

EXHIBIT AAGREEMENT FOR PAYMENT IN LIEU OF TAXES

HMFA # _____

THIS AGREEMENT, made this ____ day of _____, 2017, between JFP Housing LLC, a limited liability company of the State of Delaware, having its principal office at 760 Northfield Avenue; West Orange, New Jersey 07052 (hereinafter the "Sponsor") and the Township of West Orange, a municipal corporation in the County of Essex and State of New Jersey (hereinafter the "Municipality").

WITNESSETH

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

1. This Agreement is made pursuant to the authority contained in Section 37 of the New Jersey Housing and Mortgage Finance Agency Law of 1983 (N.J.S.A. 55:14K-1 et seq.) (hereinafter "HMFA Law") and a Resolution of the Council of the Municipality dated May 23, 2017, (the "Resolution") and with the approval of the New Jersey Housing and Mortgage Finance Agency (hereinafter the "Agency"), as required by N.J.S.A. 55:14K-37.

2. The Project is or will be situated on that parcel of land designated as Block 165, Lots 15, 18 and 19 as shown on the Official Assessment Map of the Township of West Orange and more commonly referred to as Jewish Federation Plaza.

3. As of the date the Sponsor executes a first mortgage upon the Project in favor of the Agency (hereinafter referred to as the "Agency Mortgage"), the land and improvements comprising the Project shall be exempt from real property taxes, provided that the Sponsor shall make payments in lieu of taxes to the Municipality as provided hereinafter. The exemption of the Project from real property taxation and the sponsor's obligation to make payments in lieu of taxes shall not extend beyond the date on which the Agency Mortgage is paid in full, which, according to the HMFA Law, may not exceed fifty (50) years.

4. (a) For projects receiving construction and permanent financing from the Agency, the Sponsor shall make payment to the Municipality of an annual service charge in lieu of taxes in such amount as follows:

(1) From the date of the execution of the Agency Mortgage, the Sponsor shall make payment to the Municipality in an annual amount equal to the greater of A) \$60,407; or B) Ten (10.00%) percent of Project Revenues.

(b) As used herein, "Project Revenues" means all rental revenues received from tenants, and shall specifically not include any federal or state rent subsidies, "Utility

Allowances,” or any income derived from the provision of social services such as meals, transportation, or housekeeping.

(c) The amount of payment in lieu of taxes to be paid pursuant to paragraphs (a) or (b) above is calculated in Exhibit "B" attached hereto. It is expressly understood and agreed that the revenue projections provided to the Municipality as set forth in Exhibit "B" and as part of the Sponsor's application for an agreement for payments in lieu of taxes are estimates only. The actual payments in lieu of taxes to be paid by the Sponsor shall be determined pursuant to Section 5 below.

5. (a) Payments by the Sponsor shall be made on a quarterly basis in accordance with bills issued by the Tax Collector of the Municipality in the same manner and on the same dates as real estate taxes are paid to the Municipality and shall be based upon Project Revenues of the previous quarter. From the date of the execution of the Agency Mortgage, and each year thereafter that this Agreement remains in effect, the Sponsor shall submit to the Municipality, within three (3) months following the end of the fiscal year in effect, a certified, audited financial statement of the operation of the Project (the "Audit"), setting forth the Project Revenues and the total payments in lieu of taxes due to the Municipality calculated at the greater of A) \$60,407; or B) Ten (10.00%) percent of Project Revenues as set forth in the Audit (the "Audit Amount"). The Sponsor simultaneously shall pay the difference, if any, between (i) the Audit Amount and (ii) payments made by the Sponsor to the Municipality for the preceding fiscal year. The Municipality may accept any such payment without prejudice to its right to challenge the amount due. In the event that the payments made by the Sponsor for any fiscal year shall exceed the Audit Amount for such fiscal year, the Municipality shall credit the amount of such excess to the account of the Sponsor.

(b) All payments pursuant to this Agreement shall be in lieu of taxes and the Municipality shall have all the rights and remedies of tax enforcement granted to Municipalities by law just as if said payments constituted regular tax obligations on real property within the Municipality. If, however, the Municipality disputes the total amount of the annual payment in lieu of taxes due it, based upon the Audit, it may apply to the Superior Court, Chancery Division for an accounting of the service charge due the Municipality, in accordance with this Agreement and HMFA Law. Any such action must be commenced within one year of the receipt of the Audit by the Municipality.

(c) In the event of any delinquency in the aforesaid payments, the Municipality shall give notice to the Sponsor and NJHMFA in the manner set forth in Section 9(a) below, prior to any legal action being taken.

6. The tax exemption provided herein shall apply only so long as the Sponsor or its successors and assigns and the Project remain subject to the provisions of the HMFA Law and Regulations made thereunder and the supervision of the Agency, but in no event longer than the term of the Agency Mortgage. In the event of (a) a sale, transfer or conveyance of the Project by the Sponsor or (b) a change in the organizational structure of the Sponsor (which shall not include a change in any of the Limited Partners of Sponsor, in which case this Agreement shall remain in full effect), this Agreement shall be assigned to the Sponsor's successor and shall

continue in full force and effect so long as the successor entity qualifies under the HMFA Law or any other state law applicable at the time of the assignment of this Agreement and is obligated under the Agency Mortgage.

7. Upon any termination of such tax exemption, whether by affirmative action of the Sponsor, its successors and assigns, or by virtue of the provisions of the HMFA Law, or any other applicable state law, the Project shall be taxed as omitted property in accordance with the law.

8. The Sponsor, its successors and assigns shall, upon request, permit inspection of property, equipment, buildings and other facilities of the Project and also documents and papers by representatives duly authorized by the Municipality. Any such inspection, examination or audit shall be made during reasonable hours of the business day, in the presence of an officer or agent of the Sponsor or its successors and assigns.

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

(a) When sent by the Municipality to the Sponsor, it shall be addressed to JFP Housing LLC; Attention: Managing Member; 760 Northfield Avenue; West Orange, New Jersey 07052 or to such other address as the Sponsor may hereafter designate in writing and a copy of said notice or communication by the Municipality to the Sponsor shall be sent by the Municipality to the New Jersey Housing and Mortgage Finance Agency, 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085.

(b) When sent by the Sponsor to the Municipality, it shall be addressed to the Township of West Orange; Attention: Mayor; 66 Main Street; West Orange, New Jersey 07052, or to such other address as the Municipality may designate in writing; and a copy of said notice or communication by the Sponsor to the Municipality shall be sent by the Sponsor to the New Jersey Housing and Mortgage Finance Agency, 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085.

10. In the event of a breach of this Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court, Chancery Division, to settle and resolve said dispute in such fashion as will tend to accomplish the purposes of the HMFA Law.

11. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. It shall not be necessary in making proof of this Agreement to produce or account for more than a sufficient number of counterparts to evidence the execution of this Agreement by each party hereto.

12. This Agreement constitutes the entire agreement of the parties hereto with respect to the matter set forth herein and supercedes any prior understanding or agreement, oral or written with respect to the Project.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first written.

ATTEST

SPONSOR:

JFP Housing LLC
By: JFP Housing GP Corp,
its Managing Member

By: _____
Name:
President

ATTEST

MUNICIPALITY:

Township of West Orange

Karen J. Carnevale, R.M.C.
Municipal Clerk

By: _____
Robert D. Parisi, Mayor

EXHIBIT B**FINANCIAL ESTIMATE RELATING TO
ANNUAL PAYMENTS IN LIEU OF TAXES OF SOBBFH Housing LLC**

With regard to a housing development to be substantially rehabilitated and known as the Jewish Federation Plaza Apartments, located on Block 165, Lots 15, 18 and 19, in the Township of West Orange, County of Essex, and State of New Jersey.

Dated: May 23, 2017

Estimated Annual Project Revenues	\$	588,470
Times	PILOT Rate	10.00%
Year One Municipal Annual Service Charge – Greater of \$60,407 or 10.00% of Estimated Annual Project Revenues	\$	60,407

Total Number of Units - One hundred thirty-five (135)
4814-5313-6711, v. 1