TOWNSHIP OF EVESHAM

ORDINANCE NO. 15-7-2018

ORDINANCE OF THE TOWNSHIP OF EVESHAM ADOPTING THE FINANCIAL AGREEMENT, ACCEPTING THE APPLICATION FOR TAX EXEMPTION UNDER N.J.S.A. 40A:21-1 ET SEQ, AND AUTHORIZING TAX EXEMPTION AND PAYMENT IN LIEU OF TAXES IN CONNECTION WITH THE EVESHAM FAMILY APARTMENTS DEVELOPMENT

WHEREAS, Evesham Family Apartments Urban Renewal LLC (the "Entity") has made a proposal for the construction of a sixty-four (64) unit affordable rental housing development, comprised of a mix of one, two, and three-bedroom rental units located on lot 2.03 in block 36 in the Township of Evesham, Burlington County, New Jersey (the "Development"); and

WHEREAS, the rental units in the Development would be leased exclusively to tenants whose incomes are at or below sixty percent (60%) of the area median income, and so qualifies as a "low and moderate income housing development" under the provisions of the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq; and

WHEREAS the Entity's proposal and conceptual plan have been reviewed and found consistent with the Township's goals for development of the area and for the provision of affordable housing in the Township; and

WHEREAS, the Entity will be qualified as an "urban renewal entity" pursuant to the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq.; and

WHEREAS, the Township acknowledges that the Entity, by effectuating the Development, has significantly limited its profits by maintaining affordability controls upon the Development for 45 years, and otherwise limiting its profits pursuant to the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq.; and

WHEREAS, the Entity has submitted to the Township Council an Application and Financial Agreement, copies of which are attached and incorporated herein by reference;

NOW THEREFORE, BE IT ORDAINED, by the Township Council of the Township of Evesham that:

SECTION I.

Evesham Family Apartments Urban Renewal LLC, as the entity proposing to undertake the development of the Development, is hereby granted tax exempt status on a tax phase-in basis, as permitted by N.J.S.A. 40A:20-1 et seq. for the sixty-four (64) affordable rental housing units. Such exemption shall be triggered by the issuance of a Certificate of Occupancy (or TCO) for the final building in the Development and shall be structured as specified in the Financial Agreement governing the Development and as follows:

1. Stage 1 of the exemption period, from substantial completion/Certificate of Occupancy to the 15th year thereafter, the

Entity shall pay an annual service charge equal to five percent (5.00%) of annual gross revenue.

2. Stage 2 of the exemption period, for years 16 through 21, the Entity shall pay an annual service charge equal to 5.00% of gross revenue or twenty percent (20%) of the taxes otherwise due on the value of the land and improvements, whichever is greater.

3. Stage 3 of the exemption period, for years 22 through 27, the Entity shall pay an annual service charge equal to 5.00% of gross revenue or forty percent (40%) of the taxes otherwise due on the value of the land and improvements, whichever is greater.

4. Stage 4 of the exemption period, for years 28 through 29, the Entity shall pay an annual service charge equal to 5.00% of gross revenue or sixty percent (60%) of the taxes otherwise due on the value of the land and improvements, whichever is greater.

5. Stage 5 of the exemption period, for year 30, the Entity shall pay an annual service charge equal to 5.00% of gross revenue or eighty percent (80%) of the taxes otherwise due on the value of the land and improvements, whichever is greater.

SECTION II.

The Township Council hereby approves the Financial Agreement submitted by Evesham Family Apartments Urban Renewal LLC, pursuant to N.J.S.A. 40A:20-1 et seq. in connection herewith governing the Development. The Township Council hereby authorizes and directs the Township Manager and the Township Clerk as may be necessary to execute on behalf of the municipality the Agreement for Payments in Lieu of Taxes in substantially the form annexed hereto as Exhibit A. The Council understands and agrees that the revenue projections set forth by the Developer are estimates and that the actual payments in lieu of taxes to be paid by the Entity to the Township shall be determined pursuant to the Agreement for Payments in Lieu of Taxes executed between the parties.

SECTION III. REPEALER; SEVERABILITY; EFFECTIVE DATE

A. Ordinances or provisions thereof inconsistent with the provisions of this Ordinance shall be and are hereby repealed to the extent of such inconsistency.

B. If any section, paragraph, subdivision, clause or provision of this Ordinance shall be adjudged invalid, such adjudication shall only apply to the section, paragraph, subdivision, clause or provision and the remainder of this Ordinance shall be deemed valid and effective.

C. This Ordinance shall take effect upon adoption and publication according to law and the filing of same with the Burlington County Planning Board in accordance with N.J.S.A. 40:55D-16 and the Pinelands Commission in accordance with N.J.A.C. 7:50-3.31 through 3.45.

ROLL CALL VOTE *Upon Introduction* 6/13/18						
COUNCIL MEMBER	INTRODUCED	SECONDED	AYE	NAY	ABSTAIN	ABSENT
D'ANDREA		✓	✓			
DIENNA	✓		✓			
HACKMAN			✓			
ZEULI			✓			
MAYOR BROWN					✓	

ROLL CALL VOTE *Upon Adoption* 7/17/18						
COUNCIL MEMBER	INTRODUCED	SECONDED	AYE	NAY	ABSTAIN	ABSENT
D'ANDREA						✓
DIENNA	✓		✓			
HACKMAN			✓			
ZEULI		✓	✓			
MAYOR BROWN					✓	

Adopted on second and final reading on

7/17/18

Deborah K. Hackman

Dep. Mayor

ATTEST:

Mary Lou Bergh

Township Clerk

WALTERS GROUP

21 East Euclid Avenue, Suite 200 | Haddonfield, New Jersey 08033 | 856.354.2100 | Fax 856.354.6230

500 Barnegat Boulevard North, Building 100 | Barnegat, New Jersey 08005 | 609.607.9500 | Fax 609.607.9550

August 8, 2019

RECEIVED
AUG 12 2019
Initial: NJ

Nancy W. Jamanow, PE, CME, PP
Director of Community Development
Township of Evesham
984 Tuckerton Road
Marlton, New Jersey 08053

Re: Evesham Family Apartments Urban Renewal LLC
First Amendment to Affordable Housing Agreement

Dear Ms. Jamanow:

Pursuant to your correspondence dated August 5, 2019, enclosed please find the fully executed First Amendment to Affordable Housing Agreement.

Thank you.

Very truly yours,

JOSEPH A. DEL DUCA

JAD:mmr
Enclosure

FIRST AMENDMENT TO AFFORDABLE HOUSING AGREEMENT
for the development of a 64-unit Affordable Family Rental Residential Project in Evesham Township, Burlington County

THIS FIRST AMENDMENT ("Amendment") to Affordable Housing Agreement ("Agreement") for the development of a 64-unit Affordable Family Rental Residential Project in Evesham Township, Burlington County is made this 5th day of August, 2019 between the **TOWNSHIP OF EVESHAM,** a municipal corporation of the State of New Jersey, with offices located at 984 Tuckerton Road, Marlton, New Jersey 08043 ("Evesham" and/or "Township") and **EVESHAM FAMILY APARTMENTS URBAN RENEWAL LLC,** a New Jersey limited liability company, whose address is 21 East Euclid Avenue, Suite 200, Haddonfield, New Jersey 08033 ("Developer").

WHEREAS, the Agreement was signed on June 19, 2018 by the Township and the Developer; and,

WHEREAS, the Agreement provides, for a loan in the amount of $200,000.00 to the Developer from the Township's Affordable Housing Trust Fund to support and ensure the viability of the 64 unit affordable rental housing development more particularly describe in the Agreement under the terms and conditions also more particularly set forth in the Agreement; and,

WHEREAS, by Resolution 260-2018 dated August 21, 2018, and incorporated by reference herein, the Township agreed to increase the loan from $200,000.00 to $400,000.00; and,

WHEREAS, the purpose of this Amendment is to memorialize the change in the loan amount accordingly.

NOW THEREFORE, in consideration of the mutual promises and covenants set forth in the Agreement and this Amendment the parties agree as follows:

1. Section 10 of the Agreement is amended to replace the reference to the sum of $200,000.00 with the sum of $400,000.00. Any and all references in the Agreement to $200,000.00 are replace with the sum of $400,000.00.

2. Except as amended and modified above the terms and conditions of the Agreement, including but not limited to the Developer's duties and responsibilities thereunder shall remain in full force and effect.

3. This Amendment may be signed in counterparts. Facsimile signatures shall be considered genuine.

SIGNATURES ON NEXT PAGE

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year appearing below their names:

WITNESS

Mary Lou Bergh, RMC

Print Name:

MARY Lou Bergh
Township Clerk

TOWNSHIP OF EVESHAM
A Municipal Corporation of the
State of New Jersey

By: [signature]

Robert Corrales
Township Manager

Date: 8/5/19

WITNESS

[signature]

Print Name:

Evesham Family Apartments Urban Renewal LLC

By: [signature]

Joseph A. Del Duca
Authorized Member

Date: 8/5/19

FINANCIAL AGREEMENT PURSUANT TO THE LONG TERM TAX EXEMPTION LAW, N.J.S.A. 40a:20-1, et seq. BETWEEN THE TOWNSHIP OF EVESHAM AND EVESHAM FAMILY APARTMENTS URBAN RENEWAL LLC

THIS **FINANCIAL AGREEMENT** (hereinafter, the "Agreement"), is made as of this 1st day of July, 2019, between EVESHAM FAMILY APARTMENTS URBAN RENEWAL LLC, a limited liability company of the State of New Jersey, having its principal office at 21 East Euclid Avenue, Haddonfield, New Jersey 08033, herein designated as the "Entity," and the TOWNSHIP OF EVESHAM, an incorporated township in the County of Burlington and the State of New Jersey, hereinafter designated as the "Township."

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 shall be governed by the provisions of the Long Term Tax Exemption Law, as amended and supplemented, N.J.S.A. 40A:20-1, et seq. (the "Law"). It is expressly understood and agreed that the Township relies upon the facts, data, and representations contained in the application of the Entity project for Tax Abatement pursuant to the Long Term Tax Exemption Law, 40A:20-1, et seq., (hereinafter, the "Application") submitted to the Township. The Entity shall at all times prior to the expiration or other termination of this Agreement remain bound by the provisions of the Law. Operation under this Agreement shall be terminable by the Entity in the manner provided by the Law.

2. The Township has granted and does hereby grant its approval for an urban renewal project, the nature, magnitude and description of which is disclosed below and in the

accompanying Application, to be constructed under the provisions of the Law on the land described in said Application located on land located on an approximately 8 acre site and identified as Lot 2.03, Block 36 in the Township (hereinafter, the "Project"); which lot may be subdivided with a new lot number created for the Project. The Township finds that the redevelopment of the Project creates a substantial benefit to the Township when compared to costs associated with the tax exemption granted herein and, further finds that such tax exemption is of significant importance in obtaining the development of the Project and in influencing the locational decisions of probable occupants of the Project. A summary of the Project follows:

(a) The Project to be constructed will be a family rental unit affordable housing project consisting of sixty-four affordable rental units. Upon refinancing with the New Jersey Housing and Mortgage Finance Agency, the Project will be a Low Income Housing Tax Credit project. At least forty (40%) of the rental units will be leased to tenants whose incomes are at or below sixty percent (60%) of the area median income and so qualifies as a "low and moderate income housing project" under the provisions of the New Jersey Long Term Tax Exemption Act and will be maintained as a low and moderate income housing project for a period of forty-five (45) years from the completion of construction. The Project will be subject to a 45-year affordability deed restriction.

(b) The Entity and its managing member are affiliates of the Walters Group. The Entity will admit an investor member entity owned by a tax credit equity investor in connection with the Low Income Housing Tax Credit syndication of the Entity and Project. The development team boasts a group of seasoned professionals with a breadth and depth of experience in the highest-quality affordable housing development.

(c) The Project's proposed sources and uses of funds is set forth on Exhibit "A" attached hereto and incorporated herein.

(d) The Project's proposed operating expenses are set forth on Exhibit "B" attached hereto and incorporated herein.

3. Approval hereunder is granted to the Entity for the undertaking of the Project on the lands referred to above, which shall in all respects comply and conform to all applicable statutes and municipal ordinances, and the lawful regulations made pursuant thereto, governing land, building(s) and the use thereof, and which Project is more particularly described herein and in the accompanying Application.

4. The Project to be constructed by the Entity shall be exempt from taxation on its improvements in accordance with the provisions of the Law and in the manner provided by this Agreement for a term of thirty (30) years from the completion of the entire Project but not more than thirty-five (35) years from the execution of this Agreement, and only so long as the Entity and the Project remain subject to the provisions of the Law and complies with this Agreement.

5. In consideration of the aforesaid exemption from taxation on improvement(s), the Entity, it successors and assigns shall make payment to the Township of an annual service charge of a sum equal to five percent (5.00%) for municipal services supplied to the Project (hereinafter the "Annual Service Charge") of the annual gross revenue determined pursuant to N.J.S.A. 40A:20-1, et seq. calculated from the first day of the month following the substantial completion of the Project[1]. There is hereby established a schedule of Annual Service Charges to be paid over the term of the thirty (30) year exemption period which shall be in stages as follows:

[1] Substantial completion means the date upon which the Certificate of Occupancy (or temporary Certificate of Occupancy) is issued for the last building.

(a) For the first stage of the exemption period, commencing upon substantial completion of the Project and for the fifteen (15) years thereafter (the "Commencement Date"), the Entity shall pay the Township an Annual Service Charge equal to five percent (5.00%) of the annual gross revenue.

For the remainder of the period of the exemption, the Annual Service Charge shall be determined as follows:

(b) For the second stage of the exemption period, which shall be for years sixteen (16) through twenty-one (21) of the exemption period, the Entity shall pay the Township an amount equal to either the amount determined pursuant to Paragraph 5(a) of this Agreement or twenty percent (20%) of the amount of taxes otherwise due on the value of the land and improvements, whichever shall be greater;

(c) For the third stage of the exemption period, which shall be for years twenty-two (22) through twenty-seven (27) of the exemption period, the Entity shall pay the Township an amount equal to either the amount determined pursuant to Paragraph 5(a) of this Agreement or forty percent (40%) of the amount of taxes otherwise due on the value of the land and improvements, whichever shall be greater;

(d) For the fourth stage of the exemption period, which shall be for years twenty-eight (28) through twenty-nine (29) of the exemption period, the Entity shall pay the Township an amount equal to either the amount determined pursuant to Paragraph 5(a) of this Agreement or sixty percent (60%) of the amount of taxes otherwise due on the value of the land and improvements, whichever shall be greater;

(e) For the final stage of the exemption period, which shall be for year thirty (30) of the exemption period, the Entity shall pay the Township an amount equal to either the amount determined pursuant to Paragraph 5(a) of this Agreement or eighty percent (80%) of the amount of taxes otherwise due on the value of the land and improvements, whichever shall be greater.

The Annual Service Charge shall be paid to the Township on a quarterly basis in a manner consistent with the Township's tax collection schedule.

Against the Annual Service Charge, the Entity shall be entitled to credit for the amount, without interest, of the real estate taxes on the Project's land paid or that would have been due by it or by the owner of the Project's land in the last four (4) preceding quarterly installments. Notwithstanding the provisions of this section of the Agreement, the minimum Annual Service Charge shall be the amount of the total taxes levied against all the real property covered by the Project in the last full tax year in which the area was subject to taxation, and the minimum Annual Service Charge shall be paid in each year in which the Annual Service Charge calculated pursuant to this section of the Agreement would be less than the minimum Annual Service Charge. Prior to the Commencement Date, the Entity shall pay real estate taxes based on the assessed value of the Project as of the date of this Agreement. The calculation of the proposed Annual Service Charge is set forth on Exhibit "C" attached hereto and incorporated herein.

6. The Annual Service Charge payments for the first year of tax exemption shall be made on a pro rata basis, from the date of commencement of the exemption to the close of that calendar year, and, for the last calendar year of the tax exemption, from the first day of the calendar year to the date of termination of the exemption. Upon the termination of the exemption granted pursuant to the provision of the Law, the Project and all improvements made thereto shall be assessed and subject to taxation as are other taxable properties in the Township.

After the date of termination, all restrictions and limitations upon the Entity shall terminate and be at an end upon the Entity's rendering its final accounting to and with the Township.

7. In the event of a breach of the 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, pursuant to N.J.S.A. 40A:20-9f, invoke the rules of the American Arbitration Association for resolution by arbitration (the "AAA Rules "). The arbitration shall be before one neutral arbitrator to be selected in accordance with the AAA Rules and whose decision shall be rendered in writing. The results of the arbitration shall be final and binding upon the parties, with each party paying its own costs of the arbitration and 50% of the costs of the neutral arbitrator, and judgment on the award may be entered in any court having jurisdiction thereof. In rendering the award, the arbitrator shall determine the rights and obligations of the parties according to the substantive and procedural laws of the State of New Jersey. The arbitration shall be held in Lumberton, New Jersey, or at such other place as may be selected by mutual agreement of the parties. The arbitrator shall have no authority to award punitive damages or any other damages not measured by the prevailing party's actual damages, and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of this Agreement.

In the event of a default on the part of the Entity pursuant to its obligation to pay the Annual Service Charge as defined in Paragraphs 5 and 6 above, the Township may terminate the tax abatement if the default is not remedied within ninety (90) days of the due date of the Annual Service Charge or in the alternative it reserves the right to proceed against the Entity's Project that is the subject of this Agreement, in the manner provided by N.J.S.A. 54:5-1 to 54:5-129 and any act supplementary or amendatory thereof, it being understood and agreed by the parties hereto that throughout N.J.S.A. 54:5-1 to 54:5-129 and any act supplementary or amendatory thereof, whenever the word "taxes" appears, or is applied, directly or impliedly to mean taxes or municipal liens on land, such statutory provision shall be read, as far as is pertinent to this Agreement, as if the Annual Service Charge were taxes or municipal liens on land. In any event, however, the Entity does not waive any defense it may have to contest the right of the Township to proceed in the above-mentioned manner by conventional or in rem tax foreclosure.

8. It is agreed between the parties that the Entity, at any time after the expiration of one (1) year from the completion of the Project, may notify the Township Council that, as of a certain date designated in the notice, it relinquishes its status under the Law, and that the entity has obtained the consent of the Commissioner of the Department of Community Affairs to such a relinquishment. As of that date, the tax exemption, the service charges, and the profit and dividend restrictions for the Entity shall terminate. The date of termination of tax exemption, whether by relinquishment by the Entity or by terms of this Agreement, shall be deemed to be the close of the fiscal year of the Entity. Within ninety (90) days of that date, the Entity shall pay to the Township the amount of reserve, if any, maintained pursuant to section 15 or 16 of the Law, as well as the excess net profits, if any, payable as of that date.

9. The Entity shall be subject, during the period of this Agreement and tax exemption under the Law, to a limitation of its profits and in addition, in the case of a corporation, of the dividends payable by it. Whenever the net profits of the Entity for the period, taken as one accounting period, commencing on the date on which the construction of the Project is completed and terminating at the end of the last full fiscal year, shall exceed the allowable net profits for the period, the Entity shall, within ninety (90) days of the close of the fiscal year, pay the excess net profits to the Township as an additional service charge. The Entity may maintain

during the term of this Agreement a reserve for unpaid rentals, reasonable contingencies and/or vacancies in an amount not exceeding seven percent (7%) of the gross annual revenues of the Entity for the fiscal year preceding the year in which a determination is being made with respect to permitted net profits as provided in N.J.S.A. 40A:20-15. This seven percent (7%) reserve is established as required by the Low Income Housing Tax Credit regulations of the New Jersey Housing and Mortgage Finance Agency.

10. Within ninety (90) days after the date of such termination, the Entity shall pay the Township a sum equal to the amount of the reserve, if any, maintained pursuant to N.J.S.A. 40A:20-15 and 40A:20-16, as well as the excess net profits, if any, payable as of that date.

11. The Entity shall submit annually, within ninety (90) days after the close of each of its fiscal years, its auditor's reports of income and expenses related to the Project to the Mayor and Township Council and to the Director of Local Government Services in the Department of Community Affairs having a mailing address of CN-805, Trenton, NJ 08625-0805.

12. The Entity shall, upon request, permit inspection of the Project, equipment, buildings and other facilities of the Entity by authorized representatives of the Township or the State of New Jersey. The Entity shall also permit examination and audit of its books, contracts, records, documents and papers by authorized representatives of the Township or the State at the Entity's expense. Such inspection or examination shall be made during the reasonable hours of the business day, in the presence of an officer or agent of the Entity.

13. After examination of the books, contracts, etc. as set forth in Paragraph 12, the Township, in its reasonable discretion, may, within ninety (90) days after the close of any fiscal or calendar year (depending on the Entity's accounting basis) in which this Agreement remains in

effect, require the Entity to submit an auditor's report for the preceding fiscal or calendar year, certified by a certified public accountant, to the Mayor, the Township Council, the Finance Director and the Clerk of the Township. Said auditor's report shall include, but not be limited to, such details as may relate to the Project's cost and to the financial affairs of the Entity and to its operation and performance hereunder, pursuant to the Law, as amended and supplemented, and this Agreement, and shall be prepared in a manner consistent with the current standards of the Financial Accounting Standards Board. Said auditor's report shall be submitted to the representatives of the Township mentioned above within 90 days of receipt by the Entity of the Township's request for said auditor's report.

14. The failure on the part of the Entity to make timely payment of all municipal obligations, taxes, fees and charges arising out of this Agreement or in any way arising out of the affected Project, its land and/or improvements, or failure on the part of the Entity to comply with the requirements of the aforementioned audit, or with any other substantive condition of this Agreement shall permit the Township to exercise such remedies as may be provided by the Law or this Agreement, provided that this Entity shall have received from the Township a Notice of Default and Intent to Terminate, in which case the Entity shall have ninety (90) days in which to cure any default and avoid such termination.

15. Any notice required hereunder to be sent by either party to the other, shall be sent by certified mail, return receipt requested, or by a nationally recognized overnight delivery service, addressed as follows:

(a) When sent by the Township to the Entity it shall be addressed to: Evesham Family Apartments Urban Renewal LLC, c/o Walters Group, 21 E. Euclid Avenue, Suite 200, Haddonfield, New Jersey 08033 unless prior to giving such notice the Entity shall have notified the Township otherwise in writing.

(b) When sent by the Entity to the Township, it shall be addressed to Township of Evesham, Township Manager, 984 Tuckerton Road, Marlton, New Jersey 08053, unless prior to giving such notice the Township shall have notified the Entity otherwise in writing.

16. It is understood and agreed that in the event the Township shall be named as a party defendant in any action brought against the Entity by reason of any breach, default, or a violation of any of the provisions of this Agreement and/or the provisions of N.J.S.A. 40A:20-1, et seq., the Entity shall indemnify and hold the Township harmless and shall further defend any such action at its own expense. Notwithstanding anything in the Agreement to the contrary, the Entity's liability under this Agreement shall be limited to its interest in the Project. However, the Township maintains the right to intervene as a party thereto, to which intervention the Entity consents, the expense thereof to be borne by the Township.

17. The Entity shall have and may exercise such of the powers conferred by law on limited liability companies as shall be necessary for the operation of the business of the Entity and as shall be consistent with the provisions of the Law, and, in addition shall have and may exercise the powers set forth in the Law, but only so long as this Agreement, together with any amendments thereto, is in effect with the Township pursuant to the Law.

18. The Township consents to a sale of the Project by the Entity to another urban renewal entity organized pursuant to the Law, their successors, assigns, all owning no other project at the time of the transfer and that, upon assumption by the transferee urban renewal entity of the transferor's then remaining obligations under this Agreement, the tax exemption of

the improvements of the Project shall continue and inure to the transferee urban renewal entity, its respective successors or assigns.

However, any change made in the ownership of the Project which, as determined by the Township in its reasonable discretion, would materially affect the terms of this Agreement, shall render this Agreement voidable unless approved by the Township Council by resolution. It is understood and agreed that the Township may, on written application by the Entity, consent to a sale of the Project and the transfer of the Agreement to an urban renewal corporation or association eligible to function under the Law provided the Entity is not in default as respects any performance required of it hereunder and full compliance with the terms and conditions of N.J.S.A. 40A:20-1, et seq. has occurred and the Entity's obligation under this Agreement with the Township is assumed by the transferee.

If the Entity has, with the consent of the Township, transferred its Project to another urban renewal entity which has assumed the then remaining contractual obligations of the Entity with the Township, the Entity shall be discharged from any further obligation under this Agreement, and shall be qualified to undertake another project with the same or a different municipality.

The Township recognizes and acknowledges that the Entity is a New Jersey limited liability company and as such intends to sell membership interests in the Entity through syndication. The Township specifically recognizes and consents to such syndication and sale or resale of membership interests in the Entity.

19. Where approval or consent of the Township is sought for an assignment of the Agreement, either the Entity or its assignee shall be required to pay to the Township a reasonable fee for the legal services of the Township's Law Department, as determined by the Director of

Law, or if none exists, the Manager of the Township, related to the review, preparation, and/or submission of papers to the Township Council for its appropriate action on the request assignment.

20. Reference to the Long Term Exemption Law shall mean N.J.S.A. 40A:20-1, et seq., as amended and supplemented.

21. The Entity shall, from the time the Annual Service Charge becomes effective, and on the same due dates as scheduled for the payment of land taxes, pay the Township the estimated 1/4 of the Annual Service Charge on the Project's improvements until the correct amount due from the Entity as the Annual Service Charge on the Project's improvements is determined after any review and examination by the Township of the Entity's books and records and for submission to Township of any auditor's reports pursuant to Paragraphs 12 and 13 above.

Within 90 days after the correct amount due from the Entity as the Annual Service Charge on the Project's improvements has been determined by the Township's Finance Director and notice of same given to the Entity, the Township and the Entity will adjust and pay any over or under payment so made, or needed to be made.

22. All conditions in the Ordinance of the Township Council approving this Agreement are hereby incorporated in this Agreement and made a part hereof.

[remainder of page intentionally left blank]

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

WITNESS:

EVESHAM FAMILY APARTMENTS URBAN RENEWAL LLC,
a New Jersey limited liability company

By: ______________________
Joseph A. Del Duca
Authorized Member

ATTEST:

Mary Lou Bergh, RMC
Municipal Clerk

TOWNSHIP OF EVESHAM

By: ______________________
Michael Barth, Township Manager

Exhibit "A"

Project Sources and Uses (Projected)

Sources/Uses of Funds		
Sources		
		Amount
Permanent Mortgage	$	1,675,446
LIHTC EQUITY		12,576,493
Deferred Developer Equity		1,072,591
Evesham Affordable Housing Trust Funds		400,000
Total Sources of Funds		**$15,724,530**
Uses		
Acquisition Costs	$	1,070,000
Construction Costs		9,991,705
Professional Costs		1,445,376
Lease-up & Marketing		151,076
Financing/Overhead		2,529,806
State Agency Fees and Reserves		536,567
Total Uses of Funds		**$15,724,530**

Exhibit "B"

Project Operating Expenses (Projected)

Project Operating Expenses	
Administrative	105,431
Salaries	104,543
Maintenance & Repairs	62,967
Utilities	69,000
Real Estate Taxes	31,355
Insurance	28,800
Replacement Reserve	28,160
Total Expenses	**$430,256**

Exhibit "C"

Calculation of Annual Service Charge

Gross Rents	$ 660,849
Other Income	12,500
Less Vacancy	(46,259)
Gross Revenue	$ 627,089
x Rate	x 5.00%
Annual Amount of Payment in Lieu of Taxes	$ 31,355