

TOWNSHIP OF HAINESPORT

ORDINANCE NO. 2021-9

AN ORDINANCE OF THE TOWNSHIP OF HAINESPORT, COUNTY OF BURLINGTON AND STATE OF NEW JERSEY AUTHORIZING AND APPROVING A FINANCIAL AGREEMENT, ACCEPTING THE APPLICATION FOR TAX EXEMPTION UNDER N.J.S.A. 40A:21-1 ET SEQ., AUTHORIZING TAX EXEMPTION AND PAYMENT IN LIEU OF TAXES IN CONNECTION WITH THE DAVENPORT VILLAGE AFFORDABLE HOUSING PROJECT

WHEREAS, DV Hainesport LLC (to-be-renamed DV Hainesport Urban Renewal LLC) (the “Entity”) has made a proposal for the redevelopment of an affordable rental housing project which will involve constructing 16 new affordable rental units and rehabilitating 56 existing affordable rental units located on Block 43, Lot 9.01 in the Township of Hainesport, Burlington County, New Jersey, such land consisting of 10.33 acres (the “Project”);

WHEREAS, the rental units in the Project would be leased exclusively to tenants whose incomes are at or below sixty percent (60%) of the area median income, and, according to the New Jersey Housing and Mortgage Finance Agency (“NJHMFA”), so qualifies as a “low and moderate income housing project” under the provisions of the Long Term Tax Exemption Law, N.J.S.A., 40A:20-1, *et seq.*;

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

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

WHEREAS, the Entity has submitted to the Township Committee an Application and Financial Agreement, copies of which are attached; and

WHEREAS, the Township Committee has determined that it benefits the Township to grant a tax exemption and enact this Ordinance to allow the Entity to obtain a program for payments in lieu of taxes, and to approve a financial agreement as a means of facilitating the same; and

WHEREAS, the Township Committee has given appropriate consideration to the Project and the request of the Entity for a long-term tax exemption pursuant to N.J.S.A. 40A:20-1, *et seq.*, has learned that NJHMFA has approved such exemptions for such Projects, and has had the advice of various consultants to establish the reasonableness, fairness, and feasibility of this action;

WHEREAS, the Project design is consistent with the Master Plan of the Township of Hainesport and there will be no businesses or residences displaced or relocated as a result of the development of the Project; and

WHEREAS, the Project will result in significant benefits to the municipality by providing quality housing units affordable to low and moderate income households;

WHEREAS, such benefits have been balanced against costs, if any, associated with the proposed Financial Agreement; and

WHEREAS, the Township acknowledges that the Entity, by effectuating the Project, will significantly limit its profits by maintaining affordability controls upon the Project for 30 years, and otherwise limiting its profits pursuant to the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1, *et seq.*;

NOW THEREFORE, BE IT ORDAINED, by the Township Committee of the Township of Hainesport that:

Section 1. Exemption and Phase-In Authorized. DV Hainesport LLC (to-be-renamed DV Hainesport Urban Renewal LLC), as the entity proposing to undertake the development of the Project, is hereby granted tax exempt status on a tax phase-in basis, as permitted by N.J.S.A. 40A:20-1. et seq., for the seventy-two (72) low-income rental housing units. Such exemption shall be triggered by the substantial completion of the Project and shall be structured as specified in the Financial Agreement governing the Project and as follows:

- a. Stage 1 of the exemption period shall have a term of fifteen (15) years. During Stage 1, the annual service charge shall be equal to 6.28% percent of the annual gross revenue, calculated pursuant to N.J.S.A. 40A:20-3 and 40A:20-12;
- b. Stage 2 of the exemption period shall have a term of six (6) years. (Years 16 through 21). During Stage 2, the annual service charge shall be equal to the greater of the figure in (i) above, or twenty (20%) percent of the amount of taxes otherwise due on the value of the land and improvements;
- c. Stage 3 of the exemption shall have a term of six (6) years. (Years 22 through 27). During Stage 3, the annual service charge shall be equal to the greater of the figure in (i) above, or forty (40%) percent of the amount of taxes otherwise due on the value of the land and improvements;
- d. Stage 4 of the exemption shall have a term of two (2) years. (Years 28 through 29). During Stage 4, the annual service charge shall be equal to the greater of the figure in (i) above, or sixty (60%) percent of the amount of taxes otherwise due on the value of the land and improvements;
- e. Stage 5 of the exemption shall have a term of one (1) year. (Year 30). During Stage 5, the annual service charge shall be equal to the greater of the figure in (i) above, or eighty (80%) percent of the amount of taxes otherwise due on the value of the land and improvements.

Section 2. Financial Agreement Authorized. The Township Committee hereby approves the Financial Agreement submitted by DV Hainesport LLC (to-be-renamed DV Hainesport Urban Renewal LLC), and modified by the Township, pursuant to N.J.S.A. 40A:20-1 et seq. in connection herewith governing the Project.

Section 3. Repealer, Severability and Effective Date.

- A. Repealer. Any and all Ordinances inconsistent with the terms of this Ordinance are hereby repealed to the extent of any such inconsistencies.
- B. Severability. In the event that any clause, section, paragraph or sentence of this Ordinance is deemed to be invalid or unenforceable for any reason, then the Township Committee hereby declares its intent that the balance of the Ordinance not affected by said invalidity shall remain in full force and effect to the extent that it allows the Township to meet the goals of the Ordinance.
- C. Effective Date. This Ordinance shall take effect upon proper passage in accordance with the law.

NOTICE OF PUBLIC HEARING

HAINESPORT TOWNSHIP ORDINANCE NO. 2021-9

A AN ORDINANCE OF THE TOWNSHIP OF HAINESPORT, COUNTY OF BURLINGTON AND STATE OF NEW JERSEY AUTHORIZING AND APPROVING A FINANCIAL AGREEMENT, ACCEPTING THE APPLICATION FOR TAX EXEMPTION UNDER N.J.S.A. 40A:21-1 ET SEQ., AUTHORIZING TAX EXEMPTION AND PAYMENT IN LIEU OF TAXES IN CONNECTION WITH THE DAVENPORT VILLAGE AFFORDABLE HOUSING PROJECT

The Ordinance published herewith was introduced and passed upon first reading at the regular meeting of the Township Committee of the Township of Hainesport held on July 13, 2021. It will be further considered for passage after a public hearing at the regular meeting to be held on August 10, 2021 at the Municipal Building, One Hainesport Centre, Hainesport, New Jersey at 7:00 PM at which time and place any persons desiring to be heard upon the same will be given an opportunity to be heard. During the week prior to and up to and including the date of such meeting or further consideration, copies of said Ordinance in its entirety may be obtained from the Township Clerk.

Dated: July 13, 2021



Paula L. Kosko, RMC, Township Clerk
Township Administrator

	Motion	Second	Yes	No	Abstain	Absent
Levinson						X
MacLachlan						X
Clauss		X	X			
Montgomery	X		X			
Gilmore			X			

**NOTICE OF FINAL PASSAGE
HAINESPORT TOWNSHIP**

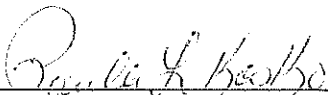
ORDINANCE NO. 2021-9

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Notice is hereby given that Ordinance No. 2021-9 as entitled above has been finally adopted on final reading by the governing body of Hainesport Township after a public hearing at a meeting held on August 10, 2021. Said Ordinance shall take effect in accordance with the law.

ATTEST:


Dated: August 11, 2021


Paula L. Kosko, RMC, Township Clerk
Township Administrator

ACKNOWLEDGMENT OF

APPROVAL BY:

Dated: Aug 11, 2021


Leila Gilmore
Mayor of Hainesport Township

	Motion	Second	Yes	No	Abstain	Absent
Levinson			X			
MacLachlan			X			
Clauss	X		X			
Montgomery			X			
Gilmore		X	X			

Introduced: July 13, 2021
First Publication: July 18, 2021
Adoption: August 10, 2021
Final Publication: August 13, 2021

EXHIBIT "A"
FINANCIAL AGREEMENT BETWEEN TOWNSHIP OF HAINESPORT, NEW JERSEY
AND DV HAINESPORT URBAN RENEWAL LLC

**FINANCIAL AGREEMENT PURSUANT TO THE LONG
TERM TAX EXEMPTION LAW,
N.J.S.A. 40a:20-1, et seq.
BETWEEN THE TOWNSHIP OF HAINESPORT AND
DV HAINESPORT LLC (to be renamed DV Hainesport Urban Renewal LLC)**

THIS FINANCIAL AGREEMENT (hereinafter, the “Agreement”), is made as of this ____ day of _____, 2021, between DV HAINESPORT LLC , a limited liability company of the State of New Jersey, having its principal office at 1845 Haddon Avenue, Camden, New Jersey 08036, (which will be renamed DV Hainesport Urban Renewal LLC upon approval of its designation as an Urban Renewal Entity) herein designated as the “Entity,” and the TOWNSHIP OF HAINESPORT, an incorporated township in the County of Burlington and the State of New Jersey, hereinafter designated as the “Township.”

WITNESSETH:

In consideration of the mutual covenants herein contained and for other good and valuable consideration, it is mutually covenanted and agreed as follows:

1. This Agreement shall be governed by the provisions of the Long Term Tax Exemption Law, as amended and supplemented, N.J.S.A. 40A:20-1, et seq. (the “Law”). It is expressly understood and agreed that the Township relies upon information provided by the Entity, and the New Jersey Housing and Mortgage Finance Agency (“NJHMFA”), that Projects such as this qualify for such Financial Agreements within the context of applications submitted to NJHMFA. The Township also relies upon the facts, data, and representations contained in the application of the Entity project for Tax Abatement pursuant to the Long Term Tax Exemption Law, 40A:20-1, et seq., (hereinafter, the “Application”) submitted to the Township. The Entity shall at all times prior to the expiration or other termination of this Agreement remain bound by

the provisions of the Law. Operation under this Agreement shall be terminable by the Entity in the manner provided by the Law.

2. The Township has granted and does hereby grant its approval for an urban renewal project, the nature, magnitude and description of which is disclosed below and in the accompanying Application, to be constructed under the provisions of the Law on the land described in said Application located on land located on an approximately 10.33 acre site and identified as Lot 43, Block 9.01 in the Township (hereinafter, the "Project"). The Township finds that the redevelopment of the Project creates a substantial benefit to the Township when compared to costs associated with the tax exemption granted herein and, further finds that such tax exemption is of significant importance in facilitating the development of the Project and in influencing the locational decisions of probable occupants of the Project. A summary of the Project follows:

(a) The Project to be constructed will be a family rental unit affordable housing project consisting of seventy-two total affordable rental units, which includes 16 new units and 56 existing units that will be rehabilitated. At least forty (40%) of the rental units will be leased to tenants whose incomes are at or below sixty percent (60%) of the area median income and qualifies as a "low and moderate income housing project" as that term is defined in the New Jersey Long Term Tax Exemption Act [N.J.S.A. 40A:20-21(k)] and will be maintained as a low and moderate income housing project for a period of forty-five (45) years from the completion of construction. The Project will be subject to a 45-year affordability deed restriction.

(b) The Entity will admit an investor member entity owned by a tax credit equity investor in connection with the Low Income Housing Tax Credit syndication of the Entity

and Project. The development team boasts a group of seasoned professionals with a breadth and depth of experience in the highest-quality affordable housing development.

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

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

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

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

5. In consideration of the aforesaid exemption from taxation on improvement(s), the Entity, its successors and assigns shall make payment to the Township of an annual service charge of a sum equal to 6.28% for municipal services supplied to the Project (hereinafter the "Annual Service Charge") of the annual gross revenue determined pursuant to N.J.S.A. 40A:20-1, et seq. less common area utility cost and vacancies, if any, calculated from the first day of the

month following the substantial completion of the Project¹. There is hereby established a schedule of Annual Service Charges to be paid over the term of the thirty (30) year exemption period which shall be in stages as follows:

(a) For the first stage of the exemption period, commencing upon substantial completion of the Project and for the fifteen (15) years thereafter (the “Commencement Date”), the Entity shall pay the Township an Annual Service Charge equal to 6.28% of the annual gross revenue less common area utility cost and vacancies, if any.

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

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

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

(d) For the fourth stage of the exemption period, which shall be for years twenty-eight (28) through twenty-nine (29) of the exemption period, the Entity shall pay the Township an amount equal to either the amount determined pursuant to Paragraph 5(a) of this

¹ Substantial completion means the date upon which the Certificate of Occupancy (or temporary Certificate of

Agreement or sixty percent (60%) of the amount of taxes otherwise due on the value of the land and improvements, whichever shall be greater;

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

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

Against the Annual Service Charge, the Entity shall be entitled to credit for the amount, without interest, of the real estate taxes on the Project's land paid or that would have been due by it or by the owner of the Project's land in the last four (4) preceding quarterly installments. Prior to the Commencement Date, the Entity shall pay real estate taxes based on the existing Financial Agreement by and between the Township and Domicilium Corporation dated as of March 21, 2000. The calculation of the proposed Annual Service Charge is set forth on Exhibit "C" attached hereto and incorporated herein. The Entity shall not be entitled to any credit for monies paid pursuant to the March 21, 2020 Agreement, nor to any reimbursement for trash collection or snow removal services for which it may contract.

6. The Annual Service Charge payments for the first year of tax exemption shall be made on a pro rata basis, from the date of commencement of the exemption to the close of that calendar year, and, for the last calendar year of the tax exemption, from the first day of the calendar year to the date of termination of the exemption. Upon the termination of the

exemption granted pursuant to the provision of the Law, the Project and all improvements made thereto shall be assessed and subject to taxation as are other taxable properties in the Township. After the date of termination, all restrictions and limitations upon the Entity shall terminate and be at an end upon the Entity's rendering its final accounting to and with the Township; except however, that the forty-five (45) year deed-restriction identified in paragraph 1(b) above shall remain in full force and effect for the balance of its remaining term.

7. In the event of a breach of the Agreement by either of the parties hereto, or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party shall have the right to pursue any and all remedies available to it in law or equity. Venue for any such dispute shall be the Superior Court of the State of New Jersey, Burlington County Vicinage.

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

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

9. The Entity shall be subject, during the period of this Agreement and tax exemption under the Law, to a limitation of its profits and in addition, in the case of a corporation, of the dividends payable by it. Whenever the net profits of the Entity for the period, taken as one accounting period, commencing on the date on which the construction of the Project is completed and terminating at the end of the last full fiscal year, shall exceed the allowable net profits for the period, the Entity shall, within ninety (90) days of the close of the fiscal year, pay the excess net profits to the Township as an additional service charge. The Entity may maintain during the term of this Agreement a reserve for unpaid rentals, reasonable contingencies and/or vacancies in an amount not exceeding seven percent (7%) of the gross annual revenues of the Entity for the fiscal year preceding the year in which a determination is being made with respect to permitted net profits as provided in N.J.S.A. 40A:20-15. This seven percent (7%) reserve is established as required by the Low Income Housing Tax Credit regulations of the New Jersey Housing and Mortgage Finance Agency.

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

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

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

13. After examination of the books, contracts, etc. as set forth in Paragraph 12, the Township, in its reasonable discretion, may, within ninety (90) days after the close of any fiscal or calendar year (depending on the Entity's accounting basis) in which this Agreement remains in effect, require the Entity to submit an auditor's report for the preceding fiscal or calendar year, certified by a certified public accountant, to the Mayor, the Township Committee, the Township's Finance Director and the Clerk of the Township. Said auditor's report shall include, but not be limited to, such details as may relate to the Project's cost and to the financial affairs of the Entity and to its operation and performance hereunder, pursuant to the Law, as amended and

supplemented, and this Agreement, and shall be prepared in a manner consistent with the current standards of the Financial Accounting Standards Board. Said auditor's report shall be submitted to the representatives of the Township mentioned above within 90 days of receipt by the Entity of the Township's request for said auditor's report.

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

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

(a) When sent by the Township to the Entity it shall be addressed to: DV Hainesport LLC, 1845 Haddon Avenue, Camden, NJ 08103 unless prior to giving such notice the Entity shall have notified the Township otherwise in writing.

(b) When sent by the Entity to the Township, it shall be addressed to Township of Hainesport, Township Administrator, One Hainesport Center, Hainesport, New Jersey 08036, unless prior to giving such notice the Township shall have notified the Entity otherwise in writing.

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

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

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

However, any change made in the ownership of the Project which, as determined by the Township in its reasonable discretion, would materially affect the terms of this Agreement, shall render this Agreement voidable unless approved by the Township Committee by resolution. It is understood and agreed that the Township may, on written application by the Entity, consent to a

sale of the Project and the transfer of the Agreement to an urban renewal corporation or association eligible to function under the Law provided the Entity is not in default as respects any performance required of it hereunder and full compliance with the terms and conditions of N.J.S.A. 40A:20-1, et seq. has occurred and the Entity's obligation under this Agreement with the Township is assumed by the transferee.

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

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

19. Where approval or consent of the Township is sought for an assignment of the Agreement, either the Entity or its assignee shall be required to pay to the Township a reasonable fee for the legal services of the Township', related to the review, preparation, and/or submission of papers to the Township Committee for its appropriate action on the request assignment.

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

21. The Entity shall, from the time the Annual Service Charge becomes effective, and on the same due dates as scheduled for the payment of land taxes, pay the Township the estimated 1/4 of the Annual Service Charge on the Project's improvements until the correct

amount due from the Entity as the Annual Service Charge on the Project's improvements is determined after any review and examination by the Township of the Entity's books and records and for submission to Township of any auditor's reports pursuant to Paragraphs 12 and 13 above.

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

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

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

WITNESS:

DV Hainesport LLC
a New Jersey limited liability company

By:

James Reynolds
Authorized Member

ATTEST:

TOWNSHIP OF HAINESPORT

Paula Kosko, RMC
Municipal Clerk

By:

Mayor

Exhibit "A"

Project Sources and Uses (Projected)

<u>SOURCES</u>	\$
Permanent Mortgage	\$975,000
LIHTC Equity	10,009,999
Total Deferred Fee	638,631
Seller Note	2,340,000
<hr/>	
Total Sources of Funds	\$13,963,630

<u>USES</u>	
Acquisition Costs	\$2,990,000
Construction Costs	7,107,324
Development Costs	1,174,058
Lease-up & Marketing	133,000
Financing/Loan Fees	516,184
State Agency Fees	248,500
Reserves	429,239
Development Fee	1,365,325
<hr/>	
Total Uses of Funds	\$13,963,630

Exhibit "B"

Project Operating Expenses (Projected)

Administrative	\$58,969
Salaries	122,265
Maintenance & Repairs	38,000
Maintenance Contracts	39,900
Utilities	66,900
Management Fee	59,616
Real Estate Taxes	35,210
Insurance	39,600
Replacement Reserve	34,488
Total Expenses	\$494,948

Exhibit "C"

Calculation of Annual Service Charge

Gross Rents	\$674,360
Less Vacancy	(46,785)
Less Utilities	<u>(66,900)</u>
Gross Revenue	<u>\$ 560,675</u>
x Rate	<u>x 6.28%</u>
Annual Amount of Payment in Lieu of Taxes	<u>\$ 35,210</u>

4850-8090-7505, v. 1