

May 12, 2011

Borough of Allendale

Resolution 11-171

PILOT, Block 904, Lots 10, 11, 12, 13 and 31

Whereas, Allendale Housing, Inc. (AHI) is a non profit corporation of the State of New Jersey and is the sponsor of a proposed affordable housing project, which is or will be situated on a parcel of land in the Borough designated as Block 904, Lots 10, 11, 12, 13 and 31 as shown on the Official Tax Map of the Borough of Allendale and located at West Crescent Avenue in Allendale, New Jersey;

Whereas, under the authority contained in Section 37 of the New Jersey Housing and Mortgage Finance Agency Law of 1983 (N.J.S.A. 55:14 K – 1 et seq.) (HMFA Law) and by virtue of authority of this Resolution and with approval of the New Jersey Housing and Mortgage Finance Agency (the Agency), a municipality and the housing sponsor may enter into an agreement for payments to the municipality in lieu of taxes for municipal services under the terms and conditions set forth therein;

Now, Therefore, Be It Resolved by the Governing Body that it does hereby authorize and approve an agreement for payment in lieu of taxes pursuant to the HMFA Law in the form attached hereto and incorporated herein.

Be It Further Resolved that the Mayor and Municipal Clerk are authorized to sign such agreement on behalf of the Borough;

Be It Further Resolved that a true copy of this resolution be provided to AHI, the Agency, and the Tax Assessor for the Borough.

	Mot.	Sec	Yea	Nay	Absent	Abstain
Bernstein			✓			
LaMonica			✓			
Schoepflin					✓	
Strauch			✓			
Wilczynski		✓	✓			
White	✓		✓			
Barra						

I hereby certify the above to be a true copy of a Resolution adopted by the Governing Body of the Borough of Allendale on May 12, 2011

Gwen McCarthy
Gwen McCarthy, R.M.C.
Municipal Clerk

Mayor Vince Barra

AGREEMENT FOR PAYMENT IN LIEU OF TAXES

THIS AGREEMENT, made this 23 day of MAY, 2011, between Allendale Housing Inc., a non-profit corporation of the State of New Jersey, having its principal office at 500 West Crescent Avenue, Allendale, New Jersey 07401 (hereinafter the "Sponsor") and the Borough of Allendale, a municipal corporation in the County of Bergen and State of New Jersey (hereinafter the "Municipality").

WITNESSETH

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 the "HMFA Law") and a Resolution of the Council of the Municipality dated MAY 12, 2011 (hereinafter 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 the parcel of land designated as Block 904, Lots 10, 11, 12, 13 & 31 as shown on the Official Tax-Map of the Borough of Allendale, located at West Crescent Avenue in Allendale, New Jersey.

3. As of the date the Sponsor executes a first mortgage upon the Project in favor of the Agency (hereinafter 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) The Sponsor shall make payment to the Municipality of an annual service charge in lieu of taxes in such amount as follows:

- (1) From the date of the acquisition closing until the date of Substantial Completion of the Project, the Sponsor shall make payment to the municipality in an amount equal to zero dollars (\$0.00) (pursuant to the HMFA Law, the annual amount may not exceed 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 remaining term of the Agency Mortgage, the Sponsor shall make payment to the Municipality in the amount of Fifteen Thousand Dollars (\$15,000) per annum as more specifically set forth in Paragraph 5 (a) below.

5. (a) Payments by the Sponsor shall be made on a quarterly basis in accordance with bills issued by the Tax Collector of the Municipality in the same manner and on the same dates as real estate taxes are paid to the Municipality and shall be made in four (4) equal installments of Three Thousand Seven Hundred Fifty Dollars (\$3,750.00).
- (b) All payments pursuant to this Agreement shall be in lieu of taxes, and the Municipality shall have all the rights and remedies of tax enforcement granted to Municipalities by law just as if said payments constituted regular tax obligations on real property within the Municipality.
- (c) In the event of any delinquency in the aforesaid payments, the Municipality shall give notice to the Sponsor and the Agency 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 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 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 assumes the Agency Mortgage.

7. 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 Project shall be taxed as omitted property in accordance with the law.

8. The Sponsor, its successors and assigns shall, upon request, permit inspection of property, equipment, buildings and other facilities of the Project by representatives duly authorized by the Municipality. Any such inspection 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.

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 Allendale Housing Inc., 500 West Crescent Avenue, Allendale, New Jersey 07401, 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, PO Box 18550, Trenton, New Jersey 08650-2085.

(b) When sent by the Sponsor to the Municipality, it shall be addressed to the Borough of Allendale, 500 West Crescent Avenue, Allendale, New Jersey 07401, 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 South Clinton Avenue, PO 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 arises 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.

ATTEST:

M. Alisa Mayer

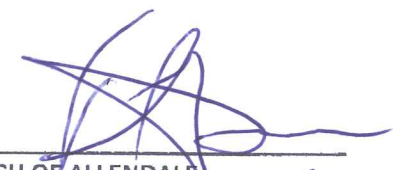

SPONSOR ALLENDALE HOUSING INC.

NAME: VINCENT BARRA

TITLE: PRESIDENT

ATTEST:

M. Alisa Mayer


BOROUGH OF ALLENDALE

NAME: VINCENT BARRA

TITLE: MAYOR