

MEDFORD TOWNSHIP, BURLINGTON COUNTY, NEW JERSEY
AMENDED AND RESTATED AGREEMENT TO ACCEPT
PAYMENT IN LIEU OF TAXES

THIS AMENDED AND RESTATED AGREEMENT FOR PAYMENT IN LIEU OF TAXES (this "Agreement"), is made as of this ____ day of May, 2008, between ELIZABETH HADDON MULTI-FAMILY LIMITED PARTNERSHIP, a limited partnership of the State of New Jersey, having its principal office at 725 Cuthbert Boulevard, Cherry Hill, New Jersey 08002 (hereinafter the "Sponsor") and the TOWNSHIP OF MEDFORD, a municipal corporation in the County of Burlington and State of New Jersey, with its offices at 17 North Main Street, Medford, NJ 08055 (hereinafter the "Municipality").

WITNESSETH

WHEREAS, ML Housing, LLC, a New Jersey limited liability company with an address of Route 70, Medford, New Jersey 08055 ("ML Housing") is the owner of all that real property, identified in Exhibit A, which is known and designated as Block 805, Lot 22.02 on the Tax Map of Medford Township, Burlington County, New Jersey (the "Property"); and

WHEREAS, ML Housing and the Sponsor have entered into a ground lease for the purpose of allowing the Sponsor to undertake the development of affordable residential housing, consisting of multi-family residential rental dwellings, to be known as the Creekside Apartments (the "Project"); and

WHEREAS, the Sponsor will receive financing for the Project from the New Jersey Housing and Mortgage Finance Agency (the "Agency"); and

WHEREAS, the Municipality is authorized, pursuant to the New Jersey Housing and Mortgage Finance Agency Law of 1983, *N.J.S.A. 55:14K-1 et seq.* (the "HMFA Law"), to grant an exemption for real estate taxes to housing projects that meet an existing housing need if the project's owner agrees to pay to the Municipality an annual charge for municipal services supplied to the project; and

WHEREAS, the Municipality has determined in a Resolution of the Township Council of the Municipality (the "Resolution"), adopted on February 20, 2007 that the Project meets an existing housing need; and

WHEREAS, the Municipality has agreed to grant an exemption to the Project for real estate taxes and the Sponsor has agreed to make payments to the Municipality in lieu of real estate taxes;

WHEREAS, the Sponsor and the Municipality desire to enter into this Agreement to memorialize the Sponsor's exemption from real property taxes and its obligation to make payments in lieu of such real property taxes;

WHEREAS, the parties executed an Agreement to Accept Payment in Lieu of Taxes in February 2007 (the "Original Agreement");

WHEREAS, the Agency subsequently requested certain non-substantive revisions to the Original Agreement;

WHEREAS, the Municipality agreed to make such requested revisions to the Original Agreement in a Resolution of the Township Council of the Municipality, adopted on March 25, 2008; and

WHEREAS, the parties desire to amend and restate the Original Agreement in its entirety in order to accommodate the Agency's request.

NOW, THEREFORE, the Sponsor and the Municipality, in consideration of the mutual undertakings set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, covenant and agree as follows:

1. This Agreement is made pursuant to the authority contained in Section 37 of the HMFA Law and the Resolution, and with the approval of the Agency, as required by the HMFA Law.

2. On the date that is the later of (with such later date being the "Tax Exemption Commencement Date") (a) the Sponsor's execution of a mortgage encumbering the Project with a mortgage lien in favor of the Agency (hereinafter referred to as the "Agency Mortgage") and (b) the date upon which the Municipality issues Certificates of Occupancy for all units in the Project, the land and improvements comprising the Project shall be exempt from all *ad valorem* 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 *ad valorem* real property taxation and the Sponsor's obligation to make payments in lieu of taxes shall apply until the earlier of (a) satisfaction and discharge of the Agency Mortgage or (b) the expiration of fifty (50) years from the Tax Exemption Commencement Date (such earlier event being the "Tax Exemption Expiration Date").

3. The land comprising the Project shall be assessed in accordance with the rules and regulations governing the taxation of vacant land in the State of New Jersey and Sponsor agrees to pay the real estate taxes arising out of such assessment from the date of execution of this Agreement to the Tax Exemption Commencement Date, subject to Sponsor's statutory rights to appeal such assessment. From the time of the execution of this Agreement until the Tax Exemption Commencement Date, the Township agrees that no assessment shall be made upon any improvements constructed in connection with the Project, whether by added/omitted assessment, revaluation, interim assessment or any other manner permitted by law.

4. (a) From the Tax Exemption Commencement Date until the Tax Exemption Expiration Date, the Sponsor shall pay to the Municipality an annual service charge in lieu of

taxes to the Municipality in an amount equal to 6.28% of Project Revenues, as defined below (the "Annual Service Charge").

(b) As used herein, "Project Revenues" means the total annual gross rental or carrying charge or other income of the Sponsor from the Project less the costs of utilities furnished by the Project, which shall include the costs of gas, electricity, heating fuel, water supplied, and sewage charges and less vacancies if any. Project Revenues shall not include any subsidy contributions received from any federal or state program.

(c) The estimated amounts of the Annual Service Charge to be paid each year pursuant to this Agreement for the first fifteen (15) years this Agreement is in effect are set forth in Exhibit B attached hereto. It is expressly understood and agreed that the revenue projections provided to the Municipality as set forth in Exhibit B 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 real estate taxes to be paid by the Sponsor shall be determined as set forth in this Agreement.

5. (a) Payments of the Annual Service Charge by the Sponsor shall be made on a quarterly basis in accordance with bills issued by the chief financial officer of the Municipality in the same manner and on the same dates as real estate taxes are paid to the Municipality and shall be based upon 6.28% of Project Revenues of the previous quarter.

(b) No later than three (3) months following the end of the Sponsor's fiscal year for each year that this Agreement is in effect after the Tax Exemption Commencement Date, the Sponsor shall submit to the Municipality a certified, audited financial statement of the operation of the Project (the "Audit"), setting forth (i) the Project Revenues for the previous year and (ii) the total Annual Service Charge due to the Municipality, calculated at 6.28% of Project Revenues, for the previous year (the "Audit Amount"). The Sponsor simultaneously with the submission of the Audit shall pay the difference, if any, between (i) the Audit Amount and (ii) the quarterly payments in lieu of real estate taxes made by the Sponsor to the Municipality for the preceding year. The Municipality may accept any such payment without prejudice to its right 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.

(c) All payments pursuant to this Agreement shall be in lieu of taxes and, subject to the provisions of this Agreement, the Municipality shall have all the rights and remedies of tax enforcement granted to Municipalities by law just as if such payments constituted regular tax obligations on real property within the Municipality. If, however, the Municipality disputes any Audit Amount, it may apply to the Superior Court, Chancery Division, Burlington County for an accounting of the Project Revenues in accordance with this Agreement and the HMFA Law. The Municipality must commence any such action to challenge an Audit Amount within one year of the receipt of the corresponding Audit.

(d) In the event of any delinquency in the payments required under this Agreement, the Municipality shall give notice of the delinquency to the Sponsor and the Agency in the manner set forth in Section 9(a) below and allow Sponsor or Agency thirty (30) days to cure the delinquency prior to taking any legal action.

6. The tax exemption herein shall apply only so long as the Sponsor or its successors 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 after the Tax Exemption Expiration Date. The tax exemption provided herein shall remain in effect only so long as the Sponsor or its successors and assigns shall maintain a minimum of thirty-two (32) units for persons of low and moderate income so as to ensure compliance with the *Mount Laurel* Compliance Plan of the Township of Medford.

7. 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, not including the sale or transfer of any partnership interest, this Agreement shall be assigned to the Sponsor's successor without the Municipality's consent and shall continue in full force and effect only if the successor entity assumes the Agency Mortgage and qualifies under the HMFA Law or any successor thereto for the tax exemption provided by this Agreement. In no event may this Agreement be voluntarily terminated without notice to and consent of the Agency.

8. Upon any termination of such tax exemption, whether by affirmative action of the Sponsor, its successors and assigns, or by virtue of the provisions of the HMFA Law, or any other applicable state law, the Property and the Project shall be taxed as omitted property in accordance with the law.

9. The Sponsor, and its successors and assigns, shall, upon request, permit duly authorized representatives of the Municipality to inspect and examine (a) the Project, (b) the equipment, buildings and other facilities of the Project, and (c) all documents and papers relating to the Project. Any such inspection or examination shall be made during reasonable hours of the business day, in the presence of an officer or agent of the Sponsor, or its successors and assigns.

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

(a) When sent by the Municipality to the Sponsor, it shall be addressed to Sponsor, c/o Ingerman Affordable Housing, Inc., 725 Cuthbert Boulevard, Cherry Hill, NJ 08002, attention: M. Brad Ingerman, President, or to such other address as the Sponsor may hereafter designate in writing and a copy of such 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 Municipality, 17 North Main Street, Medford, NJ 08055, attention: Municipal Clerk, or to such other address as the Municipality may designate in writing and a copy of such 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 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085.

11. In the event of a breach of this Agreement by either party 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, Burlington County to relief in such fashion as will tend to accomplish the purposes of the HMFA Law.

12. This Agreement sets forth all of the promises, covenants, agreements, conditions and understandings between the parties with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, oral or written, with respect thereto.

13. If any clause, sentence, subdivision, paragraph, section or part of this Agreement be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder hereof, but shall be confined in its operation to the clause, sentence, subdivision, paragraph, section or part hereof directly involved in the controversy in which said judgment shall have been rendered.

14. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

15. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

16. This Agreement amends, replaces, and supersedes in its entirety the Original Agreement.

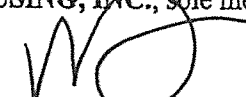
ATTEST

SPONSOR: ELIZABETH HADDON
MULTI-FAMILY LIMITED PARTNERSHIP

By: CREEKSID E GENERAL PARTNER, LLC,
its general partner

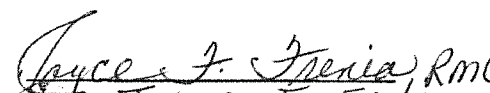
By: INGERMAN AFFORDABLE
HOUSING, INC., sole member

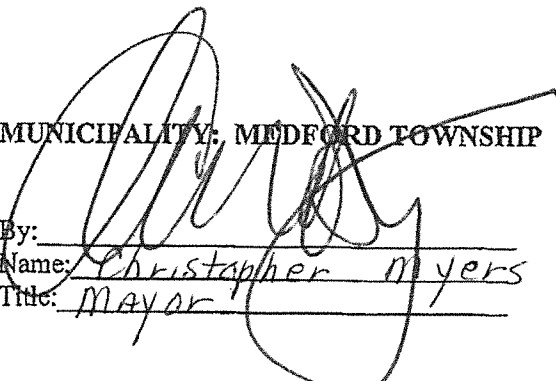

Name: M. B. INGERMAN
Title: SECT

By: 
M. Brad Ingerman, President

ATTEST

MUNICIPALITY: MEDFORD TOWNSHIP


Name: Joyce F. FRENI A
Title: Municipal Clerk


By: _____
Name: Christopher Myers
Title: Mayor