

**APPLICATION FOR AMENDED TAX EXEMPTION  
OF  
MONTGOMERY GATEWAY ASSOCIATES, L.P.**

In compliance with Executive Order #S-02-003 of the Mayor of the City of Jersey City, the Applicant herewith submits the following information in support of its application for an Amended Tax Exemption under and pursuant to the former Limited-Dividend Nonprofit Housing Corporations or Associations Law (N.J.S.A. 55:16-1 et. seq.) and the Long Term Tax Exemption Law (N.J.S.A. 40A:20-1, et seq.)

**Applicant:** Montgomery Gateway Associates, L.P.  
591 Montgomery Street  
Jersey City, New Jersey

**Property:** Lot G and G.T01 in Block 379, commonly known as  
351-381 Montgomery Street

Lot P in Block 380-381, commonly known as 352-  
364 Montgomery Street

Lot PL.B Block 405, commonly known as 383-389  
Montgomery Street

All as shown on the Tax Map of the City of Jersey  
City (collectively the "Property").

**Project:** Montgomery Gateway East II  
353-391 Montgomery Street,  
383-389 Montgomery Street,  
Jersey City, New Jersey 07302

**Applicant's Attorney:** James C. McCann, Esq.  
Connell Foley, LLP  
Harborside Financial Center  
2510 Plaza Five  
Jersey City, NJ 07311-4029  
(201) 521-1000

**LIST OF EXHIBITS:**

**Exhibit**

- A. Description of Property
- B. Description of Leases
- C. Annual Gross Revenue Computation
- D. Projected Statement of Property Operations
- E. Compliance with State and Local Laws Certification
- F. Certificate of Limited Partnership and Disclosure Statement for Montgomery Gateway Associates, L.P.
- G. Proposed Amended Financial Agreement

## APPLICATION

### 1. Identification of the Property:

The Project is commonly known as Montgomery Gateway East II, Jersey City, New Jersey. The Property is approximately  $\pm$  5.05 acres. The description of the land where the Project is located is attached hereto as Exhibit A.

### 2. Description of & History Project:

Montgomery Gateway Associates, L.P. (the "Applicant") currently owns the Project, which consists of an existing low-income apartment complex, all tenants of which are low or moderate income, with the exception of 1 superintendent unit, which is non-income producing, having a total of 190 units. The complex, which was renovated by the Applicant, consists of 18 buildings, each 2 stories or 3 stories high, containing a total of 5 studio apartments, 73 one bedroom apartments, 31 two bedroom apartments, 74 three bedroom apartments, and 6 four bedroom apartments ("Project").

By resolution dated September 20, 1979 ("Resolution"), the Municipal Council granted a tax exemption to the Applicant for the Project pursuant to the authority contained in the Limited Dividend Nonprofit Housing Corporations or Associations Law, N.J.S.A. 55:16-18 (the "Limited Dividend Law") and the New Jersey Housing Finance Agency Law of 1967, N.J.S.A. 55:14J-30 (the "NJHFA Law"). Pursuant to the Resolution, the City and the Applicant entered into a tax abatement agreement ("Tax Abatement Agreement") for a period not less than the term of the first mortgage on the Project in favor of the NJHFA, but not more than fifty (50) years from the date of execution of the first mortgage. Pursuant to the Tax Abatement Agreement, the annual service charge is based upon 6.28% of annual gross revenue generated by the Project. The current annual service charge under the 1979 Tax Abatement Agreement is approximately \$237,500.00. The Applicant and the NJHFA entered into a first mortgage on April 11, 1980, which mortgage was recorded in the Hudson County Register's Office on May 9, 1980 in Mortgage Book 3076 at Page 514. The NJHFA mortgage has a term of 40 years extending to April 2020.

### 3. Type of Abatement Amendment Requested:

The Applicant is refinancing the Project. In order to refinance the Applicant must pay off the NJHFA mortgage which will cause the 1979 Tax Abatement to expire unless amended. Pursuant to the refinance transaction, a new mortgage will be provided by Oakgrove Capital via a HUD insured mortgage (the "HUD Insured Mortgage"). The term of the HUD insured mortgage is will be from August 2012 to August 2022.

The Applicant seeks to amend the tax exemption for the Project to permit refinancing of the Project under and pursuant to the former Limited-Dividend Nonprofit Housing Corporations or Associations Law (N.J.S.A. 55:16-1 et. seq.) and the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1, et. seq., based upon a 6.28% of Annual Gross Revenue formula (as set forth in the draft Amended Financial Agreement attached hereto). Based upon the Annual Gross Revenue computations and the Proposed Statement of Stabilized Property Operations set forth in Exhibits C and D, the Project will generate an estimated Annual Service Charge of \$244,400.

**4. Term of Amended Abatement:**

The term of the amended tax exemption being requested by the Applicant is for a period commencing with the execution of the HUD Insured Mortgage and ending with the expiration of the HUD Insured Mortgage in August, 2022.

**5. Type of Project:**

The Project shall continue to consist of 189 residential rental apartments, plus 1 superintendent unit, which is non-income producing. The Project contains one commercial unit located in 358 Montgomery Street which is rented by the City of Jersey City for \$1.00. One hundred (100 %) percent of these apartments will continue to be affordable housing units based upon a Section 8 Housing Assistance Contract. The number, size, and rent for the apartments is as follows:

Number of Apts.	Number of Bedrooms	Square Footage*	Monthly Rent**	Average Portion paid by Tenant
5	Studio	420	\$1,199	\$324
73	1	707	\$1,481	\$324
31	2	833	\$1,858	\$324
74	3	1233	\$1,895	\$324
6	4	1503	\$1,953	\$324
Total 189				

\* The exact square footage and rent could vary. The numbers above represent the average square footage and rent for each type of apartment.

\*\* The rents are paid by HUD pursuant to a Housing Assistance Payments Contract, which is in effect until January 19, 2012. The housing assistance payments contract is renewable on an annual basis and the Applicant intends to continue to renew it.

The apartments are available only to those who qualify under the relevant federal and state guidelines which are as follows: individual occupants and family occupants must have a combined income of less than 30% of the area's median income (adjusted for family size). Five (5%) percent of the occupants of the Project are disabled persons. The ratio of annual rent to annual income for these persons must not exceed 30%. The current tenants pay an average of \$324.00 per month in rent with the balance paid by HUD. The average annual income of the current tenants is \$15,656.96. A management company specializing in administration of affordable housing properties will continue to manage the Property.

The Project also contains two cell towers on the roof of 358 Montgomery Street and 361 Montgomery Street, which generates annual revenue of \$75,000.00.

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

The Total Estimated Annual Gross Revenue for the project is **\$3,904,448** as more particularly set forth on Exhibit C and the Projected Statement of Operating Expenses are **\$2,365,300.01**, as more particularly set forth on Exhibit D.

7. **Real Estate Tax Assessments:**

The current annual service charge under the terms of the Tax Abatement Agreement is approximately \$237,500.00.

8. **Real Estate Tax Information:**

The Property is currently subject to a 6.28% annual service charge as set forth in the Tax Abatement Agreement. In 2010, the Property paid an annual service charge equaling \$237,500.00. The assessment information for the Property is attached hereto as part of Exhibit A.

9. **Status of Municipal Taxes and Other Charges.**

All real estate taxes, annual service charges, and other assessments against the Property will be paid in full prior to the execution of an Amended Financial Agreement .

10. **Estimated Jobs to be Created:**

The Applicant will continue to employ one (1) direct full time permanent employees that are currently employed by the Project. This Project will not cause any loss or displacement of current employment opportunities. The Applicant agrees to execute a Project Employment Agreement simultaneously with the execution of a financial agreement.

11. **Compliance with State and Local Law:**

The Project meets the requirements of the laws of the State of New Jersey and the City of Jersey City to qualify for a tax abatement. See Certification as to Compliance with State and Local Laws attached hereto as Exhibit E.

12. **Certificate of Formation & Disclosure Statement:**

The Applicant is limited partnership formed in accordance with the requirements of the applicable laws of the State of New Jersey.

Attached hereto as part of Exhibit F is a copy of the Certificate of Limited Partnership of the Applicant.

A Disclosure Statement listing the names and address of the partners of the Applicant is attached hereto as part of Exhibit F.

13. **Form of Financial Agreement:**

Attached hereto as Exhibit G is a proposed Amended Financial Agreement between the City of Jersey City and the Applicant.

14. **Affordable Housing Contribution:**

No affordable housing contribution is required pursuant to §304-28 of the Jersey City Code. This Application is for a Project which contains affordable housing units that are in excess of 15% of the overall number of units. Therefore, the Project is exempt from the affordable housing contribution requirements.

15. **Fee:**

Since the Application concerns a Project which provides housing for individuals of low or moderate income, no application fee is required.

16. **Certification of Accuracy and Due Diligence:**

**THE APPLICANT CERTIFIES TO THE BEST OF ITS KNOWLEDGE, INFORMATION AND BELIEF THAT ALL OF THE INFORMATION CONTAINED IN THIS APPLICATION IS TRUE AND ACCURATE AND THAT IT HAS MADE A DILIGENT INQUIRY TO CONFIRM THE ACCURACY OF ALL SUCH INFORMATION.**

**Montgomery Gateway Associates, L.P.**

By: 

Name: Sydney Ensel G.O.

## **EXHIBIT A**

### **Montgomery Gateway Associates, L.P.**

#### **Description of the Property**

Block 379, Lot G

Block 380-381, Lot P

Block 405, Lots PL.B, all as shown on the Tax Map of the City of Jersey City (collectively the "Property").

A property description is attached hereto.

The property assessment information is attached hereto.

# ***First American Title Insurance Company***

*1 First American Way - Santa Ana, CA 92707*

*Issuing Agent*

***First Jersey Title Services, Inc.***

***P.O. Box 2525 (25-00 Broadway) Fair Lawn, New Jersey 07410***

***(201) 791-4200 Fax (201) 791-9050***

***www.firstjerseytitle.com***

***File Number: 11- 81056***

## ***SCHEDULE C***

### ***Legal Description***

***All that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the CITY of JERSEY CITY County of HUDSON State of New Jersey:***

***\* \* \* PRELIMINARY \* \* \****

**To be furnished upon receipt and review of a current and accurate survey.**

**COMMONLY known as 353-389 and 352-364 Montgomery Street, Jersey City, New Jersey.**

**IN COMPLIANCE With Chapter 157, Laws of 1977, premises herein are Lots G and GT01 in Block 379, PLOT.B in Block 405, and Lot P in Block 380.381 on the Tax Map of the above municipality.**



# Priority Search Services LLC

Personal Service. Dependable Results.

830 Broad Street, Shrewsbury, New Jersey 07702  
Phone: (732) 741-5080 - Fax: (732) 741-5088

**FIRST JERSEY TITLE SERVICES, INC.**

Title #: 11-81056

BLOCK: 379 LOT: G  
OWNER: MONTG.GTWY.ASSO.E.II C/O MONT.MNGT  
MAIL: 591 MONTGOMERY ST. JERSEY CITY, NJ 07302  
LOCATION: 353-81 MONTGOMERY ST.  
CITY OF JERSEY CITY, HUDSON COUNTY (201) 547-5125  
CITY HALL, 280 GROVE ST., JERSEY CITY, NJ 07302

*CERTIFICATE OF OCCUPANCY FOR SALE OF A 1 OR 2 FAMILY HOME NOT REQUIRED; SMOKE DETECTOR CERTIFICATE REQUIRED IN ALL MUNICIPALITIES; MUNICIPAL CODE: 0906; 2009 TAX RATE 60.01*

APPROX. LOT SIZE:	400X180 1.67	LAND VALUE:	\$359,400
BUILDING DESCRIPTION:	MISC. RS. BLDGS	IMPROVEMENT VALUE:	\$1,105,000
ASSESSOR'S CODE:	15F-OTHER EXEMPT	TOTAL ASSESSMENT:	\$1,464,400

EXEMPTIONS: FULLY EXEMPT  
ABATEMENT OF: EXPIRES 2029; CONTACT TAX ASSESSOR FOR ABATEMENT AMOUNT - *SEE NOTE 1*

Homestead Benefit Tax Bill Credit (2009) Pending on 2nd Qtr. 2011 for Qualified Homeowners; Call (888) 238 1233 for more details.

TAXES	2010 TAXES:	PREVIOUSLY EXEMPT
	2011 QTR 1:	CURRENTLY EXEMPT
	QTR 2:	CURRENTLY EXEMPT
	QTR 3:	TAXES REMAIN TO BE DETERMINED
	QTR 4:	TAXES REMAIN TO BE DETERMINED
	2012(1 <sup>st</sup> ) HALF:	TAXES REMAIN TO BE DETERMINED

*NOTE 1 - PROPERTY SUBJECT TO SPECIAL CHARGES IN LIEU OF TAXES ON IMPROVEMENT; SPECIAL CHARGES ARE REFLECTED BELOW AS ABATEMENT ACCOUNT*

ADDED ASSESSMENT: PENDING - SUBJECT TO ADDITIONAL CHARGES UPON LOSS OF ABATEMENT STATUS & IMPROVEMENTS TO PROPERTY

LIENS:  
*REDEMPTION REQUIRED TO REDEEM LIEN*

2010 THIRD PARTY SOLD ON: 10/07/10 CERT# 2010-1492  
SALE AMOUNT: \$10,238.45 + SUBSEQUENT PAYMENTS + INT.  
SOLD TO: PAT CARABELLESE

2009 THIRD PARTY SOLD ON: 10/08/09 CERT# 2009-1602  
SALE AMOUNT: \$3,014.33 + SUBSEQUENT PAYMENTS + INT.  
SOLD TO: SFS LLC

2008 THIRD PARTY SOLD ON: 11/20/08 CERT# 2008-1518  
SALE AMOUNT: \$1,010.43 + SUBSEQUENT PAYMENTS + INT.  
SOLD TO: JNH FUNDING

CONFIRMED ORDINANCE: NONE  
SPECIAL ORDINANCE: NONE



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830 Broad Street, Shrewsbury, New Jersey 07702  
Phone: (732) 741-5080 - Fax: (732) 741-5068

**FIRST JERSEY TITLE SERVICES, INC.**

Title #: 11-81056

**WATER ACCOUNT #** 999-729-498 TO: 04/14/11 \$93.83 PAID  
999-729-487 TO: 04/14/11 \$220.65 OPEN  
999-730-015 TO: 04/14/11 \$1,490.11 OPEN + PENALTY  
SUBJECT TO FINAL READING; CONTACT: (800) 575-4433

**SEWER ACCOUNT #** SEWER CHARGES INCLUDED IN WATER BILLING

**SPECIAL ACCOUNT #** ABATEMENT ACCT: 2011(1ST HALF): \$109,765.42 PAID  
BILLED SEMI-ANNUALLY; CONTACT: (201) 547-5000



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Phone: (732) 741-5080 - Fax: (732) 741-5068

**FIRST JERSEY TITLE SERVICES, INC.**

Title #: 11-81056

BLOCK: 379 LOT: G Qual: T01  
OWNER: MONTG.GTWY.ASSO.E.II C/O MONT.MNGT  
MAIL: 591 MONTGOMERY ST. JERSEY CITY, NJ 07302  
LOCATION: 353-81 MONTGOMERY ST.  
CITY OF JERSEY CITY, HUDSON COUNTY (201) 547-5125  
CITY HALL, 280 GROVE ST., JERSEY CITY, NJ 07302

*CERTIFICATE OF OCCUPANCY FOR SALE OF A 1 OR 2 FAMILY HOME NOT REQUIRED; SMOKE DETECTOR CERTIFICATE REQUIRED IN ALL MUNICIPALITIES; MUNICIPAL CODE: 0906; 2009 TAX RATE 60.01*

APPROX. LOT SIZE:	400X180 1.67	LAND VALUE:	\$0
BUILDING DESCRIPTION:	CELLULAR ANT.	IMPROVEMENT VALUE:	\$50,000
ASSESSOR'S CODE:	4A-COMMERCIAL	TOTAL ASSESSMENT:	\$50,000

EXEMPTIONS: NONE  
ABATEMENT OF: NONE

Homestead Benefit Tax Bill Credit (2009) Pending on 2nd Qtr. 2011 for Qualified Homeowners; Call (888) 238 1233 for more details.

TAXES	2010 TAXES:	\$3,451.50 PAID IN FULL
	2011 QTR 1:	\$ 862.88 PAID
	QTR 2:	\$ 862.87 OPEN + PENALTY - SEE NOTE 1
	QTR 3:	TAXES REMAIN TO BE DETERMINED
	QTR 4:	TAXES REMAIN TO BE DETERMINED
	2012(1 <sup>st</sup> ) HALF:	TAXES REMAIN TO BE DETERMINED

NOTE 1 - SUBJECT TO POSTING

ADDED ASSESSMENT: PENDING IF PREMISES WAS IMPROVED

LIENS: **THIRD PARTY SOLD ON: 10/07/10 CERT# 2010-1492**  
**SALE AMOUNT: \$10,238.45 + SUBSEQUENT PAYMENTS + INT.**  
**SOLD TO: PAT CARABELLESE**  
**2009 THIRD PARTY SOLD ON: 10/08/09 CERT# 2009-1602**  
**SALE AMOUNT: \$3,014.33 + SUBSEQUENT PAYMENTS + INT.**  
**SOLD TO: SFS LLC**  
**2008 THIRD PARTY SOLD ON: 11/20/08 CERT# 2008-1518**  
**SALE AMOUNT: \$1,010.43 + SUBSEQUENT PAYMENTS + INT.**  
**SOLD TO: JNH FUNDING**  
**REFLECTS LIENS HELD AGAINST BLOCK 279; LOT G**

CONFIRMED ORDINANCE: NONE  
SPECIAL ORDINANCE: NONE



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Phone: (732) 741-5080 - Fax: (732) 741-5068

**FIRST JERSEY TITLE SERVICES, INC.**

Title #: 11-81056

WATER ACCOUNT #      SEE BLOCK 379; LOT G  
SEWER ACCOUNT #      SEE BLOCK 379; LOT G  
SPECIAL ACCOUNT #    ABATEMENT ACCT: SEE BLOCK 279; LOT G



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**FIRST JERSEY TITLE SERVICES, INC.**

Title #: 11-81056

**BLOCK: 380.381 LOT: P**  
**OWNER: MONTG.GTWY.ASSO.E.II C/O MONT.MNGT**  
**MAIL: 591 MONTGOMERY ST. JERSEY CITY, NJ 07302**  
**LOCATION: 352-364 MONTGOMERY ST.**  
**CITY OF JERSEY CITY, HUDSON COUNTY (201) 547-5125**  
**CITY HALL, 280 GROVE ST., JERSEY CITY, NJ 07302**

*CERTIFICATE OF OCCUPANCY FOR SALE OF A 1 OR 2 FAMILY HOME NOT REQUIRED; SMOKE DETECTOR CERTIFICATE REQUIRED IN ALL MUNICIPALITIES; MUNICIPAL CODE: 0906; 2009 TAX RATE 60.01*

<b>APPROX. LOT SIZE:</b>	<b>175X329 2.72</b>	<b>LAND VALUE:</b>	<b>\$680,000</b>
<b>BUILDING DESCRIPTION:</b>	<b>5-2.5ST&amp;1-5ST-A</b>	<b>IMPROVEMENT VALUE:</b>	<b>\$2,269,600</b>
<b>ASSESSOR'S CODE:</b>	<b>15F-OTHER EXEMPT</b>	<b>TOTAL ASSESSMENT:</b>	<b>\$2,949,600</b>

**EXEMPTIONS: FULLY EXEMPT**  
**ABATEMENT OF: EXPIRES 2029; CONTACT TAX OFFICE FOR ABATEMENT AMOUNT - SEE NOTE 1**

Homestead Benefit Tax Bill Credit (2009) Pending on 2nd Qtr. 2011 for Qualified Homeowners; Call (888) 238 1233 for more details.

<b>TAXES</b>	<b>2010 TAXES:</b>	<b>PREVIOUSLY EXEMPT</b>
	<b>2011 QTR 1:</b>	<b>CURRENTLY EXEMPT</b>
	<b>QTR 2:</b>	<b>CURRENTLY EXEMPT</b>
	<b>QTR 3:</b>	<b>TAXES REMAIN TO BE DETERMINED</b>
	<b>QTR 4:</b>	<b>TAXES REMAIN TO BE DETERMINED</b>
	<b>2012(1<sup>st</sup>) HALF:</b>	<b>TAXES REMAIN TO BE DETERMINED</b>

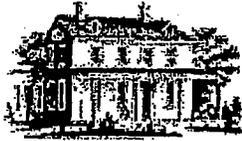
*NOTE 1 - PROPERTY SUBJECT TO SPECIAL CHARGES IN LIEU OF TAXES ON IMPROVEMENT; SPECIAL CHARGES ARE REFLECTED BELOW AS ABATEMENT ACCOUNT*

**ADDED ASSESSMENT: PENDING - SUBJECT TO ADDITIONAL CHARGES UPON LOSS OF ABATEMENT STATUS & IMPROVEMENTS TO PROPERTY**

**LIENS: NONE**  
*REDEMPTION REQUIRED TO REDEEM LIEN*

**CONFIRMED ORDINANCE: NONE**

**SPECIAL ORDINANCE: NONE**



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830 Broad Street, Shrewsbury, New Jersey 07702  
Phone: (732) 741-5080 - Fax: (732) 741-5068

**FIRST JERSEY TITLE SERVICES, INC.**

Title #: 11-81056

**BLOCK: 380.381 LOT: P**  
**OWNER: MONTG.GTWY.ASSO.E.II C/O MONT.MNGT**  
**MAIL: 591 MONTGOMERY ST. JERSEY CITY, NJ 07302**  
**LOCATION: 352-364 MONTGOMERY ST.**  
**CITY OF JERSEY CITY, HUDSON COUNTY (201) 547-5125**  
**CITY HALL, 280 GROVE ST., JERSEY CITY, NJ 07302**

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<b>APPROX. LOT SIZE:</b>	<b>175X329 2.72</b>	<b>LAND VALUE:</b>	<b>\$680,000</b>
<b>BUILDING DESCRIPTION:</b>	<b>5-2.5ST&amp;1-5ST-A</b>	<b>IMPROVEMENT VALUE:</b>	<b>\$2,269,600</b>
<b>ASSESSOR'S CODE:</b>	<b>15F-OTHER EXEMPT</b>	<b>TOTAL ASSESSMENT:</b>	<b>\$2,949,600</b>

**EXEMPTIONS: FULLY EXEMPT**  
**ABATEMENT OF: EXPIRES 2029; CONTACT TAX OFFICE FOR ABATEMENT AMOUNT - SEE NOTE**

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<b>TAXES</b>	<b>2010 TAXES:</b>	<b>PREVIOUSLY EXEMPT</b>
	<b>2011 QTR 1:</b>	<b>CURRENTLY EXEMPT</b>
	<b>QTR 2:</b>	<b>CURRENTLY EXEMPT</b>
	<b>QTR 3:</b>	<b>TAXES REMAIN TO BE DETERMINED</b>
	<b>QTR 4:</b>	<b>TAXES REMAIN TO BE DETERMINED</b>
	<b>2012(1<sup>st</sup>) HALF:</b>	<b>TAXES REMAIN TO BE DETERMINED</b>

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**LIENS: NONE**  
*REDEMPTION REQUIRED TO REDEEM LIEN*

**CONFIRMED ORDINANCE: NONE**

**SPECIAL ORDINANCE: NONE**



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Phone: (732) 741-5080 - Fax: (732) 741-5068

**FIRST JERSEY TITLE SERVICES, INC.**

Title #: 11-81056

**WATER ACCOUNT #** 999-729-036 TO: 04/14/11 \$2,885.63 PAID  
999-729-025 TO: 04/14/11 \$11.90 OPEN + PENALTY  
\$220.65 PAID  
SUBJECT TO FINAL READING; CONTACT: (800) 575-4433

**SEWER ACCOUNT #** SEWER CHARGES INCLUDED IN WATER BILLING

**SPECIAL ACCOUNT #** ABATEMENT ACCT: 2011(1ST HALF): \$118,160.98 PAID  
BILLED SEMI-ANNUALLY; CONTACT: (201) 547-5000



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Phone: (732) 741-5080 - Fax: (732) 741-5068

**FIRST JERSEY TITLE SERVICES, INC.**

Title #: 11-81056

**BLOCK: 405      LOT: PLOT.B**

**Xlot: LIMITED  
DIVIDEND**

**OWNER: MONTG.GTWY.ASSO.E.II C/O MONT.MNGT**  
**MAIL: 591 MONTGOMERY ST. JERSEY CITY, NJ 07302**  
**LOCATION: 383-389 MONTGOMERY STREET**  
**CITY OF JERSEY CITY, HUDSON COUNTY (201) 547-5125**  
**CITY HALL, 280 GROVE ST., JERSEY CITY, NJ 07302**

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<b>APPROX. LOT SIZE:</b>	<b>18,418 SQFT</b>	<b>LAND VALUE:</b>	<b>\$121,600</b>
<b>BUILDING DESCRIPTION:</b>	<b>MISC.BLDG.</b>	<b>IMPROVEMENT VALUE:</b>	<b>\$409,900</b>
<b>ASSESSOR'S CODE:</b>	<b>15F-OTHER EXEMPT</b>	<b>TOTAL ASSESSMENT:</b>	<b>\$531,500</b>

**EXEMPTIONS: FULLY EXEMPT**  
**ABATEMENT OF: EXPIRES 2029; CONTACT TAX OFFICE FOR ABATEMENT AMOUNT - SEE NOTE**

Homestead Benefit Tax Bill Credit (2009) Pending on 2nd Qtr. 2011 for Qualified Homeowners; Call (888) 238 1233 for more details.

**TAXES 2010 TAXES: PREVIOUSLY EXEMPT**

**2011 QTR 1: CURRENTLY EXEMPT**  
**QTR 2: CURRENTLY EXEMPT**  
**QTR 3: TAXES REMAIN TO BE DETERMINED**  
**QTR 4: TAXES REMAIN TO BE DETERMINED**

**2012(1<sup>st</sup>) HALF: TAXES REMAIN TO BE DETERMINED**

*NOTE 1 - PROPERTY SUBJECT TO SPECIAL CHARGES IN LIEU OF TAXES ON IMPROVEMENT;  
SPECIAL CHARGES ARE REFLECTED AS ABATEMENT ACCOUNT ON BLOCK 379; LOT G*

**ADDED ASSESSMENT: PENDING - SUBJECT TO ADDITIONAL CHARGES UPON LOSS OF ABATEMENT STATUS & IMPROVEMENTS TO PROPERTY**

**LIENS:**  
*REDEMPTION REQUIRED TO REDEEM LIEN*

**THIRD PARTY SOLD ON: 10/07/10 CERT# 2010-1492**  
**SALE AMOUNT: \$10,238.45 + SUBSEQUENT PAYMENTS + INT.**  
**SOLD TO: PAT CARABELLESE**  
**2009 THIRD PARTY SOLD ON: 10/08/09 CERT# 2009-1602**  
**SALE AMOUNT: \$3,014.33 + SUBSEQUENT PAYMENTS + INT.**  
**SOLD TO: SFS LLC**  
**2008 THIRD PARTY SOLD ON: 11/20/08 CERT# 2008-1518**  
**SALE AMOUNT: \$1,010.43 + SUBSEQUENT PAYMENTS + INT.**  
**SOLD TO: JNH FUNDING**  
**REFLECTS LIENS HELD AGAINST BLOCK 379; LOT G**

**CONFIRMED ORDINANCE: NONE**  
**SPECIAL ORDINANCE: NONE**



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*Personal Service. Dependable Results.*

830 Broad Street, Shrewsbury, New Jersey 07702  
Phone: (732) 741-5080 - Fax: (732) 741-5068

**FIRST JERSEY TITLE SERVICES, INC.**

Title #: 11-81056

WATER ACCOUNT #      **SEE BLOCK 379; LOT G**  
SEWER ACCOUNT #      **SEE BLOCK 379; LOT G**  
SPECIAL ACCOUNT #    **ABATEMENT ACCT: SEE BLOCK 379; LOT G**

# ***First Jersey Title Service, Inc.***

P.O. Box 2525 (25-00 Broadway) Fair Lawn, New Jersey 07410  
(201) 791-4200 Fax (201) 791-9050

Scott A. Penqué  
President

David E. Penqué  
Vice President

## **NOTICE REGARDING JUDGMENT SATISFACTIONS AND THE PRIORITY OF CHILD SUPPORT OBLIGATIONS**

P.L. 2000 Chapter 81, N.J.S.A. 2A: 17 - 56.23 (b) effective August 14, 2000, requires that, when a distribution in excess of \$2,000 is made pursuant to a judgment or inheritance and certain other enumerated sources of money, the beneficiary of the distribution must be searched for child support liens and judgments. Any Child Support Obligation must be paid before the distribution of proceeds to the person otherwise entitled thereto.

***IF*** any of the judgments shown in this commitment are against the parties to the transaction and ***IF*** the judgment creditor is an individual, a New Jersey Superior Court judgment search must be obtained to determine whether the Judgment Creditor is subject to any Child Support Obligation.

Should a Child Support Judgment Search be required, please forward to our office the following information in connection with the Judgment **CREDITOR**: 1) Name; 2) Mailing Address; 3) Date of Birth; 4) Social Security Number.

**Payment of a judgment creditor's child support obligation from proceeds *DOES NOT OMIT OR MODIFY* the requirement that the judgment itself be satisfied of record by a properly executed and filed warrant of satisfaction.**

## EXHIBIT B

### Montgomery Gateway Associates, L.P. DESCRIPTION OF RESIDENTIAL LEASES GOOD FAITH ESTIMATE OF RENTS

1. Name of Tenant: Various
2. Term of Lease: Initial term of lease not less than 1 year.
3. Number of Apartments:

Number of Apts.	Number of Bedrooms/Baths	Square Footage*	Monthly Rent**	Average Portion paid by Tenant
5	Studio	420	\$1,199	\$324
73	1	707	\$1,481	\$324
31	2	833	\$1,858	\$324
74	3	1233	\$1,895	\$324
6	4	1505	\$1,953	\$342

\* The exact square footage and rent could vary. The numbers above represent the average square footage and rent for each type of apartment.

\*\* The rents are paid by HUD pursuant to a Housing Assistance Payments Contract, which is in effect until January 19, 2012. The HAP contract is renewable on an annual basis and the Applicant intends to continue to renew it.

5. Premium paid directly by Tenant Annually
  - a. Fire & other insurance NONE
  - b. Real Estate Taxes of Assessments on in project NONE
  - c. Operating and maintenance expenses paid by tenant NONE
6. Special Features: Commercial Rent (2 Cell Towers) \$75,000 annually

## EXHIBIT C

### Montgomery Gateway Associates, L.P.

#### Total Annual Gross Revenue Computation

<u>Affordable Apartments:</u>	<u>Units</u>		<u>Per*</u> <u>Month</u>	<u>Total per</u> <u>Month</u>	<u>Total</u> <u>Annually</u>
Studio	5	@	\$1,199	\$5,995	\$71,940
One Bedroom	73	@	\$1,481	\$108,113	\$1,297,356
Two Bedroom	31	@	\$1,854	\$57,598	\$691,176
Three Bedroom	74	@	\$1,895	\$140,230	\$1,682,760
Four Bedroom	6	@	\$1,953	\$11,718	\$140,616
Sub Total				\$233,654	\$3,883,848
Total Rental Income:			\$3,883,848		
Less					
Vacancy	@	1.5%	\$58,100.		
Total rental income after adjustment:					\$3,825,748
<u>Other Income:</u>			<u>Annual</u>		
Commercial Rent			\$ 75,000		
Laundry			\$ 3,000		
Late Charges			\$500		
Interest Income			\$200		
Total Other Income					<u>\$78,700</u>
<b>Total Annual Gross Revenue</b>					<b><u>\$3,904,448</u></b>

## EXHIBIT D

### Montgomery Gateway Associates, L.P.

#### PROJECTED STATEMENT OF STABILIZED PROPERTY OPERATION

##### RENTAL INCOME:

		<u>Annual Income</u>
Rental Income		\$3,883,848
Vacancy	@ 1.5%	\$58,100
<b>Total Rental Income</b>		<b>\$3,825,748</b>

##### OTHER INCOME

Commercial Rent	\$ 75,000
Laundry	\$ 3,000
Late Charges	\$500
Interest Income	\$200
Total Other Income	\$78,700

**Total Income**      **\$3,904,448**

##### OPERATING EXPENSES:

I.	Admin.	\$132,000.00
II.	Salaries	\$152,500.00
III.	Maint. & Repairs	\$125,000.00
IV.	Maint. Contracts	\$613,000.00
V.	Utilities (electric, gas, water, sewer)	\$600,000.00
VI.	<b>Annual Service Charge</b>	
	<b>(6.28% of Annual Gross Revenue)</b>	<b>\$244,400.00</b>
VII.	Management Fee	\$219,400.00
VIII.	Insurance	\$120,000.00
IX.	Rent Collection Costs	\$45,000.00
X.	Reserve for Repair & Replacement	\$114,000.00

**Total Operating Expenses: \$2,365,300.00**

=====  
**Total Income** \$3,904,448  
**Less Operating Expenses:** \$2,365,300

=====  
**NET OPERATING INCOME BEFORE DEBT SERVICE:** \$1,539,148  
=====

**DEBT SERVICE:**

1. Principal and Interest \$1,138,299.72

=====  
**NET OPERATING INCOME BEFORE DEBT SERVICE** \$1,539,148  
**LESS TOTAL DEBT SERVICE** \$1,138,299.72  
=====

**NET INCOME:** \$400,848.00

# EXHIBIT E

## Montgomery Gateway Associates, L.P.

### COMPLIANCE WITH STATE AND LOCAL LAWS

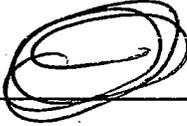
#### Certification

The Applicant being the developer of the Project hereby certifies that;

1. The Project meets the requirements of the laws of the State of New Jersey for consideration for a tax exemption because it is low and moderate income housing project and it is located within the Urban Enterprise Zone of Jersey City.

The foregoing statements made by me on this 10TH day of JUNE 2011 are true to the best of my knowledge and after it has made diligent inquiry to confirm the accuracy of all information.

MONTGOMERY GATEWAY ASSOCIATES, L.P.

By: 

Name:

Sidney Engel C.P.

## EXHIBIT F

### Montgomery Gateway Associates, L.P. Certificate of Limited Partnership for Montgomery Gateway Associates, L.P. and Disclosure Statement

NAME OF ENTITY: Montgomery Gateway Associates, L.P.

PRINCIPAL OFFICE: 591 Montgomery Street  
Jersey City, NJ 07302

NAME OF REGISTERED AGENT: Montgomery Management Assoc.

ADDRESS: 1060 Broad Street  
Newark, NJ 07102

I CERTIFY THAT THE FOLLOWING LIST REPRESENTS THE PARTNERS OWNING A 10% OR GREATER INTEREST IN THE ABOVE ENTITY.

NAME	PERCENT OWNED
<u>Syden MGA, LLC (this entity is wholly owned by Sidney Engel)</u>	.225%
<u>Maren MGA, LLC (this entity is wholly owned by Marion Engel)</u>	.225%
<u>Alfe MGA, LLC (this entity is wholly owned by Albert Feuerstein)</u>	.225%
<u>Cheryl Schwartz</u>	.075%
<u>Ira Sedransk</u>	.075%
<u>Michael Sedransk</u>	.075%
<u>Montgate Incorporated</u>	.100%
<u>Montgomery Gateway Hsg. Co.</u>	.99%

**EXHIBIT G**

**Montgomery Gateway Associates, L.P.**

**PROPOSED AMENDED FINANCIAL AGREEMENT**

Rev. 1-06-10  
N.J.S.A. 55:16-1 et seq.

Re: ~~591 Montgomery Street~~  
~~Block 1899, Lot H.4~~

Lot G and G.T01 in Block 379,  
commonly known as 351-381  
Montgomery Street

Lot P in Block 380-381,  
commonly known as 352-364  
Montgomery Street

Lot PL.B Block 405, commonly  
known as 383-389 Montgomery  
Street

All as shown on the Tax Map of  
the City of Jersey City  
(collectively the "Property").

**PREAMBLE**

**THIS AMENDED AND RESTATED FINANCIAL AGREEMENT**, [Amended Agreement] made effective this 1<sup>st</sup> day of October, 2010, by and between ~~JONES HALL ASSOCIATES, L.P.~~ *Montgomery Gateway* [Entity], a limited partnership organized pursuant to the Limited Dividend Nonprofit Housing Corporations or Associations Law, N.J.S.A. 55:16-1 et seq. [Limited Dividend Law] and approved by the Department of Community Affairs as an affordable housing limited dividend entity, having its principal office at 1060 Broad Street, Newark, New Jersey and the **CITY OF JERSEY CITY**, a Municipal Corporation in the County of Hudson and the State of New Jersey, [City], having its principal office at 280 Grove Street, Jersey City, New Jersey 07302.

*Montgomery Gateway*

**RECITALS**

**WITNESSETH:**

**WHEREAS**, ~~Jones Hall Associates, LP~~ *Montgomery Gateway* is the owner of certain property designated as Block 1899, Lot H.4, and, more commonly known by the street address of ~~591~~ *351-381 Montgomery Street* ~~and 383-389 Montgomery Street~~ *and 383-389 Montgomery Street* ~~on the south side of Montgomery Street, near Cornelison Avenue,~~ *352-364* Jersey City, NJ, and more particularly described by the metes and bounds description set forth as Exhibit 1 to this Amended Agreement [Property]; and

**WHEREAS**, ~~Jones Hall Associates, LP~~ *Montgomery Gateway* is a limited dividend housing partnership organized pursuant to the Limited Dividend Nonprofit Housing Corporation Law, N.J.S.A. 55:16-1 et seq.; and

**WHEREAS**, by the adoption of a Resolution on September ~~11~~ *20*, 1978<sup>*9*</sup>, the City of Jersey City approved a ~~30~~ *50* year tax exemption for the Property; and

**WHEREAS**, the tax exemption based upon 6.28% of annual gross revenue from the Property pursuant to the Limited Dividend Non Profit Housing Corporation Law, N.J.S.A.

April 11,

40

55:16-1 et seq., became effective on ~~October 1~~, 1980, upon execution of a ~~30~~ year mortgage from the New Jersey Housing Finance Agency [HMFA]; and

<sup>Montgomery Gateway</sup>  
~~WHEREAS, Jones Hall Associates, LP, constructed 109 units of low income senior~~  
<sup>189</sup>  
~~citizen rental housing and 18 parking spaces [Project], with a loan from the HMFA with~~  
<sup>1 Super's UNIT</sup>  
affordability controls secured by the HMFA mortgage and a regulatory agreement with the United States Housing Urban Development [HUD]; and

<sup>Montgomery Gateway</sup>  
~~WHEREAS, Jones Hall Associates, LP now desires to undertake a renovation and~~  
<sup>Refinance</sup>  
~~restructuring~~ of the Project to be financed by HUD insured mortgage, secured by affordability controls, set forth in the recorded regulatory agreement with HUD; and

<sup>June 10, 2011</sup>  
~~WHEREAS, by an application dated March 5, 2010, Jones Hall Associates, LP~~  
<sup>Montgomery Gateway</sup>  
~~applied to the City of Jersey City for a 20-year extension of the tax exemption, for a total~~  
<sup>11</sup>  
~~term of 50 years, the maximum term permitted under the Limited Dividend Nonprofit~~  
<sup>42</sup>  
Housing Corporation Law, N.J.S.A. 55:16-1 et seq., based upon 6.28% of annual gross revenue; and

~~WHEREAS, the Tax Exemption Committee voted to recommend the rejection of~~  
the application to extend the exemption for 20 years to the Mayor and Council at its meeting of April 15, 2010, finding that 6.28% was insufficient revenue to the City; and

~~WHEREAS, as the result of an amended application to extend the application for~~  
20 years, that increased the service charge from 6.28% to 8% of annual gross revenue, the Tax Exemption Committee voted to recommend approval the tax exemption application to ~~the Mayor and Council at its meeting on May 14, 2010; and~~

WHEREAS, there is an especially compelling need to improve and preserve existing affordable housing, particularly for low income senior citizens; and

WHEREAS, although the Limited Dividend Nonprofit Housing Corporation Law was repealed, pursuant to the enactment of the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., the Limited Dividend Nonprofit Housing Corporation Law, N.J.S.A. 55:16-1 et seq., was saved from repeal for any existing tax exemptions approved thereunder.

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

follows:

## ARTICLE I - GENERAL PROVISIONS

### **Section 1.1 Governing Law**

This Amended Agreement shall be governed by the provisions of the Limited Dividend Law, N.J.S.A. 55:16-1 et seq., Executive Order of E.O. 10-001, and Ordinance 10-073, which authorized the execution of this Amended Agreement. It being expressly understood and agreed that the City expressly relies upon the facts, data, and representations contained in the Application, attached hereto as Exhibit 3, in amending the existing tax exemption.

### **Section 1.2 General Definitions**

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

- i. Agency or Authority- Department of Community Affairs, State of New Jersey.
- ii. Annual Gross Revenue - Any and all revenue derived from or generated by the Project of whatever kind or amount, whether received as rent from any tenants or income or fees from third parties, including but not limited to fees or income paid or received for parking, laundry, health club user fees or other services (such as lease premiums for views, fireplaces, etc.). No deductions will be allowed for operating or maintenance costs, including, but not limited to gas, electric, water and sewer, other utilities, garbage removal and insurance charges, whether paid for by the landlord, tenant or a third party, except for customary operating expenses of commercial tenants such as utilities, insurance and taxes (including payments in lieu of taxes) which shall be deducted from Gross Revenue based on the actual amount of such costs incurred.
- iii. Auditor's Report - A complete financial statement outlining the financial status of the Project (for a period of time as indicated by context). The contents of the Auditor's Report shall have been prepared in conformity with generally accepted accounting principles and shall contain at a minimum the following: a balance sheet, a statement of income, a statement of retained earnings or changes in stockholder's equity,

statement of cash flows, descriptions of accounting policies, notes to financial statements and appropriate schedules and explanatory material results of operations, cash flows and any other items reasonably required by the City or its auditors. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

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

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

*Montgomery Gateway* vi. Entity - The term "Entity" within this Amended Agreement shall mean ~~Jones Hall Associates, L.P.~~, which Entity was formed and qualified pursuant to Law. It shall also include any subsequent purchasers or successors in interest of the Project, provided they are formed and operate under the Law or the Long Term Tax Exemption and the transfer has been duly approved by the City.

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

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

ix. Land Taxes - The amount of taxes assessed on the value of land, on which the project is located and, if applicable, taxes on any pre-existing improvements. Land Taxes are exempt from taxation.

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

xi. Law - Law shall refer to the Limited Dividend Nonprofit Housing

Corporations or Associations Law, N.J.S.A. 55:16-1 et seq.; Executive Order 10-001, and Ordinance 10-073 which authorized the execution of this Amended Agreement; and all other relevant Federal, State or City statutes, ordinances, resolutions, rules and/or regulations.

*unit spaces.*

xii. Project - <sup>189</sup>~~109~~ units of low income ~~senior~~ housing and <sup>1 super's</sup>~~18~~ parking

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

xiv. Property - ~~Block 1899, Lot II:4, and more commonly known by the street address of 591 Montgomery Street~~ *(See Re: on page 1)*

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

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

**ARTICLE II - APPROVAL**

**Section 2.1 Approval of Tax Exemption**

The City hereby restates its approval for a tax exemption for the Project, including the Property, to be maintained in accordance with the terms and conditions of this Amended Agreement and the provisions of the Law.

**Section 2.2 Approval of Entity**

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

**Section 2.3 Improvements to be Constructed**

Entity represents that it has constructed 109 units of affordable rental housing, and

18 parking spaces on the Property, all of which is more specifically described in the Application attached hereto as Exhibit 3.

**Section 2.4 Construction Schedule**

Construction of the Project was completed in or about 1978.

**Section 2.5 Ownership, Management and Control**

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

The Entity shall manage the Improvements.

**Section 2.6 Financial Plan**

The Entity represents that the Improvements are currently subject to the Project Mortgage and it is expected that the Project Mortgage will be refinanced prior to the end of the term of the tax exemption.

**Section 2.7 Statement of Rental Schedules and Lease Terms**

The Entity represents that its good faith projections of the initial rental schedules and lease terms are set forth in Exhibit 7, attached hereto, and are in accord with the recorded Regulatory Agreement between the Entity and the U.S. Department of Housing and Urban Development [HUD].

**ARTICLE III - DURATION OF AMENDED AGREEMENT**

**Section 3.1 Term**

So long as there is compliance with the Law and this Amended Agreement, it is understood and agreed by the parties hereto that this Amended Agreement shall remain in effect for <sup>20</sup> years commencing ~~October 1, 2010~~ <sup>2011</sup>. Thereafter, the tax exemption shall expire and the land and improvements thereon shall be assessed and taxed according to the general law applicable to other non-exempt property in the City. The tax exemption shall only be effective only while the Project is owned by an entity formed and operating as a limited dividend entity organized under the Law, and subject to the affordability controls in the mortgage, deed or other recorded instrument and regulated by the Authority. Refinancing of the Project Mortgage shall not affect the validity of the tax exemption, provided the

Project is owned by an entity formed and operating as a limited dividend entity organized under and subject to the Law, including the Long Term Tax Exemption Law N.J.S.A. 40A:20-1 et seq., and regulated by the Authority.

#### **ARTICLE IV - ANNUAL SERVICE CHARGE**

##### **Section 4.1 Annual Service Charge**

In consideration of the tax exemption, the Entity shall continue to make payment to the City of an Annual Service Charge equal to <sup>6.28%</sup>~~8%~~ of Annual Gross Revenue. In the event the Entity fails to timely pay the Annual Service Charge, the amount unpaid shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on land until paid.

##### **Section 4.2 Land Tax Credit**

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

##### **Section 4.3 Quarterly Installments**

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

taxes or tax liens on the land until paid.

#### **Section 4.4 Material Conditions**

It is expressly agreed and understood that the timely payments of Annual Service Charges, including adjustments thereto, and any interest thereon, are Material Conditions of this Amended Agreement.

### **ARTICLE V - ANNUAL REPORTS**

#### **Section 5.1 Accounting System**

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

#### **Section 5.2 Periodic Reports**

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

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

#### **Section 5.3 Mortgage / Regulatory Agreement**

The terms of the mortgage of Regulatory Agreement with the United States Housing

and Urban Development [HUD] shall contain affordability controls consistent with either New Jersey or HUD regulations. Within ninety (90) days after the date the Entity closes on any successor mortgage or Amended Regulatory Agreement, the Entity shall file with the City a fully executed copy of the note and a recorded copy of the mortgage, and the Regulatory Agreement.

**Section 5.4 Inspection/Audit**

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

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

**ARTICLE VI - LIMITATION OF PROFITS AND RESERVES**

**Section 6.1 Limitation of Profits and Reserves**

During the period of tax exemption as provided herein, the Entity's return on investment shall be limited in accordance with the regulations and conditions imposed by the Agency pursuant to the Law or any other applicable law.

**ARTICLE VII - ASSIGNMENT AND/OR ASSUMPTION**

**Section 7.1 Prior Approval of Sale**

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

the Entity is not then in default of this Amended Agreement or the Law; and 3) the Entity's obligations under this Amended Agreement is fully assumed by the new Entity. Nothing herein shall prohibit any transfer of the ownership interest in the Entity itself, provided that the transfer, if greater than 10%, is disclosed to the City in the Annual Disclosure Statement or in correspondence sent to the City in advance of the filing of the Annual Disclosure Statement.

**Section 7.2 Severability.**

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

**ARTICLE VIII - COMPLIANCE**

**Section 8.1 Operation**

During the term of this Amended Agreement, the Project shall be maintained and operated in accordance with the provisions of the Law. Operation of Project under this Amended Agreement shall not only be terminable as provided by N.J.S.A. 55:16-1, et seq., as currently amended and supplemented, but also by a Default under this Amended Agreement. The Entity's failure to comply with the Law shall constitute a Default under this Amended Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

**ARTICLE IX - DEFAULT**

**Section 9.1 Default**

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

**Section 9.2 Cure Upon Default**

Should the Entity be in Default, the City shall send written notice to the Entity of the Default [Default Notice]. The Default Notice shall set forth with particularity the basis of

the alleged Default. The Entity shall have sixty (60) days, from receipt of the Default Notice, to cure any Default which shall be the sole and exclusive remedy available to the Entity. However, if, in the reasonable opinion of the City, the Default cannot be cured within sixty (60) days using reasonable diligence, the City will extend the time to cure.

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

Should the Entity be in default failure to pay any charges defined as Material Conditions in Section 4.4, the Entity shall not be subject to the default procedural remedies as provided herein but shall allow the City to proceed immediately to terminate the Amended Agreement as provided in Article X herein.

### **Section 9.3 Remedies Upon Default**

The City shall, among its other remedies, have the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. and/or may declare a Default and terminate this Amended Agreement. Any default arising out of the Entity's failure to pay Land Taxes, if required, or the Annual Service Charges shall not be subject to the default procedural remedies as provided in Article IX Land Taxes or the Annual Service Charges shall not be subject to the default procedural remedies as provided in Article IX herein but shall allow the City to proceed immediately to terminate the Amended Agreement as provided in Article X herein. All of the remedies provided in this Amended Agreement to the City, and all rights and remedies granted to it by law and equity shall be cumulative and concurrent. No determination of any provision of this Amended Agreement shall deprive the City of any of its remedies or actions against the Entity because of its failure to pay Land Taxes, or the Annual Service Charge. This right shall apply to arrearages that are due and owing at the time or which, under the terms hereof, would in the future become due as if there had been no determination. Further, the bringing of any action for Land Taxes, or the Annual Service Charge, or for breach of covenant or the resort to any other remedy herein provided for the recovery of Land Taxes shall not be construed as a waiver of the rights to terminate the tax exemption or proceed with a tax sale or Tax Foreclosure action or any other specified remedy.

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

## **ARTICLE X- TERMINATION**

### **Section 10.1 Termination Upon Default of the Entity**

In the event the Entity fails to cure or remedy the Default within the time period provided in Section 9.2, the City may terminate this Amended Agreement upon thirty (30) days written notice to the Entity [Notice of Termination].

### **Section 10.2 Final Accounting**

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

### **Section 10.3 Conventional Taxes**

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

## **ARTICLE XI - DISPUTE RESOLUTION**

### **Section 11.1 Arbitration**

In the event of a breach of the within Amended Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court of New Jersey by an appropriate proceeding, to settle and resolve the dispute in such fashion as will tend to

accomplish the purposes of the Law. In the event the Superior Court shall not entertain jurisdiction, then the parties shall submit the dispute to the American Arbitration Association in New Jersey to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of the Law. The cost for the arbitration shall be borne equally by the parties. The parties agree that the Entity may not file an action in Superior Court or with the Arbitration Association unless the Entity has first paid in full all charges defined in Article IV, Section 4.4 as Material Conditions.

**ARTICLE XII - WAIVER**

**Section 12.1 Waiver**

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

**ARTICLE XIII- NOTICE**

**Section 13.1 Certified Mail**

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

**Section 13.2 Sent by City**

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

*Montgomery Gateway*  
~~Jones Hall Associates, L.P.~~  
1060 Broad Street  
Newark, New Jersey  
and

Connell Foley, LLP  
Harborside Financial Center  
2510 Plaza Five  
Jersey City, New Jersey 07312-4029

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

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

**Section 13.3 Sent by Entity**

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

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

with copies sent to the Corporation Counsel, the Business Administrator, and the Tax Collector unless prior to the giving of notice, the City shall have notified the Entity otherwise. The notice to the City shall identify the Project to which it relates, (i.e., the Urban Renewal Entity and the Property's Block and Lot number).

**ARTICLE XIV-SEVERABILITY**

**Section 14.1 Severability**

If any term, covenant or condition of this Amended Agreement or the Application, except a Material Condition, shall be judicially declared to be invalid or unenforceable, the remainder of this Amended Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Amended Agreement shall be valid and be enforced to the fullest extent permitted by law.

If a Material Condition shall be judicially declared to be invalid or unenforceable and provided the Entity is not in Default of this Amended Agreement, the parties shall cooperate with each other to take the actions reasonably required to restore the Amended Agreement in a manner contemplated by the parties. This shall include, but not be limited to the authorization and re-execution of this Amended Agreement in a form reasonably drafted to effectuate the original intent of the parties. However, the City shall not be required to restore the Amended Agreement if it would modify a Material Condition, the amount of the periodic adjustments or any other term of this Amended Agreement which would result in any economic reduction or loss to the City.

## ARTICLE XV - MISCELLANEOUS

### **Section 15.1 Construction**

This Amended Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to or aid of any presumption or other rule requiring construction against the party drawing or causing this Amended Agreement to be drawn since counsel for both the Entity and the City have combined in their review and approval of same.

### **Section 15.2 Conflicts**

The parties agree that in the event of a conflict between the Application and the language contained in the Amended Agreement, the Amended Agreement shall govern and prevail. In the event of conflict between the Amended Agreement and the Law, the Law shall govern and prevail.

### **Section 15.3 Oral Representations**

There have been no oral representations made by either of the parties hereto which are not contained in this Amended Agreement. This Amended Agreement, the Ordinance authorizing the Amended Agreement, and the Application constitute the entire Amended Agreement between the parties and there shall be no modifications thereto other than by a written instrument approved and executed by both parties and delivered to each party.

### **Section 15.4 Entire Document**

This Amended Agreement and all conditions in the Ordinance of the Municipal Council approving this Amended Agreement are incorporated in this Amended Agreement and made a part hereof.

### **Section 15.5 Good Faith**

In their dealings with each other, utmost good faith is required from the Entity and the City.

## ARTICLE XVI - EXHIBITS

### **Section 16 Exhibits**

The following Exhibits are attached hereto and incorporated herein as if set forth at length herein:

1. Metes and Bounds description of the Project;
2. Ordinance of the City authorizing the execution of this Amended Agreement;
3. The Application with Exhibits;
4. Certificate of Formation or Good Standing.

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

*Montgomery Gateway*

~~JONES HALL ASSOCIATES, L.P.~~

By: ~~SYDEN JONES HALL CO., LLC,~~ *Syden MGA, LLC*

~~a limited liability company~~

*a limited liability company*

BY: \_\_\_\_\_  
SYDNEY ENGEL, Member

ATTEST:

CITY OF JERSEY CITY

\_\_\_\_\_  
ROBERT BYRNE  
CITY CLERK

\_\_\_\_\_  
JOHN KELLY  
BUSINESS ADMINISTRATOR

# CONNELL FOLEY LLP

## ATTORNEYS AT LAW

HARBORSIDE FINANCIAL CENTER  
2510 PLAZA FIVE  
JERSEY CITY, N.J. 07311-4029  
(201) 521-1000  
FAX: (201) 521-0100

ROSELAND OFFICE  
85 LIVINGSTON AVENUE  
ROSELAND, N.J. 07068-3702  
(973) 535-0500  
FAX: (973) 535-9217

NEW YORK OFFICE  
888 SEVENTH AVENUE  
NEW YORK, N.Y. 10106  
(212) 262-2390  
FAX: (212) 262-0050

PHILADELPHIA OFFICE  
1500 MARKET STREET  
PHILADELPHIA, PA 19102  
(215) 246-3403  
FAX: (215) 665-5727

### COUNSEL

JOHN W. BISSELL  
FRANCIS E. SCHILLER\*  
EUGENE P. SQUEO\*  
NOEL D. HUMPHREYS\*  
ANTHONY ROMANO II\*  
STEVE BARNETT\*  
THOMAS M. SCUDERI\*

KARIN I. SPALDING\*  
JODI ANNE HUDSON\*  
RICHARD A. JAGEN  
JOSEPH M. MURPHY  
NANCY A. SKIDMORE\*  
JASON E. MARX\*  
ALEXIS E. LAZZARA

DOUGLAS J. SHORT\*  
JAMES M. MERENDINO  
MICHELE T. TANTALLA\*  
HECTOR D. RUIZ\*  
ROBERT A. VERDIBELLO\*  
JENNIFER C. CRITCHLEY\*  
PATRICK S. BRANNIGAN\*  
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CHRISTINE I. GANNON\*  
PHILIP W. ALLOGRAMENTO III\*  
LAURIE B. KACHONICK\*  
ANDREW C. SAYLES\*  
STEPHEN D. KESSLER  
CHRISTOPHER ABATEMARCO\*  
AARON M. BENDER\*  
ANTHONY J. CORINO\*  
WILLIAM D. DEVEAU\*  
CONOR F. MURPHY\*  
MEGHAN B. BARRETT\*  
RUKHSANA L. LIGHARI\*  
STACIE L. POWERS

NICOLE B. DORY\*  
CHRISTIAN J. JENSEN\*  
JOSEPH A. VILLANI, JR.\*  
MICHAEL BOJBASA-  
E. KEVIN VOLZ\*  
CHRISTOPHER M. HEMRICK\*  
SUSAN KWIATKOWSKI\*  
MONICA SETH\*  
MELISSA D. LOPEZ  
ANDREW L. BARON\*  
JASON D. FALK\*  
JOANNA S. RICH\*  
MEGAN K. MUSSO  
EDMUND J. CAULFIELD\*  
SYDNEY J. DARLING\*  
JESSICA L. PALMER  
NEIL V. SHAH\*  
STEPHEN R. TURANO\*  
TARA L. TOULOUZIS\*  
MICHAEL J. CREEGAN\*

JOHN A. PINDAR (1969)  
GEORGE W. CONNELL (2005)  
ADRIAN M. FOLEY, JR.  
GEORGE J. KENNY\*  
KENNETH F. KUNZMAN  
SAMUEL D. LORD  
RICHARD D. CATENACCI  
RICHARD J. BADOLATO\*  
PETER D. MANAHAN  
JOHN E. MURRAY  
MARK L. FLEDER  
KEVIN J. COAKLEY  
THOMAS S. COSMA  
KATELEEN S. MURPHY  
PATRICK J. MCAULEY  
PETER J. PIZZI\*\*  
KEVIN R. GARDNER  
ROBERT E. RYAN  
MICHAEL X. MCBRIDE\*  
JEFFREY W. MORYAN  
PETER J. SMITH\*  
BRIAN G. STELLER  
PHILIP F. MCGOVERN, JR.  
KAREN PAINTER RANDALL  
LIZA M. WALSH  
JOHN P. LACEY  
MICHAEL J. CROWLEY-

TIMOTHY E. CORRISTON\*  
ERNEST W. SCHOELLKOPFF\*  
PATRICK J. HUGHES\*\*  
JAMES C. MCCANN\*  
JOHN D. CROMIE  
ANGELA A. IUSO\*  
WILLIAM T. MCGLOIN\*  
BRENDAN JUDGE  
STEPHEN A. URBAN  
CHARLES J. HARRINGTON III\*  
STEPHEN V. FALANGA\*  
TRICIA O'REILLY\*  
ANTHONY F. VITIELLO\*\*  
MARC D. HAEFNER  
JONATHAN P. MCHENRY  
JAMES P. RHATICAN\*\*  
BRAD D. SHALIT\*  
W. NEVINS MCCANN\*  
THOMAS J. O'LEARY\*  
MITCHELL W. TARASCHI  
M. TREVOR LYONS\*  
MICHAEL A. SHADIACK  
PATRICIA A. LEE\*\*  
AGNIESZKA ANTONIAN\*  
CRAIG S. DEMARESKI\*  
OWEN C. MCCARTHY\*  
NEIL V. MODY\*

\*ALSO ADMITTED IN NEW YORK

+ALSO ADMITTED IN PENNSYLVANIA

-ONLY ADMITTED IN NEW YORK

PLEASE REPLY TO JERSEY CITY, NJ

Writer's Email Address: jmccann@connellfoley.com

June 24, 2011

### Via Hand Delivery

Honorable Mayor Jerramiah T. Healy  
c/o Carl Czaplicki, Director  
Department of Housing, Economic Development  
and Commerce  
30 Montgomery Street, 9<sup>th</sup> Floor  
Jersey City, New Jersey 07302  
Attn.: Al Cameron

**Re: Montgomery Gateway Associates, L.P.  
Application for Amended Tax Exemption  
Project: Montgomery Gateway East - Low Income Apartment Complex  
Location: 353-391 Montgomery Street and 383-389 Montgomery Street  
Block 379, Lot G, Block 380-381, Lot P and Block 405, Lots PL.B and 2  
Jersey City, New Jersey**

Dear Mr. Cameron:

Please accept this letter as a supplement to the tax abatement application in reference to the above-captioned matter.

In response to your recent inquiries, please find enclosed the following documents and information:

1. A copy of a Deed with a metes and bounds description is attached hereto as Exhibit A.1. This metes and bounds description was not previously provided to you because it is outdated. Subsequent to the Applicant's acquisition of the properties, Mercer Street was vacated. A copy of an old tax map, which I obtained from Ed Toloza, showing the condition of the property when it was acquired is attached hereto as Exhibit A.2. A current tax map

Honorable Mayor Jerramiah T. Healy  
c/o Carl Czaplicki, Director  
Attn: Al Cameron  
Page 2, June 24, 2011

showing the present condition of the property is attached hereto as Exhibit A.3. As part of the refinance of the property, the Applicant has ordered a new survey with a new metes and bounds description of the property. It will be provided to Ms. Monahan immediately upon my receipt of same.

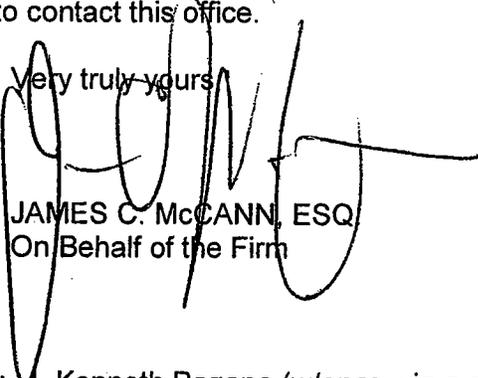
2. Please find enclosed e-mail correspondence between the Applicant, United Water, and Maureen Cosgrove, the Jersey City Tax Collector, confirming that the water and sewer liens were filed against the property erroneously and that the Tax Collector's Office is removing/discharging same. No payments were required by the Applicant.

3. The initial principal amount of the NJHMFA mortgage was \$12,370,000.00. As of the present date the amount due to pay off this mortgage is \$7,590,060.00. I cannot provide you with any further information regarding the proposed refinance mortgage or expenses to be paid therefrom because earlier this week, there became some uncertainty as to the amount the applicant may borrow. It may be possible to provide you with this information by early next week. If possible, the applicant would like to hold its place on the June 30<sup>th</sup> tax abatement committee agenda. If this is not acceptable, you may consider this letter as a formal request that this application be adjourned until the next scheduled tax abatement committee meeting.

This letter and all attachments thereto constitute a supplement to the above-described tax abatement application.

If you have any questions, please feel free to contact this office.

Very truly yours,

  
JAMES C. McCANN, ESQ.  
On Behalf of the Firm

JCM/mg

cc: Montgomery Gateway Associates, L.P, Attn: J. Kenneth Pagano (w/encs. via e-mail)  
Thomas S. Cosma, Esq. (w/encs. via e-mail)  
Joanne Monahan, Esq., City Corporation Counsel (w/encs. via e-mail)

## **EXHIBIT A.1**

SPECIAL WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, THAT

WHEREAS, the Jersey City Redevelopment Agency is owner and holder of record of fee simple title to certain real property located in the area for the Project Area known as Montgomery Gateway; and

WHEREAS, pursuant to applicable local and State law, the Jersey City Redevelopment Agency is authorized to sell individual portions of land in the Project Area; and

WHEREAS, the property in the Project Area is intended to be conveyed hereby pursuant to, subject to, and in accordance with the terms of a certain Contract for the Sale of Land for Private Redevelopment, dated June 27, 1979 as later amended, by and between the Jersey City Redevelopment Agency, as Seller, and Montgomery Gateway Associates, as Purchaser.

NOW THEREFORE, THIS DEED, made this            day of March, in the year 1980, by and between the JERSEY CITY REDEVELOPMENT AGENCY (hereinafter referred to as the "Grantor"), a body politic and corporate of the State of New Jersey, having its principal office at 3000 Kennedy Boulevard, Jersey City, New Jersey, and MONTGOMERY GATEWAY ASSOCIATES (hereinafter referred to as the "Grantee"), a Limited-Dividend Housing Association, and a New Jersey Limited Partnership, having its principal place of business c/o Richard Kadish, Esq., 924 Bergen Avenue, Jersey City, New Jersey.

WITNESSETH, that for and in consideration of the sum of ONE MILLION FIFTY-FIVE THOUSAND SEVEN HUNDRED TWENTY EIGHT (\$1,055,728.00) DOLLARS, the receipt whereof is hereby acknowledged, the Grantor does, by this Special Warranty Deed, sell, grant and convey unto the Grantee, its successors and assigns to have and to hold fee simple title, together with all and singular, the hereditaments and appurtenances thereunto

belonging or in any wise appertaining, in and to the land and premises situate in the City of Jersey City, County of Hudson, State of New Jersey, and more particularly described on Schedule "A" annexed hereto;

AND, the Grantor covenants that it will warrant specially the property hereby conveyed, and that it will execute such further assurances thereof as may be requisite. Grantee by its acceptance hereof acknowledges and covenants that it shall:

FIRST: The Grantee shall devote the property hereby conveyed only to the uses specified in the applicable provisions of the Redevelopment Plans or approved modifications thereof, a copy of which is attached hereto and made a part hereof;

SECOND: The Grantee shall make payments in lieu of real estate taxes or assessments on the property hereby conveyed or any part thereof when due;

THIRD: The Grantee shall commence within 180 days of the date hereof the construction of the Improvements on the property hereby conveyed in accordance with the Construction Plans pursuant to the contract for sale and shall diligently prosecute the construction of said Improvements to completion. Construction shall be completed within eighteen (18) months from the commence of such construction, subject to delays beyond the control of Grantee and to such extensions as may be granted jointly by the United States Department of Housing and Urban Development ("HUD") and the New Jersey Housing Finance Agency to complete construction.

FOURTH: The Grantee agrees for itself and any successor in interest not to discriminate upon the basis of race, creed, color, sex or national origin in the sale, lease or rental or in the use or occupancy of the property hereby conveyed

or any part thereof or of any Improvements erected or to be erected thereon or any part thereof.

The covenants and agreements contained in the covenant numbered FIRST shall terminate on August 1, 2027. The covenants and agreements contained in covenants numbered THIRD shall terminate on the date the Grantor issued the Certificate of Completion as herein provided.

Promptly after the completion of the above mentioned Improvements, the Grantor will furnish the Grantee with an appropriate instrument so certifying in accordance with the terms of the Contract of Sale. Such certification (and it shall be so provided in the certification itself) shall be a conclusive determination of satisfaction and termination of the agreements and covenants in the Contract of Sale and in this Deed obligating the Grantee and its successors and assigns, with respect to the construction of the Improvements and the dates for beginning and completion thereof: Provided, That if there is upon the property a mortgage insured, or held or owned by the Federal Housing Administration and the Federal Housing Administration shall have determined that all buildings constituting a part of the Improvements and covered by such mortgage are, in fact, substantially completed in accordance with the Construction Plans and are ready for occupancy, then, in such event, the Grantor and the Grantee shall accept the determination of the Federal Housing Administration as to such completion of the construction of the Improvements in accordance with the Construction Plans, and, if the other agreements and covenants in the Agreement obligating the Grantee in respect of the construction and completion of the Improvements have been fully satisfied, the Grantor shall forthwith issue its certification and such determination shall

not constitute evidence of compliance with or satisfaction of any obligation of the Grantee to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the Improvements, or any part thereof.

The certification provided for in paragraph next above shall be in such form as will enable it to be recorded in the proper office for the recordation of deeds and other instruments pertaining to the property hereby conveyed. If the Grantor shall refuse or fail to provide such certification, the Grantor shall, within thirty (30) days after written request by the Grantee provide the Grantee with a written statement, indicating in what respects the Grantee has failed to duly complete said Improvements and what measures or acts will be necessary in the opinion of the Grantor, for the Grantee to take or perform in order to obtain such certification.

The Grantor certifies that all conditions precedent to the valid execution and delivery of this Special Warranty Deed on its part have been complied with and that all things necessary to constitute this Special Warranty Deed its valid, binding and legal agreement on the terms and conditions and for the purposes set forth herein have been done and performed and have happened, and that the execution and delivery of this Special Warranty Deed on its part have been and are in all respects authorized in accordance with law. The Grantee similarly certifies with reference to its execution and delivery of this Special Warranty Deed. It is understood and agreed that all the terms, covenants and conditions of the Contract for Sale of Land for Private Redevelopment ("Contract"), as amended, are incorporated herein by reference and shall remain fully effective on and after the delivery of this Deed and shall not merge therein.

IN WITNESS WHEREOF, the parties have hereunto fixed their hands and seals and caused these presents to be signed by their proper officers and caused their proper seals to be hereto affixed the day and year first above written. The said Grantee executes the within Instrument in order to comply with the terms, covenants and conditions of said Contract, the same being incorporated herein by reference.

ATTEST:

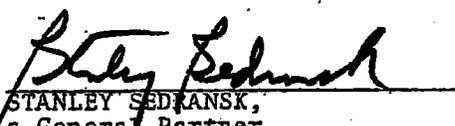
  
\_\_\_\_\_  
RALPH S. KLOPPER, Secretary

SEAL

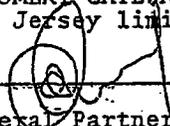
JERSEY CITY REDEVELOPMENT AGENCY

BY   
\_\_\_\_\_  
JOHN J. MARCHESE, Chairman

WITNESS:

  
\_\_\_\_\_  
STANLEY SEDRANSK,  
a General Partner

ACCEPTED AND RECEIVED

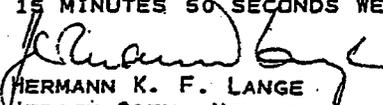
MONTGOMERY GATEWAY ASSOCIATES,  
a New Jersey limited partnership  
BY   
\_\_\_\_\_  
General Partner

PROPERTY BOUNDED IN PART BY MONTGOMERY, BRUNSWICK, WAYNE, AND MONMOUTH STREETS, INCLUDING VACATED MERCER STREET, JERSEY CITY, HUDSON COUNTY NEW JERSEY  
LOTS 17B, 18B, 19B, 20B, 21, 22, 23, C, 10, 11, 12, D, E, F, G1, G2, H, J, K, L, & M IN BLOCK 380, AND  
LOTS E, D, F2, G, 21, 22, 23, 24, 25, 26, 27, H, 32, 1C, 1A, 2A, J, 6, 7, & 8 IN BLOCK 381 ON THE ASSESSMENT MAP OF JERSEY CITY.  
118267 SF

BOUNDARY LINE DESCRIPTION

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF MONTGOMERY STREET WITH THE NORTHWESTERLY LINE OF MONMOUTH STREET, RUNNING THENCE

- 1) ALONG THE NORTHEASTERLY LINE OF MONTGOMERY STREET NORTH 59 DEGREES 59 MINUTES 29 SECONDS WEST 99.97 FEET, THENCE
- 2) STILL ALONG THE NORTHEASTERLY LINE OF MONTGOMERY STREET NORTH 59 DEGREES 26 MINUTES 02 SECONDS WEST 75.06 FEET, THENCE
- 3) NORTH 30 DEGREES 17 MINUTES 33 SECONDS EAST 99.82 FEET, THENCE
- 4) NORTH 60 DEGREES 00 MINUTES 00 SECONDS WEST 16.67 FEET, THENCE
- 5) NORTH 30 DEGREES 17 MINUTES 33 SECONDS EAST 100.00 FEET TO THE SOUTHWESTERLY LINE OF MERCER STREET, NOW VACATED, THENCE
- 6) ALONG THE SOUTHWESTERLY LINE OF MERCER STREET, NOW VACATED, NORTH 60 DEGREES 00 MINUTES 00 SECONDS WEST 208.33 FEET TO THE INTERSECTION OF SAID LINE WITH THE SOUTHEASTERLY LINE OF BRUNSWICK STREET, THENCE
- 7) ALONG THE SOUTHEASTERLY LINE OF BRUNSWICK STREET NORTH 30 DEGREES 17 MINUTES 33 SECONDS EAST 260.06 FEET TO THE INTERSECTION OF SAID LINE WITH THE SOUTHWESTERLY LINE OF WAYNE STREET, THENCE
- 8) ALONG THE SOUTHWESTERLY LINE OF WAYNE STREET SOUTH 60 DEGREES 01 MINUTES 18 SECONDS EAST 200.47 FEET, THENCE
- 9) SOUTH 30 DEGREES 15 MINUTES 50 SECONDS WEST 100.12 FEET, THENCE
- 10) SOUTH 60 DEGREES 00 MINUTES 00 SECONDS EAST 119.33 FEET, THENCE
- 11) SOUTH 30 DEGREES 15 MINUTES 50 SECONDS WEST 33.00 FEET, THENCE
- 12) SOUTH 60 DEGREES 00 MINUTES 00 SECONDS EAST 20.00 FEET, THENCE
- 13) NORTH 30 DEGREES 15 MINUTES 50 SECONDS EAST 2.00 FEET, THENCE
- 14) SOUTH 60 DEGREES 00 MINUTES 00 SECONDS EAST 60.00 FEET TO THE NORTHWESTERLY LINE OF MONMOUTH STREET, THENCE
- 15) ALONG THE NORTHWESTERLY LINE OF MONMOUTH STREET SOUTH 30 DEGREES 15 MINUTES 50 SECONDS WEST 329.58 FEET TO THE POINT OF BEGINNING.

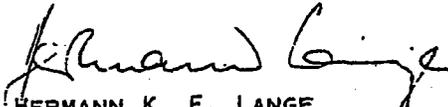
  
HERMANN K. F. LANGE  
JERSEY CITY, NEW JERSEY  
SEPTEMBER, 1979

PROPERTY BOUNDED BY MONTGOMERY, MONMOUTH, YORK AND BRUNSWICK STREETS,  
JERSEY CITY, HUDSON COUNTY, NEW JERSEY  
LOTS 1, 2, 3, 4, 7, 8, 9A, 10A, A, B, C, D, E, F, 17, 18, 19, 20, 21,  
22, 23, 24, 25, 26, 29C, 30C, 31C, & 32B IN BLOCK 379 ON THE ASSESSMENT  
MAP OF JERSEY CITY.  
72673 SF

BOUNDARY LINE DESCRIPTION

BEGINNING AT THE INTERSECTION OF THE SOUTHWESTERLY LINE OF MONTGOMERY  
STREET WITH THE SOUTHEASTERLY LINE OF BRUNSWICK STREET, RUNNING  
THENCE,

- 1) ALONG THE SOUTHWESTERLY LINE OF MONTGOMERY STREET SOUTH 59 DEGREES  
26 MINUTES 02 SECONDS EAST 300.08 FEET, THENCE
- 2) STILL ALONG THE SOUTHWESTERLY LINE OF MONTGOMERY STREET SOUTH 59  
DEGREES 59 MINUTES 29 SECONDS EAST 100.00 FEET TO THE INTERSECTION OF  
SAID LINE WITH THE NORTHWESTERLY LINE OF MONMOUTH STREET, THENCE
- 3) ALONG THE NORTHWESTERLY LINE OF MONMOUTH STREET SOUTH 30 DEGREES  
15 MINUTES 50 SECONDS WEST 180.69 FEET TO THE INTERSECTION OF SAID  
LINE WITH THE NORTHEASTERLY LINE OF YORK STREET, THENCE
- 4) ALONG THE NORTHEASTERLY LINE OF YORK STREET NORTH 59 DEGREES 56  
MINUTES 50 SECONDS WEST 400.16 FEET TO THE INTERSECTION OF SAID LINE  
WITH THE SOUTHEASTERLY LINE OF BRUNSWICK STREET, THENCE
- 5) ALONG THE SOUTHEASTERLY LINE OF BRUNSWICK STREET NORTH 30 DEGREES  
17 MINUTES 33 SECONDS EAST 183.30 FEET TO THE POINT OF BEGINNING.

  
HERMANN K. F. LANGE  
JERSEY CITY, NEW JERSEY  
SEPTEMBER 1979

PROPERTY LOCATED ON THE NORTHWESTERLY SIDE OF BRUNSWICK STREET  
BETWEEN MONTGOMERY AND YORK STREETS, JERSEY CITY, HUDSON COUNTY,  
NEW JERSEY  
LOTS A, 13, 14, 15, & 16 IN BLOCK 405 ON THE ASSESSMENT MAP OF  
JERSEY CITY,  
18418 SF

BOUNDARY LINE DESCRIPTION

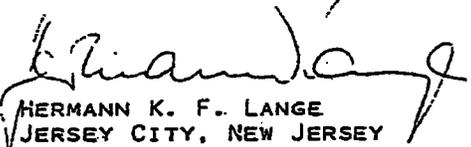
BEGINNING AT THE INTERSECTION OF THE NORTHWESTERLY LINE OF BRUNSWICK  
STREET WITH THE SOUTHWESTERLY LINE OF MONTGOMERY STREET, RUNNING  
THENCE

1) ALONG THE NORTHWESTERLY LINE OF BRUNSWICK STREET SOUTH 30 DEGREES  
17 MINUTES 33 SECONDS WEST 183.78 FEET TO THE INTERSECTION OF SAID  
LINE WITH THE NORTHEASTERLY LINE OF YORK STREET, THENCE

2) ALONG THE NORTHEASTERLY LINE OF YORK STREET NORTH 59 DEGREES 56  
MINUTES 50 SECONDS WEST 100.00 FEET, THENCE

3) NORTH 30 DEGREES 17 MINUTES 33 SECONDS EAST 184.58 FEET TO THE  
SOUTHWESTERLY LINE OF MONTGOMERY STREET, THENCE

4) ALONG THE SOUTHWESTERLY LINE OF MONTGOMERY STREET SOUTH 59 DEGREES  
29 MINUTES 27 SECONDS EAST 100.00 FEET TO THE POINT OF BEGINNING.

  
HERMANN K. F. LANGE  
JERSEY CITY, NEW JERSEY  
SEPTEMBER 1979



STATE OF NEW JERSEY:  
SS.:  
COUNTY OF *Passaic* :

BE IT REMEMBERED, that on ~~March~~ <sup>April</sup> , 1980,  
before me, the subscriber, *an attorney at law*  
personally appeared *Stanley Edwards* who, being by me  
duly sworn on his oath, deposes and makes proof to my  
satisfaction, that he is a General Partner of Montgomery  
Gateway Associates, the limited partnership named in the  
within Instrument; that the execution, as well as the making  
of this Instrument, has been duly authorized by all of the  
general partners of said Limited Partnership, in presence  
of deponent, who thereupon subscribed his name thereto as  
attesting witness.

Sworn to and subscribed  
before me the date aforesaid

*Stanley Edwards*

*W. Perry Rabbino*  
*100 Bergen Avenue*

THIS INSTRUMENT WAS PREPARED BY:

E. PERRY RABBINO, ESQ.  
40 JOURNAL SQUARE  
JERSEY CITY, N.J.

RECORD AND RETURN TO:

RICHARD L. KADISH, ESQ.  
924 Bergen Avenue  
Jersey City, N.J.

## **EXHIBIT A.2**



## **EXHIBIT A.3**

12.09

4.08

*CLP 12/11/88*

3.02

MERSELES ST.

TURNPIKE CENTER ST.

CENTER ST.

425

407

EXEMPT SCHOOL

33  
10.21 AC.

COLGATE

405

BRUNSWICK

379

1.57 AC.

380

EXEMPT ST. BRIGDETS R.C. CHURCH

380 - 381

381

2.72 AC.

382

3.6 AC.

COLUMBUS DRIVE

WAYNE ST.

CHRISTOPHER ST.

4045

378

200.05

2.01

NEW JERSEY DEPARTMENT OF TREASURY  
 DIVISION OF LOCAL PROPERTY AND FISCAL CONTROL  
 APPROVED AS A TAX MAP FOR THE DIRECTOR, DIVISION OF LOCAL PROPERTY AND FISCAL CONTROL  
 BY: *J. H. P. [Signature]*  
 DATE: 3/11/88

**TAX MAP**  
 CITY OF JERSEY CI  
 HUDSON COUNTY, NEW JERSEY  
 SCALE - 1" = 100'  
 PURCELL & TAYLOR, P.C.  
 CALDWELL, NEW JERSEY

# CONNELL FOLEY LLP

## ATTORNEYS AT LAW

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2510 PLAZA FIVE  
JERSEY CITY, N.J. 07311-4029  
(201) 521-1000  
FAX: (201) 521-0100

ROSELAND OFFICE  
85 LIVINGSTON AVENUE  
ROSELAND, N.J. 07068-3702  
(973) 535-0500  
FAX: (973) 535-9217

NEW YORK OFFICE  
888 SEVENTH AVENUE  
NEW YORK, N.Y. 10106  
(212) 262-2390  
FAX: (212) 262-0050

PHILADELPHIA OFFICE  
1500 MARKET STREET  
PHILADELPHIA, PA 19102  
(215) 246-3403  
FAX: (215) 665-5727

## COUNSEL

JOHN W. BISSELL  
FRANCIS E. SCHILLER\*  
EUGENE P. SQUEO\*  
NOEL D. HUMPHREYS\*  
ANTHONY ROMANO II\*  
STEVE BARNETT\*  
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MARC D. HAEFNER  
JONATHAN P. MCHENRY  
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CRAIG S. DEMARESKI\*  
OWEN C. MCCARTHY\*  
NEIL V. MODY\*

\*ALSO ADMITTED IN NEW YORK  
+ALSO ADMITTED IN PENNSYLVANIA

-ONLY ADMITTED IN NEW YORK

PLEASE REPLY TO JERSEY CITY, NJ

Writer's Email Address: [jmccann@connellfoley.com](mailto:jmccann@connellfoley.com)

December 5, 2011

**Via e-mail: [camerona@icnj.org](mailto:camerona@icnj.org)**

Honorable Mayor Jerramiah T. Healy  
c/o Carl Czaplicki, Director  
Department of Housing, Economic Development  
and Commerce  
30 Montgomery Street, 9<sup>th</sup> Floor  
Jersey City, New Jersey 07302  
Attn.: Al Cameron

**Re: Montgomery Gateway Associates, L.P.  
Application for Amended Tax Exemption  
Project: Montgomery Gateway East - Low Income Apartment Complex  
Location: 353-391 Montgomery Street and 383-389 Montgomery Street  
Block 379, Lot G, Block 380-381, Lot P and Block 405, Lots PL.B and 2  
Jersey City, New Jersey**

Dear Mr. Cameron:

As you may recall, this firm represents Montgomery Gateway Associates, L.P. ("Montgomery") in connection with the above-captioned matter.

The purpose of this letter is to respectfully request that you re-activate the tax abatement application that was filed with your office pursuant to my June 10, 2011 letter.

In your June 17, 2011 e-mail memorandum to me you requested details regarding the refinance of the property.

In response to your inquiries, please be informed of the following:

Honorable Mayor Jerramiah T. Healy  
c/o Carl Czaplicki, Director  
Attn: Al Cameron  
Page 2, December 5, 2011

1. The balance owed on the current mortgage including interest through December 2011 is \$7,459,864.00. The interest rate on the current mortgage is 8.35% per annum. The maturity date of the current mortgage is August 2022.

2. The amount of the proposed re-finance mortgage is \$16,000,000.00. The estimated interest rate is 5.75% per annum. The term of the new mortgage is anticipated to be for 10 years. It is estimated that the refinance closing will occur in February 2012.

3. The refinance funds will be used to pay: the existing mortgage (approximately \$7,459,864.00); an existing loan from a general partner (\$216,382.00); capital improvements (approximately \$500,000.00); closing costs (approximately \$495,000.00); trade expenses (approximately \$350,000.00); escrows including replacement reserves, insurance, real estate tax and limitation on equity (approximately \$2,480,000.00); return of limited partners equity, plus 8% per annum which has accrued over thirty (30) years (approximately \$3,104,558.00); an accrued but unpaid developer's fee representing the balance due from the original closing on April 11, 1980 (approximately \$370,000.00 balance); and return on equity to the limited partner (\$1,196,000.00) and general partners (\$797,059.00).

Also, in response to some other checklist items, please find enclosed the following:

A. Corrected Disclosure Statement - Exhibit F to the application; and

B. Amended and Restated Limited Partnership Agreement and Certificate of Limited Partnership of Montgomery Gateway Associates, L.P. It seems unnecessary to provide you with 25 copies of this document; however, I will upon your specific request.

Tax levy information is already included in the existing filed application in the form of tax searches that list the land, improvement, and total assessed value of each parcel.

This property does not need to be located in a redevelopment area, or in an Urban Enterprise Zone because low income housing projects qualify for a tax abatement under the Limited Dividend Non-profit Housing Corporations and Associations Law and the Long Term Tax Exemption Law.

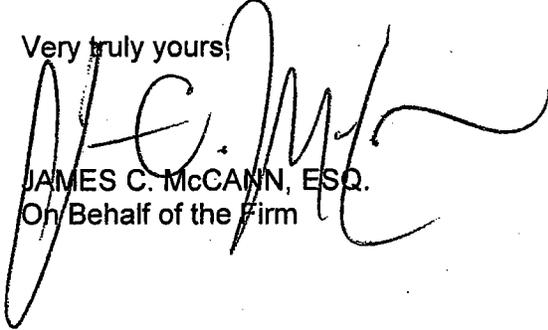
There is no Planning Board resolution, permits, or total cost of construction for the project because there are no major renovations to be made to this project. Some capital improvements will be performed, but none require Planning Board approval.

Please review your checklist and your file and if you determine that this application is complete, I would greatly appreciate you listing it on your agenda for the next tax abatement committee meeting. If you cannot deem this application complete, please advise me as soon as possible of any outstanding items.

Honorable Mayor Jerramiah T. Healy  
c/o Carl Czaplicki, Director  
Attn: Al Cameron  
Page 2, December 5, 2011

If you have any questions, please feel free to contact this office.

Very truly yours,

A handwritten signature in black ink, appearing to read 'J.C. McCann', written over the typed name and title.

JAMES C. McCANN, ESQ.  
On Behalf of the Firm

JCM/mg

cc: Montgomery Gateway Associates, L.P, Attn: J. Kenneth Pagano (w/encs. via e-mail)  
Thomas S. Cosma, Esq. (w/encs. via e-mail)  
Joanne Monahan, Esq.

Document #2619200v2

## EXHIBIT F

### Montgomery Gateway Associates, L.P. Certificate of Limited Partnership for Montgomery Gateway Associates, L.P. and Disclosure Statement

NAME OF ENTITY: Montgomery Gateway Associates, L.P.

PRINCIPAL OFFICE: 591 Montgomery Street  
Jersey City, NJ 07302

NAME OF REGISTERED AGENT: Montgomery Management Assoc.

ADDRESS: 1060 Broad Street  
Newark, NJ 07102

I CERTIFY THAT THE FOLLOWING LIST REPRESENTS THE PARTNERS OWNING A 10% OR GREATER INTEREST IN THE ABOVE ENTITY.

NAME	INTEREST	PERCENT OWNED
<u>Montgomery Gateway Hsg. Co.</u>	Limited Partner	99%
<u>Montgate Inc.</u>	General Partner	.001%
<u>Marion Engel</u>	General Partner	.24975%
<u>Sidney Engel</u>	General Partner	.24975%
<u>Albert Feuerstein</u>	General Partner	.24975%
<u>Estate of Stanley Sedransk</u>	Special Limited Partner	.24975%
<u>Ira Sedransk</u>		.08325%
<u>Michael Sedransk</u>		.08325%
<u>Cheryl Schwartz</u>		.08325%

**Maria R. Gavigan**

---

**From:** Maria R. Gavigan  
**Sent:** Tuesday, December 06, 2011 9:08 AM  
**To:** 'camerona@jcnj.org'  
**Cc:** James C. McCann; 'Kenneth J. Pagano (jkpagano@essexplazamgmt.com)'; Thomas S. Cosma; 'joanne@jcnj.org'  
**Subject:** Montgomery Gateway Associates, L.P. - Application for Amended Tax Exemption

**Attachments:** img-Z06082736-0001.pdf



img-Z06082736-000  
1.pdf (108 KB...

ON BEHALF OF JAMES C. McCANN, ESQ.

In reference to the above matter, attached please see a copy of my letter dated December 5, 2011, the original of which was hand delivered to your office yesterday along with a hard copy of the Amended and Restated Limited Partnership Agreement and Certificate of Limited Partnership of Montgomery Gateway Associates, L.P.

James C. McCann, Esq.  
jmccann@connellfoley.com

Maria Gavigan  
Legal Assistant to James C. McCann  
Connell Foley LLP  
Harborside Financial Center  
2510 Plaza Five  
Jersey City, NJ 07311  
Office: (201) 521-1000 ext. 2266  
Fax: (201) 521-0100  
mgavigan@connellfoley.com  
www.connellfoley.com

**STATEMENT OF CONFIDENTIALITY:** The information contained in this transmission including any attached documentation is privileged and confidential. It is intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copy of this communication is strictly prohibited. If you have received this communication in error, please notify Connell Foley LLP immediately by replying to this email. Please delete all copies of this message and any attachments immediately.

**IRS CIRCULAR 230 DISCLOSURE:** As required by U.S. Treasury Regulations governing tax practice, you are advised that any written tax advice contained herein was not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding tax penalties that may be imposed under the Internal Revenue Code.

# CONNELL FOLEY LLP

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FAX: (201) 521-0100

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85 LIVINGSTON AVENUE

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FAX: (973) 535-9217

NEW YORK OFFICE

888 SEVENTH AVENUE

NEW YORK, N.Y. 10106

(212) 262-2390

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PHILADELPHIA OFFICE

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PHILADELPHIA, PA 19102

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FAX: (215) 665-5727

## COUNSEL

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OWEN C. MCCARTHY\*  
NEIL V. MODY\*

\*ALSO ADMITTED IN NEW YORK

+ALSO ADMITTED IN PENNSYLVANIA

-ONLY ADMITTED IN NEW YORK

PLEASE REPLY TO JERSEY CITY, NJ

Writer's Email Address: jmccann@connellfoley.com

December 8, 2011

**Via e-mail: [camerona@jcnj.org](mailto:camerona@jcnj.org)**

Honorable Mayor Jerramiah T. Healy  
c/o Carl Czaplicki, Director  
Department of Housing, Economic Development  
and Commerce  
30 Montgomery Street, 9<sup>th</sup> Floor  
Jersey City, New Jersey 07302  
Attn.: Al Cameron

**Re: Montgomery Gateway Associates, L.P.  
Application for Amended Tax Exemption  
Project: Montgomery Gateway East - Low Income Apartment Complex  
Location: 353-391 Montgomery Street and 383-389 Montgomery Street  
Block 379, Lot G, Block 380-381, Lot P and Block 405, Lots PL.B and 2  
Jersey City, New Jersey**

Dear Mr. Cameron:

As a follow-up to your December 6<sup>th</sup> e-mail to me, please find enclosed the following:

1. An updated metes and bounds description for the property;
2. An updated witnessed certification signed by the Applicant;

A copy of the Deed for the property was sent to you under my June 24, 2011 cover letter.

This letter and all attachments constitute a supplement to the above-described tax

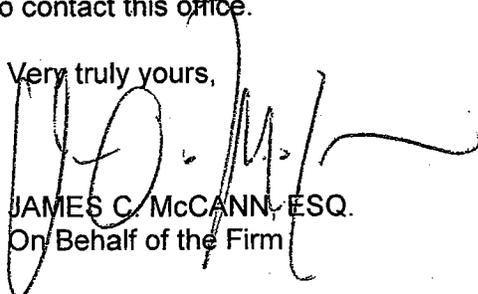
Honorable Mayor Jerramiah T. Healy  
c/o Carl Czaplicki, Director  
Attn: Al Cameron  
Page 2, December 8, 2011

abatement application.

Please confirm that the application is now complete.

If there is any other outstanding information, please advise.  
If you have any questions, please feel free to contact this office.

Very truly yours,



JAMES C. McCANN, ESQ.  
On Behalf of the Firm

JCM/mg

Enc.

cc: Montgomery Gateway Associates, L.P, Attn: J. Kenneth Pagano (w/enc. via e-mail)  
Thomas S. Cosma, Esq. (w/o enc. via e-mail)  
Joanne Monahan, Esq. (w/o encs. Via e-mail)

Document #2619200v3

12. **Certificate of Formation & Disclosure Statement:**

The Applicant is limited partnership formed in accordance with the requirements of the applicable laws of the State of New Jersey.

Attached hereto as part of Exhibit F is a copy of the Certificate of Limited Partnership of the Applicant.

A Disclosure Statement listing the names and address of the partners of the Applicant is attached hereto as part of Exhibit F.

13. **Form of Financial Agreement:**

Attached hereto as Exhibit G is a proposed Amended Financial Agreement between the City of Jersey City and the Applicant.

14. **Affordable Housing Contribution:**

No affordable housing contribution is required pursuant to §304-28 of the Jersey City Code. This Application is for a Project which contains affordable housing units that are in excess of 15% of the overall number of units. Therefore, the Project is exempt from the affordable housing contribution requirements.

15. **Fee:**

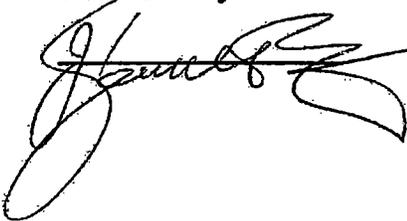
Since the Application concerns a Project which provides housing for individuals of low or moderate income, no application fee is required.

16. **Certification of Accuracy and Due Diligence:**

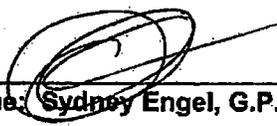
**THE APPLICANT CERTIFIES TO THE BEST OF ITS KNOWLEDGE, INFORMATION AND BELIEF THAT ALL OF THE INFORMATION CONTAINED IN THIS APPLICATION IS TRUE AND ACCURATE AND THAT IT HAS MADE A DILIGENT INQUIRY TO CONFIRM THE ACCURACY OF ALL SUCH INFORMATION.**

**Montgomery Gateway Associates, L.P.**

**Witnessed By:**



**By:**

  
**Name: Sydney Engel, G.P.**



SmithSurveying Inc.

## Richard Smith Surveyor

Courthouse Plaza • 60 Washington St., Suite 106 • Morristown, NJ 07960  
Telephone: 973-540-9004 • Fax: 973-292-0220 • www.smithsurveyor.com

September, 2011

Tax Lot "P" in Block 380-381  
352-364 Montgomery Street,  
City of Jersey City, Hudson County, New Jersey

Beginning at the corner of brick building found to be at the intersection of the northerly line of Montgomery Street, a 80 feet wide right of way, and the northwesterly sideline of Monmouth Street, a 60 feet wide right of way; and running thence,

- 1) along the northeasterly sideline of Montgomery Street, North 59 degrees 59 minutes 29 seconds West 99.97 feet to an angle point; thence,
- 2) still along the northerly sideline of Montgomery Street, North 59 degrees 26 minutes 02 seconds West 75.06 feet to a point where the same is intersected by the division line between lands hereindescribed and lands now or formerly of St. Bridget's Church as described in Deed Book 860 at Page 178; thence,
- 3) along St. Bridget's Church, North 30 degrees 17 minutes 33 seconds East 99.82 feet to an iron rod with cap, identified "Richard F. Smith, Jr., Surveyor, NJ #25048 Morristown" set, thence,
- 4) still along St. Bridget's Church, North 60 degrees 00 minutes 00 seconds West 16.67 feet to an iron rod with cap set, identified as aforesaid, in the division line between lands hereindescribed and lands now or formerly of St. Bridget's Church, described in Deed Book 3300 at Page 1167; thence,
- 5) along St. Bridget's Church, North 30 degrees 17 minutes 33 seconds East 100.00 feet to an X-Cut set, thence,
- 6) along said St. Bridget's Church, North 60 degrees 00 minutes 00 seconds West 208.33 feet to a Mag. Nail set, identified as aforesaid, in the division line between lands hereindescribed, then along lands now or formerly of St. Bridget's Church as described in Deed Book 860 at Page 178 and the easterly sideline of Brunswick Street, 80 feet wide right of way; thence,
- 7) along said Brunswick Street, North 30 degrees 17 minutes 33 seconds East 260.06 feet to an X-Cut set in the division line between lands hereindescribed, and lands now or formerly of RGD Holding Company, LLC, (formerly Wayne Street) as described in Deed Book 8035 at Page 1; thence,
- 8) along RGD Holding Company, LLC, South 60 degrees 01 minutes 18 seconds East 200.47 feet to a point where the same is intersected by the division line between lands hereindescribed and lands now or formerly of RGD Holding Company as described in Deed Book 8053 at Page 1; thence,
- 9) along RGD Holding Company, LLC, South 30 degrees 15 minutes 50 seconds West 100.12 feet, passing over a Mag. Nail 0.15' from the beginning of this course, to a point in the same; thence,

10) still along RGD Holding Company, LLC, South 60 degrees 00 minutes 00 seconds East 120.00 feet to an iron rod with cap set, identified as aforesaid in the same; thence,

11) along RGD Holding Company, LLC, South 30 degrees 15 minutes 50 seconds West 33.00 feet to a Mag. Nail set, identified as aforesaid in the same; thence,

12) along RGD Holding Company, LLC, South 60 degrees 00 minutes 00 seconds East 20.00 feet to an iron rod with cap set, identified as aforesaid in the same; thence,

13) along RGD Holding Company, LLC, North 30 degrees 15 minutes 50 seconds East 2.00 feet to an iron rod with cap set, identified as aforesaid in the same; thence

14) along RGD Holding Company, LLC, South 60 degrees 00 minutes 00 seconds East 59.33 feet to an X-Cut set in the northwesterly sideline of Monmouth Street, a 60 feet right of way; thence,

15) along the northwesterly line of Monmouth Street South 30 degrees 15 minutes 50 seconds West 329.59 feet; to the point and place of beginning.

Containing 118,287 square feet or 2.7 acres.

Tax Lot "G" in Block 379  
353-81 Montgomery Street,  
City of Jersey City, Hudson County, New Jersey

Beginning at an X-Cut set in the intersection of the southerly sideline of Montgomery Street, a 80 feet wide right of way and the easterly sideline of Brunswick Street, a 60 feet wide right of way, and running; thence,

1) along Montgomery Street, South 59 degrees 26 minutes 02 seconds East 300.08 feet to an angle point; thence,

2) still along Montgomery Street, South 59 degrees 59 minutes 29 seconds East 100.00 feet to an X-Cut set in the northerly sideline of Monmouth Street, a 60 foot wide right of way; thence,

3) along Monmouth Street, South 30 degrees 15 minutes 50 seconds West 180.69 feet to the intersection of the northerly sideline of York Street, a 60 feet wide right of way; thence,

4) along York Street, North 59 degrees 56 minutes 50 seconds West 400.16 feet to a Mag. Nail set, identified "Richard F. Smith, Jr., Surveyor, NJ #25048 Morristown" set in the southerly sideline of Brunswick Street, a 60 foot right of way per; thence,

5) along Brunswick Street, North 30 degrees 17 minutes 33 seconds East 183.30 feet to the point and place of beginning.

Containing 72,674 square feet or 1.7 acre.

Tax Lot "B" in Block 405  
383-389 Montgomery Street,  
City of Jersey City, Hudson County, New Jersey

Beginning at an X-Cut set in the intersection of the northerly sideline of Brunswick Street feet, a 60 wide right of way and the southerly sideline of Montgomery Street, a 80 feet wide right of way, and running thence,

1) along said Brunswick Street, South 30 degrees 17 minutes 33 seconds West 183.78 feet to an X-Cut set in the northerly sideline of York Street, a 60 foot right of way; thence,

2) along York Street, North 59 degrees 56 minutes 50 seconds West 100.00 feet to an X-Cut set in division line between lands hereindescribed and lands now or formerly of Brunswick Estates Association as described in Deed Book 3890 at Page 185; thence,

3) along Brunswick Estates Association, North 30 degrees 17 minutes 33 seconds East 184.58 feet to a V-Cut set in the southerly sideline of Montgomery Street; thence,

4) along said Montgomery Street, South 59 degrees 29 minutes 27 seconds East 100.00 feet to the point and place of beginning.

Containing 18,417 square feet or 0.4 acre.

This description was prepared by Richard F. Smith, Jr. for the firm of SmithSurveying, Inc., in accordance with its survey dated June 7, 2011.

---

Richard F. Smith, Jr., Professional Land Surveyor License No. 24GS02504800

**Maria R. Gavigan**

---

**From:** Maria R. Gavigan  
**Sent:** Thursday, December 08, 2011 1:35 PM  
**To:** 'camerona@jcnj.org'  
**Cc:** James C. McCann; 'joanne@jcnj.org'  
**Subject:** Montgomery Gateway Associates, L.P. - Application for Amended Tax Exemption

**Attachments:** img-Z08131149-0001.pdf



img-Z08131149-000  
1.pdf (176 KB...

ON BEHALF OF JAMES C. McCANN, ESQ.

In reference to the above matter, attached please see my correspondence dated December 8, 2011 along with enclosures.

James C. McCann, Esq.  
jmccann@connellfoley.com

Maria Gavigan  
Legal Assistant to James C. McCann  
Connell Foley LLP  
Harborside Financial Center  
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**IRS CIRCULAR 230 DISCLOSURE:** As required by U.S. Treasury Regulations governing tax practice, you are advised that any written tax advice contained herein was not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding tax penalties that may be imposed under the Internal Revenue Code.

**Maria R. Gavigan**

---

**From:** Maria R. Gavigan  
**Sent:** Thursday, December 08, 2011 1:37 PM  
**To:** 'Kenneth J. Pagano (jkpagano@essexplazamgmt.com)'  
**Cc:** James C. McCann  
**Subject:** FW: Montgomery Gateway Associates, L.P. - Application for Amended Tax Exemption

**Attachments:** img-Z08131149-0001.pdf



img-Z08131149-000  
1.pdf (176 KB...

ON BEHALF OF JAMES C. McCANN, ESQ.

In reference to the above matter, attached please see my correspondence to Al Cameron dated December 8, 2011 along with enclosures.

James C. McCann, Esq.  
jmccann@connellfoley.com

Maria Gavigan  
Legal Assistant to James C. McCann  
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# CONNELL FOLEY LLP

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PATRICIA A. LEE\*\*  
AGNIESZKA ANTONIAN\*  
CRAIG S. DEMARESKI\*  
OWEN C. MCCARTHY\*  
NEIL V. MODY\*

\*ALSO ADMITTED IN NEW YORK

+ALSO ADMITTED IN PENNSYLVANIA

-ONLY ADMITTED IN NEW YORK

PLEASE REPLY TO JERSEY CITY, NJ

Writer's Email Address: [jmccann@connellfoley.com](mailto:jmccann@connellfoley.com)

January 5, 2012

**Via e-mail: [camerona@icnj.org](mailto:camerona@icnj.org)**

Honorable Mayor Jerramiah T. Healy  
c/o Carl Czaplicki, Director  
Department of Housing, Economic Development  
and Commerce  
30 Montgomery Street, 9<sup>th</sup> Floor  
Jersey City, New Jersey 07302  
Attn.: Al Cameron

**Re: Montgomery Gateway Associates, L.P.  
Application for Amended Tax Exemption  
Project: Montgomery Gateway East - Low Income Apartment Complex  
Location: 353-391 Montgomery Street and 383-389 Montgomery Street  
Block 379, Lot G, Block 380-381, Lot P and Block 405, Lots PL.B and 2  
Jersey City, New Jersey**

Dear Mr. Cameron:

I am in receipt of your January 2012 e-mails requesting additional clarifications regarding the above application.

Please accept the following as a clarification on the issues your raised:

- In addition to refinancing the project for the principal amount of \$16,000,000.00, the applicant will be receiving a return of escrows held by the NJHMF A for insurance, taxes and reserves, which total \$967,681.00. Any small differences between amounts being received and expenses being paid will be covered by reducing payments to general partners.

Honorable Mayor Jerramiah T. Healy  
c/o Carl Czaplicki, Director  
Attn: Al Cameron  
Page 2, January 5, 2012

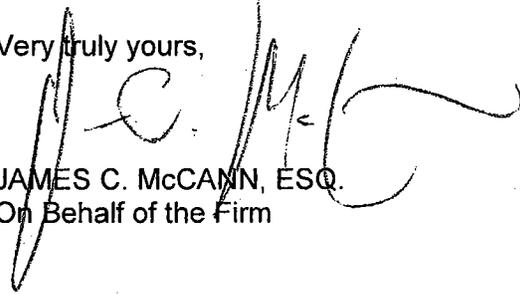
- The term of the existing tax abatement is not more than fifty (50) years and not less than the term of the NJHMFA mortgage.
- The term of the NJHMFA mortgage is forty (40) years, expiring in August 2022.
- The term of the amended tax exemption requested, pursuant to this application is from the date of the adoption of the ordinance through August 2022.

My apologies for any confusion regarding the above items.

Lastly, this will confirm our conversation wherein you acknowledged that the Project Employment Agreement is not applicable to this matter. Apparently, it is inadvertently referenced in one sentence in the application. Please accept this letter as a withdrawal and deletion of any reference to the Project Employment Agreement.

If you have any questions, please feel free to contact this office.

Very truly yours,



JAMES C. McCANN, ESQ.  
On Behalf of the Firm

JCM/mg  
Enc.

cc: Joanne Monahan, Esq. (w/o encs. Via e-mail)

**APPLICATION FOR FIVE-YEAR TAX EXEMPTION**

of

**BLUE EDGE PROPERTY, LLC**

In compliance with Executive Order #2010-001 of the Mayor of the City of Jersey City and City Ordinance Nos. 05-060 and 07-146, the Applicant herewith submits the following information in support of its application for a Five-Year Tax Exemption under and pursuant to N.J.S.A. 40A:21-1, et. seq.

Applicant: Blue Edge Property, LLC  
100 Pavonia Avenue, 6<sup>th</sup> Floor  
Jersey City, New Jersey 07310  
(201) 626-2010

Project: Blue Edge  
A Mixed Use Rental Housing Project  
Block 20, Lot 3.23  
Jersey City, New Jersey

The Blue Edge is referred to herein as the "Project."

Applicant's General Contractor: Savoy Builders Company LLC  
100 Pavonia Avenue, 6<sup>th</sup> Floor  
Jersey City, New Jersey 07310  
(201) 626-2010

Applicant's Architect: Barry Poskanzer  
550 Maple Avenue  
Ridgewood, NJ 07450  
(201) 445-2322

Applicant's Attorney: Connell Foley LLP  
Harborside Financial Center  
2510 Plaza Five  
Jersey City, NJ 07311-4025  
(201) 521-1000  
Attn: James C. McCann, Esq.

Loan Advisor and/or Consultants: None

**1. Identification of the Property:**

The land upon which the Project will be built on is Block 20, Lot 3.23 commonly known as 45 Fourteenth Street, Jersey City, New Jersey (the "Property"). The Property is vacant land. A metes and bounds description of the Property is attached hereto as Exhibit A. The Property is approximately .52 acres.

**2. General Statement of the Nature of the Project:**

The Project consists of a mixed use rental project located at 45 Fourteenth Street, Jersey City, New Jersey. The Project is located within the Newport Redevelopment Plan Area. The Project will be a seventeen (17) story building with approximately one hundred fifty-eight (158) residential units and approximately 5,543 square feet of ground level retail space. One hundred ten (110) parking spaces have been allocated to the Project in the Shore garage located near the Project.

**3. Abatement Requested:**

The Applicant seeks a five-year tax exemption pursuant to N.J.S.A. 40A:21-1 et. seq. (the "Law"). The Applicant requests that the tax agreement be based on the following formula, in accordance with the Law:

Project Taxes During Term of Exemption:

Year One:	\$27,612 (land tax only)
Year Two:	\$239,305 (land tax plus 39% of real estate taxes on improvements)
Year Three:	\$347,866 (land tax plus 59% of real estate taxes on improvements)
Year Four:	\$456,429 (land tax plus 79% of real estate taxes on improvements)
Year Five:	\$461,855 (land tax plus 80% of real estate taxes on improvements)

Following the expiration of the term of the exemption, the Applicant will pay full real estate taxes.

A Fiscal Plan for the management of the Project and a calculation and breakdown of the aforementioned real estate taxes is set forth in Exhibit C, attached hereto.

Based upon the above formula, it is estimated that the Project will generate real estate taxes payable to the City of Jersey City in the amount of approximately \$1,533,067 during the term of the abatement.

**4. Term of the Exemption Requested:**

The Applicant requests that the term of the exemption be for five (5) years beginning on the first day of the first calendar year following substantial completion of the Project (the "Exemption Commencement Date") and ending on the date that is one day prior to the fifth anniversary of the Exemption Commencement Date.

**5. Improvements to be Constructed:**

The improvements to be constructed will consist of the following:

The Applicant will construct a seventeen (17) story building containing approximately 158 residential rental units and 5,543 square feet of retail space. The units will be distributed as follows: approximately 71 one bedrooms, which will average approximately 868 square feet; approximately 78 two bedrooms, which will average approximately 1,278 square feet; and 9 three bedrooms will average approximately 1,788 square feet. Each residential unit will have living, dining and kitchen areas. The retail space may be leased to one or more tenants depending upon market conditions and demand.

The Applicant is also constructing a private open space plaza and lawn adjacent to the building and will be completing and improving that portion of the public waterfront walkway that is adjacent to the Project.

**6. Estimate of Construction Cost:**

The construction cost of the Project, as set forth in Exhibit B is estimated to be \$38,250,000. The construction cost has been calculated in accordance with the provisions of N.J.S.A. 40A:21-3(j). Construction costs have been estimated based upon preliminary information compiled by the Applicant.

**7. Financing Structure:**

The Project will be financed through a combination of debt and equity. The construction loan will be financed under a three year commitment for which the lender will likely charge an upfront financing fee as well as interest. The construction loan will be repaid with a permanent mortgage at completion.

**8. Construction Schedule:**

Construction of the Project commenced in September 2011 and is expected to be substantially complete within 24 months of commencement. This construction schedule is subject to *force majeure* and the time required to obtain the necessary governmental approvals and permits.

**9. Zoning Information:**

The Project is located in the Newport Redevelopment Plan Area, and complies with the zoning requirements therein and of the Master Plan of the City of Jersey City. The Project received a preliminary site plan approval from the Planning Board of the City of Jersey City on March 13, 2007, an amendment to the preliminary site plan approval on

July 22, 2008, and a second amendment to the preliminary site plan approval on June 14, 2011. See Resolutions attached to Exhibit D.

**10. Land Value of Property:**

The real estate tax assessment on the Property for the year 2011 is as follows:

Block 20, Lot 3.23 = \$400,000.00  
**Total Assessment = \$400,000.00**

**11. Current Real Estate Taxes:**

The 2010 annual real estate taxes for the Property were:

Block 20, Lot 3.23 = \$27,612.00  
**Total Annual Real Estate Taxes = \$27,612.00**

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

All municipal real estate taxes and charges levied against the Property have been paid in full. The Applicant will not own any other real property other than the Property that is described herein.

**13. Ownership Disclosure Statement:**

The Property is owned by the Applicant. The Applicant is a limited liability company organized under the laws of the State of New Jersey. The membership of the interests of those persons and entities with an ownership interest in the Applicant and the Project of at least 10% is set forth in Exhibit E.

**14. Financial Agreement:**

A proposed Tax Agreement for the Applicant is attached hereto as Exhibit I.

**15. Projected Job Creation:**

The Applicant estimates that the Project will create approximately 250 jobs throughout the construction period and approximately 12 permanent full time real estate, management and service positions following the construction period.

The Applicant will comply with the City of Jersey City minority Business Enterprise Ordinance Sect. 2-77 et seq. of the Jersey City Municipal Code by executing a Project Employment Agreement ("PEA"). A proposed PEA is attached hereto as Exhibit J.

**16. Compliance with State and Local Laws Certification:**

A Certification by the Applicant that the Project meets the requirements of the laws of the State of New Jersey as well as the Newport Redevelopment Plan is attached hereto as Exhibit F.

**17. Diligent Inquiry Certification:**

A Certification by the Applicant that all information contained in the Application is true and correct to the best of its knowledge after having made diligent inquiry is attached hereto as Exhibit G.

**18. Certificate of Formation:**

A copy of the Applicant's Certificate of Formation is attached hereto as Exhibit H.

**19. Fee:**

The fee for the City's consideration of this Application in the amount of \$10,000 is enclosed herein.

**20. List of Exhibits:**

- A. Description of the Property;
- B. Estimated Cost of Project Construction;
- C. Fiscal Plan and Estimated Tax Computation;
- D. Resolutions of Site Plan Approval;
- E. Disclosure Statement;
- F. Compliance with State & Local Laws Certification;
- G. Diligent Inquiry Certification;
- H. Certificate of Formation;
- I. Proposed Tax Agreement;
- J. Proposed Project Employment Agreement.

**EXHIBIT A**

**BLUE EDGE PROPERTY, LLC**

**Description of the Property**

**Address:** 45 Fourteenth Street  
Jersey City, New Jersey  
Block 20, Lots 3.23 and 3.16

See metes and bounds description attached.

DEED DESCRIPTION  
PROPOSED LOT 3.23 BLOCK 20  
CITY OF JERSEY CITY  
HUDSON COUNTY, NEW JERSEY

All that certain land and premises, situated, lying and being in the City of Jersey City, County of Hudson and the State of New Jersey and being more particularly described as follows:

BEGINNING at a point in the easterly line of River Drive, a private street (63.00 feet wide at this point), said point being distant the following courses from the intersection of the northerly line of Newport Parkway (114.00 feet wide public street), with said easterly line of River Drive, thence;

- A. Along the easterly line of River Drive, N 6° 11' 02" E, 169.09 feet to a point of curvature, thence;
- B. Continuing along the same on a curve to the left having a radius of 72.67 feet an arc distance of 57.07 feet, said curve having a chord bearing N 16° 18' 53" W, and a chord distance of 55.62 feet, to a point of tangency, thence;
- C. Still along the same, N 38° 48' 49" W, 85.44 feet to a point, thence;
- D. Still along the same, N 8° 21' 03" E, 348.21 feet to the point of BEGINNING, said point having coordinates in the NJSPCS NAD 1927 Northing 691,738.69 feet and Easting 2,175,867.47 feet, and running thence;
1. Continuing along the easterly line of River Drive, N 8° 21' 03" E, 152.81 feet to a point in the southerly line of 14th Street Extension, a private street, (64.00 feet wide at this point), thence;
2. Along the southerly line of 14th Street Extension, S 83° 44' 21" E, 170.55 feet to a point in the westerly line of Lot 3.16, also known as Hudson River Waterfront Walkway Easement (30.00 feet wide), thence;
3. Along the westerly line of Lot 3.16, S 4° 35' 34" W, 103.55 feet to a point of curvature, thence;
4. Continuing along the same on a curve to the right having a radius of 10.00 feet an arc distance of 18.69 feet, said curve having a chord bearing S 58° 07' 22" W, and a chord distance of 16.08 feet to a point of tangency, thence;
5. Still along the same, N 68° 20' 50" W, 40.25 feet to a point of curvature, thence;
6. Still along the same on a curve to the left having a radius of 30.00 feet an arc distance of 39.43 feet, said curve having a chord bearing S 73° 59' 55" W, and a chord distance of 36.65 feet to a point of tangency, thence;

DEED DESCRIPTION  
PROPOSED LOT 3.23 BLOCK 20  
CITY OF JERSEY CITY  
HUDSON COUNTY, NEW JERSEY

7. Still along the same, S 36° 20' 41" W, 44.70 feet to a point, thence;
  8. Across Lot 3.15, N 81° 38' 57" W, 71.41 feet to the point of BEGINNING.
- Containing 22,632 square feet or 0.5196 acre.

50 STATES ENGINEERING

Andrija Batistic  
Professional Land Surveyor  
N.J. Lic. No. 35822

July 10, 2007

**EXHIBIT B**

**BLUE EDGE PROPERTY, LLC**

**Estimated Cost of Project Construction**

The Estimated Cost per N.J.S.A. 40A:21-3(j) is as follows:

"Cost" per Definition:\*

Direct Labor & Materials (includes Contractor's Fees)	\$37,050,000
Architectural	\$ 600,000
Engineering	\$ 600,000
Estimated Cost:	<u>\$38,250,000</u>

\*Pursuant to N.J.S.A. 40A:21-3(j), estimated "cost" does not include land costs, soft costs (other than architectural and engineering costs), and financing costs. This estimated "cost" differs from the total project cost calculation required under the Long Term Tax Exemption Law, pursuant to N.J.S.A 40A:20-3(h).

**EXHIBIT C**

**BLUE EDGE PROPERTY, LLC  
FISCAL PLAN  
and**

**ESTIMATED TAX COMPUTATION FOR YEAR 2011**

Equalization Ratio	29.43%	
Tax Rate (per thousand)	\$69.03	
Potential Residential Income	<u>Total</u>	<u>Avg Per Unit/ Per Year</u>
(70) One Bedroom Units	\$1,596,000	\$22,800
(1) One Bedroom Unit (Super)	\$0	\$0
(78) Two Bedroom Units	\$2,433,600	\$31,200
(9) Three Bedroom Units	\$ 324,000	<u>\$36,000</u>
Total Potential Residential Income	<u>\$4,353,600</u>	
Retail Rent	\$138,575	
Total Gross Income	\$4,492,175	
Vacancy (5%)	<u>\$(224,609)</u>	
Effective Gross Income:	<u>\$ 4,267,566</u>	
Operating Expenses:		
Labor & Benefits	\$470,000	
R&M/Supplies	\$174,000	
Painting & Decorating	\$64,000	
Security	\$26,000	
Utilities	\$109,000	
Water & Sewer	\$80,000	
Insurance	\$74,000	
Renting Expense	\$138,000	
Professional Fees	\$9,000	
Promotional	\$19,000	
Administrative & Other	\$24,000	
Management Fee	\$180,124	
Total Operating Expenses	<u>\$1,367,124</u>	
Projected Net Operating Income	<u>\$2,900,442</u>	
Cap Rate	10.33%	
Market Value	\$28,077,851	

Assessment \$8,263,312

Estimated Annual Real Estate Taxes  
for 2011 based upon rate and ratio \$570,416

**Exhibit C – Continued**

**CURRENT ESTIMATED TAX PAYMENTS FOR FIVE YEAR TERM OF EXEMPTION  
Based on 2011 Tax Rate and Equalization Ratio**

Year	1	2	3	4	5	Total
Projected Tax Rate	\$69.03	\$69.03	\$69.03	\$69.03	\$69.03	
Total Tax	\$570,416	\$570,416	\$570,416	\$570,416	\$570,416	\$2,852,080
Land Tax	\$38,518	\$38,518	\$38,518	\$38,518	\$38,518	\$192,590
Tax on Improvements	\$531,898	\$531,898	\$531,898	\$531,898	\$531,898	\$2,659,490
Statutory Phase –In	0%	39%	59%	79%	80%	
Exempted Tax	\$531,898	\$324,458	\$218,078	\$111,699	\$106,380	\$1,292,513
Total Taxes Payable	\$38,518	\$245,958	\$352,338	\$458,717	\$464,036	\$1,559,567

**EXHIBIT D**

**BLUE EDGE PROPERTY, LLC**

**COPIES OF RESOLUTIONS OF APPROVAL OF SITE PLANS  
BY JERSEY CITY PLANNING BOARD**

**SEE ATTACHED**

**RESOLUTION OF THE PLANNING BOARD OF THE CITY OF JERSEY CITY**

**APPLICANT:** NEWPORT ASSOCIATES DEVELOPMENT COMPANY

**FOR:** AMENDED PRELIMINARY AND FINAL MAJOR SITE PLAN APPROVAL ("THE SAVOY")  
45 FOURTEENTH STREET, JERSEY CITY, NEW JERSEY  
BLOCK 20, LOT 3.23 AND LOT 3.16 (partial)

**CASE NO.:** P07-021.2

**WHEREAS**, the Applicant, NEWPORT ASSOCIATES DEVELOPMENT COMPANY, (the "Applicant"), per CONNELL FOLEY, LLC (Charles J. Harrington, III, Esq., appearing) made application to the Planning Board of the City of Jersey City, County of Hudson and State of New Jersey, for Amended Preliminary and Final Major Site Plan Approval, to wit: Calendar No. P07-021.2, to amend the most recent Preliminary Amended Major Site Plan approval (Calendar No. P07-021.1 granted on July 22, 2008 and memorialized by resolution on August 5, 2008) in connection with the property identified as 45 Fourteenth Street, Jersey City, New Jersey, and also known on the Jersey City Tax Maps as Block 20, Lot 3.23 (formerly part of Lot 3.15) and Lot 3.16; and

**WHEREAS**, the Applicant initially obtained Preliminary Major Site Plan approval on March 13, 2007, which was memorialized by resolution on April 10, 2007 (P07-021), to permit, among other things, the development of a seventeen (17) story building with one hundred forty-six (146) residential dwelling units and approximately 5,833 square feet of ground floor retail/commercial space, along with ninety-five (95) parking spaces allocated in the Shore Condominium Garage (parking previously approved); and

**WHEREAS**, the Applicant subsequently obtained Amended Preliminary Major Site Plan approval on July 22, 2008, which was memorialized by resolution on August 5, 2008, to permit, among other changes, one hundred fifty-two (152) residential dwelling units and approximately 5,980 square feet of ground floor retail/commercial space; and

**WHEREAS**, the proposed further amendments include, among other changes, an increase in the number of residential units to one hundred fifty-eight (158) residential dwelling units, an increase in the residential area by adding five (5) residential floors above the retail wing, an increase in the gross floor area of the building, a decrease in the retail area, building and façade changes, a slight decrease in the open space, a reduction in the signage, the relocation of the loading area and a new driveway to access the loading area, an added drop off lane, and a slight increase in the building coverage and lot coverage; and

**WHEREAS**, due notice of a hearing held on the above said application before the Planning Board of the City of Jersey City on June 14, 2011 at 5:30 p.m. was duly published as prescribed in the Zoning Ordinance of the City of Jersey City; and

**WHEREAS**, the Applicant has submitted proof that it has complied with the applicable procedural requirements including the payment of fees and public notices; and

**WHEREAS**, all testimony having been formally heard for this application; and

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

### **FINDINGS OF FACT**

1. The Applicant, Newport Associates Development Company, has filed an application with the Jersey City Planning Board for Amended Preliminary and Final Major Site Plan Approval for the property known as 45 Fourteenth Street, Jersey City, New Jersey, and also known on the Jersey City Tax Maps as Block 20, Lot 3.23 (formerly known as a part of Lot 3.15) and Lot 3.16 (partial).

2. The proposed development is located in the Residential Zone of the Newport Redevelopment Plan ("Plan") area, and was initially approved for the development of a seventeen (17) story building with one hundred forty-six (146) residential dwelling units and approximately 5,833 square feet of ground floor retail/commercial space, along with ninety-five (95) parking spaces allocated in the Shore Condominium garage (P07-021).

3. The proposed development subsequently was approved for Amended Preliminary Major Site Plan approval for the increase in the number of residential units to one hundred and fifty-two (152) residential dwelling units and an increase in the ground floor retail/commercial space to approximately 5,980 square feet (P07-021.1).

3. The proposed current amendments are summarized and include the following:

1. Add five (5) residential floors above the one (1) story retail wing along River Drive, and corresponding increase in the gross building area.
2. Increase the overall number of dwelling units one hundred fifty-eight (158) units.
3. Decrease the ground floor retail area.
4. A slight increase in the building coverage and lot coverage.
5. Façade and building changes, including a new "top" to the building.
6. Relocation of the loading area to the rear of the building and a new driveway to access the loading area.
7. A slight decrease in the open space.
8. Decrease the signage.
9. Add a drop off lane.

4. The proposed amendments conform to the Newport Redevelopment Plan.

**NOW, THEREFORE, BE IT RESOLVED** that the Planning Board of the City of Jersey City, County of Hudson and State of New Jersey, for the foregoing reasons, approves the within application for Amended Preliminary and Final Major Site Plan Approval, to wit: Calendar No. P07-021.2, to amend the most recent Preliminary Amended Major Site Plan approval (Calendar No. P07-021.1 granted on July 22, 2008 and memorialized by resolution on August 5, 2008) in connection with the property identified as 45 Fourteenth Street, Jersey City, New Jersey, and also known on the Jersey City Tax Maps as Block 20, Lot 3.23 (formerly part of Lot 3.15) and Lot 3.16, in accordance with the plans and testimony submitted to the Planning Board of the City of Jersey City, subject to the following conditions:

1. All prior conditions of the previous approvals shall remain in full force and effect to the extent that they are still applicable.

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**APPLICANT:** NEWPORT ASSOCIATES DEVELOPMENT COMPANY

**FOR:** AMENDED PRELIMINARY AND FINAL MAJOR SITE PLAN APPROVAL ("THE SAVOY")  
45 FOURTEENTH STREET, JERSEY CITY, NEW JERSEY  
BLOCK 20, LOT 3.23 AND LOT 3.16 (partial)

**CASE NO.:** P07-021.2

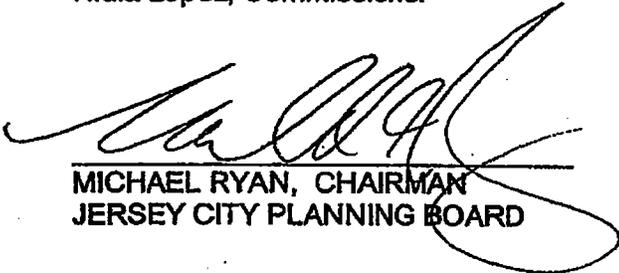
**VOTE:** 5 - 0

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<b>COMMISSIONER:</b>	<b>YES</b>	<b>NO</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
Larry Eccleston, Acting Chairman	X			
Karen McIntyre, Commissioner	X			
Franklin Perez, Commissioner	X			
Dr. Orlando Gonzalez, Commissioner	X			
Nidia Lopez, Commissioner	X			

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MICHAEL RYAN, CHAIRMAN  
JERSEY CITY PLANNING BOARD



ROBERT COTTER, SECRETARY  
JERSEY CITY PLANNING BOARD

APPROVED AS TO LEGAL FORM:



JOHN F. HAMILL, JR., ESQ.

DATE OF HEARING:

June 14, 2011

DATE OF MEMORIALIZATION:

July 12, 2011

**RESOLUTION OF THE PLANNING BOARD OF THE CITY OF JERSEY CITY**

**APPLICANT: NEWPORT ASSOCIATES DEVELOPMENT COMPANY**  
**FOR: PRELIMINARY MAJOR SITE PLAN AMENDMENT APPROVAL**  
**THE SAVOY**  
**45 FOURTEENTH STREET, JERSEY CITY, NEW JERSEY**  
**BLOCK 20, LOT 3.23 AND LOT 3.16**  
**CASE NO.: P07-021.1**

**WHEREAS**, the applicant, **NEWPORT ASSOCIATES DEVELOPMENT COMPANY**, (the "Applicant"), per **CONNELL FOLEY, LLC** (Charles J. Harrington, III, Esq., appearing) made application to the Planning Board of the City of Jersey City, County of Hudson and State of New Jersey, for Preliminary Major Site Plan Amendment Approval, to wit: Calendar No. P07-021.1, to amend the initial approval that permitted the development of a seventeen (17) story building with one hundred forty-six (146) residential dwelling units and approximately 5,833 square feet of ground floor retail/commercial space, along with ninety-five (95) parking spaces allocated in the Shore Condominium garage (previously approved), in connection with the property identified as 45 Fourteenth Street, Jersey City, New Jersey, and also known on the Jersey City Tax Maps as Block 20, Lot 3.23 (formerly known as part of Lot 3.15) and Lot 3.16; and

**WHEREAS**, the proposed amendments include, among other changes, the increase in the number of residential units from one hundred forty-six (146) residential dwelling units to one hundred fifty-two (152) residential dwelling units, and an increase in the retail area by one hundred forty-seven (147) square feet; and

**WHEREAS**, due notice of a hearing on the above said application before the Planning Board of the City of Jersey City, on July 22, 2008 at 5:30 p.m., was duly published as prescribed in the Zoning Ordinance of the City of Jersey City; and

**WHEREAS**, the applicant has submitted proof that it has complied with the applicable procedural requirements including the payment of fees and public notices; and

**WHEREAS**, all testimony having been formally heard for this application; and

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

**FINDINGS OF FACT**

1. The Applicant, Newport Associates Development Company, has filed an application with the Jersey City Planning Board for Preliminary Major Site Plan Amendment Approval for property known as 45 Fourteenth Street, Jersey City, New Jersey, and also known on the Jersey City Tax Maps as

Block 20, Lot 3.23 (formerly known as a part of Lot 3.15) and Lot 3.16.

2. The proposed development is located in the Residential Zone of the Newport Redevelopment Plan ("Plan") area, and the initial approval was for the development of a seventeen (17) story building with one hundred forty-six (146) residential dwelling units and approximately 5,833 square feet of ground floor retail/commercial space, along with ninety-five (95) parking spaces allocated in the Shore Condominium garage (previously approved).

3. The proposed amendments are summarized and include the following:

- a. Update the lot number from Part of Lot 3.15 to Lot 3.23, Block 20.
  - b. Increase the overall number of dwelling units from 146 to 152 units (6 one bedroom units are added).
  - c. Increase the gross building area by 14,520 sf from 197,375 to 211,895 sf to improve the efficiency of the apartments by squaring-off the angled bays, increasing the mechanical level areas and increasing the retail area by 147 sf from 5,833 sf to 5,980 sf.
  - d. Decrease the building coverage by 62 sf from 14,634 sf to 14,572 sf.
  - e. Decrease open space by 835 sf to 52.1% of the site.
  - f. Increase signage by 20 sf from 365 sf to 385 sf.
  - g. Eliminate the 13<sup>th</sup> Floor designation. The building remains at 17 stories.
  - h. Decrease the area of the 18<sup>th</sup> level roof bulkhead by 213 sf and increase the 19<sup>th</sup> level mechanical mezzanine by 2,884 sf.
  - i. Adjust the facade's vertical setbacks and shadow lines to reflect the changes to floor layouts by squaring-off the bay areas. Facade colors and materials are not changed.
  - j. Change some spandrel glass to vision glass.
  - k. Change parapet railings from grey metal with mesh to gray tinted vision glass.
  - l. Decrease the overall building height by 0.46 feet from 194.67' to 194.21'.
  - m. Raise the first floor elevation by 9" and revise site grading around the building.
  - n. Raise the HRWW by 12" to be above flood elevation.
  - o. Revise sanitary and water utilities in accordance with JCMUA connection approvals.
4. The proposed amendments conform with the Newport Redevelopment Plan.

**NOW, THEREFORE, BE IT RESOLVED** that the Planning Board of the City of Jersey City, County of Hudson and State of New Jersey, for the foregoing reasons, approves the within application for Preliminary Major Site Plan Amendment Approval, to wit: Calendar No. P07-021.1, to permit the

1970086-01

development of a seventeen (17) story building with one hundred fifty-two (152) residential dwelling units and approximately 5,980 square feet of ground floor retail/commercial space, along with ninety-five (95) parking spaces allocated in the Shore Condominium garage (previously approved), in connection with the property identified as 2 Shore Lane, Jersey City, New Jersey, and also known on the Jersey City Tax Maps as Block 20, Lot 3.23 and Lot 3.16, in accordance with the plans and testimony submitted to the Planning Board of the City of Jersey City, subject to the following conditions:

1. The original conditions of approval shall remain in effect.
2. The Applicant shall show the trash storage area within the building mechanical space on the revised plans.
3. The Applicant shall revise Sheets SK-2 and LA-1 to show that the lower roof has been changed to a two color all gravel roof.

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**APPLICANT:** NEWPORT ASSOCIATES DEVELOPMENT COMPANY

**FOR:** PRELIMINARY MAJOR SITE PLAN AMENDMENT APPROVAL  
THE SAVOY  
45 FOURTEENTH STREET, JERSEY CITY, NEW JERSEY  
BLOCK 20, LOT 3.23 AND LOT 3.16

**CASE NO.:** P07-021.1

**VOTE:** 6 - 0

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<b>COMMISSIONER:</b>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
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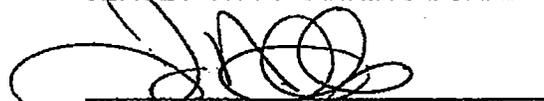
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Michael Ryan, Chairman (recused)				
Larry Eccleston, Acting Chairman	X			
Michael Sims, Commissioner	X			
David Ruiz, Commissioner	X			
Frank DeSanto, Commissioner	X			
Karen McIntyre, Commissioner	X			
Walt Boraczek, Commissioner	X			

  
\_\_\_\_\_  
MICHAEL RYAN, CHAIRMAN  
JERSEY CITY PLANNING BOARD

  
\_\_\_\_\_  
ROBERT COTTER, SECRETARY  
JERSEY CITY PLANNING BOARD

APPROVED AS TO LEGAL FORM:

  
\_\_\_\_\_  
JOHN HAMILL, ESQ.

DATE OF HEARING:

July 22, 2008

DATE OF MEMORIALIZATION:

August 5, 2008

**RESOLUTION OF THE PLANNING BOARD OF THE CITY OF JERSEY CITY**

**APPLICANT: NEWPORT ASSOCIATES DEVELOPMENT COMPANY**

**FOR: PRELIMINARY MAJOR SITE PLAN APPROVAL  
THE SAVOY  
45 FOURTEENTH STREET, JERSEY CITY, NEW JERSEY  
BLOCK 20, LOTS 3.15 AND 3.16**

**CASE NO.: P07-021.**

**WHEREAS**, the applicant, **NEWPORT ASSOCIATES DEVELOPMENT COMPANY**, (the "Applicant"), per **CONNELL FOLEY, LLC** (Charles J. Harrington, III, Esq., appearing) made application to the Planning Board of the City of Jersey City, County of Hudson and State of New Jersey, for Preliminary Major Site Plan Approval, to wit: Calendar No. P07-021, to develop a seventeen (17) story building with one hundred forty-six (146) residential dwelling units and approximately 5,833 square feet of ground floor retail/commercial space, along with ninety-five (95) parking spaces allocated in the Shore Condominium garage (previously approved), in connection with the property identified as 45 Fourteenth Street, Jersey City, New Jersey, and also known on the Jersey City Tax Maps as Block 20, Lots 3.15 and 3.16; and

**WHEREAS**, due notice of a hearing on the above said application before the Planning Board of the City of Jersey City, on March 13, 2007 at 5:30 p.m., was duly published as prescribed in the Zoning Ordinance of the City of Jersey City; and

**WHEREAS**, the applicant has submitted proof that it has complied with the applicable procedural requirements including the payment of fees and public notices; and

**WHEREAS**, all testimony having been formally heard for this application; and

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

**FINDINGS OF FACT**

1. The Applicant, Newport Associates Development Company, has filed an application with the Jersey City Planning Board for Preliminary Major Site Plan Approval for property known as 45 Fourteenth Street, Jersey City, New Jersey, and also known on the Jersey City Tax Maps as Block 20, Lots 3.15 and 3.16.

2. The proposed development is located in the Residential Zone of the Newport Redevelopment Plan ("Plan") area, and includes the proposed development of a seventeen (17) story building with one hundred forty-six (146) residential dwelling units and approximately 5,833 square feet of ground floor retail/commercial space, along with ninety-five (95) parking spaces

allocated in the Shore Condominium garage (previously approved).

3. The project has a commercial presence along River Drive with a one story building that wraps around onto Fourteenth Street. The building sets back to 15 to 17 stories along Fourteenth Street.

4. The project includes a 345 foot long segment of the public HRWW including 140 feet along the river edge and a 205 foot public walkway connector to the north side of 14<sup>th</sup> Street extension.

5. The development conforms with the zoning regulations of the Newport Redevelopment Plan.

**NOW, THEREFORE, BE IT RESOLVED** that the Planning Board of the City of Jersey City, County of Hudson and State of New Jersey, for the foregoing reasons, approves the within application for Preliminary Major Site Plan Approval, to wit: Calendar No. P07-021, to permit the development of a seventeen (17) story building with one hundred forty-six (146) residential dwelling units and approximately 5,833 square feet of ground floor retail/commercial space, along with ninety-five (95) parking spaces allocated in the Shore Condominium garage (previously approved), in connection with the property identified as 2 Shore Lane, Jersey City, New Jersey, and also known on the Jersey City Tax Maps as Block 20, Lots 3.15 and 3.16, in accordance with the plans and testimony submitted to the Planning Board of the City of Jersey City, subject to the following conditions:

1. The Applicant shall comply and/or address the comments of the Jersey City Review Agencies.
2. The retail signages at the property is to be consistent with the approved Newport graphics package and are to be submitted to the Division of Planning staff for review.
3. The Applicant shall consider adding a green roof and decorative gravel to the lower roof.
4. The Applicant shall consider keeping clear glass in the mechanical room façade.

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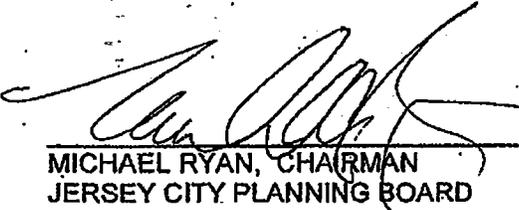
**APPLICANT:** NEWPORT ASSOCIATES DEVELOPMENT COMPANY  
**FOR:** PRELIMINARY MAJOR SITE PLAN APPROVAL  
THE SAVOY  
45 FOURTEENTH STREET, JERSEY CITY, NEW JERSEY  
BLOCK 20, LOTS 3.15 AND 3.16  
**CASE NO.:** P07-021  
**VOTE:** 8 - 0

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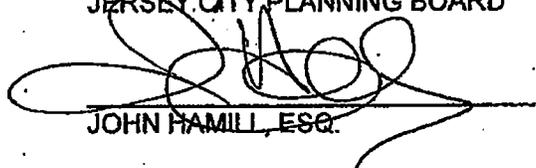
<b>COMMISSIONER:</b>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Michael Ryan, Chairman	X			
Leon Yost, Commissioner	X			
Larry Eccleston, Commissioner	X			
Roseanna Petruzzelli, Commissioner	X			
Steve Lipski, Commissioner	X			
Walt Boraczek, Commissioner	X			
David Ruiz, Commissioner	X			
Frank DeSanto, Commissioner	X			

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MICHAEL RYAN, CHAIRMAN  
JERSEY CITY PLANNING BOARD

  
ROBERT COTTER, SECRETARY  
JERSEY CITY PLANNING BOARD

APPROVED AS TO LEGAL FORM:

  
JOHN HAMILL, ESQ.

DATE OF HEARING:

March 13, 2007

DATE OF MEMORIALIZATION:

April 10, 2007

**EXHIBIT E**

**BLUE EDGE PROPERTY, LLC**

**DISCLOSURE STATEMENT**

NAME OF ENTITY: Blue Edge Property, LLC  
100 Pavonia Avenue, 6<sup>th</sup> Floor  
Jersey City, New Jersey 07310  
(201) 626-2010

NAME OF PROJECT: Blue Edge  
A Mixed Use Rental Project  
Block 20, Lots 3.23 and 3.16  
Jersey City, New Jersey

PRINCIPAL PLACE OF BUSINESS: 100 Pavonia Avenue, 6<sup>th</sup> Floor  
Jersey City, New Jersey 07310

NAME OF REGISTERED AGENT: Newport Manager Corp.  
ADDRESS: 100 Pavonia Avenue, 6<sup>th</sup> Floor  
Jersey City, New Jersey 07310

I CERTIFY THAT THE FOLLOWING LIST REPRESENTS THE NAMES OF ALL MEMBERS OWNING A 10% OR GREATER INTEREST IN THE ABOVE ENTITY (IF ONE OR MORE OF THE ABOVE NAMED IS ITSELF AN ENTITY, THE APPLICANT WILL PROVIDE THE NAMES OF ANY ENTITY OWING A 10% OR GREATER INTEREST THEREIN)

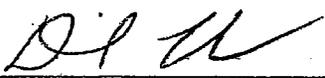
SEE ADDENDUM TO DISCLOSURE STATEMENT ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE.

I FURTHER CERTIFY THAT NO OFFICER OR EMPLOYEE OF THE CITY OF JERSEY CITY HAS ANY INTEREST, DIRECT OR INDIRECT, IN THIS ENTITY.

I CERTIFY THAT THE FOREGOING STATEMENTS MADE BY ME ARE TRUE. I AM AWARE THAT IF ANY OF THE FOREGOING STATEMENTS MADE BY ME ARE WILLFULLY FALSE, I AM SUBJECT TO PUNISHMENT.

WITNESSED:

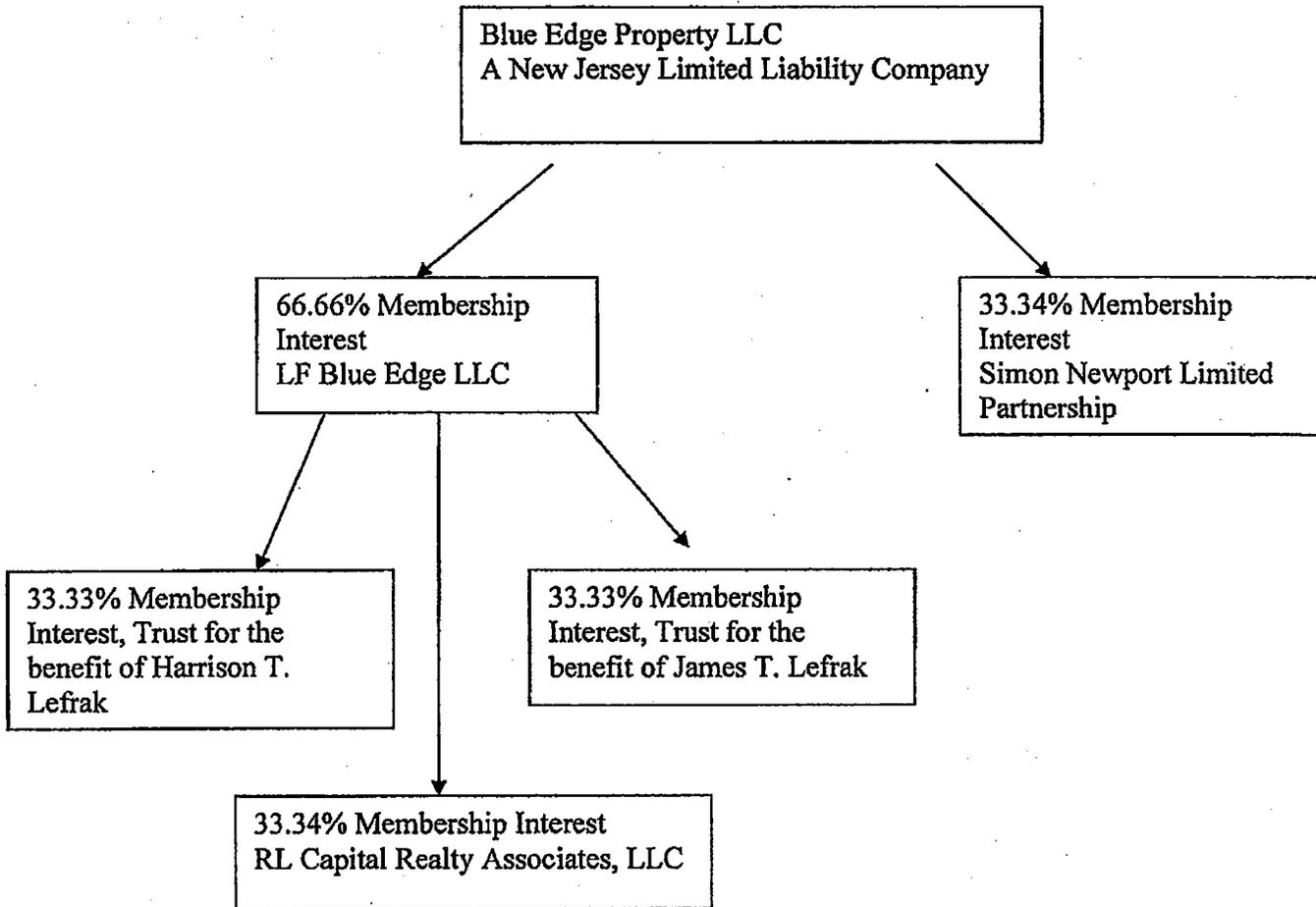
BLUE EDGE PROPERTY, LLC

By:   
Name: DAVID TWERON

By: Savoy Realty Corp., its Manager

By:   
Arnold S. Lehman, Vice President

**ADDENDUM TO EXHIBIT E**  
**BLUE EDGE PROPERTY, LLC**



\* All entities c/o Blue Edge Property, LLC, 100 Pavonia Avenue, Jersey City, New Jersey 07310.

**EXHIBIT F**

**BLUE EDGE PROPERTY, LLC**

**COMPLIANCE WITH STATE AND LOCAL LAWS CERTIFICATION**

**Certification**

The Applicant being the developer of Project hereby certifies that:

The Project meets the requirements of the laws of the State of New Jersey for consideration for a tax abatement because it is located within the Newport Redevelopment Plan Area.

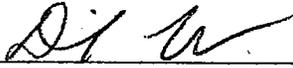
The Project complies with the Newport Redevelopment Plan and the Master Plan for Jersey City. The Project received preliminary site plan approval from the Planning Board of the City of Jersey City on March 13, 2007, an amendment to the preliminary site plan approval on July 22, 2008, and a second amendment to the preliminary site plan approval on June 14, 2011 (See Exhibit D).

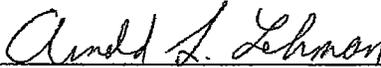
The foregoing statements made by me on this 18<sup>th</sup> day of October, 2011 are true to the best of my knowledge and after it has made diligent inquiry to confirm the accuracy of all information.

WITNESSED:

BLUE EDGE PROPERTY, LLC

By: Savoy Realty Corp., its Manager

By:   
Name: DAVID TWERDUM

By:   
Arnold S. Lehman, Vice President

**EXHIBIT G**

**BLUE EDGE PROPERTY, LLC**

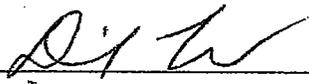
**DILIGENT INQUIRY CERTIFICATION**

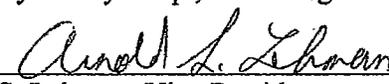
The Applicant being the developer of the Project hereby certifies to the City of Jersey City that all information contained in this Application is true and correct to the best of Applicant's knowledge, as of this 18<sup>th</sup> day of October, 2011, after it has made diligent inquiry to confirm the accuracy of all information.

WITNESSED:

BLUE EDGE PROPERTY, LLC

By: Savoy Realty Corp., its Manager

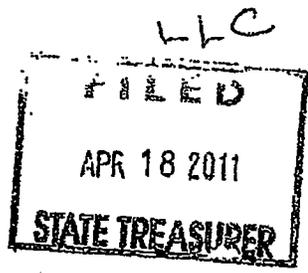
By:   
Name: DAVID TWERSMAN

By:   
Arnold S. Lehman, Vice President

**EXHIBIT H**  
**CERTIFICATE OF FORMATION**  
**FOR**  
**BLUE EDGE PROPERTY, LLC**

**(SEE ATTACHED)**

New Jersey Department of Treasury  
Division of Revenue  
Certificate of Formation, Limited Liability Company



0600 372660

1. Name of the Limited Liability Company: **BLUE EDGE PROPERTY LLC.**
2. The purpose for which this Limited Liability Company is organized is: is to engage in any lawful act or activity for which limited liability companies may be organized under the limited liability company laws of the State of New Jersey.
3. Date of Formation: upon filing
4. Registered Agent Name & Address (must be in NJ): Newport Manager Corp., 100 Town Square Place, Sixth Floor, Jersey City, New Jersey 07310 .
5. Duration: Perpetual
6. Other provisions (list below or attach to certificate): N/A

The undersigned represents that this filing complies with requirements detailed in NJSA 42.  
The undersigned hereby certifies that he/she is authorized to sign this certificate on behalf of the Limited Liability Company.

Signature: \_\_\_\_\_ Date: April 14, 2011

*Arnold Lehman*  
Arnold Lehman, Authorized Person

STATE OF NEW JERSEY  
DEPARTMENT OF THE TREASURY  
FILING CERTIFICATION (CERTIFIED COPY)

BLUE EDGE PROPERTY LLC  
0600372660

*I, the Treasurer of the State of New Jersey,  
do hereby certify, that the above named business  
did file and record in this department a  
Certificate of Formation on April 18th, 2011  
and that the attached is a true copy of this  
document as the same is taken from and compared  
with the original(s) filed in this office and now  
remaining on file and of record.*



Certificate Number: 120185991

Verify this certificate online at

[https://www1.state.nj.us/TYTR\\_StandingCert/JSP/Verify\\_Cert.jsp](https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp)

*IN TESTIMONY WHEREOF, I have  
hereunto set my hand and affixed  
my Official Seal at Trenton, this  
19th day of April, 2011*

A handwritten signature in black ink, appearing to read "Andrew P. Sidamon-Eristoff".

*Andrew P Sidamon-Eristoff  
State Treasurer*

**EXHIBIT I**

**BLUE EDGE PROPERTY, LLC**

**PROPOSED TAX AGREEMENT**

**(SEE ATTACHED)**

2-08-11

TAX AGREEMENT  
FIVE YEAR/NEW CONSTRUCTION

*Blue Edge Property, LLC*

THIS AGREEMENT made on this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by and between the CITY OF JERSEY CITY [City], a municipal corporation organized under the Laws of the State of New Jersey and having its principal place of business at 280 Grove Street, Jersey City, New Jersey, and, ~~Jersey City Episcopal Community Development Corporation~~ [Applicant], whose principal place of business is ~~514 Newark Avenue, Jersey City, NJ 07306~~ *07310*

*100 PAVONIA AVENUE, 6th Floor*

WITNESSETH:

WHEREAS, the Municipal Council has indicated by its intention to utilize the five year tax exemption provisions authorized by Article VIII, Section I, paragraph VI of the NJ State Constitution and the Five Year Exemption Law, N.J.S.A. 40A:21-1 et seq. for improvements and projects by the adoption of Ordinance 05-060, as amended by Ordinance 07-146; and

*20* *3.23 and 3.16*

WHEREAS, the Applicant is owner of certain property located at ~~167-169 Monticello Avenue~~, in the City of Jersey City, County of Hudson and State of New Jersey, designated as Block ~~1926~~, Lot ~~111~~, Unit ~~C-000C~~ (formerly known as a portion of Lot 90), on the Tax Assessor's Map, more commonly known by the street address of ~~167-169 Monticello Avenue~~, and more particularly described in the metes and bounds description attached hereto as Exhibit A [Property];

*45 Fourteenth Street*

WHEREAS, on November 10<sup>th</sup>, 2010, the Applicant filed an application to tax exempt the newly constructed ~~three (3) story commercial space building, which contains 1,376 square feet of street level retail space, and seven (7) residential affordable condominium units~~ [Improvements] pursuant to N.J.S.A. 40A:21-1 et seq and Section 304-12 of the Municipal Code [Law]; and

*tax exemption for a*

*17* *2011* *mixed use*

*for a five-year*

WHEREAS, the City has reviewed the application, approved the construction of the Improvements and authorized the execution of a Tax Exemption Agreement by the adoption of Ordinance \_\_\_\_\_ on \_\_\_\_\_.

NOW, THEREFORE, IN CONSIDERATION of the mutual promises and covenants hereinafter contained, the parties hereto agree as follows:

ARTICLE I: APPROVAL OF TAX EXEMPTION

*Construction of a Seventeen (17)*

The City hereby agrees to a tax exemption for the newly constructed ~~three (3) story commercial space building, which contains 1,376 square feet of street level retail space, and seven (7) residential affordable condominium units~~ [Improvements] on the Property, as further described in the Application, attached hereto as Exhibit B, pursuant to the provisions of N.J.S.A. 40A:21-1 et seq. and Ordinance \_\_\_\_\_ which authorized the execution of this Tax Agreement [Law], subject to the terms and conditions hereof.

*mixed use building*

*to contain 158 residential rental units and approximately 5,573 square feet of retail space*

## ARTICLE II: IN LIEU OF TAX PAYMENTS

The Applicant agrees to make payments on the new Improvements, (separate and apart from taxes on the land and existing improvements which shall continue to be subject to conventional assessment and taxation and for which the Applicant shall receive no credit against the in lieu of tax payment) in lieu of full property tax payments according to the following schedule:

1. For the full calendar year ~~of 2011~~, <sup>estimated to be 2014</sup> no payment in lieu of taxes;
2. For the full calendar year ~~of 2012~~, <sup>estimated to be 2015</sup> ~~twenty (40%)~~ <sup>thirty nine (39%)</sup> percent of the actual taxes otherwise due, currently estimated to be the sum of \$1,201, <sup>\$207,440</sup>
3. For the full calendar year ~~of 2013~~, <sup>estimated to be 2016</sup> ~~forty (40%)~~ <sup>fifty nine (59%)</sup> percent of the actual taxes otherwise due, currently estimated to be the sum of \$2,395, <sup>\$313,820</sup>
4. For the full calendar year ~~of 2014~~, <sup>estimated to be 2017</sup> ~~seventy-nine (60%)~~ <sup>(79%)</sup> percent of the actual taxes otherwise due, currently estimated to be the sum of \$3,596, and <sup>\$420,199</sup>
5. For the full calendar year ~~of 2015~~, <sup>estimated to be 2018</sup> ~~eighty (80%)~~ percent of the actual taxes otherwise due, currently estimated to be the sum of \$4,790, <sup>\$425,518</sup>

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

## ARTICLE III: APPLICATION FEE

The Applicant has paid the sum of ~~\$1,500~~ <sup>\$10,000</sup> to the City on or before the date this Agreement is executed. Failure to make such payment shall cause the tax exemption to terminate.

## ARTICLES IV: FEDERAL, STATE AND LOCAL LAW

The construction of the Improvements is subject to all applicable federal, State and local laws and regulations on pollution control, worker safety, discrimination in employment, housing provision, zoning, planning and building code requirements.

## ARTICLE V: TERM OF EXEMPTION

The Tax Exemption granted shall be valid and effective for a period of five (5) full calendar years from the date of Substantial Completion of the Project, which shall ordinarily mean the date on which the City issues, or the Project is eligible to receive, a Certificate of Occupancy, whether temporary or final, for part or the whole of the Project. During the term of the tax exemption, the Applicant shall make an in lieu of tax payment to the City in accordance with the schedule set forth above. Prior to the commencement of the tax exemption, and upon expiration thereof, the Applicant shall pay full conventional taxes on the

Improvements.

#### **ARTICLE VI: COUNTY EQUALIZATION AND SCHOOL AID**

Pursuant to N.J.S.A. 40A:21-11(c), the percentage, which the payment in lieu of taxes for the tax exempt property bears to the property tax which would have been paid had an exemption not been granted for the property under this Agreement, shall be applied to the valuation of the property to determine the reduced valuation of the property to be included in the valuation of the City for determining equalization for county tax apportionment and school aid, during the term of the tax exemption agreement covering this property. At the expiration or termination of this Agreement, the reduced valuation procedure required under the Law shall no longer apply.

#### **ARTICLE VII: OPERATION OR DISPOSITION OF PROPERTY**

If during any year prior to the termination of this Agreement, the Applicant ceases to operate or disposes of the Property, or fails to meet the conditions for qualifying for tax exemption under this Agreement or pursuant to Law, then the tax which would have otherwise been payable for each and every year, shall become due and payable from the Applicant as if no exemption had been granted. The Tax Collector shall, within 15 days thereof, notify the owner of the Property of the amount of taxes due.

However, with respect to the disposal of the property, if it is determined that the new owner will continue to use the property pursuant to the conditions which qualify the property for exemption, the tax exemption shall continue and this Agreement shall remain in full force and effect.

#### **ARTICLE VIII: TERMINATION/ELIGIBILITY FOR ADDITIONAL TAX EXEMPTION**

Upon the termination of this Agreement for tax exemption, the Project shall be subject to all applicable real property taxes as provided by State Laws and Regulations and City Ordinances. However, nothing herein shall be deemed to prohibit the Project, at the termination of this Agreement, from qualifying for and receiving the full benefits of any other tax preferences allowed by law. Furthermore, nothing herein shall prohibit the Applicant from exercising any rights under any other tax provisions of State law or City Ordinances.

#### **ARTICLE IX: PROJECT EMPLOYMENT AGREEMENT**

In order to provide City residents and businesses with employment and other economic opportunities, the Applicant agrees to comply with the terms and conditions of the Project Employment Agreement which is attached hereto as Exhibit C.

#### **ARTICLE X: NOTICES**

All notices to be given with respect to this Agreement shall be in writing. Each notice shall be sent by registered or certified mail, postage prepaid, return receipt requested, to the party

to be notified at the addresses set forth below or at such other address as either party may from time to time designate in writing:

Notice to City:

Business Administrator  
City Hall, 280 Grove Street  
Jersey City, New Jersey 07302

Notice to Applicant:

~~Jersey City Episcopal Community~~ - Blue Edge Property  
~~Development Corporation~~ LLC  
~~514 Newark Avenue~~ 100 Pavanig Avenue  
~~Jersey City, NJ 07306~~ 6th Floor  
Jersey City, NJ 07310

and:  
Connell Foley LLP  
Harborside Financial Center  
2510 Plaza Five  
Jersey City, NJ 07311  
Attn: James C. McCann, Esq.

**ARTICLE XI: GENERAL PROVISIONS**

This Agreement contains the entire Agreement between the parties and cannot be amended, changed or modified except by written instrument executed by the parties hereto.

In the event that any provisions or term of this Agreement shall be held invalid or unenforceable by an Court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof; provided, however, that the City continues to receive the full benefit of any economic term hereunder.

This Agreement shall be governed by and construed in accordance with the Laws of the State of New Jersey.

This agreement may be executed in several counterparts, each of which shall constitute but one and the same instrument.

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

WITNESS:

~~BLUE EDGE PROPERTY, LLC~~  
~~JERSEY CITY EPISCOPAL~~  
~~COMMUNITY~~  
~~DEVELOPMENT CORPORATION~~

\_\_\_\_\_

BY: \_\_\_\_\_

ATTEST:

CITY OF JERSEY CITY

Robert Byrne  
City Clerk

BY: \_\_\_\_\_  
John Kelly  
Business Administrator

**EXHIBIT J**

**BLUE EDGE PROPERTY, LLC**

**PROJECT EMPLOYMENT AGREEMENT**

**(SEE ATTACHED)**

## PROJECT EMPLOYMENT & CONTRACTING AGREEMENT

This Project Employment & Contracting Agreement is made on the  
day of \_\_\_\_\_ 2003, between the CITY OF JERSEY CITY [City] and \_\_\_\_\_  
BLUE EDGE PROPERTY LLC having its principal office at  
100 PAVANIA AVE, 12<sup>TH</sup> FLOOR, JERSEY CITY, NJ 07310. Recipient agree as follows:

### I. Definitions:

The following words and terms, when used in this Agreement, shall have the following meaning unless the context clearly indicates otherwise.

- 1) "City" means, the Business Administrator of the City of Jersey City, or his designee, including any person or entity which enters into a contract with the City to implement, in whole or in part, this Agreement.
- 2) "Construction Contract" means, any agreement for the erection, repair, alteration or demolition of any building, structure, bridge, roadway, or other improvement on a Project Site.
- 3) "Contractor" means, any party performing or offering to perform a prime contract on behalf of the Recipient.
- 4) "DEO" refers to the Division of Economic Opportunity under the Department of Administration, located at 1 Journal Square Plaza, 2<sup>nd</sup> fl., Jersey City, NJ 07306. Telephone # (201) 547-5611. DEO is in charge of Project Employment & Contracting coordination and monitoring on projects receiving abatements.
- 5) "Economic Incentive" means, a tax abatement or exemption for a property or project which requires approval of the Municipal Council and which reduces the annual amount of taxes otherwise due, by \$25,000 or more in the aggregate;
- 6) "Employment" means, any job or position during the construction and operational phase of the project. It includes positions created as a result of internal promotions, terminations, or expansions within the Recipient's work force which are to be filled by new employees. However, positions filled through promotion from within the Recipient's existing work force are not covered positions under this Agreement.
- 7) "Local Business" means, a bona fide business located in Jersey City.

- 8) Mayor Healy's Business Cooperative Program means the group within DEO under the Department of Administration responsible for collecting local and minority business contracts and capability information. This group operates the Supplier Alert service which is to be used by the Recipient to meet their good faith business contracting and construction subcontracting goals.
- 9) "Minority" means, a person who is African-American, Hispanic, Asian, or American Indian defined as follows:
  - a) "African-American" means a person having origins in any of the black racial groups of Africa.
  - b) "Hispanic" means a person of Mexican, Puerto Rican, Cuban, Central or South American or other Latino culture or origin, regardless of race, excluding, however, persons of European origin.
  - c) "Asian" means, a person having origins in any of the original people of the Far East, Southeast Asia, and subcontinent India, Hawaii or the Pacific Islands.
  - d) "American Indian" means, a person having origins in any of the original people of North America who maintains cultural identification through tribal affiliation or community recognition.
- 10) "Minority or Woman Owned Local Business" means a bona fide business located in Jersey City which is fifty-one (51%) percent or more owned and controlled by either a minority or a woman.
- 11) "Non-Traditional Jobs" means jobs which are held by less than twenty percent (20%) women as reported by the New Jersey Department of Labor, Division of Labor Market, and Demographic Research for Jersey City, which report shall be on file with the City Clerk.
- 12) "Permanent Jobs" means newly created, long term, salaried positions, whether permanent, temporary, part time or seasonal.
- 13) "Project or Project Site" means the specific work location or locations specified in the contract.
- 14) The "Project Employment & Contracting Coordinator" is a member of the DEO staff under the Department of Administration who is in charge of coordinating Project Employment & Contracting projects. Contractors and developers engaged in projects covered by Project Employment & Contracting Agreements will direct inquiries to the Project Employment & Contracting Coordinator.
- 15) The "Project Employment & Contracting Monitor" or "Monitor" is a member of the DEO staff under the Department of Administration directly under the command of the Project Employment & Contracting Coordinator, who is in charge of monitoring the site, collecting the reports and documentation, and other day-to-day Project Employment & Contracting housekeeping as stipulated by this agreement.

- 16) The "Project Employment & Contracting Officer" or "Officer" is an employee of the recipient who is designated by the recipient to make sure the recipient is in compliance with the recipient's Project Employment & Contracting Agreement.
- 17) "Recipient" means any individual, partnership, association, organization, corporation or other entity, whether public or private, or for profit or non-profit, or agent thereof, which receives an Economic Incentive and shall include any Contractor, Subcontractor or agent of the Recipient.
- 18) "The Registry" or "Jersey City Employment Registry" means a list maintained by the City or its designee of Jersey City residents seeking project employment in Local Businesses, including Minority or Woman Owned Local Businesses seeking contracts.
- 19) "Subcontract" means a binding legal relationship involving performance of a contract that is part of a prime contract.
- 20) "Subcontractor" means a third party that is engaged by the prime contractor to perform under a subcontract all or part of the work included in an original contract.
- 21) "Substantial Completion" means the determination by the City that the Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the date on which the Project receives, or is eligible to receive any Certificate of Occupancy for any portion of the Project.

## II Purpose:

The City wishes to assure continuing employment opportunities for City residents, particularly residents who are minorities, and business opportunities for Local Businesses, especially Minority and Women Owned Local Businesses, with employers located in or relocating to the City who are the recipients of Economic Incentives. The City has determined to accomplish that goal by requiring the Recipient of an Economic Incentive to act in Good Faith, as defined herein, and discharge its obligations under this Agreement. To the extent mandated by State and Federal Law and so long as the entity discharges its Good Faith obligations under this Agreement, the City acknowledges that the Recipient and its contractors are free to hire whomever they choose.

## III. Good Faith Goals

In the event the Recipient is able to demonstrate that its work force already meets the goals set forth below or is able to meet such goals during the term of this Agreement, the Recipient will not be required to comply with the interviewing or reporting obligations set forth in Section VI 1., A-L (Construction Jobs) and Section VI, 2., A-J (Permanent Jobs). All goals for Construction Jobs shall be calculated as a percentage of the total number of work hours in each trade from the beginning of the project to its completion.

- 1) **Employment:** The Recipient shall make a Good Faith effort to achieve the goal of a work force representing fifty-one (51%) percent of whom are residents who are Minorities and, in Non-Traditional Jobs, six point nine (6.9%) percent of whom are residents who are women, it being understood that one employee may satisfy more than one category.
- 2) **Business Contracting:** The Recipient shall make a Good Faith effort to achieve the goal of awarding twenty (20%) percent of the dollar amount of its contracts to Local Businesses, fifty-one (51%) percent of which shall be Minority or Women Owned Local Businesses. If 51% of Minority or Women Owned Local Businesses cannot be obtained, that percentage of contracts must still be applied to local vendors.

#### IV. Recipient Designee:

The Recipient shall designate a principal officer of its firm to be responsible for administering the agreement detailed herein and to report to and confer with the City in order to discharge its Good Faith obligations as defined in this Agreement. This officer should be designated as the Project Employment and Contracting Officer.

The Recipient should send a letter of introduction regarding the "Project Employment & Contracting Compliance Officer" to the Project Employment & Contracting Coordinator prior to any preconstruction meetings. An example of this letter can be found in Appendix A. This principle officer should also be present for all preconstruction meetings.

The Recipient should send a letter regarding the "Project Employment & Contracting Compliance Officer" to the employees of the Recipient's company. An example of this letter can be found in Appendix AZ

#### III. Term:

This Agreement shall be in effect for a period co-terminus with the effective period of the tax exemption [the Economic Incentive]. Thus, it will commence on the date the City Council adopted Ordinance \_\_\_\_\_ approving the tax exemption and terminate the earlier of \_\_\_\_\_ years from the date of the adoption of that Ordinance or \_\_\_\_\_ years from the date of Substantial Completion of the Project.

#### VI. Good Faith Defined:

1) **Construction Jobs:** Good Faith shall mean compliance with all of the following conditions:

##### A. Initial Manning Report:

- i) Prior to the commencement of their work on the Project, each Contractor/Subcontractor shall prepare an Initial Manning Report.
- ii) The Initial Manning Report should contain an estimate of the total work force to be used at the Project Site, including the work force of any and all Contractors and Subcontractors. It should also describe the specific construction trades and crafts, and indicate the projected use of City residents, City resident Minorities and City resident women. Attached hereto as Appendix B is the Recipient's Initial Manning Report.
- iii) The Initial Manning Report shall be filed with the Project Employment and Contracting Monitor, who must accept said Report prior to the Recipient entering into any construction contract. An example of this acceptance letter is given in Appendix C.

##### B. Developer's Contracting Obligations

- i) Once the developer submits the project's Initial Manning Report, he/she must forward a letter with requests for quotation or bid to the Mayor Healy's Business Cooperative Program for local and minority vendors for any construction or building operating goods, services and sub-contracting opportunities. An example of this letter is given in Appendix D.

- ii) The developer shall make a Good Faith effort to contact those businesses and individuals who submit bids. This effort must be documented by letter, which will be sent to Mayor Healy's Business Cooperative Program at DEO under the Department of Administration. An example of this letter can be found in Appendix D2.

C. Contractor's/Subcontractor's Compliance Statement

Prior to commencement of their work on the Project, each Contractor or Subcontractor must agree in writing to comply with this Agreement and the employment goals elaborated herein. An example of this Compliance Statement can be found in Appendix E.

D. Union Statement of Using its Best Efforts

- i) Prior to commencement of their work on the Project, the contractor/subcontractor must submit a statement expressing its adherence to the Project Employment & Contracting Agreement to each union with which he/she has a collective bargaining agreement covering workers to be employed on the project.
- ii) The Compliance Statement shall include a union statement for the particular union to sign, which claims the union will use its best efforts to comply with the employment goals articulated in the Project Employment & Contracting Agreement. This Compliance Statement is detailed in Appendix F. A copy of the signed Compliance Statement must be sent to the Project Employment & Contracting Monitor in DEO under the Department of Administration before work starts in order for a developer to be in compliance.
- iii) The Recipient will require the Contractor or Subcontractor to promptly notify the City of any refusal or failure of a union to sign the statement. If a particular union refuses to sign a statement, the Recipient will document its efforts to obtain such statement and the reasons given by the union for not signing such statement, and submit such documentation to the Project Employment & Contracting Monitor in DEO under the Department of Administration.

E. Sub-Contractors

The developer shall require that each prime contractor be responsible for the compliance of his/her subcontractors with the aforementioned Project Employment & Contracting requirements during the performance of the contract. Whenever the contractor sub-contracts a portion of the work on the project, the contractor shall bind the subcontractor to the obligations contained in these supplemental conditions to the full extent as if he/she were the contractor.

F. Union Apprentices

The Contractor is responsible for assuring that resident and minority apprentices account for at least fifty (50%) percent of the total hours worked by union apprentices on the job in each trade listed in which apprentices are employed, according to the apprentice-to-journey-worker ratio contained in the collective bargaining agreement between the various unions, and shall hold each of his/her subcontractors to this requirement. The Recipient will require the Contractor or Subcontractor to promptly notify the City of any refusal of a union to utilize resident and minority apprentices.

G. Monthly Manning Report

- i) The Recipient will cause the Contractor to complete and submit Monthly Project Manning Reports to the Project Employment & Contracting Monitor in DEO under the Department of Administration by the seventh day of the month following the month during which the work is performed, for the duration of the contract.
- ii) The report will accurately reflect the total work hours in each construction trade or craft and the number of hours worked by City residents, including a list of minority residents and women resident workers in each trade or craft, and will list separately the work hours performed by employees of the Contractor and each of its Subcontractors. The Monthly Manning Report shall be in the form attached hereto as Appendix G.
- iii) The Resident is responsible for maintaining or causing the Contractor to maintain records supporting the reported work hours of its Contractors or Subcontractors.

H. Monthly Certified Payroll Report

- i) The Recipient will cause the Contractor to furnish the Project Employment & Contracting Monitor with copies of its weekly Certified Payroll reports. The reports will specify the residency, including gender and ethnic/racial origin of each worker. The Certified Payroll report shall be in the form attached hereto as Appendix H.
- ii) Payroll reports must be submitted on a monthly basis with the Monthly Manning Report or the Recipient is no longer in compliance.

I. Equal Employment Opportunity Reports

Prior to commencement of work on the Project, the Recipient will request copies of the most recent Local Union Report (EEO-3) and Apprenticeship Information Report (EEO-2) which are required to be filed with the US Commission of Equal Employment Opportunity Commission by the collective bargaining unit. These reports will be forwarded to the Project Employment & Contracting Monitor within one month of the signing of the Project Employment & Contracting Agreement.

J. Other Reports

In addition to the above reports, the Recipient shall furnish such reports or other documents to the City as the City may request from time to time in order to carry out the purposes of this Agreement.

K. Records Access

The Recipient will insure that the City will have reasonable access to all records and files reasonably necessary to confirm the accuracy of the information provided in the reports.

L. Work Site Access For Monitor

- i) The City will physically monitor the work sites subject to this Agreement to verify the accuracy of the monthly reports. Each work site will be physically monitored approximately once every two weeks, and more frequently if it is deemed reasonably necessary by the City. The City's findings shall be recorded in a "Site Visit Report". An example of a bi-weekly Site Visit Report can be found in Appendix I.
- ii) The Recipient shall require the Contractor and Sub-contractor to cooperate with the City's site monitoring activities and inform the City as to the dates they are working at the Project Site. This includes specifically instructing the on-site construction manager about the monitoring process, and informing him/her that the Monitor will contact him/her to set up an initial meeting. In the case of projects with multiple locations, the Recipient shall inform the City of the dates they are working at each site location(s) where they are working, in order to facilitate the monitoring.

2. **Permanent Jobs:** Good Faith shall mean compliance with all of the following conditions:

A. Pre-hiring Job Awareness: At least eight (8) months prior to the hiring of a recipient's permanent workforce, the Project Employment & Contracting Officer for the Recipient will sit down with the head of the Registry to discuss how the Recipient plans to hire its permanent workforce. The following issues should be covered in the meeting:

- i) whether subcontractors will be used in the hiring process,
- ii) the specific types of jobs that need to be filled,
- iii) the qualifications needed for these particular jobs,
- iv) possible training programs offered by the permanent employer,
- v) the Recipient's goals and how it plans to meet these goals,
- vi) any other issues which need to be addressed by the Registry.

- 1) Subcontractor Notification -- If the Recipient decides to subcontract any portion or all of its permanent workforce, then the Recipient must receive a signed acknowledgment from the subcontracting party that it will abide by the Project Employment & Contracting Agreement before said Subcontractor begins staffing permanent employees. The Recipient must forward a copy of the signed acknowledgment to the Project Employment & Contracting Monitor. An example of this signed acknowledgment can be found in Appendix E.
- 2) Subcontractor Pre-Hiring Job Awareness Meeting -- Each Subcontractor hired to staff permanent job positions must appoint a Project Employment & Contracting Officer to meet with the head of the Registry to discuss the same issues presented above in VI 2.A(i-vi).

- 3) Subcontractors of Subcontractors - - Subcontractors of Subcontractors are subject to the same requirements for the initial Subcontractors above in Section VI 2.A.
- B. Documentation of Hiring Plan - Once the Pre-Hiring Job Awareness Meeting has taken place, the Recipient must put together a document with goals and totals for future permanent employment needs. This plan should summarize all that was discussed in the Pre-Hiring Awareness Meeting, list estimates for manpower needs, set residential and minority employment goals commensurate with the Project Employment & Contracting Agreement, and show how the Recipient plans to meet these goals. An example of this plan is found in Appendix J.
- C. Pre-Hiring Notification: At least ten (10) working days prior to advertising for any employees, the Recipient or the Recipient's Subcontractor shall provide the Registry with a written notice, which shall state the job title, job description and minimum qualifications, rate of pay, hours of work and the hiring date for each position to be filled, in qualitative and objective terms which will enable the Registry to refer qualified applicants to the Recipient.
- D. Advertisement: At the request of the City, or because the City does not have qualified applicants to refer to the Recipient, the Recipient will place an advertisement for the jobs in a newspaper which is regularly published in Jersey City. The Recipient must furnish the Project Employment & Contracting Coordinator in DEO under the Department of Administration with a copy of this advertisement.
- E. Pre-Hiring Interview: The Recipient shall interview any qualified applicants referred to it from the Registry, to be maintained by the City or its designee. In the event advertisement is required, the Recipient agrees to interview any qualified persons responding to the advertisement.
- F. Semi-Annual Employment Reports: The Recipient will submit written semi-annual employment reports to the Project Employment & Contracting Monitor in the form to be provided by the City. The report will describe the job, whether the job is held by a City resident, minority resident or woman resident. The report will explain in writing the reasons why any qualified applicant referred by the Registry (or in the event advertisement is required, any qualified person responding to the advertisement) was not hired. An example of this report is found in appendix K.
- G. Record Access: The Recipient shall provide the City with reasonable access to all files and records including payroll and personnel information reasonably necessary to confirm the accuracy of the information set forth in the semi-annual reports.
- H. Work Place Access: The Recipient shall provide the City with reasonable access to the site to physically monitor the work site to verify the accuracy of the information set forth in the semi-annual reports.
- I. Other Reports, Documents: In addition to the above reports. The Recipient shall furnish such reports or other documents that the City may request from time to time in order to implement the purposes of this Agreement.
- J. Incorporation of Agreement: The Recipient shall incorporate the provisions of this Agreement in all contracts, agreements and purchase orders for labor with any service, maintenance, security or management agent or Contractor engaged by the Recipient whose personnel will be assigned to the Recipient project.

### 3. Business Contracting.

Good Faith shall mean compliance with all of the following conditions:

#### 1) Solicitation of Businesses;

- a) One month before accepting bids for goods and services, the Recipient must forward a letter with requests for quotation or bid to Mayor Healy's Business Cooperative Program for local and local minority vendors for any construction building operating goods, services and subcontracting opportunities. An example of this letter can be found in Appendix D.
- b) After submission of bids, the Recipient will document whether the bid was accepted or rejected, and state the reason why. An example of this documentation can be found in Appendix D2.
  - i) **Semi-Annual Purchasing Reports:** The Recipient will submit written semi-annual purchasing reports which will include a list of all contracts awarded over a six month period and the dollar amounts of these contracts. The reports will specify the number and dollar amount of contracts awarded to Local Businesses and Minority or Women Owned Local Businesses. An example of these reports can be found in Appendix L.
  - ii) No utilization of local and local minority vendors as conduits for vendors that are not local or minority owned:

The Recipient pledges not to use local and local minority vendors solely as conduits for vendors that are not local and minority owned. Any discovery by DEO under the Department of Administration of a Recipient, either knowingly or unknowingly, using the masthead of a local or minority owned business as a way to get credit for local or minority employment when it should not, will immediately subject the Recipient to the penalties listed in Section VIII (d) below.

#### 4. Summation of Documentation Needed For Compliance With Agreement

- 1) Letter designating Project Employment & Contracting Officer (Appendix A)
- 2) Letter designating Project Employment & Contracting Officer to Recipient's Employees (App. )AZ
- 3) Example of Initial Manning Report (Appendix B)
- 4) Letter of Acceptance of Initial Manning Report (Appendix C)
- 5) Letter from Developer Forwarding Requests for Quotation or Bid for Minority and Residential Vendors from Mayor Healy's Business Cooperative Program (Appendix D)
- 6) Documentation of Bid Submission (Appendix D2)
- 7) Letter Expressing Project Employment & Contracting Obligations to Contractors/Subcontractors (Appendix E)

- 8) Union Statement of Best Efforts (Appendix F)
- 9) Example of Monthly Manning Report (Appendix G)
- 10) Example of Monthly Certified Payroll Report (Appendix H)
- 11) Example of Bi-Weekly Site Visit Report (Appendix I)
- 12) Example of Documentation of Hiring Plan (Appendix J)
- 13) Example of Semi-Annual Employment Report (Appendix K)
- 14) Example of Semi-Annual Purchasing Report (Appendix L)

#### VII. Notices of Violation:

- 1) **Advisory Notice:** The City will issue a written Advisory Notice to the Recipient if there is non-compliance with a Good Faith requirement as defined in this Agreement. The Advisory Notice shall explain in sufficient detail the basis of the alleged violation. The Recipient shall have four (4) working days to correct the violation. An example of an Advisory Notice can be found in Appendix M.
- 2) **Violation Notice:** If alleged violation set forth in the Advisory Notice has not been corrected to the satisfaction of the City within four (4) working days, the City shall then issue a Violation Notice to the Recipient. The Violation Notice shall explain in sufficient detail the basis of the alleged, continuing violation. The Recipient will have three (3) working days to correct the violation. An example of a Violation Notice can be found in Appendix N.
- 3) **Correcting the Violation:** Either or both the Advisory Notice or the Violation Notice may be considered corrected if the Recipient satisfies the requirements of this Agreement and so advises the City in writing, subject to confirmation by the City.
- 4) **Extension of Time to Correction:** Either the Advisory Notice or the Violation Notice may be held in abeyance and the time for correction extended if the Recipient enters into satisfactory written agreement with the City for corrective action which is designed to achieve compliance. If Recipient fails to abide by the terms of such agreement the violation will be considered not corrected.
- 5) **Meetings Concerning Violations:** The City may provide an opportunity for a meeting with the Recipient, his Contractors or Subcontractors in an effort to achieve compliance; or may respond to Recipient's request for a meeting after the Recipient has made timely submission of a written explanation pursuant to the above. The meeting shall be requested no later than two days after the alleged violator has submitted the written explanation.
- 6) **Interviews Relating to Violations:** The City may conduct interviews and may request additional information from appropriate parties as is considered necessary to determine whether the alleged violation has occurred.

- 7) **Determination of Violation:** The City shall issue a determination of whether the Recipient is in violation of this Agreement as soon as possible but not later than thirty days after the delivery of the Violation Notice to the Recipient. If the City determines that the Recipient is in violation, the City shall be entitled to the liquidated damages provided below.

#### **VIII. Damages:**

While reserving any other remedies the City may have at law or equity for a material breach of the above terms and conditions, the parties agree that damages for violations of this Agreement by the Recipient cannot be calculated within any reasonable degree of mathematical certainty. Therefore, the parties agree that upon the occurrence of a material breach of any of the above terms and conditions and after notice and expiration of any period to correct the violation, the City will be entitled to liquidated damages from the Recipient in the following amounts:

- a) failure to file initial Manning Reports (Construction Jobs) or Pre-Hiring Notification (Permanent Jobs) or Pre-Contracting Notification (Business contracting): five (5%) percent increase in the annual payment in lieu of taxes;
- b) failure to conduct Pre-hiring Interviews or submit Compliance Statement (Construction Jobs) or solicit bids (Business Contracting): three (3%) percent increase in the annual payment in lieu of taxes;
- c) failure to allow record or work place access or submit any other required reports (all categories): two(2%) percent increase in the annual payment in lieu of taxes;
- d) the use of the local or local minority business' masthead for labor or work supplied by a non local or local minority vendor: five (5%) percent increase in the annual payment in lieu of taxes.

#### **IX. Commercial Tenants at the Project Site:**

- 1) The Recipient shall send all tenants of commercial space within the Project Site a letter and a Tenant Employment Services Guide in the form attached as Appendix O.
- 2) The Recipient shall solicit information from tenants of commercial space about the composition of the work force of each tenant. The information solicited will be submitted to the Project Employment & Contracting Monitor, which shall provide the Recipient with a questionnaire in the form attached as Appendix P.
- 3) The Recipient will send the results of its solicitation to the Project Employment & Contracting Monitor no later than October 31 of each year.
- 4) The Recipient shall send all tenants of commercial space within the Project Site a Supplier Alert Service Registration Package in the form attached as Appendix Q.

**X. Notices**

Any notice required hereunder to be sent by either party to the other, shall be sent by certified mail, return receipt requested, addressed as follows:

1) When sent by the City to the Recipient it shall be addressed to:

and:  
Connell Foley, LLP  
Harborside Financial Center  
2510 Plaza Five  
Jersey City, NJ 07311  
Blue Edge Property, LLC  
100 Pavanig Avenue, 6<sup>th</sup> floor  
Jersey City, New Jersey 07310

Attn: When sent by the Recipient to the City, it shall be addressed to:  
James C. McCann, Esq.  
Project Employment & Contracting Monitor  
Department of Administration  
Division of Economic Opportunity  
1 Journal Square Plaza - 2<sup>nd</sup> Fl.  
Jersey City, New Jersey 07306

with separate copies should be sent to the Mayor and the Business Administrator; unless given prior notice, the City or the Recipient shall have notified the other in writing.

**XI. Adoption, Approval, Modification:**

This Agreement shall take effect on the date that the Economic Incentive is approved by the Municipal Council.

**XII. Controlling Regulations and Laws:**

To the extent required by State and Federal Law and so long as the Entity discharges its Good Faith obligations under the agreement, the City agrees and acknowledges that the Recipient and its contractors are free to hire whomever they choose. If this agreement conflicts with any collective bargaining agreement, the City agrees to defer to such agreements so long as the Recipient provides the City with a copy of the offending provision in the collective bargaining agreement.

ATTEST:

CITY OF JERSEY CITY

\_\_\_\_\_  
Robert Byrne  
City Clerk

\_\_\_\_\_  
John "Jack" Kelly  
Business Administrator

WITNESS:

\_\_\_\_\_  
Assistant Secretary

\_\_\_\_\_  
Vice President

**CITY OF JERSEY CITY**

**AMENDED AND MODIFIED APPLICATION FOR  
LONG-TERM TAX ABATEMENT**

**For:**

**HUDSON PALISADES URBAN RENEWAL LLC, a New Jersey Limited  
Liability Company**

**PROPERTY: Block 733, Lot A.2**

**(Also known as 325 Palisade Avenue, Jersey City, New Jersey)**

1. **Identification of Property:** The subject improvements are located in the Heights Section of Jersey City and included in the 325 Palisade Avenue Redevelopment Plan and described on the Tax Map of the City of Jersey City as Block 733, Lot A.2 (the "Property"). The entire lot has an area of approximately 8,324 sq. feet and is presently improved with a three (3) story, 37,893 square foot building, which includes a basement garage with parking for fourteen (14) vehicles. The Property is bounded by Palisade Avenue to the South, Ferry Street to the East, New York Avenue to the North. A description of the Property is attached as Exhibit "A".
2. **Type of Exemption Requested:** Applicant is seeking a financial agreement between Hudson Palisades Urban Renewal, LLC (the "Applicant") and the City of Jersey City for a tax exemption or abatement established pursuant to the Long-Term Tax Exemption Law, N.J.S.A. 40A:20-1, et seq. (the "Act") based on ten (10%) percent of the Annual Gross Revenue of the Project.
3. **Term of Tax Exemption:** Pursuant to N.J.S.A. 40A:20-12 of the Act, it is requested that the term of the financial agreement be for a period of twenty (20) years from the completion of the

Project or no longer than twenty-five (25) years from the date of execution of the financial agreement.

4. **Description of Project and Operations:** Block 733, Lot A.2 will be rehabilitated to include twenty (20) residential units, with fourteen (14) parking spaces in the existing basement area.

5. **Estimated Total Project Cost:** Total Project Cost is defined pursuant to N.J.S.A. 40A:20-3(b).

The estimated Total Project cost for Applicant is \$5,425,711.24 and is calculated as follows:

(a) Cost of land and improvements:	\$2,100,000.00
(b) Architect, Engineer and Attorneys' fees for planning Construction and financing the Project;	\$ 175,000.00
(c) Surveying and testing charges;	\$ 15,000.00
(d) Construction costs (to be certified and verified when Actual costs are obtained);	\$ 2,400,000.00
(e) Insurance, interest and finance costs during construction;	\$ 157,018.24
(f) Costs of permanent financing;	\$ 37,750.00
(g) Commissions in connection with initial sales;	\$ 275,000.00
(h) Real Estate taxes and assessments during construction;	\$ 83,276.00
(i) Developer's Overhead	\$ 182,667.00

6. **Annual Service Charge:**

a. The Annual Service Charge requested shall be equal to TEN (10%) PERCENT of Annual Gross Revenue, as defined in the Act, to the extent transfers to condominium unit owners takes place, as set forth in N.J.S.A. 40A:20-14(a) and (b), and it is estimated to be ~~\$52,233.96, based on annual gross revenue, calculated at \$306.00 per square foot,~~ together with estimated Annual Administrative Charge paid to the City of Jersey City of \$1,044.68. The total estimated to be received by the City of Jersey annually is estimated to be \$53,278.64. The County of Hudson shall be entitled to a fee based upon five (5%) percent of the Annual Service Charge, pursuant to N.J.S.A. 40A:20-12, which fee to the County of Hudson is estimated to be \$2,611.68.

- b. **Construction Schedule:** It is estimated that total construction for the Project will be completed on or about September 1, 2011.
- c. **Zoning Information:** The Property is located in R-2 Residential District and is subject to the 325 Palisade Avenue Redevelopment Plan (the "Redevelopment Plan") as adopted by the Municipal Council of the City of Jersey City. The Redevelopment Plan specifically provides for and permits the development of the Property as is proposed in Article 4 above.
- d. **Real Estate Tax Assessment:** The real estate tax assessment for the Property for 2008 is as follows:

Block/Lot	Land	Improvement	Total
733/A.2	\$79,300.00	\$520,700.00	\$ 600,000.00

- e. **Current Real Estate Taxes:** 2011: \$42,048.00.
- f. **Status of the Municipal Taxes and Other Charges:** The following municipal taxes and other charges against the Property are due: None.
- g. **Disclosure Statement:** Applicant is a qualified urban renewal limited liability company formed on February 20, 2009 pursuant to the laws of the State of New Jersey. The ownership of the Applicant is set forth in Exhibit "E" (the "Disclosure Statement").

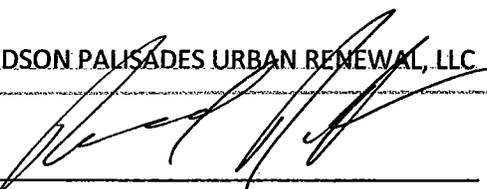
**Certification as to Commencement:** The within Application is an Amendment to an Application previously submitted and approved whereby the Project was developed for the rental of the Units and Applicant has now determined that the Project will be converted to Condominium Ownership with the sale of Units to individual owners. Applicant hereby certifies that it has not and will not convey title to any Unit prior to the receipt of Final Approval and the execution of a Financial Agreement between the City of Jersey City and the Applicant.

- h. **Estimated Jobs To Be Created:** It is projected that the Project will generate approximately ten (10) full-time equivalent construction jobs during the term of the construction. In addition, it is projected that approximately three (3) direct permanent employment opportunities will be created upon full operation of the Project. The Applicant will enter into a Project Employment Agreement with the City of Jersey City.
- i. **Compliance with State and Local Redevelopment Laws:** Applicant certifies that the proposed Project is located within the 325 Palisade Redevelopment Plan and as such meets the requirements of the laws of the State of New Jersey for consideration for tax abatement. In addition, it is further certified that Applicant has been lawfully established as an urban renewal entity and, as such, will be entitled to receive the benefits of a tax abatement under the laws of the State of New Jersey and the City of Jersey City. Attached as Exhibit "G" is a Compliance Certification.
- j. **Affordable Housing Contribution:** Pursuant to Ordinance 03-112, Applicant will make an affordable housing contribution of approximately \$31,500.00.
- k. **Form of Financial Agreement:** Attached as Exhibit "J" is a proposed form of Financial Agreement between the city of Jersey City and Applicant, with Exhibits.
- l. **Certificate of Formation:** Attached as Exhibit "I" to the Financial Agreement is a copy of the Certificate of Formation of Applicant.
- m. **Fees:** The Application Fee of \$9,500 was simultaneously paid to the city of Jersey City with the submission of the Application.
- n. **List of Exhibits For Project:**
- a. Description of the Property;
  - b. Total Annual Gross Revenue computation;
  - c. Projection of Total Project Cost;

- d. Projected Statement of Stabilized Property Operations;
- e. Disclosure Statement;
- f. Commencement Certification;
- g. Compliance with State and Local Laws Certification;
- h. Diligent Inquiry Certification;
- i. Certificate of Formation;
- j. Proposed Financial Agreement.

I hereby certify to the best of my knowledge and belief, that all of the information contained in this Application is true and correct and that I have made a diligent inquiry, as set forth in Exhibit H to confirm the accuracy of all such information.

HUDSON PALISADES URBAN RENEWAL, LLC

By: 

DAVID DePIERRO, Managing Member

Dated: November 3, 2011

**EXHIBIT 'A'**

**DESCRIPTION OF THE PROPERTY**



# The MacCORMACK AGENCY

INSURANCE AND FINANCIAL SERVICES

*November 1, 2010*

**HUDSON PALISADES URBAN RENEWAL, LLC  
4 YORK AVE % COLASANTI  
WEST CALDWELL, NJ 07006**

**Re: 325 PALISADE AVENUE (Renewal Date: December)**

**Dear Property Owner:**

***With your current insurance policy renewing in December, we would like to review your building coverage's for accuracy.***

***We found that most buildings are under insured and clients over pay for the coverage they receive. This year we have seen renewals with savings up to 48%.***

- ***All property's are inspected to determined replacement cost***
- ***Proposals are faxed or emailed for your convenience***

***Before you pay your next bill, please call Doug Fischer to receive a comprehensive proposal.***

***Sincerely,***

***Doug. Fischer***

**Douglas J. Fischer**

---

***Receiving a quotation is as easy as one click away. Just email me your property location and I will send you a proposal back.***

**[dfischer@maccormackins.com](mailto:dfischer@maccormackins.com)**

***"Serving the Family, Business and Community"***

**18 East Main Street, Suite 102**

**Denville, NJ 07834**

**Phone: (973) 586-3333 • Fax: (973) 627-3809**

**[www.maccormackins.com](http://www.maccormackins.com)**

AMERICAN LAND TITLE ASSOCIATION  
OWNER'S POLICY  
(10-17-92)

Policy No. 72106- 757419

CHICAGO TITLE INSURANCE COMPANY

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, CHICAGO TITLE INSURANCE COMPANY, a Missouri corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations.

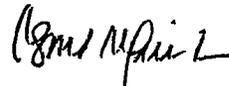
*In Witness Whereof*, CHICAGO TITLE INSURANCE COMPANY has caused this policy to be signed and sealed as of Date of Policy shown in Schedule A, the policy to become valid when countersigned by an authorized signatory.

ISSUED BY

ACRES LAND TITLE AGENCY, INC.  
55 ESSEX STREET  
MILLBURN, NJ 07041  
(973) 376-4643  
FAX (973) 376-5457

CHICAGO TITLE INSURANCE COMPANY

By:



President

By:

ATTEST



Secretary



OWNER'S FORM

SCHEDULE A

Owners	Office File Number 269905	Policy Number 72106-757419	Date of Policy September 13, 2007	Amount of Insurance \$2,100,000.00
Loan	Office File Number 269905	Policy Number 72107-3077071	Date of Policy September 13, 2007	Amount of Insurance \$3,775,000.00

**NOTE: A loan policy on the encumbrance described in this Schedule has been issued naming as the insured:**

BCB COMMUNITY BANK, ITS SUCCESSORS AND/OR ASSIGNS AS THEIR INTEREST MAY APPEAR

**1. Name of Insured**

HUDSON PALISADES, LLC, by Deed from CITY OF JERSEY CITY, A MUNICIPAL CORPORATION OF THE STATE OF NEW JERSEY, dated September 13, 2007 and recorded September 13, 2007, in the Hudson County Clerk/Register's Office in Deed Book 8322, page 199.

**2. The estate or interest in the land described herein and which is covered by this policy is:**  
Fee Simple

**3. The estate or interest referred to herein is at Date of Policy vested in insured.**

**4. The land herein described is encumbered by the following mortgage or trust deed, and assignments:**

Subject to: Mortgage made by HUDSON PALISADES, LLC, A NEW JERSEY LIMITED LIABILITY COMPANY to BCB COMMUNITY BANK, dated September 12, 2007, about recorded September 13, 2007, in the amount of \$3,775,000.00 in the Hudson County Clerk/Register's Office, in Mortgage Book 16268, page 15, and the matters shown in Schedule B.

**5. The land referred to in this policy is described as follows:**

**SEE DESCRIPTION SHEET ATTACHED.**

**This policy valid only if Schedule B is attached.**

Issued by:

***Acres Land Title Agency, Inc.***

55 Essex Street

P.O. Box 769

Millburn, NJ 07041-1314

Telephone # (973) 376-4643 \* Fax # (973) 376-5457

**SCHEDULE A**

**ALL that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate lying and being in the City of Jersey City, County of Hudson, State of New Jersey:**

**TRACT 1:**

BEGINNING at the intersection of the northwesterly line of Palisades Avenue and the southwesterly line of Ferry Street and from said beginning point running; thence

- (1) North 45 degrees 05 minutes West along the southwesterly line of Ferry Street 200.00 feet to its intersection with the southeasterly line of New York Avenue; thence
- (2) South 45 degrees West along the southeasterly line of New York Avenue 39.62 feet to a point opposite the center line of a party wall standing between the premises herein described and the premises adjoining to the southwest; thence
- (3) South 45 degrees 05 minutes East along the center of the said party wall 22.30 feet to an angle in same; thence
- (4) South 45 degrees West and continuing along the center of said party wall 2.00 feet to another angle in same; thence
- (5) South 45 degrees 05 minutes East and continuing along the center of said party wall 117.70 feet to a point in the northwesterly line of Palisade Avenue; thence
- (6) North 45 degrees East along the said northwesterly line of Palisade Avenue 41.62 feet to the point and place of BEGINNING.

**TRACT 2:**

Which on a certain Map entitled, "Map of Property belonging to the Washington Village Land Association, situate near Hoboken, on the Palisade Avenue near the Newark Road", duly filed in the Hudson County Register's Office are designated, known and distinguished as Lots Number 59 and 60 each of said lots being 25 feet wide in front and rear and 100 feet deep throughout, and said Lots Number 59 and 60 fronting on the easterly side of New York Avenue and are described as follows:

BEGINNING at a point on the northerly side of Ferry Street distant 100 feet from the point where the westerly line of Palisade Avenue intersects the northerly line of Ferry Street and running thence;

- (1) westerly along the northerly line of Ferry Street 100 feet to a point where the northerly line of Ferry street intersects the easterly line of New York Avenue; thence
- (2) northerly along the easterly line of New York Avenue 50 feet to the northerly line of Lot Number 60; thence
- (3) easterly along said northerly line and parallel with Ferry Street 100 feet to a point in the centerline of the block; thence
- (4) southerly along said centerline and parallel with Palisade Avenue and New York Avenue 50 feet to the point or place of BEGINNING.

Being further described in accordance with a survey made by Pronesti Surveying, Inc., dated April 7, 2007, as follows:

TRACT I

BEGINNING at a point on the northeasterly line of Ferry Street at a point therein distant 100.00 feet northwesterly from the intersection of the same and the northwesterly line of Palisade Avenue; thence running

- (1) Along the northeasterly line of Ferry Street, North 45 degrees 5 minutes West 100.00 feet to a point on the southeasterly line of New York Avenue; thence
- (2) North 45 degrees 00 minutes East 50.00 feet to a point; thence
- (3) South 45 degrees 05 minutes East 100.00 feet to a point; thence
- (4) South 45 degrees 00 minutes West 50.00 feet to a point in the northeasterly line of Ferry Street and the point and place of BEGINNING.

FOR informational purposes only: Also being known as Lots 59 and 60 in Block 738 on the Tax Map of the City of Jersey, New Jersey.

TRACT II

BEGINNING at the intersection of the northwesterly line of Palisade Avenue and the southwesterly line of Ferry Street; thence running

- (1) Along the southwesterly line of Ferry Street, North 45 degrees 5 minutes West 200.00 feet to a point in the southeasterly line of New York Avenue; thence
- (2) Running along the same, South 45 degrees 00 minutes West 39.62 feet to a point; thence
- (3) South 45 degrees 05 minutes East 22.30 feet to a point; thence
- (4) South 45 degrees 00 minutes West 2 feet to a point; thence
- (5) South 45 degrees 5 minutes East 177.70 feet to a point in the northwesterly line of Palisades Avenue; thence
- (6) Running along the same, North 45 degrees 00 minutes East 41.62 feet to the point and place of BEGINNING.

FOR informational purposes only: Also being known as Lot A-02 in Block 733 on the Tax Map of the City of Jersey City, New Jersey.

# OWNER'S FORM

## SCHEDULE B

Policy Number 72106-757419  
Owners

Title No. 269905

Policy Number 72107-3077071  
Loan

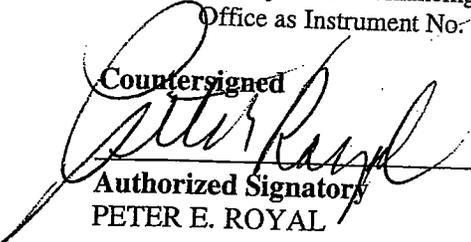
### EXCEPTIONS

In addition to the Exclusions, you are not insured against loss, costs, attorneys' fees and expenses resulting from:

**SPECIAL EXCEPTION: The mortgage, if any, referred to in Item 2 of Schedule A.**

1. Lien of unpaid taxes for the year 2007; 2007 taxes are paid through third quarter, subsequent quarters not yet due and payable.
2. Possible additional taxes assessed or levied under R.S.. 54:4-63.1 et seq.
3. Lien of unpaid water and sewer charges, if any.
4. Subject to Sub-Surface conditions and/or encroachments not disclosed by an instrument of record.
5. Rights of owners adjoining thereon in party wall.
6. Utility Grant as contained in Deed Book 1950, Page 493 and Deed Book 3063 page 629.
7. Terms and Conditions of Agreement in Deed Book 2383 page 313 and Deed Book 3063 page 629.
8. Restrictions as contained in Deed Book 2420, Page 48.
9. Restrictions, including right of reverter, contained in Deed from the City of Jersey City in Deed Book 8322, page 199.
10. Survey made by Pronesti Surveying, Inc., dated April 24, 2007, shows no mislocations or encroachments except those set forth hereunder.
  - a. 3 story brick building in street on Palisade Avenue, Ferry Street and New York Avenue and over on southwesterly sideline.
  - b. Stoop in street on Palisade Avenue.
  - c. Access panel in street on Ferry Street.
  - d. Roof eaves in street on Ferry Street.
11. Assignment of Leases and Rents recorded September 13, 2007 in the Hudson County Clerk's Office in Mortgage Book 16268, page 44.
12. County UCC-1 Financing Statement filed September 13, 2007 in the Hudson County Clerk/Register's Office as Instrument No. 6006.

Countersigned

  
Authorized Signatory  
PETER E. ROYAL

Schedule B of this Policy consists of 1 pages.

**EXHIBIT "B"**

**TOTAL ANNUAL GROSS REVENUE COMPUTATION**



## EXHIBIT "C"

### PROJECTION OF TOTAL PROJECT COST

The estimated Total Project cost for Applicant is \$5,425,711.24 and is calculated as follows:

(j) Cost of land and improvements:	\$2,100,000.00
(k) Architect, Engineer and Attorneys' fees for planning Construction and financing the Project;	\$ 175,000.00
(l) Surveying and testing charges;	\$ 15,000.00
(m) Construction costs (to be certified and verified when Actual costs are obtained);	\$ 2,400,000.00
(n) Insurance, interest and finance costs during construction;	\$ 157,018.24
(o) Costs of permanent financing;	\$ 37,750.00
(p) Commissions in connection with initial sales;	\$ 275,000.00
(q) Real Estate taxes and assessments during construction;	\$ 83,276.00
(r) Developer's Overhead	\$ 182,667.00

**EXHIBIT "D"**

**PROJECTED STATEMENT OF STABILIZED PROPERTY OPERATIONS**

## Hudson Palisade Condominium Association 2011 Proposed Budget

EXPENSES	Monthly	Annually
<b>Property Management Fee</b>	1,300.00	15,600.00
<b>Building Maintenance</b>		
Snow Removal		2,000.00
Pest Control	200.00	2,400.00
<b>Total Building Maintenance</b>		4,400.00
<b>Insurance</b>		
General Liability		12,000.00
<b>Total Insurance</b>		12,000.00
<b>Elevator</b>		
Monthly Maintenance Contract	350.00	4,200.00
Repairs		1,000.00
Annual Inspection		500.00
<b>Total Elevator Maintenance</b>		5,700.00
<b>Emergency Repairs</b>		
Roofing		500.00
Plumbing		500.00
Electrical		500.00
Locksmith		500.00
Misc		2,000.00
<b>Total Emergency Repairs</b>		4,000.00
<b>Capital Repairs</b>		
Painting		1,000.00
Fixtures		500.00
Equipment Repairs		500.00
Misc		2,000.00
<b>Total Capital Repairs</b>		4,000.00
<b>Professional Fees</b>		
Accounting		500.00
Legal		1,000.00
<b>Total Professional Fees</b>		1,500.00
<b>Building Supplies</b>		
Cleaning Supplies		200.00
Trash & Recycling Bags		500.00
Light Bulbs		100.00
Misc		400.00
<b>Total Building Supplies</b>		1,200.00

**Hudson Palisade Condominium Association  
2011 Proposed Budget**

<b>EXPENSES (Cont'd)</b>	<b>Monthly</b>	<b>Annually</b>
<b>Administrative</b>		
Office Supplies		100.00
Postage & Delivery		100.00
<b>Total Administrative</b>		<u>200.00</u>
<b>Licenses &amp; Permits</b>		
Building Dept		450.00
State Inspection		400.00
<b>Total Licenses &amp; Permits</b>		<u>850.00</u>
<b>Fire &amp; Security</b>		
Fire Panel Monitoring		350.00
Phone	80.00	960.00
Sprinkler Inspection		800.00
<b>Total Fire &amp; Security</b>		<u>2,110.00</u>
<b>Utilities</b>		
Water & Sewer		15,000.00
Electric & Gas		5,000.00
<b>Total Utilities</b>		<u>20,000.00</u>
<b>Reserve Fund</b>		<u>8,116.67</u>
<b>TOTAL EXPENSES</b>		<u><u>79,676.67</u></u>
<b>NET OPERATING INCOME</b>		<u><u>0.00</u></u>

**Hudson Palisade Condominium Association**  
**Capital Reserve Itemization**

<b>Item</b>	<b>Life Expectancy</b>	<b>Replacement Cost</b>	<b>Annual Contribution</b>
Elevator	30	\$60,000.00	\$2,000.00
Roof	30	\$40,000.00	\$1,333.33
Masonry/Sidewalks	40	\$20,000.00	\$500.00
Façade/Building Exterior	40	\$20,000.00	\$500.00
Doors & Windows	30	\$5,000.00	\$166.67
Laundry Room Equipment	15	\$8,000.00	\$533.33
Painting	5	\$10,000.00	\$2,000.00
Floors	40	\$30,000.00	\$750.00
Miscellaneous	30	\$10,000.00	\$333.33
			<hr/>
			<b>\$8,116.67</b>

## Hudson Palisade Condominium Association 2011 Proposed Budget

<b>INCOME</b>			
		<b>Monthly</b>	<b>Annually</b>
<b>Maintenance Fees (Dwelling)</b>			
Unit 1	3.992%	265.06	3,180.69
Unit 2	4.312%	286.30	3,435.66
Unit 3	4.081%	270.97	3,251.60
Unit 4	3.994%	265.19	3,182.29
Unit 5	4.429%	294.07	3,528.88
Unit 6	6.831%	453.56	5,442.71
Unit 7	3.097%	205.63	2,467.59
Unit 8	3.026%	200.92	2,411.02
Unit 9	6.439%	427.53	5,130.38
Unit 10	4.321%	286.90	3,442.83
Unit 11	4.503%	298.99	3,587.84
Unit 12	4.869%	323.29	3,879.46
Unit 13	4.231%	280.93	3,371.12
Unit 14	3.612%	239.83	2,877.92
Unit 15	3.025%	200.85	2,410.22
Unit 16	6.438%	427.47	5,129.58
Unit 17	4.325%	287.17	3,446.02
Unit 18	4.498%	298.65	3,583.86
Unit 19	4.894%	324.95	3,899.38
Unit 20	4.250%	282.19	3,386.26
<b>Sub-Total Maint Fees (Dwelling)</b>	89.17%		
<b>Maintenance Fees (Parking)</b>			
Space 1	0.777%	51.59	619.09
Space 2	0.777%	51.59	619.09
Space 3	0.777%	51.59	619.09
Space 4	0.777%	51.59	619.09
Space 5	0.777%	51.59	619.09
Space 6	0.777%	51.59	619.09
Space 7	0.777%	51.59	619.09
Space 8	0.777%	51.59	619.09
Space 9	0.777%	51.59	619.09
Space 10	0.777%	51.59	619.09
Space 11	0.777%	51.59	619.09
Space 12	0.777%	51.59	619.09
Space 13	0.777%	51.59	619.09
Space 14	0.734%	48.74	584.83
<b>Sub-Total Maint Fees (Parking)</b>	10.84%		
<b>TOTAL MAINTENANCE FEES</b>	<b>100.00%</b>	<b>6,639.86</b>	<b>79,678.26</b>
<b>TOTAL INCOME</b>		<b>\$6,639.72</b>	<b>\$79,676.67</b>

## EXHIBIT "E"

### DISCLOSURE STATEMENT

NAME OF ENTITY: **HUDSON PALISADES URBAN RENEWAL LLC**

PRINCIPAL PLACE OF BUSINESS: 4 York Avenue, Second Floor,  
West Caldwell, New Jersey 07006

Name of Registered Agent: ANTHONY T. COLASANTI, ESQ.

Address: 4 York Avenue, Second Floor  
West Caldwell, New Jersey 06006

#### Ownership of Applicant:

<u>NAME</u>	<u>ADDRESS</u>	<u>PERCENT OWNED</u>
David DePierro	46 Broadway Jersey City, New Jersey 07306	19.3%
Guido Salandra	46 Morse Avenue Rutherford, New Jersey 07070	19.3%
Anthony R. Mautone, Sr.	500 Prospect Avenue West Orange, NJ 07052	19.3%
Anthony R. Mautone, Jr.	500 Prospect Avenue West Orange, NJ 07052	19.3%
Vincent Bonomo	4 York Avenue West Caldwell, NJ 07006	12%
Anthony T. Colasanti	4 York Avenue West Caldwell, NJ 07006	10.8%

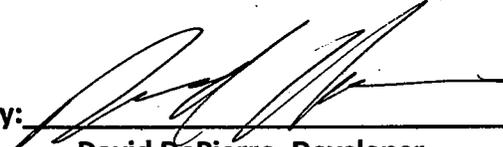
## EXHIBIT F

### COMMENCEMENT CERTIFICATION

The Applicant, being the developer of the Project, hereby certifies that:

1. That no transfer sale or conveyance of a Unit shall occur prior to Final Approval and execution of the Financial Agreement between the City and the Applicant.
2. The foregoing statement made by the Applicant this 3<sup>rd</sup> day of November 2011 is true to the best of the undersigned's knowledge and the undersigned understands that the City of Jersey City is relying upon this Certification in considering the within Application

**HUDSON PALISADES URBAN RENEWAL LLC**

By: 

David DePierro, Developer

## EXHIBIT G

### COMPLIANCE WITH STATE AND LOCAL LAWS CERTIFICATION

#### Certification

The Applicant, being the developer of the Project, hereby certifies that:

1. The Project meets the requirements of the laws of the State of New Jersey for consideration for a tax abatement because it is located in a designated Urban Enterprise Zone and located within a Redevelopment Area.
2. The Project complies with 325 Palisade Avenue Redevelopment Plan. Applicant has received Site Plan Approval.

The foregoing statement made by me this 3<sup>rd</sup> day of November, 2011 is true to the best of my knowledge and I understand that the City of Jersey City is relying on this Certification in considering this Application.

**HUDSON PALISADES URBAN RENEWAL LLC**

By: \_\_\_\_\_

A handwritten signature in black ink, written over a horizontal line. The signature is stylized and appears to be a first name followed by a last name.

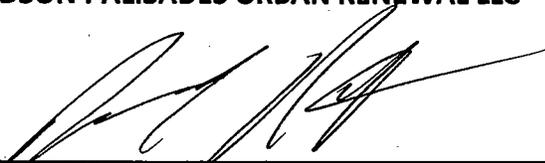
**EXHIBIT H**

**DILIGENT INQUIRY CERTIFICATION**

The Applicant, being the developer of the Project, hereby certifies to The City of Jersey City that all information contained in this Application is true and correct to the best of Applicant's knowledge, after it has made diligent inquiry to confirm the accuracy of all information.

**HUDSON PALISADES URBAN RENEWAL LLC**

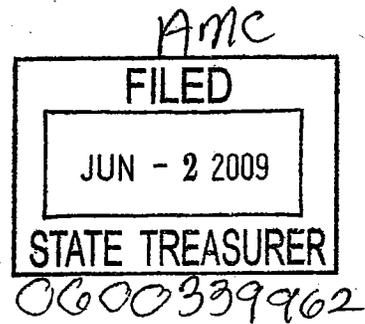
By: \_\_\_\_\_

A handwritten signature in black ink, appearing to be "D. H. A.", is written over a solid horizontal line.

**EXHIBIT "I"**

**CERTIFICATION OF FORMATION**

**AMENDED**  
**CERTIFICATE OF FORMATION**  
**OF**



**HUDSON PALISADES URBAN RENEWAL LLC**

1. Name of Limited Liability Company: **HUDSON PALISADES URBAN RENEWAL LLC**

2. The purpose for which this Limited Liability Company is organized is:

To operate under P.L. 1991, c. 431 (C.40A:20-1 et seq.) and to initiate and conduct projects for the redevelopment of a redevelopment area pursuant to a redevelopment plan, or projects necessary, useful or convenient for the relocation of residents displaced or to be displaced by the redevelopment of all or part of one or more redevelopment areas, or low and moderate income housing projects and, when authorized by financial agreement with the municipality, to acquire, plan, develop, construct, alter, maintain or operate housing, senior citizen housing, business, industrial, commercial, administrative, community, health, recreational, educational or welfare projects, or any combination of two or more of these types of improvement in a single project, under such conditions as to use, ownership, management and control as regulated pursuant to P.L. 1991, c. 431 (C.40A:20-1 et seq.).

3. Date of Formation: The date upon which this Certificate of Formation is filed in the Office of the Department of Treasury of New Jersey.

4. Registered Agent Name & Address: Anthony T. Colasanti, Esq.  
4 York Avenue, Second Floor  
West Caldwell, NJ 07006

5. Dissolution Date: PERPETUAL

For so long as the Company is obligated under financial agreement with the City of Jersey City made pursuant to P.L. 1991, c. 431 (C.40A:20-1 et seq.), the Company shall engage in no business other than the ownership, management and control of the project described in the financial agreement with the City of Jersey City.

The Company has been organized to serve a public purpose and its operations shall be directed toward: (1) the redevelopment of redevelopment areas, the facilitation of the relocation of residents displaced or to be displaced by redevelopment or the conduct of low and moderate income housing projects; and (2) the acquisition, management and operation of a project, redevelopment relocation housing project, or low and moderate income housing project under P.L. 1991, c.431 (C.40A:20-1 et seq.). The Company shall be subject to regulation by the City of Jersey City, and to a limitation on profits or dividends for so long as it remains the owner of a project subject to P.L. 1991, c.431 (C.40A:20-1 et seq.).

The Company shall not voluntarily transfer more than ten (10%) percent of the ownership of the project or any portion thereof, undertaken by it under P.L. 1991, c. 431 (C.40A:20-1 et seq.) until it has first removed both itself and the project from all restrictions of P.L. 1991, c. 431 (C.40A:20-1 et seq.) in the manner required by P.L. 1991, c. 431 (C.40A:20-1 et seq.) and, if the project includes housing units, has obtained the consent of the Commissioner of Community Affairs to such transfer, with the exception of any transfer to another urban renewal entity, as approved by the City of Jersey City, which other urban renewal entity shall assume all contractual obligations of the transferor entity under the financial agreement with the City of Jersey City.

The Company shall file annually with the governing body of the City of Jersey City a disclosure of the persons having an ownership interest in the Project and the extent of the ownership held by each.

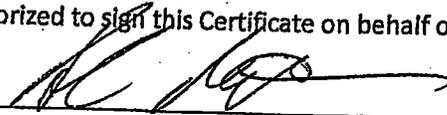
Nothing herein shall prohibit any transfer of the ownership interest in the urban renewal entity itself provided that transfer, if greater than ten (10%) percent is disclosed to the City of Jersey City in the annual disclosure statement or in correspondence sent to the City of Jersey City in advance of the annual disclosure statement referred to above.

The Company is subject to the provisions of Section 18 of P.L. 1991, c.431 (C.40A:20-1 et seq.) respecting the powers of the City of Jersey City to alleviate financial difficulties of the urban renewal entity or to perform actions on behalf of the entity upon a determination of financial emergency.

Any housing units constructed or acquired by the Company shall be managed subject to the supervision of, and rules adopted by, the Commission of Community Affairs.

The undersigned represents that this filing complies with requirements detailed in N.J.S.A. 42. The undersigned hereby represents that it is authorized to sign this Certificate on behalf of the Company.

By



DAVID DEPIERRO

Authorized Representative./Managing Member

Dated: April 17, 2009



State of New Jersey  
DEPARTMENT OF COMMUNITY AFFAIRS

JON S. CORZINE  
Governor

JOSEPH V. DORIA, JR.  
Commissioner

DEPARTMENT OF COMMUNITY AFFAIRS

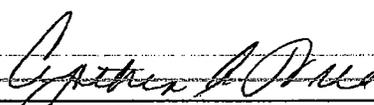
TO: State Treasurer  
RE: HUDSON PALISADES URBAN RENEWAL LLC  
File # 915  
An Urban Renewal Entity

This is to certify that the attached AMENDED CERTIFICATE OF FORMATION OF AN URBAN RENEWAL ENTITY has been examined and approved by the Department of Community Affairs, pursuant to the power vested in it under the "Long Term Tax Exemption Law," P.L. 1991, c.431.

Done this 30<sup>TH</sup> day of APRIL 2009 at Trenton, New Jersey.

DEPARTMENT OF COMMUNITY AFFAIRS

BY

  
Cynthia A. Wilk, Director  
Division of Codes and Standards



**AMENDED, MODIFIED AND RESTATED OPERATING AGREEMENT**  
**OF**  
**HUDSON PALISADES URBAN RENEWAL LLC**

This Amended Modified and Restated Operating Agreement (the "Modified Agreement") is made effective for all purposes as of May 1, 2011 by and among the persons executing this Modified Agreement collectively referred to as the "Members" and individually "Member."

***RECITALS***

***WHEREAS***, Hudson Palisades Urban Renewal LLC formed as a Limited Liability Company; and

***WHEREAS***, the Members did enter into an Operating Agreement as of December 31, 2009; and

***WHEREAS***, the parties want to amend, modify and restate the terms of the Agreement.

***NOW, THEREFORE***, in consideration of the foregoing and the mutual Covenants herein contained, the Operating Agreement is hereby amended and modified as follows:

Schedule A of the Agreement setting for the Capital Contributions and the percentage of ownership of each Member is amended and modified as follows:

**Amended and Modified Member Interest**

<u>Name</u>	<u>Share</u>
Anthony R. Mautone, Sr.	19.3%
Anthony R. Mautone, Jr.	19.3%
David DePierro	19.3%
Guido Salandra	19.3%
Vincent Bonomo, Jr.	12%
Anthony T. Colasanti	10.8%

CERTIFIED TO BE A TRUE COPY  
*[Handwritten Signature]*

All of the terms and provisions of the Operating Agreement are hereby reaffirmed and remain in full force and effect.

Witnesses:

/s/

\_\_\_\_\_  
ANTHONY R. MAUTONE, SR.

/S/

\_\_\_\_\_  
ANTHONY R. MAUTONE, JR.

/S/

\_\_\_\_\_  
DAVID DEPIERRO

/S/

\_\_\_\_\_  
GUIDO SALANDRA

/S/

\_\_\_\_\_  
VINCENT BONOMO, JR.

/S/

\_\_\_\_\_  
ANTHONY T. COLASANTI

**EXHIBIT "J"**

**PROPOSED FINANCIAL AGREEMENT**

To be drafted upon approval of the Tax Abatement Application.

**SUPPLEMENTAL EXHIBITS**

**EXHIBIT 1**

**DEED**

---

# Deed

This Deed is made on December 2, 2009  
BETWEEN

**HUDSON PALISADES, LLC, a New Jersey Limited Liability Company**

having its principal office at 4 York Avenue, Second Floor, West Caldwell, New Jersey 07006

referred to as the Grantor,

AND

**HUDSON PALISADES URBAN RENEWAL LLC,**

whose address is c/o Anthony T. Colasanti, Esq., 4 York Avenue  
Second Floor, West Caldwell, New Jersey 07006

referred to as the Grantee.

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

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

2. **Tax Map Reference** (N.J.S.A. 46.15-1.1) *Municipality of Jersey City, Lot A.2, Block 733; Lots 59 and 60, Block 738*

Qualifier No. \_\_\_\_\_, Account No. \_\_\_\_\_

No property tax identification number is available on the date of this Deed. (Check Box if Applicable)

3. **Property** The Property consists of the land and all the building and structures on the land in the Township of Stafford, County of Ocean and State of New Jersey. The legal description is:

Please see attached Legal Description annexed hereto and made part hereof. (Check Box if Applicable)

SUBJECT TO, liens and restrictions of record, if any.

BEING the same premises conveyed to Hudson Palisades, LLC by Deed from The City of Jersey City dated September 13, 2007, recorded September 13, 2007, in the Office of the Register of Deeds of Hudson County in Book 08322, Page 00199.

Prepared by (Print signer's name below) (For Recorders Use Only)  
*Anthony T. Colasanti*  
ANTHONY T. COLASANTI, ESQUIRE

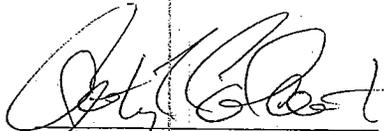
The street address of the Property is:  
325 Palisades Avenue, Jersey City, New Jersey (Lot A.2, Block 733) – and-  
122– 124 New York Avenue (Lots 59, 60, Block 738) Jersey City, New Jersey

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

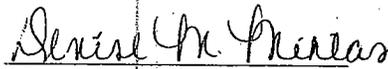
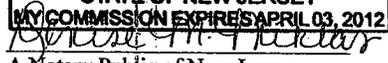
**5. Signatures.** This Deed is signed and attested to by the Grantor’s proper corporate officers as of the date at the top of the first page. (Print name below each signature.)

Witnessed or Attested by:

HUDSON PALISADES, LLC, a New Jersey Limited Liability Company

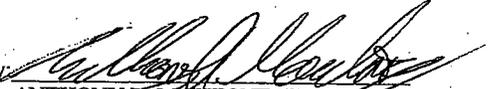
  
ANTHONY T. COLASANTI  
ATTORNEY AT LAW OF NEW JERSEY

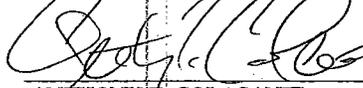
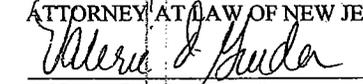
By:   
DAVID DEPIERRO, Member

  
A Notary Public of New Jersey  
**DENISE M. MIKLAS**  
NOTARY PUBLIC  
STATE OF NEW JERSEY  
MY COMMISSION EXPIRES APRIL 03, 2012  
  
A Notary Public of New Jersey

By:   
ANTHONY R. MAUTONE, SR., Member

  
ANTHONY T. COLASANTI  
ATTORNEY AT LAW OF NEW JERSEY

By:   
ANTHONY R. MAUTONE, JR., Member

  
ANTHONY T. COLASANTI  
ATTORNEY AT LAW OF NEW JERSEY  
  
A Notary Public of New Jersey

By:   
GUIDO SALANDRA, Member

VALERIE P. GUIDA  
NOTARY PUBLIC OF NEW JERSEY  
MY COMMISSION EXPIRES 3/07/2010

By:   
VINCENT BONOMO, Member  
By:   
ANTHONY T. COLASANTI, Member

I CERTIFY that on December 2, 2009

**DAVID DEPIERRO and GUIDO SALANDRA**, personally came before me and stated to my satisfaction that each person (or if more than one, each person);

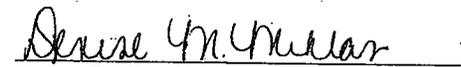
- (a) was the maker of the attached deed;
- (b) was authorized to and did execute this Deed as a Member of Hudson Palisades LLC, the entity named in this Deed; and
- (c) made this deed for \$10.00 as the full and actual consideration paid or to be paid for the transfer of title. (Such consideration is defined in N.J.S.A. 46:15-5)
- (d) executed this Deed as the act of the entity.

  
ANTHONY T. COLASANTI, ESQUIRE  
Attorney at Law in the State of New Jersey

I CERTIFY that on December 2, 2009

**ANTHONY R. MAUTONE, SR. AND ANTHONY R. MAUTONE, JR.**, personally came before me and stated to my satisfaction that each person (or if more than one, each person);

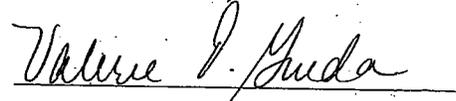
- (a) was the maker of the attached deed;
- (b) was authorized to and did execute this Deed as a Member of Hudson Palisades LLC, the entity named in this Deed; and
- (c) made this deed for \$10.00 as the full and actual consideration paid or to be paid for the transfer of title. (Such consideration is defined in N.J.S.A. 46:15-5)
- (d) executed this Deed as the act of the entity.

  
Notary Public of New Jersey  
**DENISE M. MIKLAS**  
NOTARY PUBLIC  
STATE OF NEW JERSEY  
MY COMMISSION EXPIRES APRIL 03, 2012

I CERTIFY that on December 2, 2009

**ANTHONY T. COLASANTI and VINCENT BONOMO**, personally came before me and stated to my satisfaction that each person (or if more than one, each person);

- (a) was the maker of the attached deed;
- (b) was authorized to and did execute this Deed as a Member of Hudson Palisades LLC, the entity named in this Deed; and
- (c) made this deed for \$10.00 as the full and actual consideration paid or to be paid for the transfer of title. (Such consideration is defined in N.J.S.A. 46:15-5)
- (d) executed this Deed as the act of the entity.

  
Notary Public of New Jersey

VALERIE P. GUIDA  
NOTARY PUBLIC OF NEW JERSEY  
MY COMMISSION EXPIRES 3/07/2010

SCHEDULE A

ALL that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate lying and being in the City of Jersey City, County of Hudson, State of New Jersey;

TRACT 1:

BEGINNING at the intersection of the northwesterly line of Palisades Avenue and the southwesterly line of Ferry Street and from said beginning point running; thence

- (1) North 45 degrees 05 minutes West along the southwesterly line of Ferry Street 200.00 feet to its intersection with the southeasterly line of New York Avenue; thence
- (2) South 45 degrees West along the southeasterly line of New York Avenue 39.62 feet to a point opposite the center line of a party wall standing between the premises herein described and the premises adjoining to the southwest; thence
- (3) South 45 degrees 05 minutes East along the center of the said party wall 22.30 feet to an angle in same; thence
- (4) South 45 degrees West and continuing along the center of said party wall 2.00 feet to another angle in same; thence
- (5) South 45 degrees 05 minutes East and continuing along the center of said party wall 117.70 feet to a point in the northwesterly line of Palisade Avenue; thence
- (6) North 45 degrees East along the said northwesterly line of Palisade Avenue 41.62 feet to the point and place of BEGINNING.

TRACT 2:

Which on a certain Map entitled, "Map of Property belonging to the Washington Village Land Association, situate near Hoboken, on the Palisade Avenue near the Newark Road", duly filed in the Hudson County Register's Office are designated, known and distinguished as Lots Number 59 and 60 each of said lots being 25 feet wide in front and rear and 100 feet deep throughout, and said Lots Number 59 and 60 fronting on the easterly side of New York Avenue and are described as follows:

BEGINNING at a point on the northerly side of Ferry Street distant 100 feet from the point where the westerly line of Palisade Avenue intersects the northerly line of Ferry Street and running thence;

- (1) westerly along the northerly line of Ferry Street 100 feet to a point where the northerly line of Ferry street intersects the easterly line of New York Avenue; thence
- (2) northerly along the easterly line of New York Avenue 50 feet to the northerly line of Lot Number 60; thence
- (3) easterly along said northerly line and parallel with Ferry Street 100 feet to a point in the centerline of the block; thence
- (4) southerly along said centerline and parallel with Palisade Avenue and New York Avenue 50 feet to the point or place of BEGINNING.

Being further described in accordance with a survey made by Pronesti Surveying, Inc., dated April 7, 2007, as follows:

TRACT I

BEGINNING at a point on the northeasterly line of Ferry Street at a point therein distant 100.00 feet northwesterly from the intersection of the same and the northwesterly line of Palisade Avenue; thence running

- (1) Along the northeasterly line of Ferry Street, North 45 degrees 5 minutes West 100.00 feet to a point on the southeasterly line of New York Avenue; thence
- (2) North 45 degrees 00 minutes East 50.00 feet to a point; thence
- (3) South 45 degrees 05 minutes East 100.00 feet to a point; thence
- (4) South 45 degrees 00 minutes West 50.00 feet to a point in the northeasterly line of Ferry Street and the point and place of BEGINNING.

FOR informational purposes only: Also being known as Lots 59 and 60 in Block 738 on the Tax Map of the City of Jersey, New Jersey.

TRACT II

BEGINNING at the intersection of the northwesterly line of Palisade Avenue and the southwesterly line of Ferry Street; thence running

- (1) Along the southwesterly line of Ferry Street, North 45 degrees 5 minutes West 200.00 feet to a point in the southeasterly line of New York Avenue; thence
- (2) Running along the same, South 45 degrees 00 minutes West 39.62 feet to a point; thence
- (3) South 45 degrees 05 minutes East 22.30 feet to a point; thence
- (4) South 45 degrees 00 minutes West 2 feet to a point; thence
- (5) South 45 degrees 5 minutes East 177.70 feet to a point in the northwesterly line of Palisades Avenue; thence
- (6) Running along the same, North 45 degrees 00 minutes East 41.62 feet to the point and place of BEGINNING.

FOR informational purposes only: Also being known as Lot A-02 in Block 733 on the Tax Map of the City of Jersey City, New Jersey.

---

**DEED**

---

Dated: December 2, 2009

From

**HUDSON PALISADES, LLC**  
A New Jersey Limited Liability Company

To

**HUDSON PALISADES URBAN RENEWAL LLC**  
An Urban Renewal Entity formed and qualified  
To do business under the provisions of the  
Long Term Tax Exemption Law of 1992  
As amended and supplemented  
N.J.S.A. 40A:20-1, et seq.

---

**RECORD AND RETURN TO:**

**ANTHONY T. COLASANTI, ESQ.**  
4 York Avenue, Second Floor  
West Caldwell, NJ 07006

STATE OF NEW JERSEY  
**AFFIDAVIT OF CONSIDERATION FOR USE BY SELLER**

(Chapter 49, P.L. 1968, as amended through Chapter 33, P.L. 2006) (N.J.S.A. 46:15-5 et seq.)

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

STATE OF NEW JERSEY

COUNTY OF WARREN

} SS. County Municipal Code 0906

Municipality of Property Location: Jersey City

**FOR RECORDER'S USE ONLY**

Consideration \$ \_\_\_\_\_  
RTF paid by seller \$ \_\_\_\_\_ †  
Date \_\_\_\_\_ By \_\_\_\_\_

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

**(1) PARTY OR LEGAL REPRESENTATIVE** (See Instructions 3 and 4 attached)

Deponent, ANTHONY T. COLASANTI, ESQ., being duly sworn according to law upon his/her oath deposes

and says that he/she is the Legal Representative in a deed dated 12/02/09

(Grantor, Grantee, Legal Representative, Corporate Officer, Officer of Title Co., Lending Institution, etc.)

transferring real property identified as Block No. 733; 738 Lot No. A.2; 59 and 60 located at 325 Palisade Ave. and 122-124 New York Avenue, Jersey City, NJ and annexed thereto.

(Street Address, Town)

**(2) CONSIDERATION: \$10.00** (See Instructions 1 and 5)

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

**(3A) REQUIRED CALCULATION OF EQUALIZED VALUATION FOR ALL CLASS 4A COMMERCIAL PROPERTY TRANSACTIONS:** (see Instructions 5A and 7)

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

\$ \_\_\_\_\_ ÷ \_\_\_\_\_ % = \$ \_\_\_\_\_

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

**(4) FULL EXEMPTION FROM FEE:** (see Instruction 8)

Deponent states that this deed transaction is fully exempt from the Realty Transfer Fee imposed by C. 49, P.L. 1968, as amended through C. 66, P.L. 2004, for the following reason(s). Mere reference to the exemption symbol is insufficient. Explain in detail. **For consideration less than \$100.00 - Grantee is successor in interest to Grantor**

**(5) PARTIAL EXEMPTION FROM FEE:** (see Instruction 9) NOTE: All boxes below apply to grantor(s) only.

ALL BOXES IN APPROPRIATE CATEGORY MUST BE CHECKED. Failure to do so will void claim for partial exemption.

Deponent claims that this deed transaction is exempt from the State's portion of the Basic Fee, Supplemental Fee and General Purpose Fee, as applicable, imposed by C. 176, P.L. 1975; C. 113, P.L. 2004 and C. 66, P.L. 2004 for the following reason(s):

**A. SENIOR CITIZEN** (see Instruction 9)

- Grantor(s) 62 years of age or over.\*
- One- or two-family residential premises.
- Resident of the State of New Jersey.
- Owned and occupied by grantor(s) at time of sale.
- Owners as joint tenants must all qualify.

**B. BLIND** (see Instruction 9)

- Grantor(s) legally blind.\*
- One- or two-family residential premises.
- Owned and occupied by grantor(s) at time of sale.
- Owners as joint tenants must all qualify.
- Resident of the State of New Jersey.

**DISABLED** (see Instruction 9)

- Grantor(s) permanently and totally disabled.\*
- Receiving disability payments.\*
- Not gainfully employed.\*
- One- or two-family residential premises.
- Owned and occupied by grantor(s) at time of sale.
- Owners as joint tenants must all qualify.
- Resident of the State of New Jersey.

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

**C. LOW AND MODERATE INCOME HOUSING** (see Instruction 9)

- Affordable according to HUD standards.
- Meets income requirements of region.
- Reserved for occupancy.
- Subject to resale controls.

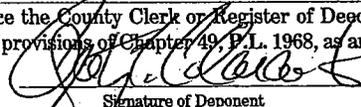
**(6) NEW CONSTRUCTION** (see Instructions 2, 10 and 12)

- Entirely new improvement.
- Not previously occupied.
- Not previously used for any purpose.
- "NEW CONSTRUCTION" printed clearly at the top of the first page of the deed.

(7) Deponent makes this Affidavit to induce the County Clerk or Register of Deeds to record the deed and accept the fee submitted herewith in accordance with the provisions of Chapter 49, P.L. 1968, as amended through Chapter 33, P.L. 2006.

Subscribed and sworn to before me this Second day of December, 2009

Notary Public



Signature of Deponent  
4 York Avenue  
West Caldwell, NJ 07006  
Deponent Address

**HUDSON PALISADES, LLC**  
Grantor Name  
4 York Avenue, 2nd Floor  
West Caldwell, NJ 07006  
Grantor Address at Time of Sale

XXX-XX-X 9 8 3  
Last 3 digits in Grantor's Social Security No.

**Anthony T. Colasanti**  
Name/Company of Settlement Officer

This form is prescribed by the Director, Division of Taxation in the Department of the Treasury, as required by law, and may not be altered or amended without the prior approval of the Director. For information on the Realty Transfer Fee or to print a copy of this Affidavit, visit the Division of Taxation website at [www.state.nj.us/treasury/taxation/lpt/localtax.htm](http://www.state.nj.us/treasury/taxation/lpt/localtax.htm).

**FOR OFFICIAL USE ONLY**

Instrument Number \_\_\_\_\_ County \_\_\_\_\_  
Deed Number \_\_\_\_\_ Book \_\_\_\_\_ Page \_\_\_\_\_  
Deed Dated \_\_\_\_\_ Date Recorded \_\_\_\_\_

County Recording Officers shall forward one copy of each Affidavit of Consideration for Use by Seller when Section 3A is completed. State of New Jersey - Division of Taxation, P.O. Box 251, Trenton, NJ 08695-0251, Attention: Realty Transfer Fee Unit

State of New Jersey

# Seller's Residency Certification/Exemption

(C.55, P.L. 2004)

(Please Print or Type)

**SELLER(S) INFORMATION** (see Instructions, page 2):

Name(s) HUDSON PALISADES, LLC, New Jersey Limited Liability Company

Current Resident Address 4 York Avenue, Second Floor

City, Town, Post Office West Caldwell State NJ Zip Code 07006

**PROPERTY INFORMATION** (Brief Property Description):

Block(s) 733; 738 Lot(s) A.2, 59 and 60 Qualifier \_\_\_\_\_

Street Address 325 Palisades Avenue and 122-124 New York Avenue

City, Town, Post Office Jersey City State NJ Zip Code 07306

Seller's Percentage of Ownership 100% Consideration \$10.00 Closing Date December 2, 2009

**SELLER'S ASSURANCES** (Check the Appropriate Box) (Boxes 2 through 8 apply to NON-residents):

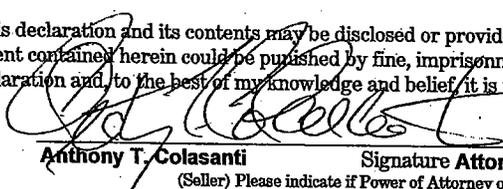
1.  I am a resident taxpayer (individual, estate or trust) of the State of New Jersey pursuant to N.J.S.A. 54A:1-1 et seq. and will file a resident gross income tax return and pay any applicable taxes on any gain or income from the disposition of this property.
2.  The real property being sold or transferred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

**SELLER(S) DECLARATION:**

The undersigned understands that this declaration and its contents may be disclosed or provided to the New Jersey Division of Taxation and that any false statement contained herein could be punished by fine, imprisonment, or both. I furthermore declare that I have examined this declaration and, to the best of my knowledge and belief, it is true, correct and complete.

December 2, 2009

Date



Anthony T. Colasanti

Signature **Attorney in Fact**

(Seller) Please indicate if Power of Attorney or Attorney in Fact

Date

Signature

(Seller) Please indicate if Power of Attorney or Attorney in Fact

## Seller's Residency Certification/Exemption Instructions

This form is to be completed by individuals, estates, trusts or any other entity selling or transferring property in New Jersey not subject to the Gross Income Tax estimated payment requirements under C55, P.L. 2004.

**Name(s):** Name of seller(s). If more than one owner, separate forms must be used except for husband & wife/civil union couples who file their income tax returns jointly.

**Address:** Seller(s) primary residence or place of business. Do not use the address of the property being sold. Unless a new residence (permanent place of abode, domicile) has been established in New Jersey and said new residence is listed under seller(s) information, the seller(s) is considered a nonresident. Part-year residents will be considered nonresidents.

Nonresident seller(s) will be required to make an estimated Gross Income Tax payment if they do not meet any of the seller(s) assurances.

**Property Information:** Information as listed on deed of property being sold.

**Percentage of Ownership:** If there is more than one owner, list seller's percentage of ownership.

**Consideration:** "Consideration" means in the case of any deed, the actual amount of money and the monetary value of any other thing of value constituting the entire compensation paid or to be paid for the transfer of title to the lands, tenements or other realty, including the remaining amount of any prior mortgage to which the transfer is subject or which is assumed and agreed to be paid by the grantee and any other lien or encumbrance not paid, satisfied or removed in connection with the transfer of title. If there is more than one owner, indicate seller's portion of total consideration received. If the total consideration for the property is \$1,000 or less, complete the Seller's Residency Certification/Exemption form GIT/REP-3 and check box 6 under Seller's Assurances.

**Seller's Assurances:** If you meet one of the eight criteria listed, you are not required to make a tax payment at this time. Check which box is appropriate to your situation. Note that boxes 2 through 8 apply to non-residents.

Persons claiming an exemption under block #2 must be claiming an income/gain exclusion on their federal return for the property being sold within the meaning of §.121 of the Internal Revenue Code of 1986.

Non-resident taxpayers claiming an exemption under box #7 for IRC section 1031 and receiving non-like kind property (i.e. money, stocks, etc.) as well as like kind property (i.e. real estate) with the exchange, must fill out the GIT/REP-1, NON-RESIDENT SELLER'S TAX DECLARATION form showing the non-like kind amount, and remit an estimated tax payment on the Fair Market Value of the consideration received for the non-like kind property. If no non-like property was received please check the block indicating such.

A third party (the accommodation party) for a deferred like-kind exchange must remit an estimated tax payment of 2% of the fair market value of the consideration received for the non-like kind property on behalf of the taxpayer if non-like property is received when the 1031 transaction is completed or remit 2% of the total consideration if the 1031 transaction is voided. Payment must be sent directly to the State of New Jersey, Revenue Processing Center, P.O. Box 222, Trenton, NJ 08646-0222. Please fill out GIT/REP-1 and NJ-1040-ES Voucher.

Complete a GIT/REP-3 AND GIT/REP-1. The GIT/REP-3 should show the value of the like kind exchange. The GIT/REP-1 should show the Fair Market Value of or consideration received for the non-like kind property (whichever is more).

**Example:** Mr. Smith exchanges rental property A with a fair market value of \$1.2 million for rental property B with a fair market value of \$1.0 million and receives \$200,000 in cash (non-like kind property). An estimated tax payment is required to be withheld on the \$200,000 in consideration of non-like kind property for non-residents.

PROPERTY A	\$ 1,200,000
PROPERTY B	\$ 1,000,000
CASH	\$ 200,000
Consideration for estimated	
tax payment for GIT/REP-1	\$ 200,000

**Signature:** Seller(s) must sign and date the declaration. If the seller's representative is signing the declaration, a copy of the power of attorney form or letter signed by the seller granting this authority must be attached.

All information requested on this form must be completed. Failure to complete the form in its entirety will result in the deed not being recorded.

This form must be completed at the time of closing and given to the buyer or the buyer's attorney.

The buyer or buyer's attorney must submit the original Seller's Residency Certification/Exemption (GIT/REP-3) to the county clerk at the time of recording the deed. Failure to submit the Seller's Residency Certification/Exemption (GIT/REP-3) or Nonresident Seller's Tax Declaration (GIT/REP-1) or a Nonresident Seller's Tax Prepayment Receipt (GIT/REP-2) will result in the deed not being recorded.

The county clerk will attach this form to the deed when recording the deed.

Additional information regarding the Gross Income Tax estimated payment requirements on the sale of real estate can be found on the Division of Taxation's web page at [www.state.nj.us/treasury/taxation](http://www.state.nj.us/treasury/taxation).

**SUPPLEMENTAL EXHIBITS**

**EXHIBIT 2**

**PLANNING BOARD RESOLUTION APPROVING SITE PLAN**

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**RESOLUTION OF THE PLANNING BOARD OF THE CITY OF  
JERSEY CITY**

**APPLICANT: DAVID DePIERRO**

**FOR: PRELIMINARY MAJOR SITE PLAN with DEVIATIONS**

**325 Palisade Avenue, Jersey city, New Jersey**  
**Block 733, Lot A.2**

**CASE NO.: P07-137**

*WHEREAS*, the Planning Board of the City of Jersey City (hereinafter referred to as the “Board”) is empowered to hear and determine applications for Site Plan approval pursuant to the Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq. and the Land Development Ordinance of the City of Jersey City (hereinafter referred to as the “Ordinance”); and

*WHEREAS*, David DePierro is the applicant (hereinafter referred to as the “Applicant”) and is the Managing Member for Hudson Palisades LLC, the owner of real property located at 325 Palisade Avenue, also known as Block 733, Lot A.2 in the City of Jersey City, County of Hudson, State of New Jersey (the “Property”); and

*WHEREAS*, the Property is located in the Heights Section of Jersey City and is included in the 325 Palisade Avenue Redevelopment Plan; and

*WHEREAS*, the Application as filed has been determined by the Board to be complete and all notices as required by Law to have been properly and timely issued for a hearing on May 13, 2008 at 5:30 p.m.; and

*WHEREAS*, the Applicant seeks major site plan approval with deviations; and

*WHEREAS*, the Board considered this matter at a regularly scheduled meeting held on May 13, 2008 at which time Renee Matibag, Architect, and David De Pierro, Managing Member of the Applicant were sworn in and testified on behalf of the Applicant; and the Applicant was represented by Anthony T. Colasanti, Esq.; and

*WHEREAS*, Applicant plans to revise the existing three (3) story, 37,893 square foot building located on the Property to house twenty-one (21) residential units with fourteen (14) garaged parking spaces to be located in the existing basement garage; and

*WHEREAS*, the Applicant is seeking a deviation as to the parking aisle width and the number of parking spaces; and

*WHEREAS*, there being no public opposition to the said application; and

*WHEREAS*, after considering the testimony given and reviewing the plans filed herein, the Board makes the following findings of fact based upon evidence adduced at the public hearing.

1. That the Property is located in the Heights Section of Jersey City and is subject to the 325 Palisade Avenue Redevelopment Plan (the "Redevelopment Plan").
2. That the Application as submitted and filed is in accordance with the Redevelopment Plan except for the deviation as discussed below.
3. That the Property is being redeveloped for residential use with each of the three floors containing two (2) one-bedroom units and five (5) two-bedroom units for a total of twenty-one (21) units.
4. That fifty (50%) percent of the roof deck is open space for use by the Tenants and will include plants and lighting.

5. That the Applicant agrees to meet with representatives of the Riverview Association, the local neighborhood association, should a meeting be requested so as to answer questions and provide information as to the use and redevelopment of the Property.
6. That the Applicant seeks deviation as to the aisle width of the basement parking space so as to provide for an aisle width ranging from 8'10 ½" to 21'2" instead of the twenty-two (22) feet as required.
7. That Applicant seeks a deviation as to the number of parking spaces so as to provide fourteen (14) spaces rather than the eighteen (18) as required by the Redevelopment Plan.
8. Based upon the testimony provided on behalf of the Applicant, the Board specifically finds that the granting of Preliminary Major Site Plan approval and the requested deviation will have minimal adverse effect upon noise, light, air, traffic, health or safety of the community, the Applicant has demonstrated positive – negative criteria for the requested deviations, that the proposed deviations from the zoning regulations and the Redevelopment Plan will advance the purposes of the MLUL and the benefits of the deviations substantially outweigh any detriment. Furthermore, the Applicant has shown that the requested deviation can be granted without substantial detriment to ~~the public good and will not substantially impair the intent and purpose of the zone~~ plan, zoning ordinance and Redevelopment Plan.
9. The evidence presented by the Applicant at the public hearing demonstrated that the strict application of the City's zoning ordinances and the Redevelopment Plan would present practical difficulties and undue hardship upon the development of this Property, said difficulties being peculiar and exceptional to this Property and/or that

the purposes of the MLUL and the Redevelopment Plan will be advanced by the proposed deviations from the zoning ordinance and/or Redevelopment Plan requirements, and that the benefits of the deviations substantially outweigh the detriments.

***NOW, THEREFORE, BE IT RESOLVED*** that the above application for Major Site Plan Approval, with deviations, is hereby approved subject to the following:

1. All applicable federal, state, county and local codes and requirements;
  2. Any approval is subject to fire department regulations, building department regulations, the requirements of the engineering department, the city Planning Division and all applicable laws, codes and regulations;
  3. Said approvals are further contingent upon the adherence of the Applicant to the architectural plans and scope of work plans filed herein;
  4. That Saturday work permits shall be required for all construction work performed on Saturdays.
- 
5. That the Applicant shall work closely with the City Planning Division staff and Dan Wrieden of the City Planning Division to preserve the historical aspects of the building's exterior and that the staff shall monitor the restoration of the Building.

6. That the scope of work plan submitted with the Application is included and made part of the approved Site Plan.
7. The Applicant obtaining all permits and approvals from other municipal, county, state and/or federal agencies having jurisdiction;
8. Applicant will offer to meet with Riverview Neighborhood Assoc. to discuss the development of the Property.

**RESOLUTION OF THE PLANNING BOARD OF THE CITY OF  
JERSEY CITY**

**APPLICANT:**            **DAVID DePIERRO**

**FOR:**                    **PRELIMINARY MAJOR SITE PLAN with DEVIATIONS**

**325 Palisade Avenue, Jersey city, New Jersey**  
**Block 733, Lot A.2**

**CASE NO.:**            **P07-137**

**VOTE:**                    **5-0**

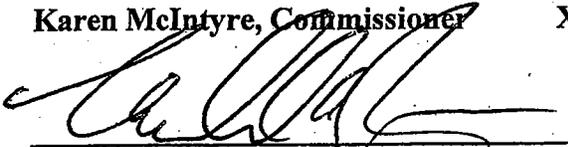
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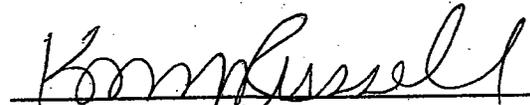
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<b>COMMISSIONER:</b>	<u><b>YES</b></u>	<u><b>NO</b></u>	<u><b>ABSTAIN</b></u>	<u><b>ABSENT</b></u>
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Michael Ryan, Chairman	X
Leon Yost, Vice Chairman	X
Roseanna Petruzelli, Commissioner	X
Michael Sims, Commissioner	X
David Ruiz, Commissioner	X
Karen McIntyre, Commissioner	X

  
\_\_\_\_\_  
**MICHAEL RYAN, Chairman**  
**JERSEY CITY PLANNING BOARD**

  
\_\_\_\_\_  
**ROBERT COTTER, Secretary**  
**JERSEY CITY PLANNING BOARD**

**APPROVED AS TO LEGAL FORM:**

  
\_\_\_\_\_  
**JOHN HAMILL, ESQ.**

**DATE OF HEARING:**                    **May 13, 2008**

**DATE OF MEMORIALIZATION:**            **August 20, 2008**

**SUPPLEMENTAL EXHIBITS**

**EXHIBIT 3**

**REDEVELOPMENT PLAN**

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# 325 PALISADE AVENUE REDEVELOPMENT PLAN

## I. INTRODUCTION

The 325 Palisade Avenue complex is located in the Heights section of Jersey City within the Riverview neighborhood. The Study area is comprised of a mix of partially improved parking lots and a 3-1/2 story brick building, known as 325 Palisade Avenue. Previously utilized as City offices, this building has been mostly vacant for over a year, with minimal use of a portion of the first floor.

This Palisade Avenue neighborhood contains a mix of uses, with medical offices located across the street from 325 Palisade and a supermarket located next door. Two vacant lots currently used for parking are adjacent to a 1-1/2 story residential building and a two story industrial building. Another partially improved parking lot fronts on Palisades Avenue. It is located between two six-family homes of three and a half stories in height. Both buildings contribute architecturally to the neighborhood. A 2-story commercial/office building is located across the street from the parking lot.

Residential uses, commercial uses and pocket parks dominate the balance of the surrounding neighborhood. Further south along Palisade Avenue is the Christ Hospital Campus that has attracted around it a wide selection of doctor's offices and pharmaceutical services.

Clearly, it is now time for the City to take a more pro-active role in guiding the re-use and redevelopment of the underutilized building and parking lots. The purpose of this Plan is to provide a comprehensive redevelopment plan that will allow and encourage the redevelopment of the building and parking lots within the project area in a manner that recognizes the character and scale of the neighborhood; as well as the existing building and its potential for adaptive re-use, as well as its context in the fabric of the surrounding neighborhood.

## II. BOUNDARIES

The 325 Palisade Avenue Redevelopment Area consists of tax lots found on tax Blocks 738, 733 and 722.1. The following are the specific lot numbers which are included in the Area.

Block	Lots
738,	59,60
733	A2
722.1 (AKA 722.A)	8A, 8B, 9A, 10

The boundary of the Study Area is also depicted on Map 1.

### III. REDEVELOPMENT OBJECTIVES AND REQUIREMENTS OF ANY DEVELOPMENT AND CONSTRUCTION WITHIN THE PLAN AREA

- A. The planning and development of the Redevelopment Area as a primarily residential mixed-use area.
- B. The Rehabilitation and adaptive re-use of the former city offices recognizing the size, scale and architectural merit of the existing building, to better reflect the new uses to be housed within and the historic character and texture of the building and surrounding neighborhood.
- C. Require infill development on vacant lots fronting on Palisade Avenue to create a more continuous streetscape and eliminate the gap now created by the existing parking lots on those lots.
- D. Provide for parking to be located on the lots fronting on Ferry Street to serve the use within the 325 Palisade Avenue building.
- E. To improve the pedestrian environment and streetscape within the Redevelopment Area, with the provision of new side walks, street trees and other pedestrian amenities within the existing sidewalks and rights-of-ways.
- F. To promote the responsible Rehabilitation of the existing 325 Palisade Avenue building through the use of the *Secretary of the Interior's Standards and Guidelines for Rehabilitation*.
- G. To promote the principles of "Smart Growth" i.e. sustainable economic and social development, including a variety of housing choices, providing pedestrian friendly streets and public rights-of-way, minimize automobile use by maximizing the appeal of mass transit, encourage reduced parking and shared use parking solutions, and creating a livable community with convenient access to commercial facilities.

### IV. PROPOSED REDEVELOPMENT ACTIONS

It is proposed to substantially improve and upgrade the Redevelopment Area through a combination of redevelopment actions that will provide a uniform and consistent attack on blight within the Area by systematically removing blighting influences in an orderly manner and allowing for new construction, creative adaptive re-use and rehabilitation. These will include but not be limited to:

- A. The consolidation and re-subdivision of land within the Redevelopment Area into suitable parcels for development for the new residential and commercial land uses where necessary.
- B. Provision for a full range of public and/or private infrastructure necessary to service and support new development in the Area and adjacent areas.

- C. The Rehabilitation, and adaptive re-use of the existing structure and the construction of new structures and complementary facilities that are consistent with the scale of the existing adjacent buildings of architectural merit and the positive character and use patterns in the surrounding neighborhood.

## V. GENERAL ADMINISTRATIVE REQUIREMENTS

The following provisions shall apply to all property located within the Redevelopment Area.

- A. Prior to the commencement of: (a) any new construction, (b) reconstruction, (c) rehabilitation (d) any change to the interior floor plan of any structure, (e) any change in the use of any structure or parcel, or (f) any change in the intensity of use of any structure or parcel; a site plan for such shall be submitted by the developer or property owner to the Planning Board for review and site plan approval. No temporary or permanent Building Permit shall be issued for any work associated with A. through F. above, without site plan review and approval of such work by the Planning Board.
- B. The provisions of this Plan specifying the redevelopment of the Area and the requirements and restrictions with respect thereto shall be in effect for a period of twenty (20) years from the original date of approval of this Plan by the Jersey City Municipal Council. Subsequent amendments hereto shall not alter or extend this period of duration, unless specifically extended by such amendments.
- C. Site plan review shall be conducted by the Planning Board, pursuant to NJSA 40:55D-1 et. seq. Site plan review shall consist of a preliminary site plan application and a final site plan application. Submission of a site plan and site plan application shall conform to the requirements of the Jersey City Zoning Ordinance and this Plan. Applications may be submitted for an entire project or in phases. Preliminary site plan approval for any phase shall entitle an applicant to building permits. Final site plan approval for any phase shall not be granted unless or until that phase is substantially complete, or performance guarantees for site improvements for that phase have been furnished by the redeveloper in accordance with NJSA 40:55D-53. No Certificate of Occupancy (CO) of any type, either permanent or temporary, shall be issued for any construction until the Planning Board has given final site plan approval for the phase in which such construction is located.

As part of final site plan approval, the Planning Board may require a developer to furnish performance guarantees pursuant to NJSA 40:55D-53. Such performance guarantees shall be in favor of the City of Jersey City, and be in a form approved by the Corporation Counsel or the Planning Board attorney. The amount of any such performance guarantees shall be determined by the City Engineer in conformance with applicable law, and shall be sufficient to assure completion of site improvements within one (1) year of final site plan approval, or such other time period as determined by the Planning Board if particular circumstances dictate a longer time frame.

- E. Any subdivision of lots and parcels of land within the Redevelopment Area shall be in accordance with this Plan's requirements and the Jersey City Land Subdivision Ordinance.
- F. No development or redevelopment of any parcel in the Redevelopment Area that will result in an increase in wastewater from that parcel shall be permitted unless and until the planned project wastewater piping and systems for the removal of effluent and storm water are approved by the City of Jersey City Division of Engineering and the Municipal Utilities Authority; and the municipal wastewater piping and systems for the removal of effluent and storm water are certified by the City of Jersey City Division of Engineering and the Municipal Utilities Authority as being of sufficient capacity and good condition to accommodate uses that will occupy said parcel. Such approval may be contingent upon requisite improvements to the drainage system in the street, as determined by the Division of Engineering.
- G. All interim uses may be permitted, subject to site plan review and approval by the Planning Board. The Planning Board shall only permit uses that it finds will not have an adverse effect upon surrounding existing or contemplated development during the interim use period. Interim uses must be approved by the Planning Board. The Board shall establish an interim use period of up to three (3) years in duration. The Planning Board may grant additional one (1) year renewals of interim uses upon application, review, and approval. Commuter or commercial surface parking lots and commuter or commercial parking garages are specifically prohibited and shall not be permitted as interim uses.
- H. The Planning Board may grant deviations from the regulations contained within this Plan, where, by reason of exceptional narrowness, shallowness or shape of a specific piece of property, or by reason of exceptional topographic conditions, pre-existing structures or physical features uniquely affecting a specific piece of property, the strict application of any area, yard, bulk or design objective or regulation adopted pursuant to this Plan, would result in peculiar and exceptional practical difficulties to, or exceptional and undue hardship upon, the developer of such property. The Planning Board may also grant a deviation from the regulations contained within this Plan related to a specific piece of property where the purposes of this Plan would be advanced by such deviation from the strict application of the requirements of this Plan; and the benefits of granting the deviation would outweigh any detriments. The Planning Board may grant exceptions or waivers from design standards, from the requirements for site plan or subdivision approval as may be reasonable and within the general purpose and intent of the provisions for site plan review and/or subdivision approval within this Plan, if the literal enforcement of one or more provisions of the plan is impracticable or would exact undue hardship because of peculiar conditions pertaining to the site. No deviations may be granted under the terms of this section unless such deviations can be granted without resulting in substantial detriment to the public good and will not substantially impair the intent and purpose of this Plan. No deviations may be granted which will result in permitting: (1) a use or principal structure in a district restricted against such use or principal structure, (2) an expansion of a non-conforming use, (3) an increase in height of a principal structure which exceeds by 10 feet or 10% the maximum height permitted in

the district, (4) an increase in the permitted floor area ratio, (5) an increase in the permitted density.

An application requesting a deviation from the requirements of this Plan shall provide public notice of such application in accordance with the public notice requirements set forth in NJSA 40:55D-12.a. & b.

- I. No covenant, lease, conveyance or other instrument shall be effected or executed by the Jersey City Redevelopment Agency or by a redeveloper or any successors or assignees, whereby land within the Redevelopment Area is restricted by the Jersey City Redevelopment Agency or the redeveloper upon the basis of race, creed, color or national origin in the sale, lease, use or occupancy thereof. Appropriate covenants, running with the land forever, will prohibit such restrictions and shall be included in the disposition instruments.
- J. No building shall be constructed over an easement in the Redevelopment Area without site plan review and approval of the Jersey City Planning Board and prior written approval of the Redevelopment Agency and the Division of Engineering.
- K. If any word, phrase, clause, section or provision of this Plan shall be found by a court of competent jurisdiction to be invalid, illegal or unconstitutional, such word, phrase, clause, section or provision shall be deemed severable and the remainder of the ordinance shall remain in full force and effect.

## VI GENERAL DESIGN REQUIREMENTS AND RESTRICTIONS

The following standards and requirements shall apply to all applications, including but not limited to: developments, re-developments, rehabilitation, and or re-use applications within the Redevelopment Plan area:

- A. All utility distribution lines; utility service connections from such lines to the Redevelopment Area's individual uses; and transformers, utility appliances, regulators and metering devices shall be located underground or within the building. No utility boxes or structure shall be permitted in sidewalk areas or exterior to the building. Remote readers are required for all utilities, in lieu of external location of the actual metering devices. Developers are required to arrange for connections to public and private utilities.
- B. Chain link fencing shall be prohibited within the Redevelopment Area, except during construction. Chain link fencing for construction shall be dismantled and removed prior to the issuance of a Certificate of Occupancy.
- C. No Billboard shall be permitted on any property contained within the Redevelopment Area.
- D. No signage shall be permitted within the Redevelopment Area, which includes flashing, blinking or otherwise animated lights and/or parts, spinners, pennants, reflective

materials, which sparkle or twinkle and/or similar materials; except for seasonal holiday decorations.

- E. No advertising shall be permitted on parking meters, light poles, or on benches or other street furniture within the public right-of-way.
- F. All trash dumpsters and/or compactors shall be located within the buildings. All outdoor storage shall be prohibited.
- G. All buildings within the Redevelopment Area must display the street address of the building such that it is clearly visible from the adjoining street right of way.
- H. In order to facilitate the overall redevelopment of the Redevelopment Area, the surrounding area, and the City of Jersey City in general, all advertising, signage and other promotion of the resulting project, whether undertaken by the City, the Redevelopment Agency, or private developers, shall contain references to the proposed project's location. They all shall clearly state it to be within the City of Jersey City so as to promote the positive external effects for not only the project, but the Redevelopment Area and the City as a whole.

## VII. URBAN DESIGN REQUIREMENTS

- A. Building Design Requirements.
  - 1. All new structures within the Redevelopment Area shall be situated with proper consideration of their relationship to other buildings of architectural merit, both existing and proposed, in terms of material, light, air and usable open space, access to public rights of way and off-street parking, height, setback and bulk. Buildings shall be designed to be attractive from all vantage points, such that the same façade materials and detailing are used on all facades.
  - 2. The building at 325 Palisade Avenue, of architectural merit and eligible for individual listing on the national Register under criterion C, shall be retained. Its Rehabilitation shall be in compliance the Secretary of the Interior's Standards and Guidelines for Rehabilitation for conformance with this plan.
  - 3. Buildings shall be oriented toward the street so as to contribute to the overall liveliness of the pedestrian environment. Main-building entries shall be prominent, easily identifiable, and connect directly to the public street and sidewalk and shall not occur simply as voids within or between buildings.
  - 4. Buildings shall have a clear base, middle and top. Architectural devises, such as providing stringcourses, cornices and sub-cornices, lintels and sills, and/or horizontally differentiating surface treatments, can be used to achieve the necessary transitions.

5. The windows and glazing of a building are a major element of the style which gives character to a building and shall be appropriately and sensitively chosen with respect to the existing resource at 325 Palisade Avenue and surrounding buildings of architectural merit. The windows of 325 Palisades Avenue shall be treated according to the Secretary of the Interior's Standards and Guidelines for Windows
6. Balconies and terraces may extend from the building when facing into interior courts. However, all balconies facing onto streets shall be prohibited.
7. EIFS (Exterior Insulating Finishing Systems, stucco, artificial stone, CMU size/type block, vinyl and/or aluminum siding and artificial brick veneer such as permastone or brickface and/or plastic type artificial siding materials may not be used as façade cladding within this Redevelopment Area. Façade material to be used shall be primarily of brick, Standard, Modular and Norman sizes only.
8. All mechanical equipment, generators, HVAC equipment and similar equipment shall be acoustically buffered such that any noise generated by the equipment shall be within the applicable standards as defined by the State of New Jersey.
9. All electronic communication equipment shall be totally screened from view. This shall be achieved through creative disguises within the basic architecture of the building, such that it does not negatively impact the appearance of the building. Said screening shall be constructed in a manner that is consistent with the architecture of the building, and shall utilize the same materials used in the construction of the building, such that the screening appears to be an integral part of the building. The screening shall not impair the functioning of the equipment. Said equipment shall be located so as to minimize or eliminate the need for screening. Cellular antennas / wireless communication antennas and facilities are not permitted within this Redevelopment Area. Reference shall be made to the Wireless Communications section of the Jersey City Land Development Ordinance for appropriate permitted locations for these facilities.
10. All mechanical equipment, generators, HVAC equipment and similar equipment shall be totally screened from view, both from the street and existing or planned neighboring buildings. Said screening shall be constructed in a manner that is consistent with the architecture of the building, and shall utilize the same or complimentary materials used in the construction of the building, such that the screening appears to be an integral part of the building. Interior locations must be utilized where mechanically possible

B. Streetscape, Open Space and Landscape Requirements

1. A streetscape plan, acceptable to the Division of City Planning is required for all projects and shall include proposed sidewalk and curbing materials and treatments, street trees, tree pit grates and/or treatments, and any proposed street furniture, lighting or other features to be provided. The streetscape plan shall be submitted to the Jersey City Planning Board for its review and approval, as part of the project site plan application and

implemented as part of the construction of the project.

2. Sidewalk areas must be provided along the street rights-of-way and shall be properly sized for the safe and convenient movement of pedestrians through and around the Redevelopment Area.
3. Sidewalk areas shall be attractively landscaped and durably paved in Scofield Charcoal or equivalent concrete. Decorative paving materials may be incorporated into the design. Additional decorative elements shall be introduced at building entrances to accent and channel pedestrian flow.
4. All plant material used must be able to withstand the urban environment and shall be planted, balled and burlapped as established by the American Association of Nurserymen. A planting schedule shall be provided by the developer and approved by the Planning Board. All landscaping shall be guaranteed for a period of two (2) years. Any landscaping which is not resistant to the urban environment or that dies shall be replaced by the developer or property owner.
5. Street trees shall be planted along all curb lines of streets within the Redevelopment Area at a maximum of 35 feet on center. Each tree pit shall be at least four foot by four foot in area and contain a decorative metal grate or tree guard.
6. Outdoor landscaped open space areas shall be provided for all new construction within the Redevelopment Area and shall occupy any required yard areas. Additional open space areas may be provided after Planning Board review and approval. All areas not covered by a building or necessary paved areas shall be landscaped with trees, shrubs, groundcovers or other appropriate plant material.
7. Lighting within the Redevelopment Area shall sufficiently illuminate all areas to prevent "dark corners". All lighting sources must be shielded to prevent and eliminate any glare. The area of illumination shall have a uniform pattern of at least one-half (0.5) foot-candles.

#### C. Off-street Parking Design and Loading Requirements

1. Minimum Parking Requirements
  - All Residential Uses: 1 per unit
  - Medical Offices: .5 - per exam room
  - General offices: 1.0 space per 1,000 sq. ft.
2. Where parking is located within a building, the parking use shall be screened to the greatest degree possible. The exterior wall of the parking structure shall be architecturally designed to mimic and reflect the occupied portions of the building in terms of style and materials. Façade areas related to parking levels partially below grade may be treated and designed as would a traditional basement level. All openings in the parking structure facade shall be of the punched style. These openings shall be consistent with the rhythm

of the window openings serving the principal uses within the building. They shall be covered by glass or metal in such a way that the exterior design is compatible with the design of the building and the actual windows of the building. The glass tint and/or reflectivity may be different so as to decrease the visibility of the garage use within. In lieu of glass, the openings may be covered by a hinged solid metal plate/shutter, or recessed decorative grill over a louvered opening as described below. Blind windows, to continue appropriate rhythms where appropriate shall also be permitted. Where louvers are needed or proposed, decorative grills shall be installed over functional louvers. The intent of the above regulations is that no exposed garage exterior wall shall be detectable as a garage.

6. In order to preserve the maximum number of on-street parking spaces possible, driveway widths and curb cuts shall be limited to the minimum width and number necessary. Driveway / curb cut widths leading to parking areas containing less than twenty (20) cars shall be no more than twelve (12) feet in width. The width of driveways and curb cuts leading to parking areas for twenty (20) cars or more shall be limited to twelve (12) feet for one-way traffic and twenty (20) feet for two-way traffic.
7. All required parking spaces must be a minimum of 8.5 feet wide by 18 feet deep. The placement of a curb up to two (2) feet within the required 18 foot depth of the parking space is permitted, provided that there is adequate area for an automobile occupying the parking space to over-hang said curb a like distance without infringing on required landscaping or pedestrian areas. All aisles shall be a minimum of 22 feet wide. Compact spaces may be provided only with the approval of the Planning Board and shall be a minimum of 8 feet wide by 16 feet deep.
8. Off-street parking and loading areas shall be coordinated with the public street system serving the Redevelopment Area in order to avoid conflicts with vehicular traffic and/or obstruction to pedestrian walkways and thoroughfares.
9. Light sources within any parking level shall not be visible from the exterior of the building either from the street or from other surrounding buildings and properties. Identification of the internal light fixtures and their location shall be provided in order for any application to the Planning Board for site plan to be deemed complete.
10. Developers shall demonstrate to the Board's satisfaction that sufficient off-street loading is provided to meet the needs of the proposed uses.
11. Valet parking may be allowed if it can be demonstrated that an efficient, safe means of operation will be provided.

D. Signage

1. Permitted Signage

- a. Each residential building shall display the street address of the building on the front facade or front door of the building such that it is visible from the adjoining street right-of-way.

- b. Each major residential building, buildings on lots of 10,000 square feet or more, may have one (1) exterior sign flush mounted to the façade at the entrance to the building indicating the building's name, if any, not to exceed twenty (20) square feet.
- c. Tenant directories are to be located within the lobby of a building.
- d. Accessory Parking – Since commuter and commercial parking is not permitted, additional signage is not permitted for parking uses.

2. Additional Signage Regulations and Requirements, applied throughout all areas of the plan:

- a. All signs are subject to minor site plan review when not included as part of a major site plan application.
- b. All signs shall be flush mounted although blade signs may be attached to the first floor façade.
- c. Window signs (other than lettering as specifically permitted) shall be prohibited. Lettering shall be limited to decorative metal leaf, flat black or etched / frosted glass style lettering and shall be limited to the name of the business occupying the commercial space / store front and shall cover no more than twenty (20%) of the window area.
- d. All signs shall be attached to the first floor level of the building only.
- e. Permitted signage material includes: 1.) Painted wood; 2.) Painted metals including aluminum and steel; 3.) Brushed finished aluminum, stainless steel, brass, copper, or bronze; 4.) Carved wood or wood substitute.
- f. Permitted lettering material includes: 1.) Lettering forms applied to the surface of the sign; 2.) Single colored lettering forms applied to the surface of the sign; 3.) Metallic solid body letters with or without returns; 4.) Painted acrylic or metal letter. 5.) Vinyl lettering attached permanently to a wood, wood substitute or metal signboard.
- g. Sign Lighting: Signs may be lit from backlit halo, and up-lights. Internally lit signs and sign boxes are prohibited.
- h. During construction, one (1) temporary sign indicating: the name of the project or development, general contractor, subcontractor, financing institution and public entity officials (where applicable) shall be permitted. The sign area shall not exceed Fifty (50) square feet.

4. Prohibited Signage: The following signs and devices shall not be permitted within the Redevelopment Area:

Monument signs and internally or externally illuminated box signs, neon signs, flashing or animated signs, spinners, pennants, reflective materials that sparkle or twinkle, roof signs, billboards, signboards, window signs, posters, plastic or paper that appear to be attached to the window, pole signs, free-standing signs, fluorescent and/or glowing paint for any signage or building within the redevelopment area, waterfall style awnings, plastic awnings, product advertising signage of any kind. Product advertising signage is defined here to include, but not be limited to signage on: parking meters; signage in windows, on

light poles, benches or other street furniture within the redevelopment area. Nothing in this paragraph shall be deemed to prohibit traditional residential holiday decorations.

## VIII. SPECIFIC LAND USE REGULATIONS

The Redevelopment Area is a relatively compact area. However, because of the varied conditions of the existing parcels within the Redevelopment Area, the Redevelopment Area has been further broken down into three (3) sub-districts as described below and as indicated on Map - 2, Sub-District Map, attached as part of this Redevelopment Plan. The Sub-Districts are as follows:

- **Rehabilitation District** - This sub-district contains the existing structure at 325 Palisade Avenue that is to be Rehabilitated. This Georgian Revival style building built Circa 1923 is eligible for individual listing on the *National Register*, meeting Criterion C of the *Standards for Evaluation*. (This building shall be rehabilitated and reviewed for inclusion as a City landmark building to insure that future development along its southern edge does not block windows along the property line or damage or destroy or obscure from view decorative or architectural ornament and relationships.)
- **New Construction District (1)** - This sub-district located at the corner of Ferry Street and New York Avenue shall be comprised of Block 738, Lots 59 & 60. It contains an unimproved parking lot. This site shall be redeveloped with residential development of a substantial character to compliment the existing building at 325 Palisade Avenue and the adjacent residential building to the west known as 329 Palisade Avenue.
- **New Construction District (2)** - This sub-district shall be comprised of Block 722.1 Lots 8A, 8B, 9A, and 10. It presently contains a surface parking lot. Development within this sub-district will consist of new infill construction designed to be compatible with the existing 6 family buildings that abut the property along Palisade Avenue, especially referencing Lots, 11, 7, and 6. It is to be noted that the building on Lot 11, popularly known as 300 Palisade Avenue and as the *Clothilde Apartments* is eligible for individual listing on the *National Register* meeting Criterion C of the *Standards for Evaluation*.

### A. Rehabilitation District

#### 1. Principal Permitted Uses

- a. Multi-family Apartment Building
- b. General Offices
- c. Medical Offices

#### 2. Uses incidental and accessory to the principal use and building, including:

- a. Home occupation
- b. Artist Studios
- c. Health Club

- d. Offices.
- e. Financial institutions.
- f. Child Care Centers.
- g. Off-street parking, only within the existing structure as part of the principal building.
- h. Private recreation facilities and areas, (indoor &/or outdoor) including pools, landscaped yards and decks, active recreation uses, gymnasiums, exercise rooms, etc.
- i. Community rooms.

3. **Maximum Density- 115 DU /AC**

4. **Area, Yard & Bulk** - The redevelopment within this sub-district shall consist of rehabilitation of the existing building. The total floor area permitted within this sub-district shall not exceed the total floor area existing at the time of the adoption of this Redevelopment Plan. No new stories shall be added.

5. **Minimum Parking Requirements** - All accessory parking shall be located within the basement of the building. Partition walls shall be removed to accommodate vehicular circulation between existing columns. Minimum parking size and aisle width requirements shall be waived if necessary to fit parking into the constraints of this existing space.

- All Residential Uses: .85 per unit
- Medical Offices: .5 - per exam room
- General offices: 1.0 space per 1,000 sq.ft.

6. **Design Requirements**- All exterior renovation shall conform to the Secretary of the Interior's Standards and Guidelines for Rehabilitation. Specific exterior improvements shall also incorporate the following:

- Basement window openings shall be reopened and replaced with windows and decorative grates. Louvers shall be painted a dark color darker than the existing brick and covered with decorative grillwork.
- Brick façade shall be repaired, cleaned and spot pointed where necessary, while maintaining the original/historic color, texture, profile and depth of the existing mortar joints and the current brick work pattern. Any surface cleaning shall be done by the most conservative and gentlest means possible so as not to harm or destroy any original /historic building materials.
- Any window replacement shall not utilize a white or off-white frame.
- Front stoop on the primary façade shall be re-built to be more compatible with the architectural style of the building.
- Roof-top skylights shall be repaired, restored and or reopened where applicable.

- Roof-top amenity open space shall be incorporated on at least 50% fifty percent of the roof.
- The existing one story utility tower shall be reduced if possible or removed altogether.
- Existing garage entry /exit shall remain on New York Avenue.

**B. New Construction District One (1)**

**1. Principal Permitted Uses**

**a. Multi-family Apartment Building**

**2. Uses incidental and accessory to the principal use and building, including:**

- a. Home occupation
- b. Artist Studios.
- c. Off-street parking, only within structures as part of the principal building.
- d. Private recreation facilities and areas, (indoor &/or outdoor) including pools, landscaped yards and decks, active recreation uses, gymnasiums, exercise rooms, etc.
- e. Community rooms.

**3. Maximum Density- 80 DU /AC**

**4. Area, Yard & Bulk – Development within this district shall be considered to be (1) one development parcel and developed as on building.**

**Required Front Yard Setback – NONE to be in line with 329 Palisade Avenue and within 5' of the New York Avenue Property Line**

**\* Minimum Side Yard Setback perpendicular to Ferry Street – 15 feet \***

**Minimum Side Yard Setback perpendicular to New York Avenue Street – 0 feet**

**Maximum Height - To be no higher than the roofline adjacent building at 329 Palisade Avenue**

**Maximum Stories – Four levels of Residences and 1 level of parking**

**5. Minimum Parking Requirements – All parking shall be located within the principal building a minimum of 50 % below grade provided depth to substrate/bedrock permits the parking submersion. Proof of bedrock elevation shall be required in order to waive this requirement.**

- **All Residential Uses: 1 per unit**

**6. Design Requirements- All exterior façade improvements shall incorporate the following into the façade:**

- **A roof-top cornice**

- Brick façade of Standard brick with accents of other natural materials such as stone, cast stone, or metal in aesthetic harmony with surrounding buildings of architectural merit, especially 325 Pallisade Avenue
- Balanced window placement respectful of and aesthetically harmonious with the surrounding buildings of architectural merit, especially 325 Pallisade Avenue.
- Floor to ceiling height of the first floor shall be two feet greater than the floors above.
- Roof top open space shall be setback from the building frontage
- The Primary Façade shall be considered to front onto Ferry Street and shall be in line with the adjacent building to the East.
- The parking garage opening shall front onto New York Avenue and shall be designed as to not overwhelm the adjacent one and one half story building to the North.

**C. New Construction District Two (2)**

**1. Principal Permitted Uses**

**a. Multi-family Apartment Building**

**2. Uses incidental and accessory to the principal use and building, including:**

- a. Home occupation
- b. Artist Studios
- h. Off-street parking, only within structures as part of the principal building.
- i. Private recreation facilities and areas, (indoor &/or outdoor) including pools, landscaped yards and decks; active recreation uses, gymnasiums, exercise rooms, etc.
- j. Community rooms.

**3. Maximum Density- 80 DU/AC**

**4. Area, Yard & Bulk – Development within this district shall be considered to be (1) one development parcel and developed as one building.**

**Required Front Yard Setback –** The principal building shall be set back the same distance as the buildings to the north and south. If these distances vary slightly, the setback shall be consistent with the building set furthest back. Any areas between the property line and the building façade shall be appropriately fenced and landscaped.

**Minimum Rear Yard Setback –** The setback shall not be less than the setback of the principal building immediately adjacent to the North.

**Maximum Height** - Shall be consistent with the height of the adjacent structures located on Block 722.1, Lots 11 & 7. Specifically, the roof line of the infill building shall not exceed the adjacent roof line of the lot number 11. A penthouse of one story, which shall not be visible from the public right of way or interfere with the existing pattern of rooflines, shall be permitted.

**Maximum Stories** - Three levels of Residences (not including the penthouse) and 1 level of parking

5. **Minimum Parking Requirements** - All parking shall be located within the principal building a minimum of 50 % below grade provided depth to underlying substrate/bedrock permits the parking submersion. Proof of bedrock elevation shall be required in order to waive this requirement.

All Residential Uses: 1 per unit

6. **Design Requirements**- All exterior façade improvements shall incorporate the following into the façade:

- A roof-top cornice
- Brick façade of Standard brick with accents of other materials such as stone, cast stone, or metal in aesthetic harmony with surrounding buildings of architectural merit, especially on lots 11&6,
- Front Stoop at a height and projection appropriately aligned with the adjacent stoops along Palisade Avenue
- If buildings are attached, light wells shall be provided and shall be in line with those existing at the adjacent buildings.
- Balanced window placement respectful of and aesthetically harmonious with the surrounding buildings of architectural merit, especially those on lots 11 and 6.
- Floor to ceiling height of the first floor shall be two feet greater than the floors above.
- Roof top open space setback from the building frontage shall not be visible from the Palisade Avenue R-O-W.

## IX. ACQUISITION PLAN

No acquisition of property within the Redevelopment Area by the City of Jersey City or any of its agencies, including the Jersey City Redevelopment Agency is envisioned at this time.

## X. RELOCATION PLAN

As noted above, there is not expected to be any acquisition of land by the municipality or other public agency. Therefore, there will not be any relocation of persons or businesses as a result of this Plan. Nonetheless, should relocation become necessary, the process of relocating the affected persons and businesses will receive the careful attention of local

officials and the Jersey City Redevelopment Agency, and be conducted in accordance with the requirements of all applicable Federal, State and Local laws.

## XI. CIRCULATION PLAN

1. It is the intent of this Circulation Plan to provide a street layout for the Redevelopment Area which is adequate to meet the circulation needs of the Redevelopment Area in terms of vehicular traffic and pedestrian volume, while at the same time recognizing that it is a primary purpose of this Redevelopment Plan to promote the principles of Smart Growth. That is; to provide pedestrian friendly streets and public rights-of-way, to minimize automobile use by maximizing the appeal of mass transit and to encourage reduced parking and shared use parking solutions:
2. All existing streets and rights of way within the Redevelopment Area shall remain open to the public. All streets shall provide on street parking on both sides of the street unless restricted by local ordinance.
3. Sidewalk areas must be provided and shall be properly sized for the safe and convenient movement of pedestrians through and around the Area, taking into consideration the character of the adjoining uses. In general, sidewalks serving commercial areas should be wider than those serving residential uses.

## XII. OTHER PROVISIONS TO MEET STATE AND LOCAL REQUIREMENTS

In accordance with NJSA 40A:12A-1 et seq., Chapter 79; Laws of New Jersey 1992, known as "The Local Redevelopment and Housing Law", the following statements are made:

- A. The Plan herein has delineated a definite relationship to local objectives as to appropriate land uses, density of population, and improved traffic and public transportation, public utilities, recreation and community facilities and other public improvements.
- B. The Plan has laid out various strategies needed to be implemented in order to carry out the objectives of this Plan.
- C. The Plan has provided proposed land uses and building requirements for the Redevelopment Area.
- D. The Acquisition Plan (Section IX) indicates that no property is to be acquired by public agencies as a result of this Plan.
- E. The Plan is in general compliance with the Jersey City Master Plan and the Master Plan of the County of Hudson. It is not contrary to the goals and objectives of the Jersey City Master Plan. The Plan complies with the goals and objectives of the New Jersey Development and Redevelopment Plan in that this Plan and the State's plan both recognize the need to redevelop urban land where adequate infrastructure and transportation alternatives exist.
- F. This Redevelopment Plan shall supersede all provisions of the Jersey City Land Development Ordinance that are specifically addressed herein. Any zoning related question that is not addressed herein shall refer to the Jersey City Land Development Ordinance for clarification. No variance from the requirements herein shall be cognizable by the Zoning Board of Adjustment. The Planning Board alone shall have the authority to grant deviations from the requirements of this plan, as provided herein. Upon final adoption of this Plan by the Municipal Council of Jersey City, the Jersey City Zoning Map shall be amended to rezone the Redevelopment Area covered by this Plan as a Redevelopment Area, and all underlying zoning will be voided.

### **XIII. PROCEDURE FOR AMENDING THE PLAN**

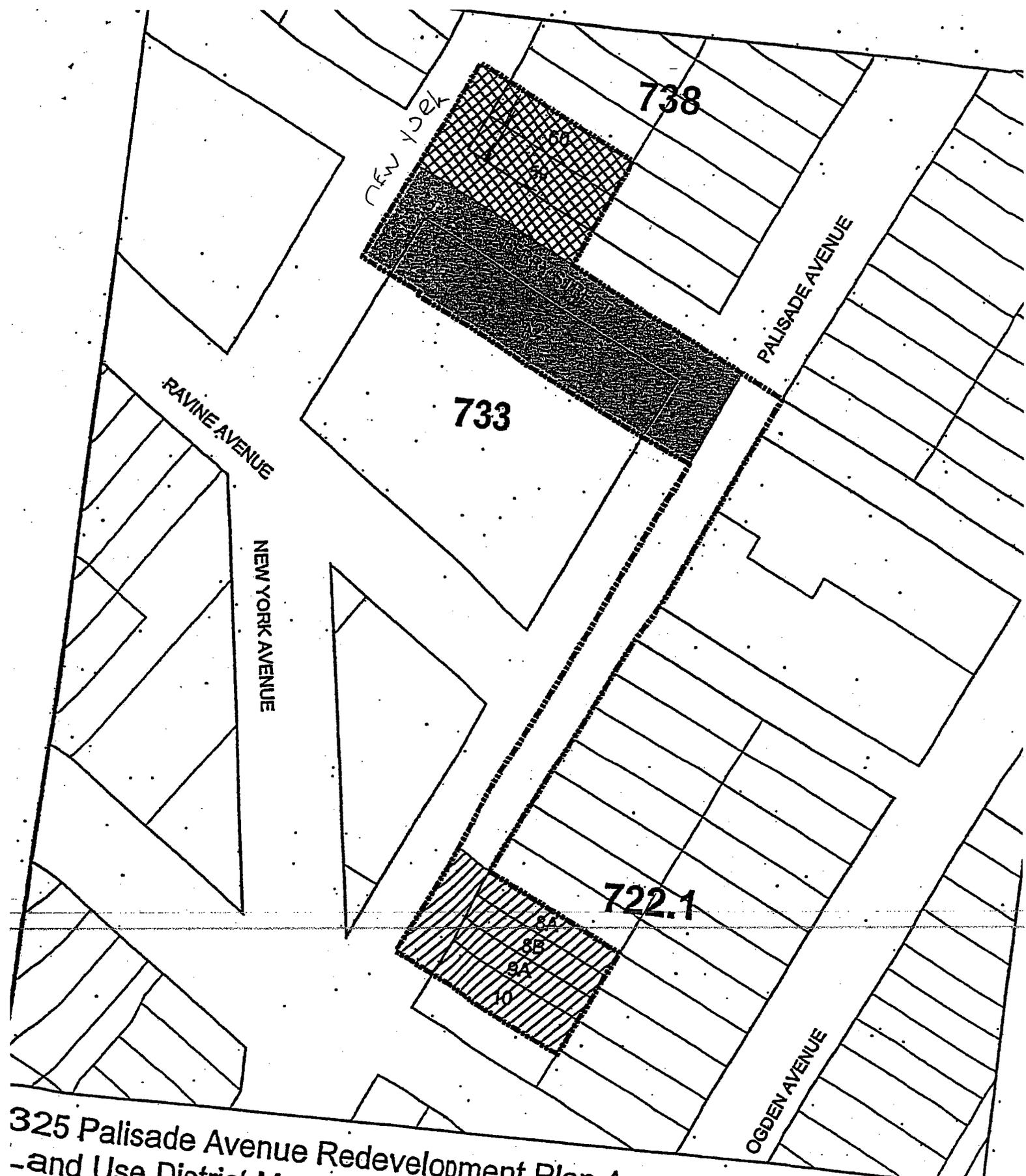
- A. This Plan may be amended from time to time upon compliance with the requirements of law. A fee of one thousand dollars (\$1,000), plus all costs for copying and transcripts shall be payable to the City of Jersey City for any request to amend this Plan. If there is a designated developer, as provided for under NJSA 40A: 12A-1 et. seq., said developer shall pay these costs. If there is no developer the appropriate agency shall be responsible for any and all costs.
- B. No amendment to this Plan shall be approved without the review and recommendation of the Planning Board, and a public hearing and adoption by Municipal Council. A copy of any proposed change to the Plan shall be filed with the Office of the City Clerk.

### **XIV. DEFINITIONS**

Definitions contained herein shall prevail within the Redevelopment Area. For definitions not contained herein, the definitions contained in the City of Jersey City Zoning Ordinance shall prevail.

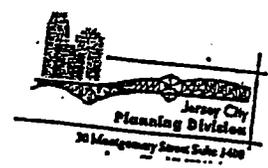
**Multi-family Apartment Building** -- A building containing three (3) or more dwelling units that share common horizontal and/or vertical separations, and which may also contain such accessory uses as permitted by this Redevelopment Plan.

XV  
MAPS



325 Palisade Avenue Redevelopment Plan Area  
 -and Use District Map

- Legend**
-  New Construction District 1
  -  New Construction District 2
  -  Rehabilitation District



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# Ordinance of the City of Jersey City, N.J.

Ord. 06-087

ORDINANCE NO. \_\_\_\_\_

TITLE: 3.A. JUL 06 2006  
4.F. JUL 19 2006

Ordinance of the Municipal Council of the City of Jersey City adopting the 325 Palisade Avenue Redevelopment Plan.



RECORD OF COUNCIL VOTE ON INTRODUCTION											
JUL 06 2006 8-0											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO	✓			GAUGHAN	✓			BRENNAN	✓		
SPINELLO	✓			FULOP	✓			FLOOD	✓		
LIPSKI	ABSENT			RICHARDSON	✓			VEGA, PRES.	✓		

✓ Indicates Vote N.V.-Not Voting (Abstain)

RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING											
JUL 19 2006 9-0											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO	✓			GAUGHAN	✓			BRENNAN	✓		
SPINELLO	✓			FULOP	✓			FLOOD	✓		
LIPSKI	✓			RICHARDSON	✓			VEGA, PRES.	✓		

✓ Indicates Vote N.V.-Not Voting (Abstain)

CATHERINE GRIMM  
SEAN CONNORS  
ANGELO STAQUATANIO

RECORD OF COUNCIL VOTE ON AMENDMENTS, IF ANY											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO				GAUGHAN				BRENNAN			
SPINELLO				FULOP				FLOOD			
LIPSKI				RICHARDSON				VEGA, PRES.			

✓ Indicates Vote N.V.-Not Voting (Abstain)

RECORD OF FINAL COUNCIL VOTE											
JUL 19 2006 8-0-1											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO	✓			GAUGHAN	✓			BRENNAN	✓		
SPINELLO	✓			FULOP	✓			FLOOD	✓		
LIPSKI	✓			RICHARDSON	✓			VEGA, PRES.	ABSTAIN		

✓ Indicates Vote N.V.-Not Voting (Abstain)

Adopted on first reading of the Council of Jersey City, N.J. on JUL 06 2006

Adopted on second and final reading after hearing on JUL 19 2006

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on JUL 19 2006

\_\_\_\_\_  
Robert Byrne, City Clerk

APPROVED:  
*Mariano Vega Jr.*  
Mariano Vega Jr., Council President  
Date: JUL 19 2006

APPROVED:  
*Jerramiah T. Healy*  
Jerramiah T. Healy, Mayor  
Date \_\_\_\_\_

\*Amendment(s): \_\_\_\_\_

Date to Mayor JUL 19 2006

**SUPPLEMENTAL EXHIBITS**

**EXHIBIT 4**

**PROPOSED PROJECT EMPLOYMENT AGREEMENT**

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## PROJECT EMPLOYMENT & CONTRACTING AGREEMENT

This Project Employment & Contracting Agreement is made on the 7<sup>th</sup> day of July, 2009, between the **CITY OF JERSEY CITY** [City] and **HUDSON PALISADES URBAN RENEWAL, LLC**, having its principal office at c/o Anthony T. Colasanti, Esq., 4 York Avenue, West Caldwell, NJ 07006. Recipient agrees as follows:

### **I. Definitions:**

The following words and terms, when used in this agreement, shall have the following meanings unless the context clearly indicates otherwise.

1. "City" means the Business Administrator of the City of Jersey City, or his designee, including any person or entity which enters into a contract with the City to implement, in whole or in part, this agreement.
2. "Construction Contract" means any agreement for the erection, repair, alteration or demolition of any building, structure, bridge, roadway, or other improvement on a Project Site.
3. "Contractor" means any party performing or offering to perform a prime contract on behalf of the Recipient.
4. "DEO" means the Division of Economic Opportunity under the Department of Administration, located at 121-125 Newark Avenue, Jersey City, NJ 07302, Telephone #(201) 547-5611. DEO is in charge of Project Employment & Contracting coordination and monitoring on projects receiving abatements.
5. "Economic Incentive" means a tax abatement or exemption for a property or project which requires approval of the Municipal Council and which reduces the annual amount of taxes otherwise due, by \$25,000 or more in the aggregate;
6. "Employment" means any job or position during the construction and operational phase of the project. ~~It includes positions created as a result of internal promotions, terminations, or expansions within the Recipient's work force which are to be filled by new employees.~~ However, positions filled through promotion from within the Recipient's existing work force are not covered positions under this agreement.
7. "Local Business" means a bona fide business located in Jersey City.
8. Mayor Jerramiah T. Healy's Business Cooperative Program means the group within DEO under the Department of Administration responsible for collecting local and minority business contracts and capability information. This group operates the Supplier Alert service which is to be used by the Recipient to meet their good faith business contracting and construction subcontracting goals.

9. "Minority" means a person who is African, Hispanic, Asian, or American Indian defined as follows:
  - a) "African-American" means a person having origins in any of the black racial groups of Africa.
  - b) "Hispanic" means a person of Mexican, Puerto Rican, Cuban, Central or South American or other Latino culture or origin, regardless of race, excluding, however, persons of European origin.
  - c) "Asian" means a person having origins in any of the original people of the Far East, Southeast Asia, and subcontinent India, Hawaii or the Pacific Islands.
  - d) "American Indian" means a person having origins in any of the original people of North America who maintains cultural identification through tribal affiliation or community recognition.
10. "Minority or Woman Owned Local Business" means a bona fide business located in Jersey City which is fifty-one (51%) percent or more owned and controlled by either a Minority or woman.
11. "Non-Traditional Jobs" means jobs which are held by less than twenty (20%) percent women, as reported by the New Jersey Department of Labor, Division of Labor Market, and Demographic Research for Jersey City, which report shall be on file with the City Clerk.
12. "Permanent Jobs" mean newly created long term salaried positions, whether permanent, temporary, part time or seasonal.
13. "Project or Project Site" means the specific work location or locations specified in the contract.
14. The "Project Employment & Contracting Coordinator" is a member of the DEO staff under the Department of Administration who is in charge of coordinating Project Employment & Contracting projects. Contractors and developers engaged in projects covered by Project Employment & Contracting Agreements will direct inquiries to the Project Employment & Contracting Coordinator.
15. The "Project Employment & Contracting Monitor" or "Monitor" is a member of the DEO staff under the Department of Administration directly under the command of the Project Employment & Contracting Coordinator, who is in charge of monitoring the site, collecting the reports and documentation, and other day-to-day Project Employment & Contracting housekeeping as stipulated by this agreement.
16. The "Project Employment & Contracting Officer" or "Officer" is an employee of the Recipient who is designated by the Recipient to make sure the Recipient is in compliance with the Recipient's Project Employment & Contracting agreement.

17. "Recipient" means any individual, partnership, association, organization, corporation or other entity, whether public or private, or for profit or non-profit, or agent thereof, which receives an Economic Incentive and shall include any Contractor, Subcontractor or agent of the Recipient.
18. "The Registry" or "Jersey City Employment Registry" means a list maintained by the City or its designee of Jersey City residents seeking employment and Local Businesses, including Minority or Woman Owned Local Businesses, seeking contracts.
19. "Subcontract" means a binding legal relationship involving performance of a contract that is part of a prime contract.
20. "Subcontractor" means a third party that is engaged by the prime Contractor to perform under a subcontract all or part of the work included in an original contract.
21. "Substantial Completion" means the determination by the City that the Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the date on which the Project receives, or is eligible to receive any Certificate of Occupancy for any portion of the Project.

## **II. Purpose:**

The City wishes to assure continuing employment opportunities for City residents, particularly residents who are Minorities, and business opportunities for Local Businesses, especially Minority and Women Owned Local Businesses, with employers located in or relocating to the City who are the Recipients of Economic Incentives. The City has determined to accomplish that goal by requiring the Recipient of an Economic Incentive to act in Good Faith, as defined herein, and discharge its obligations under this Agreement. To the extent mandated by State and Federal law and so long as the Entity discharges its Good Faith obligations under this agreement, the City acknowledges that the Recipient and its contractors are free to hire whomever they choose.

## **III. Good Faith Goals:**

~~In the event the Recipient is able to demonstrate that its work force already meets the goals set forth below or is able to meet such goals during the term of this agreement, the Recipient will not be required to comply with the interviewing or reporting obligations set forth in Section VI 1., A-L (Construction Jobs) and Section VI, 2., A-J (Permanent Jobs). All goals for Construction Jobs shall be calculated as a percentage of the total number of work hours in each trade from the beginning of the project to its completion.~~

1. **Employment:** The Recipient shall make a Good Faith effort to achieve the goal of a work force representing fifty-one (51%) percent City residents, fifty-one (51%) percent of whom are residents who are Minorities and, in Non-Traditional Jobs, six point nine (6.9%) percent of whom are residents who are women, it being understood that one employee may satisfy more than one category.

2. **Business Contracting:** The Recipient shall make a Good Faith effort to achieve the goal of awarding twenty (20%) percent of the dollar amount of its contracts to Local Businesses, fifty-one (51%) percent of which shall be Minority or Women Owned Local Businesses. If fifty-one (51%) percent of Minority or Women Owned Local Businesses cannot be obtained, that percentage of contracts must still be applied to local vendors.

**IV. Recipient Designee:**

The Recipient shall designate a principal officer of its firm to be responsible for administering the agreement detailed herein and to report to and confer with the City in order to discharge its Good Faith obligations as defined in this agreement. This officer should be designated as the Project Employment & Contracting Officer.

The Recipient should send a letter of introduction regarding the "Project Employment & Contracting Compliance Officer" to the Project Employment & Contracting Coordinator prior to any preconstruction meetings. An example of this letter can be found in Appendix A. This principle officer should also be present for all preconstruction meetings.

The Recipient should send a letter regarding the "Project Employment & Contracting Compliance Officer" to the employees of the Recipient's company. An example of this letter can be found in Appendix AZ.

**V. Term:**

This agreement shall be in effect for a period co-terminus with the effective period of the tax exemption [the Economic Incentive]. Thus, it will commence on the date the City Council adopted Ordinance 09-074 approving the tax exemption and terminate the earlier of 25 years from the date of the adoption of that Ordinance or 20 years from the date of Substantial Completion of the Project.

**VI. Good Faith Defined:**

1. **Construction Jobs:** Good Faith shall mean compliance with all of the following conditions:

A. Initial Manning Report:

- i) Prior to the commencement of their work on the Project, each Contractor /Subcontractor shall prepare an Initial Manning Report.
- ii) The Initial Manning Report should contain an estimate of the total hours in each construction trade or craft and the number of hours to be worked by City residents, including a list of the number of minority residents and women residents that will work in each trade or craft, including the work hours to be performed by such employees of any and all Contractors and Subcontractors. Attached hereto as Appendix B is the Recipient's Initial Manning Report.

- iii) The Initial Manning Report shall be filed with the Project Employment and Contracting Monitor, who must accept said Report prior to the Recipient entering into any construction contract. An example of this acceptance letter is given in Appendix C.

B. Developer's Contracting Obligations

- i) Once the developer submits the project's initial manning report, he/she must forward a letter with requests for quotation or bid to Mayor Jerramiah T. Healy's Business Cooperative Program for local and minority vendors for any construction or building operating goods, services and sub-contracting opportunities. An example of this letter is given in Appendix D.
- ii) The developer shall make a good faith effort to contact those businesses and individuals who submit bids. This effort must be documented by letter, which will be sent to Mayor Jerramiah T. Healy's Business Cooperative Program at DEO under the Department of Administration. An example of this letter can be found in Appendix D2.

C. Contractor's/Subcontractor's Compliance Statement

Prior to commencement of their work on the Project, each Contractor or Subcontractor must agree in writing to comply with this agreement and the employment goals elaborated herein. An example of this Compliance Statement can be found in Appendix E.

D. Union Statement of Using Its Best Efforts

- i) Prior to commencement of their work on the Project, the contractor/subcontractor must submit a statement expressing its adherence to the Project Employment & Contracting Agreement to each union with which he/she has a collective bargaining agreement covering workers to be employed on the project.
- ii) The Compliance Statement shall include a union statement for the particular union to sign, which claims the union will use its best efforts to comply with the employment goals articulated in the Project Employment & Contracting agreement. This compliance statement is detailed in Appendix F. A copy of the signed compliance statement must be sent to the Project Employment & Contracting Monitor in DEO under the Department of Administration before work starts in order for a developer to be in compliance.
- iii) The Recipient will require the Contractor or Subcontractor to promptly notify the City of any refusal or failure of a union to sign the statement. If a particular union refuses to sign a statement, the Recipient will document its efforts to obtain such statement and the reasons given by the union for not signing such statement, and submit such documentation to the Project Employment & Contracting Monitor in DEO under the Department of Administration.

E. Sub-Contractors

The developer shall require that each prime contractor be responsible for the compliance of his/her subcontractors with the aforementioned Project Employment & Contracting requirements during the performance of the contract. Whenever the contractor sub-contracts a portion of the work on the project, the contractor shall bind the subcontractor to the obligations contained in these supplemental conditions to the full extent as if he/she were the contractor.

F. Union Apprentices

The contractor is responsible for assuring that resident and minority apprentices account for at least fifty (50%) percent of the total hours worked by union apprentices on the job in each trade listed in which apprentices are employed, according to the apprentice-to-journey-worker ratio contained in the collective bargaining agreement between the various unions, and shall hold each of his/her subcontractors to this requirement. The Recipient will require the contractor or subcontractor to promptly notify the City of any refusal of a union to utilize resident and minority apprentices.

G. Monthly Manning Report

- i) The Recipient will cause the Contractor to complete and submit Monthly Project Manning Reports to the Project Employment & Contracting Monitor in DEO under the Department of Administration by the seventh day of the month following the month during which the work is performed, for the duration of the contract.
- ii) The report will accurately reflect the total hours in each construction trade or craft and the number of hours worked by City residents, including a list of the number of minority resident and women resident workers in each trade or craft, and will list separately the work hours performed by such employees of the Contractor and each of its Subcontractors during the previous month. The Monthly Manning Report shall be in the form attached hereto as Appendix G.
- iii) The Recipient is responsible for maintaining or causing the Contractor to maintain records supporting the reported work hours of its Contractors or Subcontractors.

H. Monthly Certified Payroll Report

- i) The Recipient will cause the Contractor to furnish the Project Employment & Contracting Monitor with copies of its weekly Certified Payroll reports. The reports will specify the residence, gender and ethnic/racial origin of each worker, work hours and rate of pay and benefits provided. The Certified Payroll report shall be in the form attached hereto as Appendix H.
- ii) Payroll reports must be submitted on a monthly basis with the Monthly Manning Report or the Recipient is no longer in compliance.

I. Equal Employment Opportunity Reports

Prior to commencement of work on the Project, the Recipient will request copies of the most recent Local Union Report (EEO-3) and Apprenticeship Information Report (EEO-2) which are required to be filed with the US Commission of Equal Employment Opportunity Commission by the collective bargaining unit. These reports will be forwarded to the Project Employment & Contracting Monitor within one month of the signing of the Project Employment & Contracting Agreement.

J. Other Reports

In addition to the above reports, the Recipient shall furnish such reports or other documents to the City as the City may request from time to time in order to carry out the purposes of this agreement.

K. Records Access

The Recipient will insure that the City will have reasonable access to all records and files reasonably necessary to confirm the accuracy of the information provided in the reports.

L. Work Site Access For Monitor

- i) The City will physically monitor the work sites subject to this agreement to verify the accuracy of the monthly reports. Each work site will be physically monitored approximately once every two weeks, and more frequently if it is deemed reasonably necessary by the City. The City's findings shall be recorded in a "Site Visit Report." An example of a bi-weekly site visit report can be found in Appendix I.
- ii) The Recipient shall require the Contractor and Sub-contractor to cooperate with the City's site monitoring activities and inform the City as to the dates they are working at the Project site. This includes specifically instructing the on-site construction manager about the monitoring process, and informing him/her that the monitor will contact him/her to set up an initial meeting. In the case of projects with multiple locations, the Recipient shall inform the City of the dates they are working at each site location(s) where they are working, in order to facilitate the monitoring.

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2. **Permanent Jobs:** Good Faith shall mean compliance with all of the following conditions:

A. Pre-hiring Job Awareness: At least eight (8) months prior to the hiring of a Recipient's permanent workforce, the Project Employment & Contracting officer for the Recipient will sit down with the head of the Registry to discuss how the Recipient plans to hire its permanent workforce. The following issues should be covered in this meeting:

- i) whether subcontractors will be used in the hiring process.
- ii) the specific types of jobs that need to be filled.
- iii) the qualifications needed for these particular jobs.
- iv) possible training programs offered by the permanent employer.

- v) the Recipient's goals and how it plans to meet these goals.
- vi) any other issues which need to be addressed by the Registry.

1. Subcontractor Notification -- If the Recipient decides to subcontract any portion or all of its permanent workforce, then the Recipient must receive a signed acknowledgment from the subcontracting party that it will abide by the Project Employment & Contracting Agreement before said subcontractor begins staffing permanent employees. The Recipient must forward a copy of the signed acknowledgment to the Project Employment & Contracting Monitor. An example of this signed acknowledgment can be found in Appendix E.

2. Subcontractor Pre-Hiring Job Awareness Meeting -- Each subcontractor hired to staff permanent job positions must appoint a Project Employment & Contracting Officer to meet with the head of the Registry to discuss the same issues presented above in VI 2.A(I-vi).

3. Subcontractors of Subcontractors--Subcontractors of subcontractors are subject to the same requirements for the initial subcontractors above in Section VI 2.A.

B. Documentation of Hiring Plan--Once the Pre-Hiring Job Awareness Meeting has taken place, the Recipient must put together a document with goals and totals for future permanent employment needs. This plan should summarize all that was discussed in the Pre-Hiring Awareness Meeting, list estimates for manpower needs, set residential and minority employment goals commensurate with the Project Employment & Contracting Agreement, and show how the Recipient plans to meet these goals. An example of this plan is found in Appendix J.

C. Pre-Hiring Notification: At least ten (10) working days prior to advertising for any employees, the Recipient or the Recipient's subcontractor shall provide the Registry with a written notice, which shall state the job title, job description and minimum qualifications, rate of pay, hours of work and the hiring date for each position to be filled, in qualitative and objective terms which will enable the Registry to refer qualified applicants to the Recipient.

D. Advertisement: At the request of the City, or because the City does not have qualified applicants to refer to the Recipient, the Recipient will place an advertisement for the jobs in a newspaper which is regularly published in Jersey City. The Recipient must furnish the Project Employment & Contracting Coordinator in DEO under the Department of Administration with a copy of this advertisement.

E. Pre-Hiring Interview: The Recipient shall interview any qualified applicants referred to it from the Registry, to be maintained by the City or its designee. In the event advertisement is required, the Recipient agrees to interview any qualified persons responding to the advertisement.

F. Semi-Annual Employment Reports: The Recipient will submit written semi-annual employment reports to the Project Employment & Contracting Monitor in the form to be provided by the City. The report will describe the job, whether the job is held by a City resident, minority resident or woman resident. The report will explain in writing the reasons why any qualified applicant referred by the Registry (or in the event advertisement is required, any qualified person responding to the advertisement) was not hired. An example of this report is found in Appendix K.

G. Record Access: The Recipient shall provide the City with reasonable access to all files and records including payroll and personnel information reasonably necessary to confirm the accuracy of the information set forth in the semi-annual reports.

H. Work Place Access: The Recipient shall provide the City with reasonable access to the site to physically monitor the work site to verify the accuracy of the information set forth in the semi-annual reports.

I. Other Reports, Documents: In addition to the above reports, the Recipient shall furnish such reports or other documents that the City may request from time to time in order to implement the purposes of this agreement.

J. Incorporation of Agreement: The Recipient shall incorporate the provisions of this Agreement in all contracts, agreements and purchase orders for labor with any service, maintenance, security or management agent or Contractor engaged by the Recipient whose personnel will be assigned to the Recipient project.

### 3. Business Contracting

Good Faith shall mean compliance with all of the following conditions:

1) Solicitation of Businesses:

a) One month before accepting bids for goods and services, the Recipient must forward a letter with requests for quotation or bid to Mayor Jerramiah T. Healy's Business Cooperative Program for local and local minority vendors for any construction or building operating goods, services and subcontracting opportunities. An example of this letter can be found in Appendix D.

b) After submission of bids, the Recipient will document whether the bid was accepted or rejected, and state the reason why. An example of this documentation can be found in Appendix D2.

i) Semi-Annual Purchasing Reports: The Recipient will submit written semi-annual purchasing reports which will include a list of all contracts awarded over a six month period and the dollar amounts of these contracts. The reports will specify the number and dollar amount of contracts awarded to Local Businesses and Minority or Women Owned Local Businesses. An example of these reports can be found in Appendix L.

ii) No Utilization of Local and Local Minority Vendors As Conduits For Vendors That Are Not Local Or Minority Owned:

The Recipient pledges not to use local and local minority vendors solely as conduits for vendors that are not local and minority owned. Any discovery by DEO under the Department of Administration of a Recipient, either knowingly or unknowingly, using the masthead of a local or minority owned

business as a way to get credit for local or minority employment when it should not, will immediately subject the Recipient to the penalties listed in Section VIII (d) below.

**4. Summation of Documentation Needed For Compliance with Agreement**

1. Letter Designating Project Employment & Contracting Officer (Appendix A)
2. Letter designating Project employment & Contracting Officer to Recipient's Employees (App.) AZ
3. Example of Initial Manning Report (Appendix B)
4. Letter Of Acceptance of Initial Manning Report (Appendix C)
5. Letter From Developer Forwarding Requests for Quotation or Bid for Minority and Residential Vendors from Mayor Jerramiah T. Healy's Business Cooperative Program (Appendix D)
6. Documentation of Bid Submission (Appendix D2)
7. Letter Expressing Project Employment & Contracting Obligations to Contractors/ Subcontractors (Appendix E)
8. Union Statement of Best Efforts (Appendix F)
9. Example of Monthly Manning Report (Appendix G)
10. Example of Monthly Certified Payroll Report (Appendix H)
11. Example of Bi-Weekly Site Visit Report (Appendix I)
12. Example of Documentation of Hiring Plan (Appendix J)
13. Example of Semi-Annual Employment Report (Appendix K)
14. Example of Semi-Annual Purchasing Report (Appendix L)

**VII. Notices of Violation:**

1. Advisory Notice: The City will issue a written Advisory Notice to the Recipient if there is non-compliance with a Good Faith requirement as defined in this agreement. The Advisory Notice shall explain in sufficient detail the basis of the alleged violation. The Recipient shall have four (4) working days to correct the violation. An example of an Advisory Notice can be found in Appendix M.
2. Violation Notice: If the alleged violation set forth in the Advisory Notice has not been corrected to the satisfaction of the City within four (4) working days, the City shall then issue a Violation Notice to the Recipient. The Violation Notice shall explain in sufficient detail the basis of the alleged, continuing violation. The Recipient will have three (3) working days to correct the violation. An example of a Violation Notice can be found in Appendix N.
3. Correcting the Violation: Either or both the Advisory Notice or the Violation Notice may be considered corrected if the Recipient satisfies the requirements of this agreement and so advises the City in writing, subject to confirmation by the City.
4. Extension of Time to Correction: Either the Advisory Notice or the Violation Notice may be held in abeyance and the time for correction extended if the Recipient enters into satisfactory written agreement with the City for corrective action which is designed to achieve compliance. If Recipient fails to abide by the terms of such agreement the violation

will be considered not corrected.

5. **Meetings Concerning Violations:** The City may provide an opportunity for a meeting with the Recipient, his Contractors or Subcontractors in an effort to achieve compliance; or may respond to Recipient's request for a meeting after the Recipient has made timely submission of a written explanation pursuant to the above. The meeting shall be requested no later than two days after the alleged violator has submitted the written explanation.
6. **Interviews Relating to Violations:** The City may conduct interviews and may request additional information from appropriate parties as is considered necessary to determine whether the alleged violation has occurred.
7. **Determination of Violation:** The City shall issue a determination of whether the Recipient is in violation of this agreement as soon as possible but not later than thirty days after the delivery of the Violation Notice to the Recipient. If the City determines that the Recipient is in violation, the City shall be entitled to the liquidated damages provided below.

#### **VIII. Liquidated Damages/Interest:**

While reserving any other remedies the City may have at law or equity for a material breach of the above terms and conditions, the parties agree that damages for violations of this agreement by the Recipient cannot be calculated within any reasonable degree of mathematical certainty. Therefore, the parties agree that upon the occurrence of a material breach of any of the above terms and conditions and after notice and expiration of any period to correct the violation, the City will be entitled to liquidated damages from the Recipient in the following amounts:

- a) failure to file Initial Manning Reports (Construction Jobs) or Pre-Hiring Notification (Permanent Jobs) or Pre-Contracting Notification (Business Contracting): an amount equal to a Five (5%) percent increase in the estimated annual payment in lieu of taxes;
- b) failure to conduct Pre-hiring Interviews or submit Compliance Statement (Construction Jobs) or Solicit Bids (Business Contracting): an amount equal to Three (3%) percent increase in the estimated annual payment in lieu of taxes;
- c) failure to allow record or work place access or submit any other required reports (all categories): an amount equal to Two (2%) percent increase in the estimated annual payment in lieu of taxes.
- d) the use of the local or local minority business' masthead for labor or work supplied by a non local or local minority vendor: An amount equal to Five (5%) percent increase in the estimated annual payment in lieu of taxes. Interest shall be charged on any damages at the legal rate of interest as calculated by the Tax Collector.
- e) the late payment of any liquidated sum shall accrue interest at the rate of 8%.

**IX. Commercial Tenants at the Project Site:**

1. The Recipient shall send all tenants of commercial space within the Project Site a letter and a Tenant Employment Services Guide in the form attached as Appendix O.
2. The Recipient shall solicit information from tenants of commercial space about the composition of the work force of each tenant. The information solicited will be submitted to the Project Employment & Contracting Monitor, which shall provide the Recipient with a questionnaire in the form attached as Appendix P.
3. The Recipient will send the results of its solicitation to the Project Employment & Contracting Monitor no later than October 31 of each year.
4. The Recipient shall send all tenants of commercial space within the Project Site a Supplier Alert Service Registration Package in the form attached as Appendix Q.

**X. Notices**

Any notice required hereunder to be sent by either party to the other, shall be sent by certified mail, return receipt requested, addressed as follows:

1. When sent by the City to the Recipient it shall be addressed to:

Hudson Palisades Urban Renewal, LLC  
c/o Anthony T. Colasanti, Esq.  
4 York Avenue – Second Floor  
West Caldwell, New Jersey 07006

2. When sent by the Recipient to the City, it shall be addressed to:

Project Employment & Contracting Monitor  
Department of Administration  
Division of Economic Opportunity  
121-125 Newark Avenue  
3rd Floor  
Jersey City, New Jersey 07302

with separate copies to the Mayor and the Business Administrator; unless prior to giving of such notice, the City or the Recipient shall have notified the other in writing.

**XI. Adoption, Approval, Modification:**

This agreement shall take effect on the date that the Economic Incentive is approved by the Municipal Council.

**XII. Controlling Regulations and Laws:**

To the extent required by State and Federal Law and so long as the Entity discharges its Good Faith obligations under this agreement, the City agrees and acknowledges that the Recipient and its contractors are free to hire whomever they choose. If this agreement conflicts with any collective bargaining agreement, the City agrees to defer to such agreements so long as the Recipient provides the City with a copy of the offending provision in the collective bargaining agreement.

**ATTEST:**

**CITY OF JERSEY CITY**

\_\_\_\_\_  
**Robert Byrne**  
**City Clerk**

\_\_\_\_\_  
**Brian O'Reilly**  
**Business Administrator**

**WITNESS:**

**HUDSON PALISADES URBAN RENEWAL, LLC**

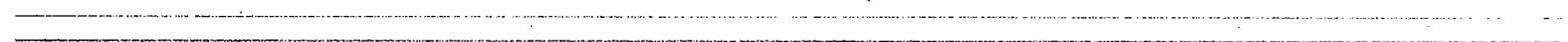
\_\_\_\_\_  
**Secretary**

\_\_\_\_\_  
**President**

**SUPPLEMENTAL EXHIBITS**

**EXHIBIT 5**

**FINANCIAL PLAN**



**CONSTRUCTION LOAN#**  
**171900177**

## **CONSTRUCTION LOAN AGREEMENT**

**THIS CONSTRUCTION AGREEMENT** (hereinafter referred to as the "Agreement") dated **September 12, 2007**, by and between

**HUDSON PALISADES LLC**, a New Jersey **LIMITED LIABILITY COMPANY**, duly organized and validly existing and in a good standing under the laws of the State of New Jersey, having an office for business located at **195 Fairfield Avenue, Suite 2A, West Caldwell, NJ 07006** (hereinafter referred to as the "Borrower");

**AND**

**BCB COMMUNITY BANK**, a New Jersey chartered Lender duly organized and validly existing, having an office for business located at **104-110 Avenue C, Bayonne, New Jersey, 07002** (hereinafter referred to as the "Lender").

### **WITNESSETH:**

This Agreement specifies the terms of a construction loan from the Lender to the Borrower in a revolving amount not to exceed the sum of **THREE MILLION SEVEN HUNDRED AND SEVENTY-FIVE THOUSAND and 00/100 DOLLARS (\$3,775,000.00)** at any one time, which sum is to be used for the sole purpose of land acquisition, land financing, and site improvements, as applicable, and equipping the "Project", as defined herein, to be erected by the Borrower on **325 Palisades Avenue, Lot A.02, Block 733, and utilizing 122-124 New York Avenue, Lots 59 & 60, Block 738 located in the City of Jersey City, County of Hudson and State of New Jersey**, more fully described in Schedule "A" attached hereto and made a part hereof (hereinafter referred to as the "Premises"), in accordance with certain Drawings and Specifications referred to hereinafter. It further specifies the terms by which the "Loan", as defined herein, is to be secured by a first mortgage on the land and the Project owned by the Borrower.

**NOW, THEREFORE**, in consideration of these promises and of the mutual agreements hereinafter set forth, the parties hereto agree as follows:

#### **1) DEFINITIONS**

a) "Advance" or "Advances" shall include all payments of money to the Borrower at any time and in any amount and regardless of whether in accordance with the terms of this Agreement.

- b) "Lender" shall mean **BCB COMMUNITY BANK**, its successors and assigns.
- c) "Borrower", in addition to the named Borrower, shall also include any and all persons, firms, associations, or corporations which may become the successors and/or assigns of the interest of the Borrower.
- d) "Construction Loan Mortgage" or "Mortgage" shall mean the mortgage, or deed of trust, as applicable, given by the Borrower to the Lender to secure the Loan, and may be singular or plural as the text requires.
- e) "Construction Loan Note" shall mean the Note made by the Borrower and delivered to the Lender as evidence for the Loan.
- f) "Drawings and Specifications" shall include all plans, maps, sketches, diagrams, surveys, drawings, specifications or lists of materials, or any changes or modifications thereof prepared by a licensed architect (the "Architect"), for each dwelling prior to a construction draw for lot in question, and which have been identified and initialed by the Borrower, the Lender and the Architect, and which are used or to be used in the construction of the individual dwelling.
- g) "Financing Statements" shall mean the Uniform Commercial Code financing statements required to be filed with (i) the State of New Jersey, and (ii) the Office of the Clerk/Register of Hudson County in order to perfect the security interest granted to the Lender by the Construction Loan Mortgage.
- h) "Hard Costs" shall mean the costs related to the construction of the Project such as demolition, framing, foundation, roofing, plumbing and electrical and other systems of the Project.
- i) "Loan" shall mean the construction loan described herein which shall be in the aggregate principal amount not to exceed **THREE MILLION SEVEN HUNDRED AND SEVENTY-FIVE THOUSAND and 00/100 DOLLARS (\$3,775,000.00)**, or such lesser amount as may be advanced to the Borrower by the Lender in accordance with the terms hereof, made by the Lender for the purpose of providing sufficient monies to enable the Borrower to complete the Project.
- j) "Loan Documents" shall mean this Agreement, the Construction Loan Note, the Construction Loan Mortgage, the Financing Statements, dated this date, and the commitment of the Lender, dated **July 12, 2007**, and any other instrument or document executed in connection with the Loan, together with all amendments or supplements to any or all of them.

k) "Project" shall mean the hard costs of construction pertaining to the project at 325 Palisades Avenue and 122-124 New York Avenue, Jersey City, New Jersey.

l) "Soft Costs" shall mean costs for professional services (such as architects, engineers, surveyors, lawyers and appraisers), permit, application and bond fees, interest and bank fees.

## 2) LOANS AND ADVANCES

a) The Lender agrees to lend, on a revolving basis, to the Borrower (subject to this Agreement) funds to aid in the construction of the Project in an amount not to exceed the sum of the Loan

### SCHEDULE OF DISBURSEMENTS

Land Acquisition Costs	\$1,575,000.00
Construction Hard Costs (Palisades Avenue only)	\$2,200,000.00
Total	\$3,775,000.00

b) To secure payment of the Loan, the Borrower shall approximately simultaneously herewith execute the Construction Loan Mortgage and deliver same to the Lender with respect to the Premises, in such form and with such terms and conditions as are required by the Lender. The Construction Loan Mortgage shall be considered a part of this Agreement as though fully set forth herein, and the terms of this Agreement shall be considered part of the Construction Loan Mortgage as though fully set forth therein. In addition to the aforementioned Construction Loan Mortgage, the Borrower hereby gives and grants to the Lender an exclusive security interest in and to all items of personal property owned by the Borrower including, but not limited to, furnaces, boilers, oil burners, radiators and piping, plumbing and bathroom fixtures, refrigeration, air conditioning, sprinkler systems, washtubs, sinks, gas and electric fixtures, stoves, ranges, awnings, screens, window shades, elevators, motors, dynamos, refrigerators, kitchen cabinets, incinerators, plants and shrubbery and all other equipment and machinery, tools, appliances, fittings, fixtures and building materials of any kind and whether or not affixed to the realty located at the aforescribed premises and the Borrower agrees to execute any and all documents, including Financing Statements which may be required by the Lender to perfect or protect the security interest granted hereby.

c) Applications for Advances under this Agreement are to be made by the Borrower to the Lender on or about the first day of each month after the

commencement of construction of the Project for work done during the preceding month or part thereof, except that the Lender at its option, upon request therefore by the Borrower, may make Advances at more frequent intervals. The Lender shall be furnished, in writing, with a request for each advance on an AIA Form G-702/703, advising the Lender of the percentage of completion of the improvements, with a schedule provided. This request shall be certified by an architect or engineer as to the work completed and is subject to inspection and approval by the Lender or its designated outside inspector.

d) Advances, for each lot, during construction shall be limited to the percentage of completion of "Hard Costs" of construction acceptably completed as determined by the Lender's inspector, but at no time shall the undisbursed portion of the Loan herein be, in the judgment of the Lender, less than an amount sufficient to complete the construction of the home on the lot. The borrower shall furnish, as requested, a projection of work progress in such form and at such times as may be requested by the Lender. Parts or the whole of any Advance provided for herein may in the discretion of the Lender be advanced before due, but all such Advances, if made, shall be deemed to have been made pursuant to this Agreement and not in modification thereof.

e) Borrower shall pay an inspection fee in the amount of approximately \$350.00 per inspection to the Lender for each inspection made by Lender's Inspector in connection with each Advance, said fee to be paid prior to and as a condition of such Advance.

f) The Borrower agrees as a condition precedent to any Advance if the Lender so requires, to furnish the Lender with:

i) A mortgage title insurance policy in form and substance, and issued by companies and in amounts, satisfactory to the Lender. Said Policy shall be extended by endorsement to cover each and every Advance of the Loan at the time of payment thereof insuring that the Lender's Construction Loan Mortgage is, without exception, a valid first lien. Within thirty (30) days after the initial Advance, the Borrower shall furnish the Lender or its nominee with the mortgage title insurance policy as aforesaid;

ii) The Borrower's certificate of in-place value of the completed construction portion of the Project certified by the Architect and/or general contractor drawn in accordance with cost estimates furnished, indicating the amount of work completed by trade and by the percentage thereof, and also indication (i) that the project is being completed in accordance with the Drawings and Specifications approved by the Lender, (ii) that the aggregate of all disbursements for "hard costs" of construction does not exceed one hundred (100%) percent of the amounts which the Lender has agreed to fund, as more fully set forth in the Project development budget previously delivered by the Borrower to the Lender, and (iii) that the amount of moneys

remaining to be disbursed in accordance with this Agreement is sufficient to complete the construction of the Project in accordance with the Drawings and Specifications. The Lender will disburse only that amount as is acceptable to the Lender;

iii) Such affidavits and surveys, including initial plot plan, survey showing foundation-in-place and final survey, and such stipulations, subordinations, releases and discharges of mechanic's and materialmen's notices, claims, liens, lien rights and stop notices as the Lender or the title insurance company may require;

iv) Affidavits from the Borrower and the general contractor that all money previously disbursed on the Loan has been paid to subcontractors and that there are presently no amounts owing to subcontractors, materialmen or laborers other than the holdbacks or retainages provided for under existing contractual arrangements between or among the various parties; and

v) Submission to the Lender of copies of all the reports of the Architect, engineer, manager or any others.

g) No Advance shall be due or payable while there is any lien or encumbrance upon the Project other than the Permitted Encumbrance and the lien of the Construction Loan Mortgage and security interest to the Lender above-mentioned, or while there is any or not, which, in the opinion of the counsel for the Lender, may constitute cloud on the title to the Premises, render the title of the Premises unmarketable, or otherwise invalidate or have priority over the Construction Loan Mortgage and security interest, or any portion thereof, or in any way render the Lender's position insecure.

h) Nothing contained herein or in any other document or agreement contemplated hereby or executed approximately simultaneously herewith shall impose upon the Lender any obligations to see to the proper application of ~~Advances by the Borrower, general contractor or subcontractors,~~ and nothing shall prevent the Lender, at its option, from deducting from any Advance any sums due to the Lender from the Borrower for unpaid interest or for sums paid and expended by the Lender for taxes or assessments, for insurance, and like payments, pursuant to the Lender's rights under the terms of this Agreement, the Construction Loan Note or Construction Loan Mortgage given by the Borrower to the Lender.

i) All officer, managing member or partner loans shall be subordinated to the Loan. The form of subordination shall be satisfactory to the Lender's counsel.

j) The Loan and all interest and fees due thereon will become immediately due and payable, at the option of the Lender, if any related credit facility provided to the Borrower by the Lender is refinanced by another lending institution, terminated or not renewed for any reason whatsoever by either the Borrower or the Lender.

k) During the term of the Loan, there shall be no additional financing of the Loan committed hereunder, nor any transfer of title without the prior written approval of the Lender, nor shall there be any transfer of any of the stock, nor the issuance of additional shares, nor the alteration of the corporate/limited liability structure without the express written consent of the Lender.

l) There shall be no advances for hard construction costs until the following items have been submitted to Lender for review:

1. Complete set of Architectural, Structural and Mechanical Plans.
2. Copy of Jersey City Planning/Zoning Board Approval.
3. Copies of the building and mechanical permits.
4. Copy of the Jersey City Municipal Utilities Authority approval.

### 3) REPRESENTATIONS, WARRANTIES AND COVENANTS

To induce the Lender to enter into this Agreement and to make the Loan hereunder, the Borrower represents, warrants and covenants to the Lender that:

a) The Borrower agrees to erect and complete on 325 Palisades Avenue, Twenty-one (21) residential condominium units, consistent with the drawings and specifications submitted to Lender, and in compliance with the 325 Palisade Avenue Redevelopment Plan, established with the City of New Jersey, within eighteen (18) months of the acquisition of title by Borrower. (the "Project"). A master set of Drawings and Specifications shall be deposited and held by the Lender and when so filed shall govern on all matters that may arise with respect thereto. All requests for changes in the Drawings and Specifications must be in writing, signed by the Borrower, and shall be conditioned upon acceptance by the Lender, which acceptance may be subject to such conditions and qualifications as the Lender, in its discretion may prescribe, it being understood that the Lender at all times has the right to require compliance with the original Drawings and Specifications.

b) The Borrower is a **LIMITED LIABILITY COMPANY**, duly organized, validly existing and in good standing under the laws of the State of New Jersey, and has the power to execute, deliver and carry out the terms of this Agreement, the Construction Loan Note, the Construction Loan Mortgage and the Financing Statements, and its members have duly authorized and approved the terms of the Loan and the taking of any and all action contemplated hereunder by the

Borrower. At all times throughout the term of the Loan, the Borrower (i) shall maintain its existence and all rights, privileges, franchises, licenses and other authority necessary to conduct its business, (ii) shall not liquidate or dissolve without the prior express written consent of the Lender, which consent shall not be unreasonably withheld, and (iii) shall not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge with it.

c) The execution of this Agreement, the Construction Loan Note, the Construction Loan Mortgage, the Financing Statements, and every other instrument or document required to be executed in accordance herewith or which the Lender may deem advisable in connection herewith, does not violate any provision of the Operating Agreement or Certificate of Formation of the Borrower, or of any agreement or undertaking to which the Borrower is a party or in which the Borrower is bound in any fashion.

d) The Borrower has taken all action required by law to validate and make this Agreement, the Construction Loan Note, the Construction Loan Mortgage, the Financing Statements, and every other document required in connection herewith, enforceable, and will deliver approximately simultaneously herewith certification of such action.

e) The Borrower has, and all times will have, good and marketable title in fee simple to the Premises, and the Construction Loan Mortgage, when executed, delivered and recorded, will be a valid first lien on property in the Premises,

f) All construction on the Premises will continue with reasonable diligence and will be performed in accordance with the Drawings and Specifications referred to above.

g) There are no actions, suits or proceedings pending, or to the knowledge of the Borrower threatened, against the Borrower or any of its property and it is not in default with respect to any order, writ, injunction, decree, or demand or any court or any governmental authority.

h) The Borrower has filed, or has caused to be filed, all tax returns required to be filed and has paid all taxes shown to be due and payable on said return or on any assessment made against it.

i) The Borrower agrees that it will execute and deliver any further mortgages or any other documents or instruments necessary to achieve and maintain at all times the balance due to the Lender as a first lien on the Premises and personal property described in the Financing Statements.

j) There has been no substantial and material adverse change in the condition of the Borrower, financial or otherwise, since the last financial statements and reports furnished by the Borrower to the Lender, and the information contained in said statements and reports is true and correctly reflects the financial condition of the Borrower as of the respective dates of the statements and reports.

k) The Borrower agrees that it shall maintain business records in a commonly accepted manner, which said records shall be available at all times at all reasonable hours for inspection by the Lender.

l) The Borrower agrees not to create, assume, or suffer to exist any mortgage, pledge, encumbrance, lien or security interest upon the Premises, real or personal, except those mortgages, pledges, encumbrances, liens or security interests permitted or provided for hereunder.

m) The Borrower agrees to assign to the Lender as further security for the loan all leases, if any, of or affecting the Premises.

n) The Borrower agrees to pay all charges incident to the procuring and making of the Loan and the charges for the examination of the title of the Premises, surveys and drawings of papers, mortgage tax and recording fees, and for all searches which may be required by the Lender to assure the Lender that the Construction Loan Mortgage is a valid first lien on the premises as herein provided. If not so paid, the Lender may deduct such charges from the amount due under this Agreement.

o) The Borrower agrees to pay any tax, assessment or other charge or liens upon the Premises existing at any time, whether before or after the making of the Loan, and to furnish proof thereof satisfactory to the Lender within thirty (30) days after such payment is due. Upon the Borrower's failure to do so, or if the Lender shall so elect, the Lender may pay such encumbrance or liens and add the amount of the same to the amount thereafter becoming due. Any sums paid or expended in accordance with any of the foregoing provisions of this paragraph shall be deemed to be advanced to the Borrower and shall be secured by the Construction Loan Note and the Construction Loan Mortgage and, at the option of the holder of the Construction Loan Mortgage, may be deducted from any Advance thereafter becoming due.

p) The Borrower agrees that it will receive all Advances hereunder as a trust fund to be applied to payoff and the release of any existing mortgages upon the lot and for the purpose of paying for the cost of the improvements before using any part of the total of the same for any other purpose, but nothing herein shall impose upon the Lender any obligation to see to proper application of such Advances by the Borrower.

q) The Borrower agrees (a) that the Project shall be constructed with first class workmanship and materials strictly in accordance with all applicable ordinances and statutes and in accordance with the requirements of all regulatory authorities having jurisdiction and in conformity with the requirements of the Board of Fire Underwriters or similar body; (b) the Project shall be constructed entirely on the Premises and will not encroach upon or overhang any easement or right-of-way or upon the land of others; (c) that the building(s) when erected shall be wholly within the building restriction lines however established and will not violate applicable use or other restrictions contained in prior conveyances, zoning ordinances or regulations; and (d) that it will furnish from time to time satisfactory evidence with respect to (a), (b) and (c) hereof, together with a survey identified by a licensed surveyor or engineer showing the Project to be entirely on the Premises and free from such violations as aforesaid. All applicable approvals for the construction and completion of the Project have been obtained from all governmental agencies or public utility companies having jurisdiction including, but not limited to, all environmental approvals, all approvals for sewer, water and other utilities, all building or construction permits, zoning, site plan or subdivision approvals. All of such approvals and permits shall be legally valid and shall remain in full force and effect until the completion of the Project, as set forth in Paragraph 0.

r) The Borrower agrees to provide or cause to be provided worker's compensation insurance, public liability insurance, builder's risk, and other insurance required by applicable law or by the general conditions contained in the Drawings and Specifications. The Borrower further agrees to provide fire insurance with extended coverage including risk of loss by lightning and windstorm, which insurance shall be payable to the Borrower and, during the construction, also to the general contractor as its interest may appear, with standard mortgagee endorsement attached making loss payable to the Lender or its assigns as mortgagee. All such policies shall be issued by such companies and in such form and amounts as shall be satisfactory to the Lender. The originals thereof shall be deposited with the Lender. All such policies shall contain a provision to the effect that such policies shall not be canceled, altered or in any way limited in coverage or reduced in amount unless the Lender is notified in writing at least thirty (30) days prior to such cancellation, alteration, limitation or reduction. At least thirty (30) days prior to the expiration of any such policies, the Borrower shall furnish evidence satisfactory to the Lender that the policies have been renewed or replaced or are no longer required.

s) The Borrower agrees to promptly comply with all applicable rules, regulations and orders including, without limitation, those rules, regulations and orders concerning the environment and employee pension and benefit funds, if any. The Borrower further agrees to immediately notify the Lender in writing as to the existence of any reportable event creating liability in the Borrower under the Employee Retirement Income Security Act (P.L. 93-406), as same may be amended from time to time.

t) The Lender and its agents shall, at all times during construction, and on the occasion of each Advance for construction costs have the right of entry and free access to the Project and the right to inspect all work done, labor performed and materials furnished in and about the Project and to inspect subcontractors and records of the Borrower. The Borrower agrees to pay for the costs of such inspections as set forth in Paragraph 0 of this Agreement.

u) The Borrower agrees that it will not assign this Agreement or any Advance to be made hereunder or any part thereof, nor convey, nor encumber, the Premises, fixtures and equipment, or any of them, without the Lender's prior express written consent.

v) The Borrower agrees and does assign the general contract to the Lender upon the occurrence of an Event of Default, and agrees to incorporate into the general contract such clause or clauses as will assign to the Lender said general contract upon the occurrence of an Event of Default under this Agreement. Said document shall also provide that the general contractor shall not be entitled to consider the general contract in default if the Lender should exercise such right of assignment.

w) The Borrower hereby assigns as further security for the Loan, all construction permits, licenses and contracts relating to the Premises, including, but not limited to, all environmental approvals, all approvals for sewer, water and other utilities, all building or construction permits, zoning, site plan or subdivision approvals, each as may be permitted by the entity issuing such construction permits, licenses and contracts.

x) i) At all times throughout the term of the Loan, the Borrower shall keep and maintain complete and accurate books and records. The Borrower shall permit the Lender and any authorized representatives of the Lender to have reasonable access to and to inspect, examine and make copies of the books and records, any and all accounts, data and other documents of the Borrower, at all reasonable times upon the giving of reasonable notice of such intent. In addition, upon the occurrence of an Event of Default, materially adverse litigation or materially adverse change occurs in the financial condition of the Borrower, then the Borrower shall promptly notify the Lender of such occurrence;

ii) The Borrower shall furnish the Lender with (a) audited financial statements within ninety (90) days after the end of each fiscal year during the term of the Construction Loan Note, and such statements shall be prepared by an independent certified public accountant reasonably satisfactory to the Lender in accordance with generally accepted accounting principles, consistently applied, and (b) un-audited financial, with notice to reader, and operating statements within sixty (60) days after the end of each fiscal quarter during the term of the Construction Loan Note, and such

statements shall be prepared by an independent certified public accountant reasonably satisfactory to the Lender.

iii) The Undersigned covenants and agrees that it shall furnish and cause to be furnished to the Lender, certified true copies of its filed Federal and State Income Tax Return, at its own cost and expense, together with any extension and payments made in connection therewith, as soon as available, but in any event within ten (10) days after the filing of same during the term of the Loan;

iv) At the time of delivery of any of the financial or other statements as provided for in this Paragraph, the Undersigned shall furnish a certificate to the Lender stating that it has no knowledge that an Event of Default has occurred, a statement as to the nature thereof and the action which the Undersigned proposes to take with respect thereto; and

v) Throughout the term of this Note, the Borrower shall furnish to the Lender any other financial information reasonably requested by the Lender.

y) The Borrower shall permit the Lender to place on the Premises, throughout the term of the Loan, a sign stating that all construction funding for the Project has been provided by the Lender.

#### 4) EVENTS OF DEFAULT

The occurrence of any of the following events shall constitute an Event of Default (hereinafter referred to as an "Event of Default"):

a) Any representation or warranty made by the Borrower or any Guarantor in this Agreement, the Loan Documents or in the Construction Loan Note or the Construction Loan Mortgage, certificate, or other writing, including the loan application, given in connection herewith shall prove to have been false, incorrect or misleading on the date as of which made;

b) The Borrower shall have failed to make any payment of any installment of interest on the Construction Loan Note within ten (10) days after its due date;

c) The Borrower shall have failed to make any payment of any installment of principal on the Construction Loan Note within ten (10) days after its due date;

d) The Borrower or any Guarantor shall have failed to duly observe or perform any covenant, condition or agreement with respect to the payment of moneys on the part of the Borrower or any Guarantor to be observed or performed

pursuant to the terms of the Loan Documents other than the payment of principal and interest which shall be governed by paragraphs b and c above;

e) The Borrower or any Guarantor shall have failed to duly observe or perform any covenant, condition or agreement on the part of the Borrower or any Guarantor to be observed or performed pursuant to the terms of the Loan Documents other than the payment of moneys which shall be governed by Paragraph (d) above;

f) The Borrower or any Guarantor shall have entered into any additional financing or shall have consented to the placing of any lien on the Premises or the Project, whether such financing or lien is prior to or subordinate to the lien of the Mortgage unless specifically agreed to by the Lender;

g) The Borrower or any Guarantor shall have failed to comply with any law, ordinance, order, rule or regulation of any governmental authority having jurisdiction over work similar in type as that herein contemplated to be erected, or specifically comply with the 325 Palisade Avenue Redevelopment Plan, or shall have refused to remove any work condemned by any of the said governmental authorities or prohibited by law; or shall have made a general assignment for the benefit of creditors; or shall have filed a petition or an answer seeking reorganization or an arrangement with creditors or shall have taken advantage of any insolvency law or shall have submitted an answer admitting the material allegations of a petition in any Bankruptcy, reorganization or insolvency proceeding; or an order, judgment or decree shall have been entered without the application, approval or consent of the Borrower or any Guarantor or endorser by any court of competent jurisdiction (approving a petition seeking reorganization of the Borrower or any Guarantor or endorser, or) appointing a receiver, trustee or liquidator of the Borrower or any guarantor or endorser, or a substantial part of its respective assets and such order, judgment or decree shall have continued unstayed and in effect for any period of thirty (30) consecutive days; or an involuntary petition in Bankruptcy shall have been filed against the Borrower or any Guarantor or endorser, and shall not have been dismissed for a period of thirty (30) consecutive days, or if any Order for Relief shall have been entered under the Federal Bankruptcy Code;

h) The Borrower shall have caused or permitted a security interest, perfected or otherwise, other than the security interest specifically provided for or permitted hereunder, to be created in any collateral provided for or permitted hereunder, to be created in any collateral provided for hereby, or shall have failed to take any action requested by the Lender to perfect or protect the security interest provided for herein;

i) A change in the management of the Borrower and/or Guarantor Corporation, if any;

- j) Occurrence of any event which, in the sole opinion of the Lender, impairs the financial responsibility of the Borrower or any Guarantor;
- k) The determination of the Lender that a material adverse change has occurred in the condition of the Borrower or any Guarantor;
- l) The death of any Guarantor or principal of the Borrower resulting in the dissolution or inability to do business for any reason;
- m) The Borrower shall have transferred, or caused to have been transferred, title to the Premises or any part thereof, to any person without the prior express written consent of the Lender, whether voluntarily, involuntarily or by operation of law;
- n) A writ of execution or attachment or any similar process shall be issued or levied against all or any part of or interest in any of the properties or assets of the Borrower or any Guarantor or any judgment involving monetary damages shall be entered against the Borrower or any Guarantor which shall become a lien on the Borrower or any of the Guarantors' properties or assets or any portion thereof or interest therein which are not cured within thirty (30) days of the date of the levy or attachment;
- o) Seizure or foreclosure of any of the properties or assets of the Borrower or any Guarantor pursuant to process of law or by respect of legal self-help, involving monetary damages;
- p) The voluntary permanent closing of business or ceasing of operations of the Borrower and/or Guarantor Corporation, if any;
- q) Default by the Borrower or any Guarantor in any of the terms or conditions of any agreement covering the payment of borrowed money from the Lender;
- ~~r) Any substantial or material change in ownership of the Borrower and/or Guarantor Corporation, if any;~~
- s) Any substantial change in the nature or character of the business of the Borrower and or Guarantor Corporation, if any.
- t) Borrower shall not permit, authorize or approve the performance of any work pursuant to any change order which will result in a diminution of the contract prices for the construction of the improvements or the value of the property without the Lender's prior written consent. Failure to comply with this provision by Borrower shall result in a default of the Mortgage. Any change orders which result in an increase in the purchase price or value of the property, or which

result in no change in price or value, shall be allowed without prior written consent from the Lender.

u) The Borrower is not sure if any of the structures about to be built on the Premises are in the flood zone as set forth on the flood certification. If any or all of the structures are in a flood zone, as determined by a location survey, Borrower agrees to obtain the necessary flood insurance prior to the next advance, but no later than twenty (20) days from the date of this Mortgage. Deductibles for such Flood Insurance shall not exceed \$5,000. Flood Insurance Coverage for residential/multi-family dwellings shall be \$250,000.00 per dwelling and for commercial properties shall be \$500,000.00 per property. Failure of the Borrower to obtain a location survey (which shall also be supplied to the Lender) or any necessary insurance prior to the next advance or within twenty (20) days from the date of this Mortgage shall be considered a default under the terms of this Mortgage entitling the Lender to exercise any or all of its remedies provided for in the loan documentation in the event of default.

v) *Cross-Default and Acceleration Provision.* Borrowers acknowledge that they have executed a Note and Mortgage to Lender in the principal amount of up to \$3,775,000.00. In the event there is default in this Loan or under any other Loan by Lender to Borrower, such a default shall constitute and be a default by Borrower in any and all such loans.

## 5) CONSEQUENCES OF DEFAULT

In case any Event of Default shall have occurred and be continuing, then and in every such Event of Default, the Lender may take any or all the following actions in addition to those actions allowed in the Construction Loan Note and the Construction Loan Mortgage, at the same time or at different times:

a) Declare all loans and sums owing to the Lender from the Borrower under this Agreement or any other agreement or the Loan between the Lender and the Borrower to be forthwith due and payable, whereupon all such sums shall forthwith become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower;

b) Enter into possession of the Project and perform any and all work and labor necessary to complete improvements substantially according to Drawings and Specifications and employ watchmen to protect the Premises from injury; all sums so expended by the Lender to be deemed paid to the Borrower and secured by the Construction Loan Mortgage. For this purpose, the Borrower hereby constitutes and appoints the Lender its true and lawful attorney-in-fact with full power of substitution in the Premises to complete the Project in the name of the Borrower, and hereby empowers said attorney or attorneys as follows:

- i) To use any funds of the Borrower, including any balance which may be held in escrow and any funds which may remain unadvanced under this Construction Loan Agreement, for the purpose of completing the Project in the manner called for by the Drawings and Specifications which shall be necessary or desirable to complete the Project in substantially the manner contemplated by the Drawings and Specifications.
- ii) To employ such contractors, subcontractors, and agents, architects and inspectors as shall be required for said purposes; to pay, settle or compromise all existing bills and claims which may be liens against the Project, or as may be necessary or desirable for the completion of the job, or for the clearance of title;
- iii) To execute all applications and certificates in the name of the Borrower which may be required by any of the contract documents and to do any and every act which the Borrower might do in its own behalf. If is further understood and agreed that this power of attorney shall be deemed to be a power coupled with an interest and cannot be revoked. The above-mentioned attorney shall also have power to prosecute and defend all actions or proceedings in connection with the construction of the Project or Premises and to take such action and require such performances as such attorney deems necessary under the accepted guaranty of completion. The Borrower hereby assigns and quitclaims to the Lender all sums unadvanced under this Construction Loan Agreement and all sums due in escrow conditioned upon the use of said sums in escrow for the completion of the Project, such assignment to become effective only in the case of the Borrower's default;
- c) To institute and maintain foreclosure proceedings in accordance with the laws of the State of New Jersey. In the event of the foreclosure of the Construction Loan Mortgage for any default in the provisions thereof prior to the time when the building(s) shall be fully completed, it is hereby expressly agreed between the parties hereto that all work remaining to be done and materials still to be furnished shall be considered as work necessary for the conservation and preservation of the subject matter secured by the Construction Loan Mortgage, to wit: the Project contemplated to be erected under this Agreement;
- d) To institute proceedings to collect any balance due without instituting foreclosure proceedings;
- e) Take any of the remedies otherwise available to it as a matter of law or equity;
- f) The Lender shall have the right immediately, and without notice or other action to set-off against any of the Borrower's liability to the Lender (i) any money owed by the Lender in any capacity to the Borrower whether due or not,

and/or (ii) any property of the Borrower in the possession of the Lender, and the Lender shall be deemed to have exercised such right of set-off and to have made a charge against any such money immediately upon the occurrence of such Event of Default, even though the actual book entries may be made at some time subsequent thereto; and

g) The Lender shall not be required to make any Advances during the existence of an Event of Default; provided, however, the Lender may, in its sole discretion, make Advances notwithstanding the existence of such an Event of Default and any Advance so made shall be deemed to have been made pursuant to this Agreement.

#### 6) MISCELLANEOUS

a) The Lender shall be entitled to its reasonable expenses incurred in the enforcement or litigation of any debt due hereunder, or for the enforcement on payment to the Loan, and those expenses shall, without limitation, include attorneys' fees equal to fifteen (15%) percent of the balance on all liabilities secured herein, plus other legal expenses incurred.

b) The Borrower agrees that no delay on the part of the Lender in exercising any power or right hereunder shall operate as a waiver of any such power or right, preclude other or further exercise thereof, or the exercise of any other power or right. No waiver whatsoever shall be valid unless in writing signed by the Lender and then only to the extent set forth therein.

c) The Borrower waives presentment, dishonor and notice of dishonor, protest and notice of protest of all commercial papers at any time held by the Lender on which the Borrower is in any way liable.

d) The provisions of this Agreement shall be in addition to those set forth in the Construction Loan Note or other writings held by the Lender relating to this Loan, all of which shall be construed as one instrument.

e) This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors and assigns.

f) The rights and remedies herein expressed to be vested in or conferred upon the Lender shall be cumulative and shall be in addition to and not in substitution for or in derogation of the rights and remedies conferred by any applicable law.

g) All notices to be given to any party hereunder shall be given to such party by certified mail, postage prepaid, at the address shown at the head of this Agreement.

h) Nothing herein contained shall impose upon the Lender any obligation to enforce any terms, covenants or conditions contained herein. Failure of the Lender, in any one or more instances, to insist upon strict performance by the Borrower of any terms, covenants or conditions of this Agreement shall not be deemed to be a waiver or relinquishment of any such terms, covenants and conditions.

i) All conditions of the obligation of the Lender to make Advances hereunder are imposed solely and exclusively for the benefit of the Lender and its assigns, and no other person or persons shall have standing to require satisfaction of such conditions in accordance with their terms or be entitled to assume that the Lender will refuse to make Advances in the absence of strict compliance with any or all thereof and no other person or persons shall, under any circumstances, be deemed to be a beneficiary or beneficiaries of such conditions, any and all of which may be waived in whole or in part by the Lender if it, in its sole discretion, deems it advisable to do so.

j) This Agreement and all rights hereunder may be assigned or otherwise transferred by the Lender to anyone of its choosing.

k) This Agreement, the Loan and the rights of the parties hereto shall be governed by and construed under the laws of the State of New Jersey.

l) At all times throughout the term of the Loan, the Borrower hereby agrees to pay all reasonable fees, expenses and charges with respect to the Loan, or in any way connected therewith, including, but not limited to, title insurance and survey costs, recording and filing fees, the fees and expenses of the Lender's attorneys, and any other taxes, fees and expenses payable in connection with the Loan. The Lender shall not be required to pay any premium or other charge, or any brokerage fee or commission or similar compensation in connection with the Loan, and the Borrower agrees to defend, indemnify and hold the Lender harmless against and from any and all claims for any of the abovementioned matters.

~~m) The Borrower shall, upon request of the Lender, furnish the Lender with evidence satisfactory to the Lender, showing payment of all bills and charges for which advances of the Loan have been previously made pursuant to the Loan.~~

n) The Borrower shall, if reasonably required by the Lender, deliver to the Lender a written statement executed by each contractor, subcontractor and materialman engaged in the construction of the Project on behalf of the Borrower certifying that each such contractor, subcontractor and materialman has received payment in full all monies owed to each such contractor, subcontractor and materialman by the Borrower.

o) Borrower shall furnish the Lender with copies of the Contract of Sale for each lot sold to a third party, if applicable. Borrower shall furnish the Lender

with copies of the Leases for each lot leased to a third party, if applicable, which leases shall be subordinate to the Lender's mortgage liens and shall be in a form satisfactory to the Lender.

p) The Lender, at its election, may require one or all of the following:

(a) a wetlands delineation of the property prior to closing, demonstrating that none of the Project is designated as a "wetland" area or a "transition" area pursuant to the Freshwater Woodlands Protection Act (N.J.S.A. 13:9-1 et seq.) or if any portion of the property is part of a wetland or transition area, evidence of the issuance of an appropriate permit by the New Jersey Department of Environmental Protection allowing improvements to be construed on such areas;

(b) an environmental survey of the property by a qualified engineer, approved by the Lender (or performed by the Lender itself), prior to closing, and not more than once during each year of the Loan term, providing evidence that there are no toxic or hazardous materials, substances or wastes ("Hazardous Materials"), in or on the property. Such environmental survey(s) shall at all times be satisfactory to the Lender and its counsel, and shall include, among other things, a certification by the engineer that the engineer has obtained and reviewed a list of all prior owners, tenants, and users of the property and has made an on-site inspection of the property and the immediate surrounding area and said inspection has disclosed no evidence of past or present Hazardous Materials or activities on the property; and/or

(c) execution by the Borrower and the Guarantors, prior to or at closing, of an agreement indemnifying and holding harmless the Lender from all claims and/or liabilities arising out of the presence of any Hazardous Materials on or about the property.

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**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers, all as of the day and year first above written.

WITNESS:

BORROWER:

HUDSON PALISADES, LLC  
a New Jersey limited liability company

  
ANTHONY T. COLASANTI, Esq.

By:   
DAVID DEPIERRO, Managing Member

**ACKNOWLEDGEMENT**

STATE OF NEW JERSEY

SS.:

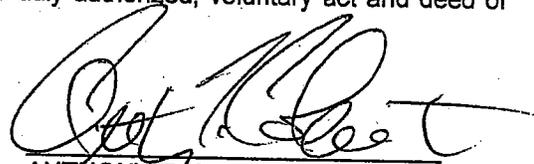
COUNTY OF HUDSON

On this 12<sup>th</sup> day of September 2007, before me, the undersigned, personally appeared DAVID DEPIERRO, and signed the foregoing instrument, and did acknowledge under oath, to my satisfaction, that:

(a) he is a Member(s) of the HUDSON PALISADES, LLC named in the foregoing instrument;

(b) he signed and delivered the foregoing instrument in his capacity as the sole Managing Member of the LLC; and

(c) the foregoing instrument is the duly authorized, voluntary act and deed of such limited liability company.

  
ANTHONY T. COLASANTI  
Attorney at Law  
State of New Jersey

CONSTRUCTION LOAN#  
1719000177

## AGREEMENT NOT TO ENCUMBER

**THIS AGREEMENT NOT TO ENCUMBER** is made by **HUDSON PALISADES LLC** a New Jersey **LIMITED LIABILITY COMPANY**, having a mailing address located at **195 Fairfield Avenue, Suite 2A, West Caldwell, NJ 07006** (hereinafter referred to as the "Borrower"), in favor of **BCB COMMUNITY BANK, A NEW JERSEY CHARTERED BANK** with offices for business located at **104-110 Avenue C, Bayonne, New Jersey 07002** (hereinafter referred to as the "Lender") (hereinafter referred to as the "Agreement")

### WITNESSETH:

**WHEREAS**, the Borrower has requested a construction loan from the Lender in the principal amount of **\$3,775,000.00** (hereinafter referred to as the "Loan"); and

**WHEREAS**, the Lender requires, *inter alia*, that in connection with the Loan, the Borrower execute this Agreement; and

**WHEREAS**, the Borrower has agreed to execute this Agreement.

**NOW, THEREFORE**, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is hereby mutually agreed as follows:

- 1) The Borrower hereby covenants and agrees that it shall not, from the date of this Agreement, permit or cause to permit, any mortgage, hypothecation, assignment, transfer, conveyance, lien, grant, encumbrance, sale or bargain any interest in or to the Premises, without the prior express written consent of the Lender.
- 2) The Borrower hereby agrees and acknowledges that any such mortgage, hypothecation, assignment, conveyance, lien, grant, encumbrance, sale or bargain of any interest in or to the Premises shall be of no force or effect.
- 3) This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.
- 4) This Agreement shall be binding upon and inure to the benefit of the Borrower and the Lender, their successor and/or assigns.
- 5) **THE BORROWER AGREES TO WAIVE ALL RIGHTS TO TRIAL BY JURY OF ANY ISSUES RAISED UNDER THIS OR ANY OTHER AGREEMENT OR INSTRUMENT BY AND BETWEEN THE BORROWER AND THE LENDER.**

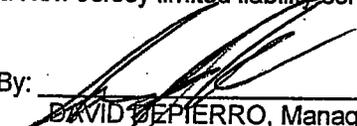
**IN WITNESS WHEREOF**, the Borrower has duly executed and delivered this Agreement all as of the day and year first above written.

WITNESS:

  
ANTHONY T. COLASANTI, Esq.

BORROWER:

HUDSON PALISADES, LLC  
a New Jersey limited liability company

By:   
DAVID DEPIERRO, Managing Member

**ACKNOWLEDGEMENT**

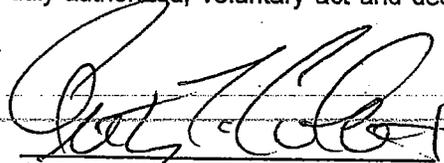
STATE OF NEW JERSEY

SS. :

COUNTY OF HUDSON

On this 12<sup>th</sup> day of September, 2007, before me, the undersigned, personally appeared DAVID DEPIERRO, and signed the foregoing instrument, and did acknowledge under oath, to my satisfaction, that:

- (a) he is a Member(s) of the HUDSON PALISADES, LLC named in the foregoing instrument;
- (b) he signed and delivered the foregoing instrument in his capacity as the sole Managing Member of the LLC; and
- (c) the foregoing instrument is the duly authorized, voluntary act and deed of such limited liability company.



ANTHONY T. COLASANTI  
Attorney at Law  
State of New Jersey