

**AGREEMENT BETWEEN
THE TOWNSHIP OF WEST ORANGE
AND**

WEST ORANGE SENIOR CITIZENS HOUSING ASSOCIATION, INC.

FOR PAYMENT IN LIEU OF TAXES FOR THE JOHN P. RENNA HOUSE

THIS AGREEMENT made this ____ day of _____, 2016 between West Orange Senior Citizens Housing Association, Inc., a nonprofit corporation of the State of New Jersey, organized pursuant to the "Long Term Tax Exemption Law" (N.J.S.A. 40A:20-1 et seq.), having its principal office at 10 Gaston Place, West Orange, New Jersey, hereinafter referred to as "Nonprofit Corporation", and the Township of West Orange, a Municipal Corporation of the State of New Jersey, having its principal office at 66 Main Street, West Orange, New Jersey, hereinafter referred to as the "Municipality",

WITNESSETH:

WHEREAS, the Municipality and the Nonprofit Corporation previously entered into an Agreement dated June 15, 1972 (the "1972 Agreement"), annexed hereto as Exhibit "A" prior to the erection of a housing project at 10 Gaston Place, now called the John P. Renna House (the "Renna House"); and

WHEREAS the 1972 Agreement was made pursuant to the Limited-Dividend Nonprofit Housing Corporation or Associations Law and provided that the Nonprofit Corporation would be exempt from taxation of the Renna House by the Municipality for a period of fifty (50) years; and

WHEREAS, the 1972 Agreement also provided that the Nonprofit Corporation would pay an annual service charge to the Municipality at a rate of fifteen per cent (15%) of the Renna House's annual gross shelter rent; and

WHEREAS, the 1972 Agreement was meant to allow the Nonprofit Corporation to operate and offer housing for low and moderate income families; and

WHEREAS, the Nonprofit Corporation desires to refinance its mortgage on the Renna House in order to make capital improvements to the property;

WHEREAS, the Nonprofit Corporation's lender/prospective lender requires an updated Agreement for Payment in Lieu of Taxes in order to refinance the Nonprofit Corporation's mortgage.

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" (N.J.S.A. 40A:20-1 to N.J.S.A. 40A:20-20), it being expressly understood and agreed that the Municipality relies upon the facts, data and representations enumerated herein.

2. The parties agree that they intend to reaffirm and reincorporate the covenants and promises set forth in the 1972 Agreement except when those provisions are in conflict with the enumerated provisions of this Agreement for which the enumerated provisions of this Agreement shall govern (for example, the duration of the tax exemption).

2. The Nonprofit Corporation will continue offer apartments to residents of the Municipality. Occupancy will be open to low or moderate income families with income limits established by the Federal Housing Administration and with priority in occupancy to those displaced by urban renewal or other governmental action in the Municipality.

3. The Renna House shall continue to be exempt from taxation in accordance with the provision of the " Long Term Tax Exemption Law" (N.J.S.A. 40A:20-1 et seq.) for a period of not more than thirty (30) years from the Effective Date of this Agreement.

4. The "Effective Date" of this Agreement shall be the date upon which the Municipality's governing body passes a resolution authorizing the execution of this Agreement. A copy of the authorizing resolution shall be annexed hereto as Exhibit "B."

5. In consideration of these promises and one dollar upon termination of the thirty (30) year period described in paragraph 3 above, or upon termination of the Corporation as a

non-profit corporation whichever shall occur first, the Municipality shall have 180 days to exercise an option to purchase the premises which are the subject of this Agreement, for one dollar, subject to all encumbrances of record at the date of exercising said option.

6. In consideration of the aforesaid exemption from taxation, the Nonprofit Corporation shall make payment to the Municipality of an annual service charge for municipal services supplied to said project of fifteen per cent (15%) of the annual gross shelter rent which shall include the income from professional suites, laundry and parking areas obtained from the Renna House's operations. The aforesaid payment by the Nonprofit Corporation shall be made quarterly at such time as tax payments are due. It is further provided that at the end of the thirty (30) year period tax exemption granted hereunder, the tax exemption shall cease and the Renna House and any other property of the Nonprofit Corporation, as well as the land, shall be assessed and taxed according to general law like other property in the Municipality. At the same date, all restrictions and limitations upon the Nonprofit Corporation shall terminate and be at an end upon the Nonprofit Corporation rendering its final account with the Municipality.

7. During the period of tax exemption as above provided, the Nonprofit Corporation shall be operated as a non-profit corporation pursuant to the Certificate of Incorporation of the Corporation.

8. The tax exemption provided herein shall apply only so long as the Nonprofit Corporation and its project remain subject to the provisions of the aforesaid "Long Term Tax Exemption Law" (N.J.S.A. 40A:20-1 et seq.), but in no event longer than thirty (30) years from the Effective Date of this Agreement.

10. Upon any termination of such tax exemption, whether by affirmative action of the Nonprofit Corporation or by virtue of the provisions of the "Long Term Tax Exemption Law", or pursuant to the terms of this Agreement, the date of such termination shall be deemed to be the end of the fiscal year of the Nonprofit Corporation.

11. Within ninety (90) days after the close of each fiscal year that this Agreement shall continue in effect, the Nonprofit Corporation shall submit an auditor's report to the Mayor and Council of the Municipality.

12. The Nonprofit Corporation shall, upon request, permit inspection of property, equipment, buildings and other facilities of the Nonprofit Corporation, and also permit examination and audit of its books, contracts, records, documents and papers, by representatives duly authorized by the Municipality. Any such inspection, examination or audit shall be made during the reasonable hours of the business day, in the presence of an officer or agent of the Nonprofit Corporation.

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

(a) When sent by the Municipality to the Nonprofit Corporation it shall be addressed to:

10 Gaston Place
West Orange, NJ 07052

or to such other address as the Nonprofit Corporation may hereafter designate in writing.

(b) When sent by the Nonprofit Corporation to the Municipality it shall be addressed to:

Township Clerk of the Township of West Orange
66 Main Street
West Orange, NJ 07052

or to such other address as the Municipality may hereafter designate in writing.

14. The Nonprofit Corporation shall commence capital improvement on the Renna House within _____ () months of the date of this Agreement.

15. The term "annual gross shelter rent" as used in paragraph 6 above, **shall not** include any rent subsidy paid by any governmental agency.

16. This Agreement contains the entire agreement among the Nonprofit Corporation and the Municipality.

17. If any term or provision of this Agreement is determined by a court of competent jurisdiction to be illegal or unenforceable, all other terms and provisions of this Agreement will remain effective and will be enforced to the fullest extent permitted by applicable law.

18. This Agreement shall not be amended, altered, revised, modified, terminated, or changed except by a subsequent written agreement executed by all parties hereto, and then such amendment shall be effective only in the particular instance and for the purpose for which it is given.

19. This Agreement is solely for the benefit the Nonprofit Corporation and the Municipality. No provision of this Agreement shall in any way inure to the benefit of, or create any rights whatsoever in any third person or entity (including the public at large) unless expressly provided for herein.

Attest:



Attest:

WEST ORANGE SENIOR CITIZENS
HOUSING ASSOCIATION

By: 

THE TOWNSHIP OF WEST ORANGE

By: _____