and 2019 Spending Plan; and

WHEREAS, the Township anticipates that the funding detailed in the Spending Plan will come from affordable housing development fees and developer in-lieu contributions paid into the Township's Affordable Housing Trust Fund; and

WHEREAS, the anticipated expenditures detailed in the Township's Spending Plan constitute a "commitment" pursuant to N.J.S.A. 52:27D-329.2 and -329.3 to expend those amounts on the affordable housing programs included in the Township's 2019 Third Round Housing Element and Fair Share Plan and Spending Plan, according to the timetable laid out in the Spending Plan; and

WHEREAS, in the event that the above funding sources prove inadequate to complete the affordable housing programs included in the Township's 2019 Third Round Housing Element and Fair Share Plan and Spending Plan, the Township shall provide sufficient funding to address any shortfalls.

NOW THEREFORE BE IT RESOLVED by the Township Council of the Township of Ocean, County of Monmouth, that the Township does hereby agree to appropriate funds or authorize the issuance of debt to fund any shortfall in its affordable housing programs that may arise whether due to inadequate funding from other sources or for any other reason; and

BE IT FURTHER RESOLVED that the Township may repay debt through future collections of development fees and in-lieu contributions, as such funds become available; and

BE IT FURTHER RESOLVED that the Mayor, Township Administrator, and Township Clerk are authorized and designated to execute any and all necessary documents in order to implement the intent of this Resolution.

Dated: January 30, 2020

Jessie M. Joseph
Jessie M. Joseph
Deputy Township Clerk

Christopher P. Siciliano
Christopher P. Siciliano
Mayor

Table with 6 columns: Record of Vote, Deputy Mayor Napolitani, Councilman Acerra, Councilwoman Donlon, Councilman Fisher, Mayor Siciliano. Rows include Motion to Approve, Motion to Second, Approved, Opposed, Not Voting/ Recused, Absent/Excused.