

## **EXHIBIT A**

# TOWNSHIP OF BLOOMFIELD MASTER PLAN HOUSING ELEMENT AND FAIR SHARE PLAN

*Prepared for:*

Planning Board  
Township of Bloomfield  
Municipal Plaza  
Bloomfield, New Jersey 07003

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The original of this report was signed and  
sealed in accordance with N.J.S.A. 13:41-1.2

A handwritten signature in black ink, appearing to read 'Paul Grygiel', is written over a horizontal line.

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## I. Introduction

This Housing Element and Fair Share Plan has been prepared on behalf of the Township of Bloomfield, Essex County, in accordance with the New Jersey Municipal Land Use Law per N.J.S.A. 40:55D-28b(3) and the Fair Housing Act (N.J.S.A. 52:27D-301, et seq.).

The Municipal Land Use Law, N.J.S.A. 40:55D-1, et seq., requires that a municipal master plan include a Housing Element in order for the municipality to exercise the power to zone and regulate land use. The Housing Element and Fair Share Plan is adopted by the Township Planning Board and endorsed by the governing body. It is intended to achieve the goal of meeting the Township's obligations to plan and regulate land use to provide for a fair share of the regional need for affordable housing.

Bloomfield remains committed to meeting its constitutional obligation to provide through its land use regulations a realistic opportunity for its fair share of the region's present and prospective needs for housing for low- and moderate-income families. This Housing Element and Fair Share Plan document outlines how the Township will address its affordable housing obligations.

## II. Affordable Housing in New Jersey

In 1975 the Supreme Court of New Jersey in South Burlington County N.A.A.C.P. v. Township of Mount Laurel, 67 N.J. 151 (1975), ruled that the developing municipalities in the State of New Jersey exercising their zoning power, in general, had a constitutional obligation to provide a realistic opportunity for the construction of their fair share of the region's low- and moderate-income housing needs. In 1983, the Supreme Court refined that constitutional obligation in South Burlington County N.A.A.C.P. v. Township of Mount Laurel, 92 N.J. 158 (1983), to apply to those municipalities having any portion of their boundaries within the growth area as shown on the State Development Guide Plan. In 1985, the New Jersey Legislature adopted, and the Governor signed, the Fair Housing Act N.J.S.A. 52:2D-301, et seq. ("FHA") which transformed the judicial doctrine that became known as the "Mount Laurel doctrine" into a statutory one and provided an alternative administrative process in which municipalities could elect to participate in order to establish a Housing Element and Fair Share Plan ("HEFSP") that would satisfy its constitutional obligation by creating an administrative agency known as the Council on Affordable Housing ("COAH") to develop regulations to define the obligation and implement it. COAH proceeded to adopt regulations for First Round obligations applicable from 1987 to 1993 and Second Round obligations that created a cumulative obligation from 1987 to 1999.

COAH first proposed Third Round substantive and procedural rules in 2003, but due to multiple legal challenges, these rules were not adopted until 2008. However, the Third Round rules adopted in 2008 were challenged in an appeal entitled In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97 by the New Jersey Council on Affordable Housing, 416 N.J. Super. 462 (App. Div. 2010) (the "2010 Case"). In October 2010, the Appellate Division determined, among other things, that the methodology in the rules adopted in 2008 was invalid and that COAH should adopt regulations utilizing methodologies similar to the ones utilized in the First and Second Rounds, i.e. 1987-1999. In 2023, the Supreme Court of New Jersey affirmed the Appellate Division's invalidation of the third iteration of the Third Round regulations, sustained their determination that the growth share methodology was invalid, and directed COAH to adopt new regulations based upon the methodology utilized in the First and Second Rounds, In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97 by the New Jersey Council on Affordable Housing, 215 N.J. 578 (2023) (the "2023 Case"). COAH proceeded to propose such regulations in accordance with the schedule established by the New Jersey Supreme Court in the 2023 Case. On October 20, 2014, COAH deadlocked with a 3-3 vote and failed to adopt the revised Third Round regulations.

Due to COAH's failure to adopt the revised regulations and subsequent inaction, Fair Share Housing Center ("FSHC"), a party in the 2010 Case and the 2023 Case, filed a motion with the New Jersey Supreme Court to enforce litigant's rights. On March 10, 2015 the New Jersey Supreme Court issued its decision on FSHC's motion. The Supreme Court found that the COAH administrative process had become non-functioning and, as a result, returned primary jurisdiction over affordable housing matters to the trial courts. In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97 by the New Jersey Council on Affordable Housing, 221 N.J. 1 (2015) (the "2015 Case"). In doing so, the Supreme Court declined to adopt a specific methodology or formula to calculate the Third Round affordable housing obligations of the municipalities. The Court did provide some guidance by reiterating its endorsement of the

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previous methodologies employed in the First and Second Round Rules as the template to establish Third Round affordable housing obligations.

In the 2015 Case, the Supreme Court decision recognized that many municipalities attempted to address their affordable housing obligations in 2008 by preparing a housing element and fair share plan and petitioning COAH for substantive certification of the plan. Through no fault of its own, Bloomfield, like a number of other municipalities, did not receive substantive certification of its 2008 plan due to inaction by COAH and subsequent legal challenges. Such towns were considered “participating municipalities.”

On March 20, 2024, Governor Phil Murphy signed a package of affordable housing bills. One of these overhauled the FHA and eliminated COAH, and set forth the process of determining Fourth Round (2025 to 2035) affordable housing obligations. The New Jersey Department of Community Affairs (DCA) calculated statewide and regional affordable housing needs, including its non-binding determination of each municipality’s Fourth Round affordable housing obligations. Municipalities were able to either the accept the DCA determination of their obligation, or to provide their own municipal determination of their Fourth Round obligation. This Housing Element and Fair Share Plan has been prepared pursuant to applicable law and regulations and addresses Bloomfield’s affordable housing compliance.

### III. Housing Element/ Fair Share Plan Requirements

In accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1, et seq.), a municipal Master Plan must include a housing element as the foundation for the municipal zoning ordinance. Pursuant to the Fair Housing Act, a municipality's housing element must be designed to provide access to affordable housing to meet present and prospective housing needs, with particular attention to low- and moderate-income housing. The housing element must contain at least the following, as per the FHA at N.J.S.A. 52:27D-310:

- An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics, and type, including the number of units affordable to low- and moderate-income households and substandard housing capable of being rehabilitated;
- A projection of the municipality's housing stock, including the probable future construction of low- and moderate-income housing, for the next ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development, and probable residential development of lands;
- An analysis of the municipality's demographic characteristics, including, but not necessarily limited to, household size, income level, and age;
- An analysis of the existing and probable future employment characteristics of the municipality;
- A determination of the municipality's present and prospective fair share of low- and moderate-income housing and its capacity to accommodate its present and prospective housing needs, including its fair share of low- and moderate-income housing; and
- A consideration of the lands most appropriate for construction of low- and moderate-income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low- and moderate-income housing, including a consideration of lands of developers who have expressed a commitment to provide low- and moderate-income housing; and
- An analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multigenerational family continuity as expressed in the recommendations of the Multigenerational Family Housing Continuity Commission, pursuant to N.J.S.A. 52:27D-329.20f.(1); and
- An analysis of consistency with the State Development and Redevelopment Plan, including water, wastewater, stormwater, and multi-modal transportation based on guidance and technical assistance from the State Planning Commission.

The Administrative Office of the Courts issued Administrative Directive #14-24 issued on December 13, 2024 establishing guidelines for the implementation of the Amended FHA through the Affordable Housing Alternative Dispute Resolution Program ("the Program") established pursuant to section 5 of P.L.2024, c.2 (N.J.S.A. 52:27D-313.2). The Directive added additional requirements of municipalities, some in violation of the Amended FHA. More specifically, the Directive adds the following requirements:



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- Detailed site suitability analyses, based on the best available data, for each of the un-built inclusionary or 100 percent affordable housing sites in the plan as well as an identification of each of the sites that were proposed for such development and rejected, along with the reasons for such rejection.
- The concept plan for the development of each of the selected sites should be overlaid on the most up to date environmental constraints map for that site as part of its analysis to see what changes will be needed (either to the selected sites or to their zoning) to ensure that all of the units required by the settlement agreement will actually be produced.
- Documentation of the creditworthiness of all of the existing affordable housing units in its HEFSP and to demonstrate that it has followed all of the applicable requirements for extending expiring controls, including confirmation that all of the units on which the controls have been extended are code-compliant or have been rehabilitated to code-compliance, and that all extended controls cover a full 30-year period beginning with the end of the original control period. Documentation as to the start dates and lengths of affordability controls applicable to these units and applicable Affordable Housing Agreements and/or deed restrictions is also required. Additionally, the income and bedroom distributions and continued creditworthiness of all other existing affordable units in the HEFSP must be provided.
- An analysis of how the HEFSP complies with or will comply with all of the terms of the executed settlement agreement.

The Directive also states that the HEFSP must also include (in an Appendix) all of the adopted ordinances and resolutions needed to implement the HEFSP, including:

- All zoning amendments (or redevelopment plans, if applicable).
- An Affordable Housing Ordinance that includes, among other required regulations, its applicability to 100 percent affordable and tax credit projects, the monitoring and any reporting requirements set forth in the settlement agreement, requirements regarding very low income housing and very low income affordability consistent with the FHA and the settlement agreement, provisions for calculating annual increases in income levels and sales prices and rent levels, and a clarification regarding the minimum length of the affordability controls (at least 30 years, until the municipality takes action to release the controls).
- The adoption of the mandatory set aside ordinance, if any, and the repeal of the existing growth share provisions of the code.
- An executed and updated Development Fee Ordinance that reflects the court's jurisdiction.
- An Affirmative Marketing Plan adopted by resolution that contains specific directive to be followed by the Administrative Agent in affirmatively marketing affordable housing units, with an updated COAH form appended to the Affirmative Marketing Plan, and with both documents specifically reflecting the direct notification requirements set forth in the settlement agreement.
- An updated and adopted Spending Plan indicating how the municipality intends to allocate development fees and other funds, and detailing (in mini manuals) how the municipality

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proposes to expend funds for affordability assistance, especially those funds earmarked for very low income affordability assistance.

- A resolution of intent to fund any shortfall in the costs of the municipality's municipally sponsored affordable housing developments as well as its rehabilitation program, including by bonding if necessary.
- Copies of the resolution(s) and/or contract(s) appointing one or more Administrative Agent(s) and of the adopted ordinance creating the position of, and resolution appointing, the Municipal Affordable Housing Liaison.
- A resolution from the Planning Board adopting the HEFSP, and, if a final Judgment is sought before all of the implementing ordinances and resolutions can be adopted, a resolution of the governing body endorsing the HEFSP.

The most glaring example of the Directive exceeding the authority created by the Amended FHA is the requirement to adopt ordinances before the plan is approved. The Amended FHA explicitly provides that municipalities can adopt the ordinances after the plan is approved.

## IV. Housing Stock and Demographic Analysis

### Housing Stock Inventory

In 2023, there were 21,713 housing units in Bloomfield Township, of which 617, or approximately 2 percent, were vacant. Of the 21,096 occupied units, approximately 52 percent were owner occupied and 48 percent were renter occupied. Table 1, Housing Units by Occupancy Status, 2023, illustrates this occupancy status.

*Table 1. Housing Units by Occupancy Status, 2023*

	Housing Units	Owner Occupied	Renter Occupied
<b>Occupied</b>	21,096	11,006	10,090
<b>Vacant</b>	617	-	-
<b>Total</b>	21,713	-	-

Source: American Community Survey, 2019-2023 (Table DP04 Selected Housing Characteristics)

Approximately 42 percent of the total housing stock consists of single-family detached units. Structures with three or more units make up just over 40 percent of the total housing stock. See Table 2, Housing Units by Number of Units in Structure, 2023, for a detailed explanation of the Township's housing units.

*Table 2. Housing Units by Number of Units in Structure, 2023*

Number of Units	Total	Percent
<b>1, Detached</b>	9,118	42.0%
<b>1, Attached</b>	908	4.2%
<b>2</b>	2,937	13.5%
<b>3 or 4</b>	2,984	13.7%
<b>5 to 9</b>	455	2.1%
<b>10 to 19</b>	1,223	5.6%
<b>20+</b>	4,075	18.8%
<b>Mobile Home</b>	13	0.1%
<b>Other</b>	0	0.0%
<b>Total</b>	21,713	100.0%

Source: American Community Survey, 2019-2023 (Table DP04 Selected Housing Characteristics)

Table 3, Housing Units by Age, 2023, illustrates the age of the Township's housing stock. As one would expect from a built-out and historic community such as Bloomfield, the majority (65 percent) of its housing stock was built before 1950, including approximately 38 percent of which was built before 1940. Housing constructed after 2000 makes up approximately 11 percent of the Township's housing units.

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*Table 3. Housing Units by Age, 2023*

Year Built	Total Units	Percent
2020 or later	60	0.3%
2010 to 2019	1,646	7.6%
2000 to 2009	562	2.6%
1990 to 1999	491	2.3%
1980 to 1989	1,190	5.5%
1970 to 1979	1,220	5.6%
1960 to 1969	2,339	10.8%
1950 to 1959	3,304	15.2%
1940 to 1949	2,650	12.2%
Before 1940	8,251	38.0%
<b>Total</b>	<b>21,713</b>	<b>100.0%</b>

Source: American Community Survey, 2019-2023 (Table DP04 Selected Housing Characteristics)

Table 4, Housing Units by Number of Rooms for the Township of Bloomfield and Essex County, 2023, shows that in Bloomfield, approximately 22 percent of housing units have between one and three rooms; 50 percent have between four and six rooms; and 28 percent have seven or more rooms. In Essex County, approximately 24 percent of housing units have between one and three rooms; 48 percent have between four and six rooms; and 28 percent have seven or more rooms. The median number of rooms per housing unit in Bloomfield is 5.1, which is largely similar to the number of rooms per housing unit in Essex County (5.0).

*Table 4. Housing Units by Number of Rooms for the Township of Bloomfield and Essex County, 2023*

Rooms	Number of Units in Bloomfield	Percent of Units in Bloomfield	Number of Units in Essex County	Percent of Units in Essex County
1	986	4.5%	21,140	6.3%
2	1,008	4.6%	12,581	3.7%
3	2,740	12.6%	48,038	14.3%
4	3,961	18.2%	59,203	17.6%
5	3,443	15.9%	59,099	17.6%
6	3,445	15.9%	41,260	12.3%
7	2,342	10.8%	31,319	9.3%
8	1,645	7.6%	22,753	6.8%
9+	2,143	9.9%	40,157	12.0%
<b>Total</b>	<b>21,713</b>	<b>100.0%</b>	<b>335,550</b>	<b>100.0%</b>
<b>Median Rooms per Unit</b>	<b>5.1</b>		<b>5.0</b>	

Source: American Community Survey, 2019-2023 (Table DP04 Selected Housing Characteristics)

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Tables 5 and 6, Housing Values, Owner Occupied, 2013 and 2023, respectively, show that the median housing value of owner-occupied housing in Bloomfield increased by almost 36 percent between 2013 and 2023. During this same time, the median value in Essex County also increased by approximately 36 percent. In 2013, Bloomfield's median housing value of \$329,800 was 10 percent lower than that of Essex County (i.e., \$364,800). In 2023, Bloomfield's median housing value of \$447,900 was again 10 percent lower than that of Essex County (i.e., \$494,400).

*Table 5. Housing Values, Owner Occupied, 2013*

Housing Value	Number in Bloomfield	Percent in Bloomfield	Number in Essex County	Percent in Essex County
Less than \$50,000	209	2.1%	2,182	1.7%
\$50,000 to \$99,999	47	0.5%	2,064	1.6%
\$100,000 to \$149,999	316	3.2%	5,277	4.1%
\$150,000 to \$199,999	533	5.4%	9,746	7.7%
\$200,000 to \$299,999	2,680	26.9%	25,459	20.0%
\$300,000 to \$499,999	5,635	56.6%	48,066	37.8%
\$500,000 to \$999,999	482	4.8%	28,451	22.4%
\$1,000,000 or more	55	0.6%	6,052	4.8%
<b>Total</b>	<b>9,957</b>	<b>100.0%</b>	<b>127,297</b>	<b>100.0%</b>
<b>2013 Median Value</b>	<b>\$329,800</b>		<b>\$364,800</b>	

Source: American Community Survey, 2009-2013 (Table DP04 Selected Housing Characteristics)

*Table 6. Housing Values, Owner Occupied, 2023*

Housing Value	Number in Bloomfield	Percent in Bloomfield	Number in Essex County	Percent in Essex County
Less than \$50,000	177	1.6%	4,224	3.0%
\$50,000 to \$99,999	75	0.7%	1,211	0.9%
\$100,000 to \$149,999	55	0.5%	2,283	1.6%
\$150,000 to \$199,999	208	1.9%	3,726	2.6%
\$200,000 to \$299,999	1,199	10.9%	16,654	11.8%
\$300,000 to \$499,999	5,567	50.6%	43,938	31.1%
\$500,000 to \$999,999	3,582	32.5%	52,829	37.4%
\$1,000,000 or more	143	1.3%	16,512	11.7%
<b>Total</b>	<b>11,006</b>	<b>100.0%</b>	<b>141,377</b>	<b>100.0%</b>
<b>2023 Median Value</b>	<b>\$447,900</b>		<b>\$494,400</b>	

Source: American Community Survey, 2019-2023 (Table DP04 Selected Housing Characteristics)

Monthly rental costs in Bloomfield are, on average, higher than monthly rental costs County-wide, with almost 94 percent of Township renters paying \$1,000 or more per month in rent versus only approximately 78 percent in Essex County. In Bloomfield, the largest percentage of renters, almost 33 percent, pay between \$1,500 to \$1,999 per month in rent. See Table 7, Comparison of the Township of Bloomfield and Essex County, Monthly Rental Cost, 2023 for additional details.

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*Table 7. Comparison of the Township of Bloomfield and Essex County, Monthly Rental Cost, 2023*

Monthly Rent	Number in Bloomfield	Percent in Bloomfield	Number in Essex County	Percent in Essex County
<b>No Rent Paid</b>	261	-	3,459	-
<b>Less than \$500</b>	308	3.1%	17,560	10.2%
<b>\$500 to \$999</b>	342	3.5%	19,907	11.5%
<b>\$1,000 to \$1,499</b>	2,497	25.4%	53,634	31.1%
<b>\$1,500 to \$1,999</b>	3,211	32.7%	46,316	26.8%
<b>\$2,000 to \$2,499</b>	2,031	20.7%	21,870	12.7%
<b>\$2,500 to \$2,999</b>	959	9.8%	6,572	3.8%
<b>\$3,000 or more</b>	481	4.9%	6,778	3.9%
<b>Total</b>	9,829	100.0%	172,637	100.0%
<b>Median Rent</b>	\$1,775		\$1,459	

Source: American Community Survey, 2019-2023 (Table DP04 Selected Housing Characteristics)

In 2023, approximately 34 percent of Bloomfield owner occupied households contributed 30 percent or more of their income towards monthly housing costs, and 42 percent of Bloomfield owner occupied households put less than 20 percent of their income towards monthly housing costs. See Table 8, Monthly Housing Costs as Percentage of Household Income in the Past 12 Months – Owner Occupied Housing Units, 2023, for additional information.

*Table 8. Monthly Housing Costs as Percentage of Household Income in the Past 12 Months – Owner Occupied Housing Units, 2023*

	Less than 20 percent	20 to 29 percent	30 percent or more
<b>Less than \$20,000</b>	0.0%	0.0%	6.4%
<b>\$20,000 - \$34,999</b>	0.1%	0.0%	2.8%
<b>\$35,000 - \$49,999</b>	0.9%	0.1%	4.1%
<b>\$50,000 - \$74,999</b>	0.9%	0.8%	6.6%
<b>\$75,000 or more</b>	40.2%	23.2%	13.7%
<b>Zero or Negative Income</b>	0.1%		

Source: American Community Survey, 2019-2023 (Table S2503 Financial Characteristics)

In 2023, nearly 47 percent of Bloomfield renter occupied households contributed 30 percent or more of their income towards monthly housing costs, whereas only approximately 24 percent of Bloomfield renter occupied households contributed less than 20 percent. See Table 9, Monthly Housing Costs as a Percentage of Household Income in the Past 12 Months – Renter Occupied Housing Units, 2023, for further information.

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*Table 9. Monthly Housing Costs as a Percentage of Household Income in the Past 12 Months – Renter Occupied Housing Units, 2023*

	Less than 20 percent	20 to 29 percent	30 percent or more
Less than \$20,000	0.0%	1.1%	10.1%
\$20,000 - \$34,999	0.7%	0.6%	10.1%
\$35,000 - \$49,999	0.0%	0.0%	6.6%
\$50,000 - \$74,999	0.5%	8.6%	12.2%
\$75,000 or more	22.3%	16.5%	7.6%
Zero or Negative Income	0.3%		
No Cash Rent	2.6%		

Source: American Community Survey, 2019-2023 (Table S2503 Financial Characteristics)

Bloomfield has 53 housing units that lack complete plumbing facilities and 652 units that are overcrowded (defined as having 1.01 or more persons per room). There are 144 units in the Township that lack telephone service and 103 units that lack complete kitchen facilities. See Table 10, Selected Quality Indicators, Occupied Housing Stock, 2023, for further information.

*Table 10. Selected Quality Indicators, Occupied Housing Stock, 2023*

	Overcrowded	No Telephone Service Available	Lacking Complete Plumbing	Lacking Complete Kitchen Facilities
Units	652	144	53	103

Source: American Community Survey, 2019-2023 (Table DP04 Selected Housing Characteristics)

## General Population Characteristics

There have been fluctuations in Bloomfield's population in the years since 1990. Between 1990 and 2000, the population increased by almost 6 percent, then briefly decreased by just under 1 percent between 2000 and 2010. In 2020, Bloomfield's population was observed at 53,105 persons, which was the largest change in population over the past 3 decades with a 12 percent increase. The County's population exhibited a similar trend to that of Bloomfield over the last three decades, increasing by approximately 2 percent between 1990 and 2000, decreasing by 1 percent between 2000 and 2010, and again increasing by 10 percent between 2010 and 2020. See Table 11, Population Change, 1990-2020, for more information.

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*Table 11. Population Change, 1990-2020*

	1990	2000	Percent Change (1990-2000)	2010	Percent Change (2000-2010)	2020	Percent Change (2010-2020)
<b>Bloomfield</b>	45,061	47,683	5.8%	47,315	-0.8%	53,105	12.2%
<b>Essex County</b>	778,206	793,633	2.0%	783,969	-1.2%	863,728	10.2%

Source: 1990, 2000, 2010 and 2020 U.S. Census

From 2010 to 2020, there were shifts in Bloomfield's age distribution. The largest population increases with respect to age were for the groups aged 65-74 (1,685 persons or 59 percent increase), aged 25-34 (1,673 or 23 percent increase), aged 55-64 (1,205 persons or 22 percent increase). The largest decrease in population was for the group aged 45-54, with a decrease of 306 persons or by 4 percent. See Table 12, Age Distribution, 2010-2020, for additional details.

*Table 12. Age Distribution, 2010-2020*

Age Group	2010	Percent	2020	Percent	Percent Change
<b>Under 5</b>	3,006	6.4%	3,021	5.7%	0.5%
<b>5-14</b>	5,302	11.2%	5,634	10.6%	6.3%
<b>15-24</b>	6,005	12.7%	6,465	12.2%	7.7%
<b>25-34</b>	7,441	15.7%	9,114	17.2%	22.5%
<b>35-44</b>	7,192	15.2%	7,852	14.8%	9.2%
<b>45-54</b>	7,115	15.0%	6,809	12.8%	-4.3%
<b>55-64</b>	5,589	11.8%	6,794	12.8%	21.6%
<b>65-74</b>	2,842	6.0%	4,527	8.5%	59.3%
<b>75+</b>	2,823	6.0%	2,889	5.4%	2.3%
<b>Totals</b>	47,315	100.0%	53,105	100.0%	-

Source: 2010 and 2020 U.S. Census

## Household Characteristics

A household is defined by the U.S. Census Bureau as those persons who occupy a single room or group of rooms constituting a housing unit; however these persons may or may not be related. As a subset of households, a family is identified as a group of persons including a householder and one or more persons related by blood, marriage or adoption, all living in the same household. In 2023, there were 21,096 households in Bloomfield, with an average of 2.48 persons per household and an average of 3.12 persons per family. Almost 46 percent of the households are comprised of married couples with or without children. Approximately 17 percent of the Bloomfield households are non-family households, which include individuals (Source: ACS 2019-2023, Table S1101 & S2501).



## Income Characteristics

Persons residing in Bloomfield have, on average, higher incomes than those of Essex County as a whole. Annual median income for Township households in 2023 was \$98,811, whereas annual median income for Essex County households was \$76,712. Table 13, Household and Family Income by Income Brackets for Bloomfield and Essex County, 2023, further illustrates these findings by noting the number of households in each of the income categories.

*Table 13. Household and Family Income by Income Brackets for Bloomfield and Essex County, 2023*

	Bloomfield		Essex County	
	Households	Percent	Households	Percent
Less than \$5,000	440	2.1%	13,858	4.4%
\$5,000 to \$9,999	302	1.4%	8,266	2.6%
\$10,000 to \$14,999	473	2.2%	15,215	4.8%
\$15,000 to \$19,999	727	3.4%	10,470	3.3%
\$20,000 to \$24,999	528	2.5%	11,504	3.6%
\$25,000 to \$34,999	952	4.5%	21,828	6.9%
\$35,000 to \$49,999	1,286	6.1%	29,782	9.4%
\$50,000 to \$74,999	3,108	14.7%	45,046	14.2%
\$75,000 to \$99,999	2,829	13.4%	33,951	10.7%
\$100,000 to \$149,999	4,073	19.3%	45,601	14.4%
\$150,000 or more	6,378	30.2%	81,952	25.8%
Total	21,096	100.0%	317,473	100.0%
Median Income	\$98,811		\$76,712	

Source: American Community Survey, 2019-2023 (Table S2503 Financial Characteristics)

Although the Census data does not provide a breakdown of household income by household size, the 2024 Regional Income Limits prepared by the Affordable Housing Professionals of New Jersey<sup>1</sup> for Essex, Morris, Union, and Warren Counties (Region 2) indicate the median household income for a household of one person was \$90,591. As such, the moderate-income threshold for a household of one person was \$72,473 (i.e., 80 percent of \$90,591). In attempting to approximate the number of low- and moderate-income households in the Township, using a household size of one is a conservative approach that represents just a minimum threshold. Table 13 above shows that the percentage of households in the Township for which income was below the closest breakpoint to this minimum threshold (i.e. \$75,000) was approximately 37 percent.

The percentage of persons and households below the poverty level, as defined by the 2023 American Community Survey, equates to nearly 9 percent of all Bloomfield Residents. This is lower than the County as a whole, wherein 15 percent of County residents were living below the poverty level in 2023 (Source: ACS 2019-2023, Table S1701).

<sup>1</sup> [https://ahpnj.org/member\\_docs/Income\\_Limits\\_2024\\_FINAL.pdf](https://ahpnj.org/member_docs/Income_Limits_2024_FINAL.pdf)

## Employment Characteristics

Table 14, Employment Status, 2023, indicates the number of Township residents 16 years and over who are in the labor force, the type of labor force (i.e., civilian or armed forces) and employment status. Approximately 72 percent of Bloomfield residents 16 and over are in the labor force and, among those in the labor force, all are in the civilian labor force. Of the residents in the civilian labor force, approximately 94 percent are employed and approximately 6 percent are unemployed.

*Table 14. Employment Status, 2023*

	Number in Bloomfield	Percent in Bloomfield
<b>Population 16 years and over</b>	43,925	-
<b>In Labor Force</b>	31,823	72.4%
<b>Civilian Labor Force</b>	31,823	72.4%
<i>Employed</i>	29,875	68.0%
<i>Unemployed</i>	1,948	4.4%
<b>Armed Forces</b>	0	0.0%
<b>Not in Labor Force</b>	12,102	27.6%

*Source: American Community Survey, 2019-2023 (Table DP03 Selected Economic Characteristics)*

Table 15, Employment by Occupation, Bloomfield, 2023, identifies the occupations of employed persons. While Bloomfield residents work in a variety of industries, the majority (nearly 51 percent) of employed residents work in Management, Business, Science, and Arts occupations; approximately 19 percent are employed in Sales and Office occupations; and almost 15 percent work in Service-related occupations.

*Table 15. Employment by Occupation, Bloomfield, 2023*

Sector Jobs	Number	Percent
<b>Management, Business, Science, and Arts Occupations</b>	15,220	50.9%
<b>Service</b>	4,408	14.8%
<b>Sales and Office</b>	5,529	18.5%
<b>Natural Resources, Construction, and Maintenance</b>	1,546	5.2%
<b>Production, Transportation, and Material Moving</b>	3,172	10.6%
<b>Total</b>	29,875	100.0%

*Source: American Community Survey, 2019-2023 (Table DP03 Selected Economic Characteristics)*

Table 16, Distribution of Employment by Industry, Township Residents, 2023, shows the distribution of employment by industry for employed Bloomfield residents. The two industries to capture the largest segments of the population were Educational, Health and Social Services at nearly 26 percent and Professional, Scientific, Management, Administrative, and Waste Management Services at approximately 13 percent.

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*Table 16. Distribution of Employment by Industry, Township Residents, 2023*

Sector Jobs	Number	Percent
Agriculture, Forestry, Fishing and Hunting, and Mining	33	0.1%
Construction	1,471	4.9%
Manufacturing	1,954	6.5%
Wholesale Trade	855	2.9%
Retail Trade	2,874	9.6%
Transportation and Warehousing, and Utilities	2,097	7.0%
Information	1,277	4.3%
Financing, Insurance, Real Estate, Renting, and Leasing	2,180	7.3%
Professional, Scientific, Management, Administrative, and Waste Management Services	4,011	13.4%
Educational, Health and Social Services	7,709	25.8%
Arts, Entertainment, Recreation, Accommodation and Food Services	2,226	7.5%
Public Administration	1,325	4.4%
Other	1,863	6.2%
<b>Total</b>	<b>29,875</b>	<b>100.0%</b>

Source: American Community Survey, 2019-2023 (Table DP03 Selected Economic Characteristics)

Of employed Township residents, approximately 78 percent are private wage and salary workers; 17 percent are government workers; and 5 percent are self-employed. See Table 17, Distribution by Class of Worker, 2023, for additional details.

*Table 17. Distribution by Class of Worker, 2023*

	Number in Bloomfield	Percent in Bloomfield
Private Wage and Salary Workers	23,211	77.7%
Government Workers	5,160	17.3%
Self-employed in own not incorporated business workers	1,461	4.9%
Unpaid family workers	43	0.1%
<b>Total</b>	<b>29,875</b>	<b>100.0%</b>

Source: American Community Survey, 2019-2023 (Table DP03 Selected Economic Characteristics)

The New Jersey Department of Labor and Statistics tracks covered employment throughout the State. See Table 18, Employment in Bloomfield by Industry Sector, 2012, 2017, 2022, for additional details. According to the New Jersey Department of Labor and Statistics, there were 13,450 jobs in Bloomfield in 2022. Health Care and Social Assistance, Retail Trade, and Educational Services were the largest sectors of in-town employment, with 2,509 jobs, 2,507 jobs, and 1,872 jobs, respectively. The sector which saw the largest increase in local employment between 2012 and 2022 was the Health Care and

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Social Assistance sector, with an increase of 941 jobs (or 60 percent increase). The Administration & Support, Waste Management and Remediation sector saw the largest decrease in local employment during the same time period, with a loss of 785 jobs (or a nearly 47 percent decrease).

*Table 18. Employment in Bloomfield by Industry Sector, 2012, 2017, 2022*

	2012		2017		2022	
SECTOR JOBS	COUNT	SHARE	COUNT	SHARE	COUNT	SHARE
Agriculture, Forestry, Fishing and Hunting, and Mining	0	0.0%	0	0.0%	0	0.0%
Mining, Quarrying, and Oil and Gas Extraction	0	0.0%	0	0.0%	1	0.0%
Utilities	0	0.0%	0	0.0%	0	0.0%
Construction	347	2.7%	395	3.0%	416	3.1%
Manufacturing	377	2.9%	299	2.3%	450	3.3%
Wholesale Trade	520	4.0%	362	2.8%	597	4.4%
Retail Trade	2,229	17.2%	2,423	18.4%	2,507	18.6%
Transportation and Warehousing	125	1.0%	154	1.2%	209	1.6%
Information	111	0.9%	64	0.5%	74	0.6%
Finance and Insurance	537	4.1%	501	3.8%	449	3.3%
Real Estate and Rental and Leasing	161	1.2%	210	1.6%	185	1.4%
Professional, Scientific and Technical Services	1,244	9.6%	1,207	9.2%	1,122	8.3%
Management of Companies and Enterprises	11	0.1%	25	0.2%	3	0.0%
Administration & Support, Waste Management and Remediation	1,672	12.9%	765	5.8%	887	6.6%
Educational Services	2,095	16.2%	2,038	15.5%	1,872	13.9%
Health Care and Social Assistance	1,568	12.1%	2,506	19.0%	2,509	18.7%
Arts, Entertainment, and Recreation	154	1.2%	81	0.6%	71	0.5%
Accommodation and Food Services	915	7.1%	1,111	8.4%	1,013	7.5%
Other Services (Excluding Public Administration)	436	3.4%	546	4.1%	510	3.8%
Public Administration	443	3.4%	475	3.6%	575	4.3%
<b>TOTAL PRIVATE SECTOR</b>	<b>12,945</b>	<b>100.0%</b>	<b>13,162</b>	<b>100.0%</b>	<b>13,450</b>	<b>100.0%</b>

Source: State of New Jersey Department of Labor and Workforce Development Local Employment Dynamics; <http://onthemap.ces.census.gov/>

## Growth Trends and Projections

### Residential Trends and Projections

According to the New Jersey Construction Reporter, between 2013 and 2023, Bloomfield issued 1,875 residential certificates of occupancy, which included 51 certificates for 1 & 2 family units and 1,824 certificates for multifamily units. See Table 19, Residential Certificates of Occupancy, 2013-2023, for additional details.

*Table 19. Residential Certificates of Occupancy, 2013-2023*

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
<b>1 &amp; 2 Family</b>	9	21	3	5	0	2	0	7	1	1	2	51
<b>Multifamily</b>	50	0	224	640	197	0	0	176	200	73	264	1,824
<b>Mixed Use</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	59	21	227	645	197	2	0	183	201	74	266	1,875

Source: New Jersey Construction Reporter

Bloomfield is essentially a fully developed community, with environmental constraints on the remaining undeveloped tracts zoned for residential use. There has been significant residential development in the past decade as a result of redevelopment projects located within the proximity of the Township's train stations. As shown on Table 19, the Township has had an average of approximately 170 dwelling units constructed each year between 2013 and 2023. Given the built-out nature of the municipality and lack of significant available developable land in the municipality, new housing development in coming years will be through redevelopment of existing properties. The Township has recently designated multiple areas as in need of redevelopment, several of which have subsequently been developed pursuant to redevelopment plans.

### Nonresidential Trends and Projections

According to the New Jersey Construction Reporter, between 2013 and 2023, Bloomfield issued certificates of occupancy for a total of ±2,385,954 square feet of non-residential building space. See Table 20, Non-Residential Certificates of Occupancy, 2013-2023, for additional details. The majority of the non-residential growth can be attributed to:

- 1,915,309 square feet of multifamily/dormitories space, for which certificates of occupancy were issued in 2013, 2015, 2016, 2017, 2020, 2021, 2022, 2023.
- 195,646 square feet of retail space, for which certificates of occupancy were issued in 2015, 2016, 2019, 2020, 2022
- 126,398 square feet of storage, for which certificates of occupancy were issued in 2015, 2016, and 2018.

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*Table 20. Non-Residential Certificates of Occupancy, 2013-2023*

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Office	0	0	0	32,984	716	535	0	8,880	6,369	5,931	1,750	57,165
Retail	0	0	148,035	17,073	0	0	17,073	3,465	0	10,000	0	195,646
A-1	0	0	0	0	0	0	0	0	0	0	0	0
A-2	0	0	0	22,260	0	0	0	2,454	0	0	0	24,714
A-3	0	0	0	4,080	0	0	4,276	0	0	0	1,664	10,020
A-4	0	0	0	0	0	0	0	0	0	0	0	0
A-5	0	0	0	0	0	0	16,000	0	0	0	0	16,000
Multifamily/ Dormitories	80,474	0	95,726	387,816	513,764	0	0	199,054	295,632	133,289	209,554	1,915,309
Hotel/ Motel	0	0	0	0	0	0	0	0	0	0	0	0
Education	0	0	0	0	0	0	0	0	0	0	0	0
Industrial	0	0	0	0	0	0	0	0	0	0	0	0
Hazardous	0	0	0	0	0	0	0	0	0	0	0	0
Institutional	0	0	0	0	0	0	0	37,750	0	0	0	37,750
Storage	0	0	111,000	3,278	0	12,120	0	0	0	0	0	126,398
Signs, Fences, Utility and Misc.	240	0	238	0	0	81	0	260	883	439	811	2,952
<b>TOTAL</b>	<b>80,714</b>	<b>0</b>	<b>354,999</b>	<b>467,491</b>	<b>514,480</b>	<b>12,736</b>	<b>37,349</b>	<b>251,863</b>	<b>302,884</b>	<b>149,659</b>	<b>213,779</b>	<b>2,385,954</b>

Source: New Jersey Construction Reporter

### Capacity for Growth

Bloomfield is essentially fully developed, with limited vacant developable land. The most realistic development opportunities involve the redevelopment of existing developed properties.

## V. Fair Share Plan

### Affordable Housing Obligations

#### Introduction

The New Jersey Department of Community Affairs (DCA) has calculated statewide and regional affordable housing needs, including municipal obligations. These non-binding determination of each municipality's Fourth Round (2025 to 2035) affordable housing obligations were released on October 18, 2024. A deadline of January 31, 2025 was set for municipalities to adopt a binding resolution setting forth either their acceptance of the DCA determination of their obligations or the municipal determination of their Fourth Round obligations. The Bloomfield Township Council adopted a resolution on January 27, 2025 setting forth its determination of the Township's Fourth Round obligations. This resolution was filed with the State's Affordable Housing Dispute Resolution Program within 48 hours of adoption and was published on the Township's website as required. Each of these obligations is discussed below.

#### Present Need

Present Need, also known as the rehabilitation obligation, is defined as the number of substandard existing deficient housing units in the municipality currently occupied by low- and moderate-income (LMI) households. DCA proposed a non-binding Present Need obligation for Bloomfield of 329. The Township of Bloomfield has accepted this obligation.

#### Prospective Need

The Township of Bloomfield is a "Qualified Urban Aid Municipality," meaning it is exempt from addressing Prospective Need, and therefore has a Prospective Need obligation of zero.

### Proposed Compliance Mechanisms

As noted, Bloomfield's Present Need obligation is 329. The Township will address this obligation as detailed below.

#### Rehabilitation Programs

Bloomfield has been a participant in the Essex County Home Improvement Program in the past, and is seeking to rejoin this program. The Township has also had its own municipal Home Improvement Program, which was funded through the Community Development Block Grant program. Bloomfield will continue to promote rehabilitation of existing units through these programs and, as well as through its affordable housing trust fund and other sources.

The Township will create a payment in lieu of providing housing to help fund the rehabilitation program. Bloomfield has experienced a significant amount of development in recent years through the redevelopment process governed by the New Jersey Local Redevelopment and Housing Law (LRHL). This process allows for the adoption of site-specific redevelopment plans and redeveloper agreements,



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which may include a community benefit agreement to fund public purposes. It is proposed that a fee be established to be included in redevelopment plans to fund the Township's rehabilitation program.

For non-redevelopment projects, the Township's residential and nonresidential development fee requirements will be applicable. As the entirety of Bloomfield has been designated as an "area in need of rehabilitation," homeowners and other property owners can take advantage of five-year tax abatement to help offset the contribution to the affordable housing trust fund. This benefit should be marketed to homeowners.

The Spending Plan included in Appendix 1 projects a total of \$2,009,850 from the Township's Affordable Housing Trust Fund will be available to fund rehabilitation projects between January 1, 2025 and June 30, 2035. With an average cost of \$20,000 per rehabilitated dwelling, this portion of the Affordable Housing Trust Fund will result in the rehabilitation of 100 dwellings.

It is anticipated that the Township will address the remainder of its rehabilitation obligation through its renewed participation in the Essex County Home Improvement Program.

#### Other Credits

The Township can receive credit for existing and proposed affordable dwellings as well. There are 7 documented Supportive and/or Special Needs Housing facilities, three developments with affordable units created through the NJHMFA CHOICE Program and three affordable age-restricted properties in Bloomfield, as listed in Table 21 and detailed below.

#### Group Homes:

1. **Project Live – Block 287, Lot 9:** This five-bedroom low-income group home for the developmentally disabled is located on Liberty Street and was initially established in 1997. N.J.A.C. 5:93-1.3 defines a group home for the developmentally disabled as licensed and/or regulated by the New Jersey Department of Human Services as an "alternative living arrangement." Per N.J.A.C. 5:93-5.8 alternative living arrangements may be used to address a municipal housing obligation. The unit of credit is the bedroom. Thus, the above home is eligible for five credits.
2. **ARC of Essex County I – Block 461, Lot 7:** This six-bedroom low-income group home for developmentally disabled adults is located on Clarendon Place and was initially established in 1981. N.J.A.C. 5:93-1.3 defines a group home for the developmentally disabled as licensed and/or regulated by the New Jersey Department of Human Services as an "alternative living arrangement." Per N.J.A.C. 5:93-5.8 alternative living arrangements may be used to address a municipal housing obligation. The unit of credit is the bedroom. Thus, the above home is eligible for five credits.
3. **ARC of Essex County II – Block 219, Lot 13.02:** This six-bedroom low-income group home for developmentally disabled adults is located on Linden Avenue and was initially established in 1991. N.J.A.C. 5:93-1.3 defines a group home for the developmentally disabled as licensed and/or regulated by the New Jersey Department of Human Services as an "alternative living arrangement." Per N.J.A.C. 5:93-5.8 alternative living arrangements may be used to address a



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municipal housing obligation. The unit of credit is the bedroom. Thus, the above home is eligible for six credits.

4. **Easter Seals Society of NJ I – Block 481, Lot 56:** This three-bedroom low-income group home for the developmentally disabled is located on Montgomery Street and built in 1985. N.J.A.C. 5:93-1.3 defines a group home for the developmentally disabled as licensed and/or regulated by the New Jersey Department of Human Services as an “alternative living arrangement.” Per N.J.A.C. 5:93-5.8 alternative living arrangements may be used to address a municipal housing obligation. The unit of credit is the bedroom. Thus, the above home is eligible for three credits.
5. **The Center for Family Support – Block 1262, Lot 10:** This five-bedroom low-income group home for developmentally disabled adults is located on East Passaic Avenue and was initially established in 2002. N.J.A.C. 5:93-1.3 defines a group home for the developmentally disabled as licensed and/or regulated by the New Jersey Department of Human Services as an “alternative living arrangement.” Per N.J.A.C. 5:93-5.8 alternative living arrangements may be used to address a municipal housing obligation. The unit of credit is the bedroom. Thus, the above home is eligible for five credits.
6. **Mental Health Association of Essex County Inc. I – Block 2, Lot 9:** This three-bedroom low-income group home for developmentally disabled adults is located on North Sixteenth Street and was established in 2009. N.J.A.C. 5:93-1.3 defines a group home for the developmentally disabled as licensed and/or regulated by the New Jersey Department of Human Services as an “alternative living arrangement.” Per N.J.A.C. 5:93-5.8 alternative living arrangements may be used to address a municipal housing obligation. The unit of credit is the bedroom. Thus, the above home is eligible for three credits.
7. **Mental Health Association of Essex County Inc. II – Block 691, Lot 35:** This three-bedroom low-income group home for developmentally disabled adults is located on North Sixteenth Street and was established in 2008. N.J.A.C. 5:93-1.3 defines a group home for the developmentally disabled as licensed and/or regulated by the New Jersey Department of Human Services as an “alternative living arrangement.” Per N.J.A.C. 5:93-5.8 alternative living arrangements may be used to address a municipal housing obligation. The unit of credit is the bedroom. Thus, the above home is eligible for three credits.

NJHMFA CHOICE Program Developments:

1. **Court Manor – Bland Court | Block 126, Lot 28, 23, 25-27:** This 17-unit development is located on Bland Court. It was developed as part of the NJ Housing and Mortgage Finance Agency’s Choices in Home Ownership Incentives Created for Everyone (CHOICE) program. The CHOICE program offers developers subsidies for the development of affordable housing units or emerging market units. Emerging market units are not deed restricted like traditional affordable housing units; however, they are subject to Equity Sharing Controls for up to 15 years, or at the time of non-restricted sale, allowing for a lump sum in exchange for partial ownership of the unit, and/or a share of its future appreciation and subject to the deed restrictions, mortgages and notes related to the units set forth in the Master Deed for Court Manor of Bloomfield Condominium (2017).
2. **Watsessing Manor – 7 Myrtle Street | Block 134, Lot 63:** This 12-unit development is located on Myrtle Street and was developed in 2017. The development is within 0.5 miles from the

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Watsessing Train Station. It was developed as part of the NJ Housing and Mortgage Finance Agency's Choices in Home Ownership Incentives Created for Everyone (CHOICE) program. The CHOICE program offers developers subsidies for the development of affordable housing units or emerging market units. Emerging market units are not deed restricted like traditional affordable housing units; however, they are subject to Equity Sharing Controls for up to 15 years, or at the time of non-restricted sale, allowing for a lump sum in exchange for partial ownership of the unit, and/or a share of its future appreciation and subject to the deed restrictions, mortgages and notes related to the units set forth in the Master Deed for Watsessing Manor Condominium (2017).

3. **Willow Manor – 92 Willow Street | Block 126, Lot 108-113:** This 12-unit development is located on Willow Street and was developed in 2014. It was developed as part of the NJ Housing and Mortgage Finance Agency's Choices in Home Ownership Incentives Created for Everyone (CHOICE) program. The CHOICE program offers developers subsidies for the development of affordable housing units or emerging market units. Emerging market units are not deed restricted like traditional affordable housing units; however, they are subject to Equity Sharing Controls for up to 15 years, or at the time of non-restricted sale, allowing for a lump sum in exchange for partial ownership of the unit, and/or a share of its future appreciation and subject to the deed restrictions, mortgages and notes related to the units set forth in the Master Deed for Willow Manor Condominium (2015).

Age-Restricted Properties:

1. **Heritage Village at Bloomfield – 390 Franklin Street | Block 311, Lot 13:** This recently developed 82-unit age-restricted affordable complex is located on the corner of Franklin Street and Municipal Plaza. It offers 60% median-income affordable units (49 units) and 40% low-income affordable units (33 units). Additionally, it is age-restricted for tenants 55 and over. As such, these units are eligible for 82 credits.
2. **National Church of Residences of New Jersey (Kinder Tower) – 400 Hoover Avenue | Block 697, Lot 100:** This 129-unit development is located on Bloomfield Avenue and was developed in 2018 and is commonly known as Kinder Tower. Kinder Tower is an age-restricted affordable community for seniors aged 62 and older. Thus, the above units are eligible for 129 credits
3. **100 Llewellyn Ave Urban Renewal LLC (Felicity Tower) – 100 Llewellyn Avenue | Block 197, Lot 32:** This 147-unit development is located on Llewellyn Avenue and is commonly known as Felicity Tower. Felicity Tower was built in 1974 and is an affordable age-restricted community for seniors aged 62 and older. This property also is subject to a Use Agreement to continue Interest Reduction Payments on the Section 236 property. Such an agreement ensures that the property will operate in accordance with all low-income affordability restrictions. Thus, the above units are eligible for 147 credits.

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*Table 21. Existing Affordable Housing Credits*

<u><b>Affordable Development</b></u>	<u><b>Type</b></u>	<u><b>Units</b></u>
Project Live (Group Home)	Alternative Living Arrangements	5 bedrooms
ARC of Essex County I (Group Home)	Alternative Living Arrangements	6 bedrooms
ARC Of Essex County II (Group Home)	Alternative Living Arrangements	6 bedrooms
Eastern Seals Society of NJ I (Group Home)	Alternative Living Arrangements	3 bedrooms
The Center for Family Support (Group Home)	Alternative Living Arrangements	5 bedrooms
Mental Health Association of Essex County Inc. I (Group Home)	Alternative Living Arrangements	3 bedrooms
Mental Health Association of Essex County Inc. II (Group Home)	Alternative Living Arrangements	3 bedrooms
SUBTOTAL		31
Court Manor	Emerging Market Unit <i>NJHMFA CHOICE Program</i>	17 units*
Watsessing Manor	Emerging Market Unit <i>NJHMFA CHOICE Program</i>	12 units*
Willow Manor	Emerging Market Unit <i>NJHMFA CHOICE Program</i>	12 units*
SUBTOTAL		41*
Heritage Village at Bloomfield	Age-Restricted Affordable	82 units
National Church of Residences (Kinder Tower)	Age-Restricted Affordable	129 units
100 Llewellyn Ave Urban Renewal LLC (Felicity Tower)	Age-Restricted Affordable	147 units
SUBTOTAL		358
<b>TOTAL</b>		<b>389 Affordable Units (+41 EMUs)</b>

\*These units are Emerging Market Units (EMUs) and are therefore not deed restricted, however, they are subject to Equity Sharing Controls for up to 15 years, or at the time of sale. Such developments participated in the CHOICE (Choices in Home Ownership Incentives Created for Everyone) program, New Jersey Housing and Mortgage Finance Agency's (HMFA) comprehensive financing program for the development of newly constructed and substantially rehabilitated workforce homeownership (owner-occupied primary residence) housing in New Jersey. The purchasers of the homes may be eligible for homebuyers below market interest-rate loans and closing cost/down payment assistance.

### Summary

Bloomfield plans to resume participation in the Essex County Home Improvement Program and to restart its own municipal Home Improvement Program. It is estimated that development fees, payments-in-lieu of construction and trust fund interest will provide funding for the rehabilitation of approximately 100 substandard dwelling units in the Township through the municipal program. In addition, Bloomfield is entitled to credits for existing affordable housing in the Township as detailed above.

### **Consideration of Lands and Buildings for Low- and Moderate-Income Housing**

As noted in Chapter III, this document must include a “consideration of the lands most appropriate for construction of low- and moderate-income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low- and moderate-income housing, including a consideration of lands of developers who have expressed a commitment to provide low- and moderate-income housing.” Bloomfield is essentially fully developed, with limited vacant developable land. The most realistic development opportunities involve the redevelopment of existing developed properties.

As of the date of this plan, there have been no developers who have expressed a commitment to providing low- and moderate-income housing.

### **Spending Plan**

The Township of Bloomfield has a development fee ordinance which provides a dedicated revenue source for affordable housing. All development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, and interest generated by the fees are deposited in a separate interest-bearing affordable housing trust fund for the purposes of affordable housing. These funds shall be spent for purposes including a housing rehabilitation program, costs associated with affordable housing construction, providing affordability assistance to low-income households and professional services related to the planning for affordable housing. A Spending Plan is included in Appendix 1.

## VI. Relationship to Multigenerational Family Housing Continuity

Multigenerational housing is becoming a desired housing option in the State due to rising housing costs and an aging population. Housing for multigenerational families is necessary to offer a diverse housing stock and to account for population trends. Multigenerational housing can provide an opportunity for residents to age in place, save on costs associated with housing, and provide in-house care for an older adult or persons with disabilities. Additionally, multigenerational housing is a more sustainable approach to meeting housing obligations as there is no need for the construction of new homes in order to provide housing for additional individuals.

One possible approach to providing multigenerational housing is the construction of accessory dwelling units (ADUs). A frequent concern when choosing to live in multigeneration housing layout is lack of privacy. ADUs offer sufficient privacy within a home, providing all the benefits of multigenerational housing without individuals sacrificing their personal space. ADUs make use of existing infrastructure, and therefore are more environmentally friendly, and can easily maintain the character of the neighborhood and/or municipality. ADUs are also a positive economic option. There are five types of ADUs: detached, attached, interior, above garages, and garage conversions.

In addition to ADUs, another form of multigenerational housing that Bloomfield could integrate into its housing stock is multifamily residential that offers resources and amenities for elderly, young adults, middle-aged parents, and young children alike to support all ages and all generations potentially living together. Providing amenities such as ADA compliant parking spaces, ramps, and public spaces, as well as on-site playgrounds and daycares, public office space, and meeting rooms facilities cohesive living for all ages.

Bloomfield presently allows second residential structures in the form of accessory dwelling units (ADUs) in the R-1A Zone as a conditional use. Per Zoning Ordinance §315-38A(4)(b), "Conditional Uses: Accessory dwelling units in existing detached garages in the R-1A Zone, only." Conditional Uses in the R-1A Zone are subject to the requirements set forth in §315-39B(10) of the Township Ordinance. Additional potential recommendations for the Township to address multigenerational housing needs are as follows:

- Create design standards for multifamily residential development to guarantee diverse amenities and resources for persons of all ages;
- Encourage multigenerational housing in transit-oriented areas where public transit can be easily accessible to limit the need for extra parking spaces on the property and ensure the increased density has no negative effects on the community.

## VII. Consistency with the State Development and Redevelopment Plan

The New Jersey State Development and Redevelopment Plan (SDRP) was originally adopted in 1992. The purpose of the SDRP according to the State Planning Act at N.J.S.A. 52:18A-200(f) is to:

*Coordinate planning activities and establish Statewide planning objectives in the following areas: land use, housing, economic development, transportation, natural resource conservation, agriculture and farmland retention, recreation, urban and suburban redevelopment, historic preservation, public facilities and services, and intergovernmental coordination.*

The State Plan is not a regulation, but a policy guide, and is meant to coordinate planning activities and development throughout the state. At the municipal level, master plans are required to be evaluated and, if necessary, modified to reflect policies of the State Plan. The State Plan is also important when the State makes infrastructural and other investment decisions, i.e., in determining where available State funds should be expended.

A revised version of the plan was adopted by the State Planning Commission in 2001. While required by the State Planning Act to be revised and re-adopted every three years, the SDRP has only been readopted once during the 32 years since its original adoption. A new State Strategic Plan (SSP) was proposed in 2011 as the revision to the 2001 SDRP, but it has not been advanced in recent years. The State Office of Planning Advocacy started the process of preparing a new State Plan in 2023 and the State Planning Commission has been engaging with stakeholders. As part of the update process, the State Planning Commission approved the Preliminary State Development and Redevelopment Plan on December 4, 2024, and is now undertaking the Cross-Acceptance process (i.e. review of the plan at the county level).

Spatially, the last adopted State Plan utilizes planning areas, centers, and environs as a framework for implementing Statewide goals and policies. The State Plan Map indicates that the Township of Bloomfield is located within the Metropolitan Planning Area (PA1). For the Metropolitan Planning Area, the State Plan has four major aims, as follows: (1) to provide for much of the state's future redevelopment; (2) to revitalize cities and towns and promote growth in compact forms; (3) to stabilize older suburbs and redesign areas of sprawl; and (4) to protect the character of existing stable communities.

The land use policy objectives of the Metropolitan Planning Area are to:

1. Promote redevelopment and development in cores and neighborhoods through cooperative regional planning efforts;
2. Promote diversification of land uses, including housing where appropriate, in single-use developments and enhance their linkages to the rest of the community; and
3. Ensure efficient and beneficial utilization of scarce land resources throughout the Planning Area to strengthen its existing diversified and compact nature.

**Township of Bloomfield Master Plan  
2025 Housing Element and Fair Share Plan**

The Bloomfield Master Plan recognizes the need to encourage development and redevelopment on the limited developable land in the Township. This Housing Plan promotes the rehabilitation of existing housing, and is therefore consistent with the State Plan.

## Appendices

Appendix 1: Spending Plan

Appendix 2: Draft Ordinances and Amendments

Appendix 3: Existing Affordable Housing Units Map

Appendix 4: Existing Affordable Housing Documentation (separate document)



**DRAFT – FOR DISCUSSION PURPOSES ONLY****Affordable Housing Trust Fund Spending Plan  
Township of Bloomfield  
May 2025****INTRODUCTION**

The Township of Bloomfield, Essex County has prepared a Housing Element and Fair Share plan that addresses its regional fair share of the affordable housing need in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.) and the Fair Housing Act (N.J.S.A. 52:27D-301). The Township has a development fee ordinance creating a dedicated revenue source for affordable housing. The ordinance establishes the Bloomfield affordable housing trust fund for which this spending plan is prepared.

As of December 31, 2024, the Bloomfield affordable housing trust fund had a balance of \$0. All development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, and interest generated by the fees will be deposited in a separate interest-bearing affordable housing trust fund for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:97-8.7-8.9 as described in the sections that follow.

The Township reserves the right and authority to further amend or modify the within spending plan to address or take into account changes which may be warranted due to new rules or rule amendments or judicial determinations, which may change standards or establish new criteria for the Township to address its affordable housing obligation.

**DRAFT – FOR DISCUSSION PURPOSES ONLY**

**1. REVENUES FOR CERTIFICATION PERIOD**

To calculate a projection of revenue anticipated during the Fourth Round, Bloomfield considered the following:

(a) Development fees:

1. Residential and nonresidential projects which have had development fees imposed upon them at the time of preliminary or final development approvals;
2. All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy; and
3. Future development that is likely to occur based on historical rates of development.

(b) Payment in lieu (PIL):

Actual and committed payments in lieu (PIL) of construction from developers as follows: none.

(c) Other funding sources:

Funds from other sources, including, but not limited to, the sale of units with extinguished controls, repayment of affordable housing program loans, rental income and proceeds from the sale of affordable units. No other funds have been or are anticipated to be collected.

(d) Projected interest:

Interest on the projected revenue in the municipal affordable housing trust fund at the current average interest rate, which has been assumed to be three percent annually.

**DRAFT – FOR DISCUSSION PURPOSES ONLY**

<b>SOURCE OF FUNDS</b>		<b>PROJECTED REVENUE SCHEDULE JANUARY 1, 2025-JUNE 30, 2035</b>				
		<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
(a) Development fees:						
1. Approved Development		\$0	\$0	\$0	\$0	\$0
2. Development Pending Approval		\$0	\$0	\$0	\$0	\$0
3. Projected Development		\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
(b) Payments in Lieu of Construction		\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
(c) Other Funds (Specify source(s))		\$0	\$0	\$0	\$0	\$0
(d) Interest		\$4,500	\$9,000	\$9,000	\$9,000	\$9,000
<b>Total</b>		<b>\$304,500</b>	<b>\$309,000</b>	<b>\$309,000</b>	<b>\$309,000</b>	<b>\$309,000</b>
	<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>Total</b>
(a) Dev. fees:						
1. Appr.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
2. Pending	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
3. Projected	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	<b>\$500,000</b>
(b) In Lieu	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	<b>\$2,500,000</b>
(c) Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
(d) Interest	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	<b>\$85,500</b>
<b>Total</b>	<b>\$309,000</b>	<b>\$309,000</b>	<b>\$309,000</b>	<b>\$309,000</b>	<b>\$309,000</b>	<b>\$3,085,500</b>

Bloomfield projects a total of \$3,085,500 in revenue to be collected between January 1, 2025 and June 30, 2035. All interest earned on the account shall accrue to the account to be used only for the purposes of affordable housing.

**DRAFT – FOR DISCUSSION PURPOSES ONLY**

**2. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS**

The following procedural sequence for the collection and distribution of development fee revenues shall be followed by Bloomfield:

(a) Collection of development fee revenues:

Collection of development fee revenues shall be consistent with Bloomfield's development fee ordinance for both residential and non-residential developments in accordance with COAH's rules and P.L.2008, c.46, sections 8 (C. 52:27D-329.2) and 32-38 (C. 40:55D-8.1 through 8.7).

(b) Distribution of development fee revenues:

The disbursement of monies in Bloomfield's affordable housing trust fund will be coordinated by its Municipal Housing Liaison. In some instances, funds will be provided to other entities, such as an entity responsible for administering a rehabilitation program, for eventual disbursement.

**DRAFT – FOR DISCUSSION PURPOSES ONLY****3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS****(a) Rehabilitation program (N.J.A.C. 5:97-8.7)**

Bloomfield will dedicate \$2,009,850 to its rehabilitation program.

**(b) Affordability Assistance (N.J.A.C. 5:97-8.8)**

Projected minimum affordability assistance requirement:

Actual development fees and other income through 12/31/2024		\$0
Development fees projected 2025-2035	+	\$3,000,000
Interest projected 2025-2035	+	\$85,500
<b>Total</b>	=	\$3,085,500
30 percent requirement	x 0.30 =	\$925,650
Less Affordability assistance expenditures through 12/31/2024	-	\$0
<b>PROJECTED MINIMUM Affordability Assistance Requirement 1/1/2025 through 6/30/2035</b>	=	\$925,650
<b>PROJECTED MINIMUM Very Low-Income Affordability Assistance Requirement 1/1/2025 through 6/30/2035</b>	÷ 3 =	\$308,550

Bloomfield will dedicate \$925,650 from the affordable housing trust fund to render units more affordable, including \$308,550 to render units more affordable to households earning 30 percent or less of median income by region, as follows:

Bloomfield will address this requirement through subsidizing the provision of very low-income housing and through other means such as down payment assistance, security deposit assistance, low interest loans, rental assistance, assistance with homeowners association or condominium fees and special assessments and assistance with emergency repairs.

**(c) Administrative Expenses (N.J.A.C. 5:97-8.9)**

Bloomfield projects that \$150,000 will be available from the affordable housing trust fund to be used for administrative purposes. Projected administrative expenditures, subject to the 20 percent cap, are as follows:

- Administering a housing rehabilitation program
- Managing the provision of affordability assistance to low-income households
- Provision of professional planning and legal services related to the planning for affordable housing

**DRAFT – FOR DISCUSSION PURPOSES ONLY****4. EXPENDITURE SCHEDULE**

Bloomfield intends to use affordable housing trust fund revenues for the creation and/or rehabilitation of housing units. Where applicable, the creation/rehabilitation funding schedule below parallels the implementation schedule set forth in the Housing Element and Fair Share Plan and is summarized as follows.

<b>Program</b>		<b>PROJECTED EXPENDITURE SCHEDULE</b>				
		<b>JANUARY 1, 2025-JUNE 30, 2035</b>				
		<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Rehabilitation		\$ 200,985	\$ 200,985	\$ 200,985	\$200,985	\$200,985
Affordability Assistance		\$ 92,565	\$ 92,565	\$ 92,565	\$ 92,565	\$ 92,565
Administration		\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
<b>Total</b>		<b>\$ 308,550</b>	<b>\$ 308,550</b>	<b>\$ 308,550</b>	<b>\$308,550</b>	<b>\$308,550</b>
	<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>Total</b>
Rehab.	\$200,985	\$200,985	\$200,985	\$200,985	\$200,985	<b>\$2,009,850</b>
Aff. Asst.	\$ 92,565	\$ 92,565	\$ 92,565	\$ 92,565	\$ 92,565	<b>\$ 925,650</b>
Admin.	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	<b>\$ 150,000</b>
<b>Total</b>	<b>\$308,550</b>	<b>\$308,550</b>	<b>\$308,550</b>	<b>\$308,550</b>	<b>\$308,550</b>	<b>\$3,085,500</b>

**DRAFT – FOR DISCUSSION PURPOSES ONLY****5. EXCESS OR SHORTFALL OF FUNDS**

Pursuant to the Housing Element and Fair Share Plan, the governing body of Bloomfield will adopt a resolution agreeing to fund any shortfall of funds required for implementing the rehabilitation program and providing affordability assistance. In the event that a shortfall of anticipated revenues occurs, Bloomfield will utilize a capital ordinance to provide the necessary funds. A copy of the adopted resolution of intent to adopt such an ordinance if necessary is attached.

In the event of excess funds, any remaining funds above the amount necessary to satisfy the municipal affordable housing obligation will be used to provide affordability assistance, aid with the rehabilitation of units and/or encourage provision of affordable accessory apartments.

**DRAFT – FOR DISCUSSION PURPOSES ONLY****SUMMARY**

Bloomfield intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:97-8.7 through 8.9 and consistent with the housing programs outlined in its housing element and fair share plan.

Bloomfield had a balance of \$0 as of December 31, 2024 and anticipates an additional \$3,085,500 in revenues from 2025 to 2035. The municipality will dedicate \$2,009,850 towards rehabilitation, \$925,650 to render units more affordable, and \$150,000 to administrative costs. Any shortfall of funds will be offset by funds appropriated from general revenue. The municipality will dedicate any excess funds toward providing affordability assistance, aiding with the rehabilitation of units and/or encouraging provision of affordable accessory apartments.

<b>SPENDING PLAN SUMMARY</b>		
Balance as of December 31, 2024		\$0
<b>PROJECTED REVENUE 2025-2035</b>		
Development fees	+	\$500,000
Payments in lieu of construction	+	\$2,500,000
Other funds	+	\$0
Interest	+	\$85,500
<b>TOTAL REVENUE</b>	<b>=</b>	<b>\$3,085,500</b>
<b>EXPENDITURES</b>		
Funds used for Rehabilitation	-	\$2,009,850
Affordability Assistance	-	\$925,650
Administration	-	\$150,000
<b>TOTAL PROJECTED EXPENDITURES</b>	<b>=</b>	<b>\$3,085,500</b>
<b>REMAINING BALANCE</b>	<b>=</b>	<b>\$0</b>



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## Proposed Affordable Housing Zoning Amendments

### Township of Bloomfield

Note: additions shown in underline, deletions in ~~striketrough~~

#### § 112-1. Purpose.

The purpose of this chapter is to facilitate the provision of affordable housing in connection with residential and nonresidential development in compliance with the requirements of statutory law ~~law and COAH's Revised Round Three Rules, as same may be amended from time to time, as amended and supplemented.~~

#### § 112-2. Definitions.

As used in this chapter, the following terms shall have the meanings indicated:

AFFORDABLE — Shall have the same meaning as that provided by the rules promulgated pursuant to the Fair Housing Act, as ~~same may be amended from time to time.~~amended and supplemented.

AFFORDABLE HOUSING UNIT(S) — Residential unit(s) affordable to low- or moderate-income households, as those terms are defined herein.

HOUSEHOLD — Shall have the same meaning as that provided by the rules promulgated pursuant to the Fair Housing Act, as ~~same may be amended from time to time.~~amended and supplemented.

INCLUSIONARY DEVELOPMENT — A development containing both affordable units and market-rate units. This term includes, but is not necessarily limited to: new construction, the conversion of a nonresidential structure to residential and the creation of new affordable units through the gut rehabilitation or reconstruction of a vacant residential structure.

LOW-INCOME — Shall have the same meaning as that provided by the rules promulgated pursuant to the Fair Housing Act, as ~~same may be amended from time to time.~~amended and supplemented.

MIXED-USE DEVELOPMENT — Shall have the same meaning as that provided by the Statewide Nonresidential Development Fee Act, N.J.S.A. 40:55D-8.1 through 8.7, ~~as same may be amended from time to time.~~as amended and supplemented.

MODERATE-INCOME — Shall have the same meaning as that provided by the rules promulgated pursuant to the Fair Housing Act, as ~~same may be amended from time to time.~~amended and supplemented.

NONRESIDENTIAL DEVELOPMENT — Shall have the same meaning as that provided by the Statewide Nonresidential Development Fee Act, N.J.S.A. 40:55D-8.1 through 8.7, ~~as same may be amended from time to time.~~amended and supplemented.

#### § 112-3. Applicability.

This chapter sets forth mechanisms by which developers shall provide for a fair share of affordable housing based on growth that is associated with development taking place within all zoning districts within the Township. Except as otherwise set forth herein, this specifically includes, without limitation, any parcel within the Township which would accommodate five or more dwelling units as a result of a “d” variance pursuant to N.J.S.A. 40:55D-70, where the zoning would require a 20% set-aside. It also includes any parcel in an area designated by the Township as an area in need of redevelopment or an area in need of rehabilitation pursuant to the Redevelopment Law. Notwithstanding the above, this chapter shall not apply to any parcel within the Township which would not accommodate five or more dwelling units where the zoning would require a 20% set-aside; or to any parcel within an area designated by the Township as an area in need of redevelopment or an

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area in need of rehabilitation under the Redevelopment Law, provided the developer of any such project is required to execute a redevelopment agreement under the terms of a prevailing redevelopment plan. Any affordable housing obligation for a project undertaken in a designated redevelopment or rehabilitation area which is subject to a redevelopment agreement pursuant to the terms of a prevailing redevelopment plan will be determined through negotiations between the redevelopment entity and a designated redeveloper and incorporated into the redevelopment agreement.

#### § 112-4. Zoning for inclusionary development.

##### Reserved.

##### ~~A. Residential growth share provisions.~~

~~(1) Quantification of affordable housing obligation for residential developers. In those circumstances where a developer seeks to develop land for residential purposes, with projects of five or more units, said developer shall provide and develop on-site one affordable housing unit for every four market rate residential units constructed 20%. Residential developers shall fully integrate the affordable housing units with the market rate residential units. As an alternative to providing the required affordable housing unit(s) on-site, a developer shall have the option of either:~~

~~(a) Providing the required affordable housing unit(s) elsewhere in the Township; or~~

~~(b) Making a payment-in-lieu pursuant to § 112-7 of this chapter.~~

~~(2) Projects financed with state funds. Notwithstanding anything in this chapter to the contrary, a developer of a project consisting of newly constructed residential units being financed in whole or in part with state funds, including, but not limited to, transit villages designated by the Department of Transportation, units constructed on state-owned property, and urban transit hubs as defined pursuant to N.J.S.A. 34:1B-208, shall reserve at least 20% of the residential units constructed for occupancy by low or moderate-income households with affordability controls as required under the rules of COAH. Any such project shall be otherwise excluded from the provisions of this chapter, except that any such project which also consists of nonresidential development shall not be excluded from § 112-4B of this chapter.~~

~~B. Statewide Nonresidential development fee program. This provision is intended to facilitate the requirements of the statewide nonresidential development fee program created by the Statewide Nonresidential Development Fee Act, N.J.S.A. 40:55D-8.1 through 8.7.~~

~~(1) Pursuant to the Statewide Nonresidential Development Fee Act at N.J.S.A. 40:55D-8.4, a fee is imposed on all construction resulting in nonresidential development as follows:~~

~~(a) A fee equal to 2.5% of the equalized assessed value of the land and improvements, for all new nonresidential construction on an unimproved lot or lots; or~~

~~(b) A fee equal to 2.5% of the increase in equalized assessed value of the additions to existing structures to be used for nonresidential purposes.~~

~~(2) A developer of a mixed use development shall be required to pay the statewide nonresidential development fee relating to the nonresidential development component of a mixed use development subject to the provisions of N.J.S.A. 52:27D-329.1, et seq.~~

~~(3) Pursuant to N.J.S.A. 40:55D-8.4, the developer must pay such fee to the Treasurer of the State of New Jersey. A certificate of occupancy for the subject nonresidential development~~

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~~will not issue unless and until the Treasurer of the State of New Jersey has furnished the Township of Bloomfield with certified proof concerning the payment.~~

~~(4) Upon COAH authorization, and notwithstanding § 112-4B(3) of this chapter, the developer shall pay such fee such directly to the Township rather than to the Treasurer of the State of New Jersey.~~

~~(5) This Subsection B shall not apply to any project which is exempt from the Statewide Nonresidential Development Fee Act pursuant to N.J.S.A. 40:55D-8.4, or to which the Statewide Nonresidential Development Fee Act does not apply, as determined in accordance with N.J.S.A. 40:55D-8.6.~~

~~C. Mixed-use growth share provisions.~~

~~(1) For all mixed-use development, the affordable housing requirements for the residential component of the project is set forth in § 112-4A(1) of this chapter.~~

~~(2) For all mixed-use development, the affordable housing requirements for the nonresidential component of the project is set forth in § 112-4B of this chapter.~~

### **§ 112-5. Density and affordable housing set-asides standards.**

To ensure the efficient use of land through compact forms of development and to create realistic opportunities for the construction of affordable housing, the minimum gross density and the affordable housing set-aside for any residential development shall be as follows:

- A. Minimum gross density: eight units per acre.
- B. Affordable housing set-aside: 20% of the total number of units in the development shall be affordable to low- and moderate-income households if the affordable units will be for sale and 15% of the total number of units in the development shall be affordable to low- and moderate-income households if the affordable units shall be for rent.

### **§ 112-6. Financial incentives.**

The Township intends to encourage developers to provide affordable housing through inclusionary development. Toward that end, the Township may, in its discretion, make available to a developer any financial incentives, including, but not limited to, tax abatements, which are permitted by law.

### **§ 112-7. Payment-in-lieu.**

Pursuant to § 112-4A(1) of this chapter, and upon ~~COAH-DCA~~ or other court approved entity's authorization, a developer ~~may elect to~~ shall make payment to the Township in lieu of constructing the required affordable housing units, subject to the following:

- A. The developer shall make such payment to the Township in the amount of \$148,683 per each affordable housing unit required, unless another amount is agreed to as part of a redeveloper agreement.
- B. The affordable housing requirements set forth in this chapter shall be rounded up. Payments in lieu of construction of affordable housing units are permitted in the event that calculation of the developer's affordable housing obligation pursuant to § 112-4 of this chapter results in an obligation on the part of the developer to construct fractional affordable housing units. In such event, the payment to be made by the developer to the Township shall be prorated.
- C. Payments in lieu of constructing affordable housing units shall be deposited into an affordable housing trust fund pursuant to N.J.A.C. 5:94-8.1 and 8.4, as amended and supplemented.

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- D. Payments in lieu of constructing affordable housing shall not be permitted where affordable housing is not required. Upon approval by ~~COAH~~ the Dispute Resolution Program of the Township's Development Fee Ordinance, zoning that does not require an affordable housing set-aside or payment-in-lieu shall be subject to the Township's Development Fee Ordinance.

**§ 112-8. Schedule.**

Affordable housing units shall be built in accordance with the ~~following schedule~~ requirements set forth in UHAC, N.J.A.C. 5:80-26.1 et seq., as amended and supplemented, unless otherwise specifically agreed to by the Township and a developer pursuant to a developers agreement executed by the same.

<del>Percentage of Market Rate Units Completed</del>	<del>Minimum Percentage of Low- and Moderate- Income Units Completed</del>
<del>25%</del>	<del>0%</del>
<del>25% + 1 unit</del>	<del>10%</del>
<del>50%</del>	<del>50%</del>
<del>75%</del>	<del>75%</del>
<del>90%</del>	<del>100%</del>

**§ 112-9. Design.**

- A. The design of inclusionary and mixed-use developments providing affordable housing units shall be consistent with the general policies and implementation mechanisms regarding design in the State Development and Redevelopment Plan.
- B. To the extent feasible, developers shall fully integrate affordable housing units with market-rate units.
- C. Affordable housing units shall have access to all community amenities available to market-rate units that are subsidized in whole by associated fees and utilize the same heating source as market-rate units within the inclusionary development.
- D. The first floor of all of all townhouse dwelling units and all other multistory dwelling units shall comply with the accessibility and adaptability requirements of N.J.A.C. 5:94-~~4.21~~, as amended and supplemented and with the technical design standards of the Barrier Free Subcode, N.J.A.C. 5:23-7.3-14.
- E. Affordable housing units shall comply with N.J.A.C. 5:97-9, as amended and supplemented and the Uniform Housing Affordability Controls set forth in N.J.A.C. 5:80-26.1 et seq., as amended and supplemented.
- F. The following documentation shall be submitted prior to marketing the completed units:
- (1) A draft or adopted operating manual that includes a description of the program procedures and administration in accordance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et seq., as amended and supplemented.
  - (2) An affirmative marketing plan in accordance with Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et seq., as amended and supplemented.
  - (3) Designation of an experienced administrative agent, including a statement of their qualifications, in accordance with N.J.A.C. 5:95-17, as amended and supplemented~~8.~~

DRAFT**§ 112-10. Development fees.**

A. Purpose. This section establishes standards for the collection, maintenance and expenditure of development fees pursuant to P.L. 2024, c. 2, which amend those regulations originally established COAH's regulations and in accordance P.L. 2008, c. 46 Sections 8 and 32 through 38, and supersede COAH's regulations where in conflict, which remain otherwise valid. Fees collected pursuant to this section shall be used for the sole purpose of providing low- and moderate-income housing. ~~This section shall be interpreted within the framework of COAH's rules on development fees, codified at N.J.A.C. 5:97-8, as same may be amended and/or supplemented from time to time.~~

B. Basic requirements.

(1) This section shall not be effective until approved by ~~COAH~~ the Dispute Resolution Program pursuant to P.L. 2024, c. 2 and N.J.A.C. 5:96-5.1, as same may be amended and/or supplemented from time to time.

(2) The Township of Bloomfield (the "Township") shall not spend development fees until ~~COAH~~ the Dispute Resolution Program has approved a plan for spending such fees in conformance with N.J.A.C. 5:97-8.10 and N.J.A.C. 5:96-5.3, as same may be amended and/or supplemented from time to time.

C. Definitions. The following terms, as used in this section, shall have the following meanings.

**AFFORDABLE HOUSING DEVELOPMENT** — A development included in the Housing Element and Fair Share Plan, and includes, but is not limited to, an inclusionary development, a municipal construction project or a one-hundred-percent affordable development.

**COAH or THE COUNCIL** — The New Jersey Council on Affordable Housing, as previously established under the Fair Housing Act, which has primary jurisdiction for the administration of housing obligations in accordance with sound regional planning considerations in the State prior to its abolition through P.L. 2024, c. 2.

**DEVELOPER** — The legal or beneficial owner or owners of a lot or of any land proposed to be included in a proposed development, including the holder of an option or contract to purchase, or other person having an enforceable proprietary interest in such land.

**DEVELOPMENT FEE** — Money paid by a developer for the improvement of property as permitted in N.J.A.C. 5:97-8.3, as same may be amended and/or supplemented from time to time.

**DISPUTE RESOLUTION PROGRAM** — The Affordable Housing Dispute Resolution Program, established pursuant to section 5 of P.L. 2024, c.2 (N.J.S.A. 52:27D-313.2). The Dispute Resolution Program is established within the Judiciary of the State, for the purpose of resolving disputes associated with the Fair Housing Act with respect to municipalities seeking to obtain a certification of compliance of their adopted Housing Element & Fair Share Plan.

**EQUALIZED ASSESSED VALUE** — The assessed value of a property divided by the current average ratio of assessed to true value for the Township, as determined in accordance with Sections 1, 5 and 6 of P.L. 1973, c. 123 (N.J.S.A. 54:1-35a through N.J.S.A. 54:1-35c), as same may be amended and/or supplemented from time to time.

**GREEN BUILDING STRATEGIES** — Those strategies that minimize the impact of development on the environment and enhance the health, safety and well-being of residents by producing durable, low-maintenance, resource-efficient housing while making optimum use of existing infrastructure and community services, in accordance with accepted national or state standards and such guidance as may be provided by the Township.

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## D. Residential development fees.

## (1) Imposed fees.

- (a) Within all zoning districts, residential developers, except for developers of the types of development specifically exempted below, shall pay a fee equal to 1.5% of the equalized assessed value of the land and improvements, subject to Subsection D(1)(b) of this section.
- (b) When an increase in residential density pursuant to N.J.S.A. 40:55D-70d(5), as same may be amended and/or supplemented from time to time (known as a "D-variance"), has been permitted, developers shall be required to pay a development fee equal to 6% of the equalized assessed value of each additional unit authorized and constructed as a result of the D-variance. (See Example 1 below.) However, if the zoning on a site has changed during the two-year period preceding the filing of an application for a D-variance, the base density for the purposes of calculating the six-percent development fee shall be the highest density permitted by right during the two-year period preceding the filing of the application for a D-variance. (See Example 2 below.)

Example 1: If as a result of a D-variance, four units are authorized and constructed on a site that is zoned for two units, the fees imposed equal 1.5% of the equalized assessed value of the land and the first two units, plus 6% of the equalized assessed value of the two additional units, provided zoning on the site has not changed during the two-year period preceding the filing of the application for a D-variance.

Example 2: Assume zoning permits a maximum residential density of three units per acre on a site. Zoning subsequently changes to permit a maximum of two units per acre on the site. Within two years following that zoning change, a developer files an application for a D-variance to permit the construction of four units per acre on the site. Assuming the developer's application for a D-variance is approved and the four units are constructed, the fees imposed equal 1.5% of the equalized assessed value of the land and the first three units, plus 6% of the equalized assessed value of the one additional unit.

## (2) Eligible exactions, ineligible exactions and exemptions from residential development fees.

- (a) The percentage of the development fee shall be vested on the date that the building permit is issued.
- (b) Affordable housing developments, developments for which the developer provides affordable units off-site and developments where the developer makes a payment in lieu of on-site construction of affordable units shall be exempt from development fees.
- (c) Developments that have received preliminary or final site plan approval prior to the adoption of this section shall be exempt from development fees, unless the developer seeks a substantial change in the approval. Where a site plan approval does not apply, a zoning and/or building permit shall be synonymous with preliminary or final site plan approval for this purpose.
- (d) Development fees shall be imposed and collected where, other than pursuant to N.J.S.A. 40:55D-70d(5), as same may be amended and/or supplemented from time to time (known as a "D-variance"), an existing structure undergoes a change to a



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more intense use, is demolished and replaced [subject to Subsection D(2)(f) below] or is expanded, but only if such change, replacement or expansion results in the construction of an additional unit and unless such change, replacement or expansion is otherwise exempt from the development fee requirement. The development fee shall be equal to 1.5% of the increase in the equalized assessed value of the improved structure.

- (e) Developments consisting solely of a one- or two-dwelling unit owner-occupied structure shall be exempt from paying a development fee.
- (f) Residential structures demolished and replaced as a result of fire, flood or natural disaster, or other involuntary destruction (e.g., arson), shall be exempt from paying a development fee.
- (g) Residential development which utilizes green building strategies shall be subject to a reduced development fee of 0.5%.
- (h) Residential development within any designated historic district shall be exempt from paying a development fee.

E. Nonresidential development fees.

(1) Imposed fees.

- (a) Within all zoning districts, nonresidential developers, except for developers of the types of development specifically exempted, shall pay a fee equal to 2.5% of the equalized assessed value of the land and improvements for all new nonresidential construction on an unimproved lot or lots.
- (b) Nonresidential developers, except for developers of the types of development specifically exempted, shall also pay a fee equal to 2.5% of the increase in equalized assessed value resulting from any additions to existing structures to be used for nonresidential purposes.
- (c) Development fees shall be imposed and collected when an existing structure is demolished and replaced. The development fee of 2.5% shall be calculated on the difference between the equalized assessed value of the preexisting land and improvement and the equalized assessed value of the newly improved structure, i.e., land and improvement, at the time the final certificate of occupancy is issued. If the calculation required under this section results in a negative number, the non-residential development fee shall be zero.

(2) Eligible exactions, ineligible exactions and exemptions for non-residential development.

- (a) The nonresidential portion of a mixed-use inclusionary or market rate development shall be subject to the development fee of 2.5%, unless otherwise exempted below.
- (b) The fee of 2.5% shall not apply to an increase in equalized assessed value resulting from alterations, change in use within existing footprint, reconstruction, renovations and repairs.
- (c) Nonresidential developments shall be exempt from the payment of nonresidential development fees in accordance with the exemptions required pursuant to P.L. 2008, c. 46, as specified in Form N-RDF, State of New Jersey Non-Residential Development Certification/Exemption form, as same may be amended or modified from time to time. Any exemption claimed by a developer shall be substantiated by that developer

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to the satisfaction of the Township.

- (d) A developer of a nonresidential development exempted from the nonresidential development fee pursuant to P.L. 2008, c. 46, as same may be amended and/or supplemented from time to time, shall be subject to such fee when the basis for the exemption no longer applies and shall make the payment of the nonresidential development fee, in that event, within three years after that event or after the issuance of the final certificate of occupancy of the nonresidential development, whichever is later. Such fee shall be calculated as of the date the basis for the exemption of the nonresidential development no longer applies
- (e) If a property which was exempted by Section 35b of P.L. 2008, c. 46, as amended and supplemented from the collection of a nonresidential development fee by virtue of its tax exempt status under N.J.S.A. 54:4-3.6 thereafter ceases to be exempt from property taxation under N.J.S.A. 54:4-3.6, the owner of the property shall remit the fees required pursuant to this section within 45 days of the termination of the exemption. Such fees shall be calculated as of the date such property ceases to be exempt from property taxation under N.J.S.A. 54:4-3.6. Unpaid nonresidential development fees under these circumstances may be enforceable by the Township as a lien against the real property of the owner.

F. Collection procedures.

- (1) Upon the granting of a preliminary, final or other applicable approval for a development, the applicable approving authority shall direct its staff to notify the Township Construction Official.
- (2) For nonresidential developments only, the developer shall also be provided with a copy of Form N-RDF State of New Jersey Non-Residential Development Certification/Exemption, as same may be amended or modified from time to time, to be completed as per the instructions provided. The developer of a nonresidential development shall complete Form N-RDF as per the instructions provided. The Township Construction Official shall verify the information submitted by the nonresidential developer as per the instructions provided in Form N-RDF. The Township Tax Assessor shall verify exemptions and prepare estimated and final assessments as per the instructions provided in Form N-RDF,
- (3) The Township Construction Official shall promptly notify the Township Tax Assessor of the issuance of the first building permit for a development which is subject to a development fee.
- (4) Within 90 days of receipt of that notice, the Township Tax Assessor, based on the plans filed, shall provide an estimate of the equalized assessed value of the development.
- (5) The Township Construction Official shall promptly notify the Township Tax Assessor of any and all requests for the scheduling of a final inspection on property which is subject to a development fee.
- (6) Within 10 business days of a request for the scheduling of a final inspection, the Township Tax Assessor shall confirm or modify the previously estimated equalized assessed value of the improvements of the development; calculate the development fee; and thereafter notify the developer of the amount of the fee.
- (7) Should the Township fail to determine or notify the developer of the amount of the development fee within 10 business days of the request for final inspection, the developer may estimate the amount due and pay that estimated amount consistent with the dispute process set forth in Subsection b of Section 37 of P.L. 2008, c. 46 (N.J.S.A. 40:55D-8.6),



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as same may be amended and/or supplemented from time to time.

- (8) The developer shall pay 100% of the calculated development fee amount prior to the municipal issuance of a final certificate of occupancy for the subject property.

G. Appeal of development fees.

- (1) A developer may challenge residential development fees imposed by filing a challenge with the Essex County Board of Taxation (the "Board"). Pending a review and determination by the Board, collected fees shall be placed in an interest-bearing escrow account by the Township. Appeals from a determination of the Board may be made to the tax court in accordance with the provisions of the State Tax Uniform Procedure Law, N.J.S.A. 54:48-1 et seq., as same may be amended and/or supplemented from time to time, within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.
- (2) A developer may challenge nonresidential development fees imposed by filing a challenge with the Director of the Division of Taxation (the "Director"). Pending a review and determination by the Director, which shall be made within 45 days of receipt of the challenge, collected fees shall be placed in an interest-bearing escrow account by the Township. Appeals from a determination of the Director may be made to the Tax Court in accordance with the provisions of the State Tax Uniform Procedure Law, N.J.S.A. 54:48-1 et seq., as same may be amended and/or supplemented from time to time, within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.

H. Affordable Housing Trust Fund established.

- (1) There is hereby created a separate, interest-bearing housing trust fund to be maintained by the Township Director of Finance for the purpose of depositing development fees collected from residential and nonresidential developers and proceeds from the sale of units with extinguished controls (the "Affordable Housing Trust Fund")
- (2) The following additional funds shall be deposited in the Affordable Housing Trust Fund and shall at all times be identifiable by source and amount:
  - (a) Payments in lieu of on-site construction of affordable units;
  - (b) Developer-contributed funds to make 10% of the adaptable entrances in a townhouse or other multistory attached development accessible;
  - (c) Rental income from municipally operated units;
  - (d) Repayments from affordable housing program loans;
  - (e) Recapture funds;
  - (f) Proceeds from the sale of affordable units; and
  - (g) Any other funds collected in connection with the Township's affordable housing program.
- ~~(3) Within seven days from the opening of the trust fund account, the Township shall provide COAH with written authorization, in the form of a three party escrow agreement between the Township, the bank and COAH to permit COAH to direct the disbursement of the funds as provided for in N.J.A.C. 5:97-81.3(b), as same may be amended and/or supplemented from time to time.~~
- ~~(4) All interest accrued in the housing trust fund shall only be used on eligible affordable~~

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## I. Use of funds.

- (1) The expenditure of all funds shall conform to a spending plan approved by ~~COAH~~the Dispute Resolution Program. Funds deposited in the housing trust fund may be used for any activity approved by ~~COAH~~the Dispute Resolution Program to address the Township's fair share obligation and may be set up as a grant or revolving loan program. Such activities include, but are not limited to, preservation or purchase of housing for the purpose of maintaining or implementing affordability controls, rehabilitation, new construction of affordable housing units and related costs, accessory apartment, market to affordable, or regional housing partnership programs, conversion of existing nonresidential buildings to create new affordable units, green building strategies designed to be cost saving and in accordance with accepted national or state standards, purchase of land for affordable housing, improvement of land to be used for affordable housing, extensions or improvements of roads and infrastructure to affordable housing sites, financial assistance designed to increase affordability, administration necessary for implementation of the Housing Element and Fair Share Plan, or any other activity as permitted pursuant to N.J.S.A. 52:27D-301 et seq. and N.J.A.C. 5:97-8.7 through 5:97-8.9, as applicable, as same may be amended and/or supplemented from time to time, and specified in the approved spending plan.
- (2) Funds shall not be expended to reimburse the Township for past housing activities.
- (3) At least 30% of all development fees collected and interest earned shall be used to provide affordability assistance to low- and moderate-income households in affordable units included in the municipal Fair Share Plan. One-third of the affordability assistance portion of development fees collected shall be used to provide affordability assistance to those households earning 30% or less of median income by region.
  - (a) Affordability assistance programs may include down payment assistance, security deposit assistance, low-interest loans, rental assistance, assistance with homeowners' association or condominium fees and special assessments, and assistance with emergency repairs.
  - (b) Affordability assistance to households earning 30% or less of median income may include buying down the cost of low- or moderate-income units in the municipal Fair Share Plan to make them affordable to households earning 30% or less of median income.
  - (c) Payments in lieu of constructing affordable units on site and funds from the sale of units with extinguished controls shall be exempt from the affordability assistance requirement.
- (4) The Township may contract with a private or public entity to administer any part of its Housing Element and Fair Share Plan, including the requirement for affordability assistance, in accordance with ~~N.J.A.C. 5:96-18, as same may be amended and/or supplemented from time to time.~~N.J.S.A. 52:27D-301 et seq. and N.J.A.C. 5:94-7, as applicable and amended and supplemented.
- (5) No more than 20% of all revenues collected from development fees may be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to develop or implement a new construction program, a Housing Element and Fair Share Plan and/or an affirmative marketing program. In the case of a rehabilitation program, no more than 20% of the revenues collected from development fees shall be expended for such administrative expenses. Administrative

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funds may be used for income qualification of households, monitoring the turnover of sale and rental units, and compliance with ~~COAH's DCA or other court approved entity's~~ monitoring requirements. Legal or other fees related to litigation opposing affordable housing sites or objecting to the Council's regulations and/or action are not eligible uses of the Affordable Housing Trust Fund.

- J. Monitoring. The Township shall ~~complete and return to COAH all monitoring forms included in monitoring requirements related to the collection of development fees from residential and nonresidential developers, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, barrier free escrow funds, rental income, repayments from affordable housing program loans and any other funds collected in connection with the Township's housing program, as well as to the expenditure of revenues and implementation of the plan certified by COAH. All monitoring reports shall be completed on forms designed by COAH.~~ comply with the reporting requirements set forth in N.J.S.A. 52:27D-329.2.
- K. Ongoing collection of fees. The ability of the Township to impose, collect and expend development fees shall expire upon the expiration of its substantive certification unless the Township has filed an adopted Housing Element and Fair Share Plan with ~~COAH~~ the Dispute Resolution Program or other appropriate jurisdiction, has ~~petitioned for substantive certification filed a Declaratory Judgement action,~~ and has received ~~COAH's the Dispute Resolution Program's~~ approval of its development fee ordinance. If the Township fails to renew its ability to impose and collect development fees prior to the expiration of its substantive certification, it may be subject to forfeiture of any or all funds remaining within its municipal trust fund. Any funds so forfeited shall be deposited into the New Jersey Affordable Housing Trust Fund, established pursuant to Section 20 of P.L. 1985, c. 222 (N.J.S.A. 52:27D-320), as same may be amended and/or supplemented from time to time. The Township shall not impose a residential development fee on a development that receives preliminary or final site plan approval after the expiration of its substantive certification or judgment of compliance, nor shall the Township retroactively impose a development fee on such a development. The Township shall not expend development fees after the expiration of its substantive certification.

### **§ 112-11. Municipal Housing Liaison and Administrative Agent.**

- A. Purpose. The purpose of this section is to create the administrative mechanisms needed for the execution of Bloomfield Township's responsibility to assist in the provision of affordable housing pursuant to the Fair Housing Act of 1985.
- B. Definitions. As used in this section, the following terms shall have the meanings indicated:
- ADMINISTRATIVE AGENT — The entity responsible for administering the affordability controls of some or all units in the affordable housing program for Bloomfield Township to ensure that the restricted units under administration are affirmatively marketed and sold or rented, as applicable, only to low- and moderate-income households.
- MUNICIPAL HOUSING LIAISON — The employee charged by the governing body with the responsibility for oversight and administration of the affordable housing program for Bloomfield Township.
- C. Establishment of Municipal Housing Liaison position; compensation; powers and duties.
- (1) There is hereby established the position of Municipal Housing Liaison for Bloomfield Township.
  - (2) ~~Subject to the approval of the Council on Affordable Housing (COAH), t~~The Municipal Housing Liaison shall be appointed by the governing body and may be a full- or part-time

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municipal employee.

(3) Powers and duties.

- (a) Serving as Bloomfield Township's primary point of contact for all inquiries from the state, affordable housing providers, administrative agents and interested households;
- (b) Coordinating meetings with affordable housing providers and administrative agents, as applicable; and
- (c) Attending continuing education opportunities on affordability controls, compliance monitoring and affirmative marketing as offered or approved by ~~COAH~~Affordable Housing Professionals of New Jersey.

- (4) ~~Subject to approval by COAH,~~ Bloomfield Township may contract with an administrative agent or authorize a consultant, authority, government or any agency charged by the governing body, which entity shall have the responsibility of administering the affordable housing program of Bloomfield Township. If Bloomfield Township contracts with another entity to administer all or any part of the affordable housing program, including the affordability controls and affirmative marketing plan, the Municipal Housing Liaison shall supervise the contracting Administrative Agent.

- (5) Compensation. Compensation shall be fixed by the governing body at the time of the appointment of the Municipal Housing Liaison.

D. Establishment of Administrative Agent position; compensation; powers and duties.

- (1) There is hereby established the position of Administrative Agent for Bloomfield Township.

- (2) Subject to the approval of the ~~Council on Affordable Housing (COAH), court,~~ the Administrative Agent shall be appointed by the governing body and may be a full- or part-time municipal employee. The Administrative Agent shall have the administrative powers and duties assigned to the Administrative Agent.

- (3) The Administrative Agent shall be responsible for oversight and administration of the affordable housing program for Bloomfield Township, including the following responsibilities:

- (a) Monitoring the status of all restricted units in Bloomfield Township's Fair Share Plan.

- (b) Compiling, verifying and submitting annual reports as required by COAH.

(4) Duties.

- (a) Affirmative marketing.

- [1] Conducting an outreach process to ensure affirmative marketing of affordable housing units in accordance with the affirmative marketing plan of Bloomfield Township and the provisions of N.J.A.C. 5:80-26.1~~65~~65, as amended and supplemented; and

- [2] Providing counseling or contracting to provide counseling services to low- and moderate-income applicants on subjects such as budgeting, credit issues, mortgage qualification, rental lease requirements and landlord/tenant law.

- (b) Household certification.

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- [1] Soliciting, scheduling, conducting and following up on interviews with interested households;
  - [2] Conducting interviews and obtaining sufficient documentation of gross income and assets upon which to base a determination of income eligibility for a low- or moderate-income unit;
  - [3] Providing written notification to each applicant as to the determination of eligibility or noneligibility;
  - [4] Requiring that all certified applicants for restricted units execute a certificate substantially in the form, as applicable, of either the ownership or rental certificates set forth in Appendixes J and K of N.J.A.C. 5:80-26.1 et seq.;
  - [5] Creating and maintaining a referral list of eligible applicant households living in the housing region and eligible applicant households with members working in the housing region where the units are located; and
  - [6] Employing the random selection process as provided in the affirmative marketing plan of Bloomfield Township when referring households for certification to affordable units.
- (c) Affordability controls.
- [1] Furnishing to attorneys or closing agents forms of deed restrictions and mortgages for recording at the time of conveyance of title of each restricted unit;
  - [2] Creating and maintaining a file on each restricted unit for its control period, including the recorded deed with restrictions, recorded mortgage and note, as appropriate;
  - [3] Ensuring that the removal of the deed restrictions and cancellation of the mortgage note are effectuated and properly filed with the appropriate county's register of deeds or county clerk's office after the termination of the affordability controls for each restricted unit;
  - [4] Communicating with lenders regarding foreclosures, and
  - [5] Ensuring the issuance of continuing certificates of occupancy or certifications pursuant to N.J.A.C. 5:80-26.1~~19~~.
- (d) Resale and rental.
- [1] Instituting and maintaining an effective means of communicating information between owners and the Administrative Agent regarding the availability of restricted units for resale or rental; and
  - [2] Instituting and maintaining an effective means of communicating information to low- and moderate-income households regarding the availability of restricted units for resale or rental.
- (e) Processing requests from unit owners.
- [1] Reviewing and approving requests from owners of restricted units who wish to take out home equity loans or refinance during the term of their ownership;
  - [2] Reviewing and approving requests to increase sales prices from owners of

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restricted units who wish to make capital improvements to the units that would affect the selling price, such authorizations to be limited to those improvements resulting in additional bedrooms or bathrooms and the cost of central air-conditioning systems; and

- [3] Processing requests and making determinations on requests by owners of restricted units for hardship waivers.

(f) Enforcement.

- [1] Securing annually lists of all affordable housing units for which tax bills are mailed to absentee owners and notifying all such owners that they must either move back to their units or sell them;
- [2] Securing from all developers and sponsors of restricted units, at the earliest point of contact in the processing of the project or development, written acknowledgement of the requirement that no restricted unit can be offered, or in any other way committed, to any person, other than a household duly certified to the unit by the Administrative Agent;
- [3] The posting annually in all rental properties, including two-family homes, of a notice as to the maximum permitted rent, together with the telephone number of the Administrative Agent where complaints of excess rent can be made;
- [4] Sending annual mailings to all owners of affordable dwelling units, reminding them of the notices and requirements outlined in N.J.A.C. 5:80-26.1~~98~~(d)4;
- [5] Establishing a program for diverting unlawful rent payments to the municipality's Affordable Housing Trust Fund or other appropriate municipal fund approved by the DCA;

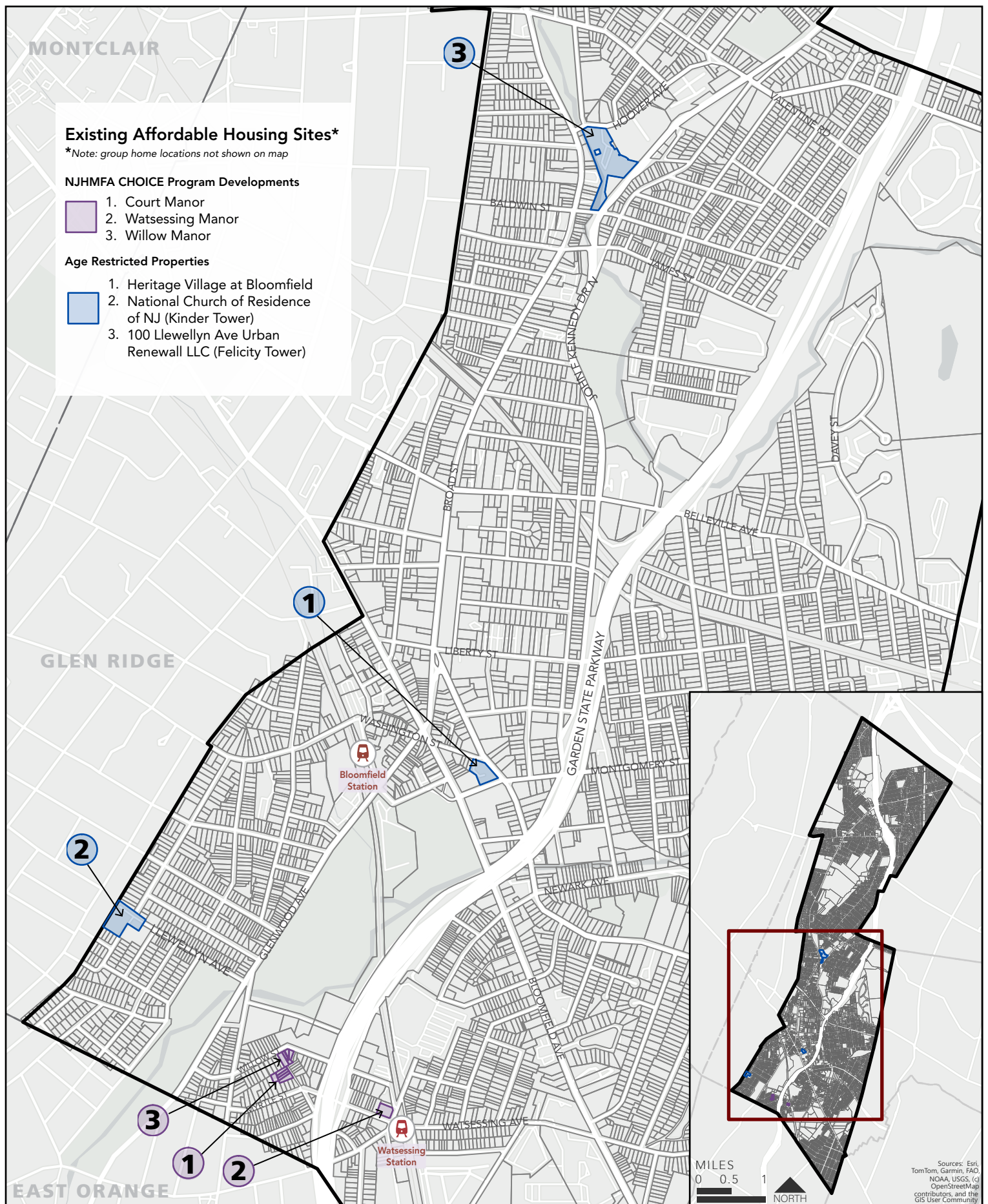
[6] Creating and publishing a written operating manual for each affordable housing program administered by the administrative agent, to be approved by the Township Committee, setting forth procedures for administering the affordability controls.

~~[6] Creating and publishing a written operating manual, as approved by COAH, setting forth procedures for administering such affordability controls; and~~

~~[7] Providing annual reports to COAH as required.~~

- (g) The Administrative Agent shall have authority to take all actions necessary and appropriate to carry out its responsibilities hereunder.





## Appendix 3: Existing Affordable Housing Sites

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# Council on Affordable Housing (COAH) Alternative Living Arrangement Survey

Municipality: BLOOMFIELD County: ESSEX  
 Sponsor: \_\_\_\_\_ Developer: \_\_\_\_\_  
 Block: 287 Lot: 9 Street Address: 121 LIBERTY ST.  
 Facility Name: PROJECT LIVE INC.

## Type of Facility:

- ☐ Group Home for developmentally disabled as licensed and/or regulated by the NJ Dept. of Human Services (Division of Developmental Disabilities (DDD))
- ☒ Group Home for mentally ill as licensed and/or regulated by the NJ Dept. of Human Services (Division of Mental Health Services) (DMHS)
- ☐ Transitional facility for the homeless
- ☐ Residential health care facility (licensed by NJ Dept. of Community Affairs or NJ Dept. of Human Services)
- ☐ Congregate living arrangement
- ☐ Other - Please Specify: \_\_\_\_\_

# of bedrooms occupied by low-income residents 5

# of bedrooms occupied by moderate-income residents 0

Separate bedrooms? Yes No 1 shared

Affordability Controls? Yes No

Length of Controls: n/a years

Effective Date of Controls: n/a

Expiration Date of Controls: n/a

Average Length of Stay: n/a months (transitional facilities only)

The following verification is attached:

- ☐ Copy of deed restriction (30-year minimum, HUD, FHA, FHLB, BHP deed restriction, etc.)
- ☒ Copy of Capital Application Funding Unit (CAFU) Letter (20-year minimum, no deed restriction required)
- ☐ Award letter/financing commitment (proposed new construction projects only)

Residents 18 yrs or older? Yes No

Age-restricted? Yes No

Population Served (describe) \_\_\_\_\_

Accessible (in accordance with NJ Barrier Free Subcode)? Yes No n/a

For proposed new construction projects on y:

Sources of funding committed to the project (check all that apply):

- ☐ Capital funding from State - Amount \$ \_\_\_\_\_
- ☐ Balanced Housing - Amount \$ \_\_\_\_\_
- ☐ HUD - Amount \$ \_\_\_\_\_
- ☐ Federal Home Loan Bank - Amount \$ \_\_\_\_\_
- ☐ Farmers Home Administration - Amount \$ \_\_\_\_\_
- ☐ Development fees - Amount \$ \_\_\_\_\_
- ☐ Bank financing - Amount \$ \_\_\_\_\_
- ☐ Other - Please specify: \_\_\_\_\_

Are funding sources sufficient to complete project?

Yes No

Residents qualify as low or moderate income?

Yes No

CO Date: 5/24/06

Indicate licensing agency:

☐ DDD ☒ DMHS ☐ DHSS ☐ DCA

Initial License Date: 7/1/97

Current License Date: 5/24/06



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JUL 25 2006 TUE 06:04 PM

TIME: 06:04

11:00

Affirmative Marketing Strategy (check all that apply):

☒ DDD/DMHS/DHSS/DCA waiting list☐ Other (please specify): \_\_\_\_\_**CERTIFICATIONS**

I certify that the information provided is true and correct to the best of my knowledge and belief

Certified by:

Sylvia Porter  
Project Administrator

Date

7/25/06

Certified by:

\_\_\_\_\_  
Municipal Housing Liaison

Date

License Number: 30219 CAS-10-40

*State of New Jersey  
Department of Human Services*

# *License*

*Project Live, Inc.  
408 Bloomfield Avenue  
Newark, NJ 07107*

*In accordance with Department of Human Services regulations N.J.A.C. 10:37 A,  
is hereby licensed to operate*

*Adult Group Home •  
for 5 Residents  
at  
121 Liberty Street  
Bloomfield, NJ 07003*

*This license is effective from May 24, 2006 to May 23, 2007.*

*Kevin M. Ryan*  
Kevin M. Ryan, Commissioner



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**PURCHASE MONEY MORTGAGE**  
(G89-01-01)

MORTGAGE made this 4<sup>th</sup> date of April, 2003  
between the Mortgagor, Project Live, Inc., 408 Bloomfield Avenue, Newark, NJ 07107,  
and the Mortgagee, the State of New Jersey, Department of Human Services, Capital  
Place One, CN 700, Trenton, New Jersey 08625.

WHEREAS the Mortgagor is indebted to the Mortgagee in the sum of Two  
Hundred Sixty-Two Thousand Five Hundred Ninety-Nine dollars (\$262,599), which  
indebtedness is evidenced by a Promissory Note dated April 4, 2003, and by a  
certain Agreement dated September 12, 2001, and amended on November 21, 2001,  
and April 4, 2003.

THEREFORE to secure the indebtedness of \$ 262,599 lawful money  
of the United States, to be paid in accordance with the aforesaid Agreement, the  
Mortgagor does hereby mortgage the following described property located in the  
Township of Bloomfield, County of Essex, State of New Jersey, and more  
particularly described in Exhibit A annexed hereto and made a part hereof, the aforesaid  
property being designated as Block 287, Lot 9, on the tax map of said  
Township of Bloomfield, and having a street address of 121 Liberty Street.

Upon default by the Mortgagor in the performance of any term, provision or  
requirement of the aforesaid Agreement of September 12, 2001, and as amended, or  
upon no-fault termination of said Agreement pursuant to Section 8.01 thereof, the entire  
amount of this mortgage shall, at the option of the Mortgagee, immediately become due  
and payable. Alternatively, upon Mortgagor default or upon no-fault termination of the

## A6-2

Agreement of September 12, 2001, and as amended, the Mortgagee may exercise other options as set forth in Section 5.02 of said Agreement.

The Mortgagor agrees that if default shall be made in any term, provision or requirement of the Agreement of September 12, 2001, and as amended, the Mortgagee shall have the right forthwith, after any such default, to enter upon and take possession of the said mortgaged premises and to operate same in accordance with the aforesaid Agreement.

The Mortgagor shall keep the building or buildings and improvement now on said premises, or that may hereafter be erected thereon, in good and substantial repair, and, upon failure to do so, the whole indebtedness secured and represented by this mortgage and the note accompanying same shall, at the option of the Mortgagee become immediately due and payable; and also the Mortgagee may enter upon the premises and repair and keep in repair the same, and the expense thereof shall be added to the sum secured hereby.

In the event that the aforesaid property is condemned, the proceeds of any award for damages, direct as well as consequential, or the proceeds of any conveyance in lieu of condemnation, are hereby assigned and shall be paid to the Mortgagee.



Jul 25 06 04:56p

p. 8

A6-3

IN WITNESS HEREOF, the Mortgagor has hereto set its hand and seal this day  
and year first written above.

Project Live, Inc.  
Agency Name (Mortgagor)

BY:

Rev. Robert Cormier L.S.  
President

ATTEST:

Secretary - Allen Lambly L.S.

State of New Jersey, County of Essex ss.: Be it Remembered,  
that on April 4, 2023, before me, the subscriber,  
personally appeared Rev. Robert Cormier + Allen Lambly,  
who, being by me duly sworn on his/her oath, deposes and makes proof to my  
satisfaction, that he is the Secretary of Project Live, Inc., the agency  
named in the within Instrument; that Rev. Robert Cormier is the chief  
executive officer of said agency; that the execution, as well as the making of this  
Instrument, has been duly authorized by a proper resolution of the governing body  
of the said agency; that deponent well knows the seal of said agency; and that the  
seal affixed to said Instrument is the proper seal and was thereto affixed and said  
Instrument signed and delivered by said chief executive officer as and for the  
voluntary act and deed of said agency, in the presence of deponent, who  
thereupon subscribed his/her name thereto as attesting witness.

Sworn to and subscribed before me,  
the date aforesaid.

Prepared by:

Jersey R. Kirschner  
An Attorney at Law  
of the State of N.J.

Carmel Macchia  
CARMEL MACCHIA

A Notary Public Of New Jersey  
My Commission Expires 7/2/2007

NOV-24-2008 MON 12:23 PM

FAX NO.

P. 05

# Council on Affordable Housing (COAH) Alternative Living Arrangement Survey

Municipality: BloomfieldCounty: EssexSponsor: ARCDeveloper: SameBlock: 461 Lot: 7Street Address: 24 CLARENDON PLACEFacility Name: ARC/Essex Co., Inc

## Type of Facility:

- ☒ Group Home for developmentally disabled as licensed and/or regulated by the NJ Dept. of Human Services (Division of Developmental Disabilities (DDD))
- ☐ Group Home for mentally ill as licensed and/or regulated by the NJ Dept. of Human Services (Division of Mental Health Services) (DMHS))
- ☐ Transitional facility for the homeless
- ☐ Residential health care facility (licensed by NJ Dept. of Community Affairs or NJ Dept. of Human Services)
- ☐ Congregate living arrangement
- ☐ Other - Please Specify: \_\_\_\_\_

# of bedrooms occupied by low-income residents: 6# of bedrooms occupied by moderate-income residents: 0Separate bedrooms? ☒ Yes ☐ NoAffordability Controls? ☐ Yes ☐ No

Length of Controls: \_\_\_\_\_ years

Effective Date of Controls: \_\_\_\_/\_\_\_\_/\_\_\_\_

Expiration Date of Controls: \_\_\_\_/\_\_\_\_/\_\_\_\_

Average Length of Stay: \_\_\_\_\_ months (transitional facilities only)

The following verification is attached:

- ☐ Copy of deed restriction (30-year minimum, HUD, FHA, FHLB, BHP deed restriction, etc.)
- ☐ Copy of Capital Application Funding Unit (CAFU) Letter (20-year minimum, no deed restriction required)
- ☐ Award letter/financing commitment (proposed new construction projects only)

Residents 18 yrs or older? ☒ Yes ☐ NoAge-restricted? ☐ Yes ☒ No

Population Served (developmentally disabled adults)

Accessible (in accordance with NJ Barrier Free Subcode)? ☐ Yes ☒ No

## For proposed new construction projects only:

Sources of funding committed to the project (check all that apply):

- ☐ Capital funding from State - Amount \$ \_\_\_\_\_
- ☐ Balanced Housing - Amount \$ \_\_\_\_\_
- ☐ HUD - Amount \$ \_\_\_\_\_
- ☐ Federal Home Loan Bank - Amount \$ \_\_\_\_\_
- ☐ Farmers Home Administration - Amount \$ \_\_\_\_\_
- ☐ Development fees - Amount \$ \_\_\_\_\_
- ☐ Bank financing - Amount \$ \_\_\_\_\_
- ☐ Other - Please specify: \_\_\_\_\_

Are funding sources sufficient to complete project?

☐ Yes ☐ No

Residents qualify as low or moderate income?

☒ Yes ☐ No

CO Date: \_\_\_\_

Indicate licensing agency:

☒ DDD ☐ DMHS ☐ DHS ☐ DCAInitial License Date: 8-28-81Current License Date: 9-30-08

COAH May 2005

1

NOV-24-2008 MON 12:23 PM

FAX NO.

P. 06

Affirmative Marketing Strategy (check all that apply):

☒ DDD/DMHS/DHSS/DCA waiting list

☐ Other (please specify): \_\_\_\_\_

### CERTIFICATIONS

I certify that the information provided is true and correct to the best of my knowledge and belief.

Certified by: Barbara Calder 12/3/08  
Project Administrator Date

Certified by: \_\_\_\_\_  
Municipal Housing Liaison Date

COAH May 2005



**NOTICE TO BE SERVED ON OWNERS OF PROPERTY  
AFFECTED BY PROPOSED VARIANCE  
FROM ZONING ORDINANCE  
OF THE  
TOWN OF BLOOMFIELD**

**PLEASE TAKE NOTICE**

That an appeal has been made to the Board of Adjustment of the Town of Bloomfield, New Jersey, to grant a variance from certain provisions of the Zoning Ordinance of the Town of Bloomfield, New Jersey.

Said appeal being made for premises to (circle whichever applies) erect, alter, move, convert use

for the purpose of Increasing the residential capacity of developmentally disabled adults from six (6) to eight (8) persons.

contrary to the provisions of Section See Building Inspector's letter dated 11/18/80  
of the said Ordinance, upon the premises known and designated as Lot No. 7  
Block No. 461 on Tax Map of the Town of Bloomfield, and  
known as 24 Clarendon Place (Street) (Avenue).

This notice is sent you as required by Section 40:55-44 of the Revised Statutes of New Jersey. A public hearing on this appeal has been ordered by said Board to be held on 11th day of December, 1980 at 8:00 P.M., in the Council Chambers, Municipal Building, Bloomfield, N. J., at which time you may appear, either in person or by agent, or by attorney, and present any objection you may have relative to the granting of this appeal.

All plans and related papers are on file in the office of the Planning Coordinator (Room #205) Municipal Building, Bloomfield, N. J., and may be inspected by interested persons during regular office hours Monday through Friday.

This notice is served upon you by order of the Board of Adjustment.

Dated: November 24, 1980

Essex Unit, New Jersey Association  
for Retarded Citizens

Applicant

62 North Walnut St. East Orange, NJ

Address

Joseph L. Dimino, Executive Director

Agent



NOV-24-2008 MON 12:22 PM

FAX NO.

P. 03

# **Council on Affordable Housing (COAH) Alternative Living Arrangement Survey**

Municipality: BloomfieldCounty: EssexSponsor: ARC

Developer: \_\_\_\_\_

Block: 219 Lot: 13.02Street Address: 5 LINDEN AVEFacility Name: ARC/Essex

## Type of Facility:

- ☒ Group Home for developmentally disabled as licensed and/or regulated by the NJ Dept. of Human Services (Division of Developmental Disabilities (DDD))
- ☐ Group Home for mentally ill as licensed and/or regulated by the NJ Dept. of Human Services (Division of Mental Health Services) (DMHS))
- ☐ Transitional facility for the homeless
- ☐ Residential health care facility (licensed by NJ Dept. of Community Affairs or NJ Dept. of Human Services)
- ☐ Congregate living arrangement
- ☐ Other - Please Specify: \_\_\_\_\_

# of bedrooms occupied by low-income residents: 6# of bedrooms occupied by moderate-income residents: 6Separate bedrooms? Yes NoAffordability Controls? Yes

Length of Controls: \_\_\_\_\_ years

Effective Date of Controls: 1-1-11Expiration Date of Controls: 1-1-11

Average Length of Stay: \_\_\_\_\_ months (transitional facilities only)

The following verification is attached:

- ☐ Copy of deed restriction (30-year minimum, HUD, FHA, FHLB, BHP deed restriction, etc.)
- ☐ Copy of Capital Application Funding Unit (CAFU) Letter (20-year minimum, no deed restriction required)
- ☐ Award letter/financing commitment (proposed new construction projects only)

Residents 18 yrs or older? ☒ Yes NoAge-restricted? ☒ Yes No

Population Served (developmentally disabled Adults)

Accessible (in accordance with NJ Barrier Free Subcode)? Yes ☒ No

For proposed new construction projects only:

Sources of funding committed to the project (check all that apply):

- ☐ Capital funding from State - Amount \$ \_\_\_\_\_
- ☐ Balanced Housing - Amount \$ \_\_\_\_\_
- ☐ HUD - Amount \$ \_\_\_\_\_
- ☐ Federal Home Loan Bank - Amount \$ \_\_\_\_\_
- ☐ Farmers Home Administration - Amount \$ \_\_\_\_\_
- ☐ Development fees - Amount \$ \_\_\_\_\_
- ☐ Bank financing - Amount \$ \_\_\_\_\_
- ☐ Other - Please specify: \_\_\_\_\_

Are funding sources sufficient to complete project?  
Yes No

Residents qualify as low or moderate income?

Yes No☒ CO Data: 1-2-92 Attached

Indicate licensing agency:

☒ DDD ☐ DMHS ☐ DHSS ☐ DCAInitial License Date: 12-91Current License Date: 9-30-08

COAH May 2005

1

NOV-24-2008 MON 12:22 PM

FAX NO.

P. 04

Affirmative Marketing Strategy (check all that apply);

☒ DDD/DMHS/DHSS/DCA waiting list

☐ Other (please specify): \_\_\_\_\_

### CERTIFICATIONS

I certify that the information provided is true and correct to the best of my knowledge and belief.

Certified by: Barbara Ladd  
Project Administrator

12/3/08  
Date

Certified by: \_\_\_\_\_  
Municipal Housing Liaison

\_\_\_\_\_  
Date

COAH May 2003



DEPT. OF COMMUNITY  
DEVELOP. & INSPECT.  
Municipal Building  
Bloomfield, N.J. 07003  
201-680-4053  
FRANK R. DOMENICK  
Director

## CERTIFICATE OF CONTINUED OCCUPANCY FOR A TRANSFER OF TITLE

CERTIFICATE NO. <u>912087</u>	
EXPIRATION DATE <u>10-2-07</u>	
Block <u>219</u>	Lot <u>13.02</u>
Subdivision _____	

### IDENTIFICATION

Owner <u>Glendon Associates</u>	Agent _____
Address <u>256 Broad St</u>	Address _____
<u>Bloomfield, NJ</u>	_____
Tel. ( ) _____	Tel. ( ) _____
	Lic. No. _____
	Federal Emp. No. _____

### PAYMENTS

P.L. OFFICE _____	P.L. OFFICE _____
COMM. FEE _____	COMM. FEE _____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

5 Linden Avenue

Certificate of Continued Occupancy (C. of C.O.) Address

R-2.B

Zone Designation of C. of C.O. Address

Two Family Dwelling

Present Use of Building or Structure

After an inspection of the premises and an investigation of the available municipal records it has been determined that the present use of the existing building or structure does lawfully exist.

This Certificate shall evidence ONLY that a general inspection of the visible parts of the building has been made.

The transfer property is in satisfactory condition.

This Certificate is valid for a period of six (6) months from the date issued to the owner listed above.

This Certificate shall become null and void concurrent with the transfer of title.

Inspector's Remarks: \_\_\_\_\_

Arthur L. Drury

C. of C.O. Inspector

Arthur L. Drury

Inspector's Signature



## Council on Affordable Housing (COAH) Alternative Living Arrangement Survey

Municipality: BroomfieldCounty: Essex

Sponsor: \_\_\_\_\_

Developer: \_\_\_\_\_

Block: 481 Lot: 516Street Address 2-10 MONTGOMERY ST. APT 7AFacility Name: EASTER SEAL SOCIETY OF NJ

## Type of Facility:

- ☐ Group Home for developmentally disabled as licensed and/or regulated by the NJ Dept. of Human Services (Division of Developmental Disabilities (DDD))
- ☒ Group Home for mentally ill as licensed and/or regulated by the NJ Dept. of Human Services (Division of Mental Health Services) (DMHS))
- ☐ Transitional facility for the homeless
- ☐ Residential health care facility (licensed by NJ Dept. of Community Affairs or NJ Dept. of Human Services)
- ☐ Congregate living arrangement
- ☐ Other - Please Specify: \_\_\_\_\_

# of bedrooms occupied by low-income residents 3

# of bedrooms occupied by moderate-income residents \_\_\_\_\_

Separate bedrooms? Yes NoAffordability Controls? Yes No

Length of Controls: \_\_\_\_\_ years

Effective Date of Controls: 1/1/11Expiration Date of Controls: 1/1/11

Average Length of Stay: \_\_\_\_\_ months (transitional facilities only)

The following verification is attached:

- ☐ Copy of deed restriction (30-year minimum, HUD, FHA, FHLB, BHP deed restriction, etc.)
- ☐ Copy of Capital Application Funding Unit (CAFU) Letter (20-year minimum, no deed restriction required)
- ☐ Award letter/financing commitment (proposed new construction projects only)

Residents 18 yrs or older? Yes NoAge-restricted? Yes NoPopulation Served (describe): Severely and persistently Mentally IllAccessible (in accordance with NJ Barrier Free Subcode)? Yes No

For proposed new construction projects only:

Sources of funding committed to the project (check all that apply):

- ☐ Capital funding from State - Amount \$ \_\_\_\_\_
- ☐ Balanced Housing - Amount \$ \_\_\_\_\_
- ☐ HUD - Amount \$ \_\_\_\_\_
- ☐ Federal Home Loan Bank - Amount \$ \_\_\_\_\_
- ☐ Farmers Home Administration - Amount \$ \_\_\_\_\_
- ☐ Development fees - Amount \$ \_\_\_\_\_
- ☐ Bank financing - Amount \$ \_\_\_\_\_
- ☐ Other - Please specify: \_\_\_\_\_

Are funding sources sufficient to complete project?

Yes No

Residents qualify as low or moderate income?

Yes No☐ CO Date: 1/1/11

Indicate licensing agency:

☐ DDD ☐ DMHS ☐ DHSS ☐ DCAInitial License Date: 1/1/11Current License Date: 1/1/11

AUG-11-2006 15:02

FROM-EASTER SEALS

732-257-7373

T-798 P 003/003 F-800

Affirmative Marketing Strategy (check all that apply):

☐ DDD/DMHS/DHSS/DCA waiting list☐ Other (please specify): \_\_\_\_\_**CERTIFICATIONS**

I certify that the information provided is true and correct to the best of my knowledge and belief.

Certified by:

William Hoogdon  
Project Administrator8/10/06  
Date

Certified by:

\_\_\_\_\_  
Municipal Housing Liaison\_\_\_\_\_  
Date

# **Council on Affordable Housing (COAH) Alternative Living Arrangement Survey**

Municipality: Bloomfield County: Essex  
 Sponsor: \_\_\_\_\_ Developer: \_\_\_\_\_  
 Block: \_\_\_\_\_ Lot: \_\_\_\_\_ Street Address: 694 East Passaic Ave  
 Facility Name: The Center for Family Support

## Type of Facility:

- ☒ Group Home for developmentally disabled as licensed and/or regulated by the NJ Dept. of Human Services (Division of Developmental Disabilities (DDD))
- ☐ Group Home for mentally ill as licensed and/or regulated by the NJ Dept. of Human Services (Division of Mental Health Services) (DMHS))
- ☐ Transitional facility for the homeless
- ☐ Residential health care facility (licensed by NJ Dept. of Community Affairs or NJ Dept. of Human Services)
- ☐ Congregate living arrangement
- ☐ Other - Please Specify: \_\_\_\_\_

# of bedrooms occupied by low-income residents 5

# of bedrooms occupied by moderate-income residents \_\_\_\_\_

Separate bedrooms? ☒ Yes ☐ No

Affordability Controls? ☐ Yes ☒ No

Length of Controls: \_\_\_\_\_ years

Effective Date of Controls: 1/1/11

Expiration Date of Controls: 1/1/16

Average Length of Stay: \_\_\_\_\_ months (transitional facilities only)

The following verification is attached:

- ☐ Copy of deed restriction (30-year minimum, HUD, FHA, FHLB, BHP deed restriction, etc.)
- ☐ Copy of Capital Application Funding Unit (CAFU) Letter (20-year minimum, no deed restriction required)
- ☐ Award letter/financing commitment (proposed new construction projects only)

Residents 18 yrs or older? ☒ Yes ☐ No

Age-restricted? ☒ Yes ☐ No

Population Served (describe): Mentally retarded adult men

Accessible (in accordance with NJ Barrier Free Subcode)? ☐ Yes ☒ No

For proposed new construction projects only:

Sources of funding committed to the project (check all that apply):

- ☐ Capital funding from State - Amount \$ \_\_\_\_\_
- ☐ Balanced Housing - Amount \$ \_\_\_\_\_
- ☐ HUD - Amount \$ \_\_\_\_\_
- ☐ Federal Home Loan Bank - Amount \$ \_\_\_\_\_
- ☐ Farmers Home Administration - Amount \$ \_\_\_\_\_
- ☐ Development fees - Amount \$ \_\_\_\_\_
- ☐ Bank financing - Amount \$ \_\_\_\_\_
- ☐ Other - Please specify: \_\_\_\_\_

Are funding sources sufficient to complete project?  
☐ Yes ☐ No

Residents qualify as low or moderate income?

☒ Yes ☐ No

☐ CO Date: 6/11/07

Indicate licensing agency:

☒ DDD ☐ DMHS ☐ DHSS ☐ DCA

Initial License Date: 7/25/02

Current License Date: 12/31/06

07/27/2006 16:27 FAX 201 262 4047  
JUL-21-2006 THU 12:40 PM

CFSNJ

FAX NO.

003

P. 04

Affirmative Marketing Strategy (check all that apply):

☒ DDD/DMHS/DHSS/DCA waiting list☐ Other (please specify): \_\_\_\_\_**CERTIFICATIONS**

I certify that the information provided is true and correct to the best of my knowledge and belief.

Certified by: \_\_\_\_\_

Project Administrator

Date

7/27/06

Certified by: \_\_\_\_\_

Municipal Housing Liaison

Date



**RECORDING INFORMATION SHEET**

**ESSEX COUNTY REGISTER'S OFFICE**  
**HALL OF RECORDS , ROOM 130**  
**465 MARTIN LUTHER KING Jr. Blvd**  
**NEWARK NJ 07102**

INSTRUMENT NUMBER:

**9092381**

DOCUMENT TYPE :

**DEED****Official Use Only**

CAROLE A. GRAVES, REGISTER  
 ESSEX COUNTY, NJ

INSTRUMENT NUMBER  
 9092381  
 RECORDED ON  
 October 28, 2009 10:30 am  
 BOOK:12224 PAGE:2525

LJ

**Return Address (for recorded documents)**

NEW JERSEY HOUS &amp; MTG FIN AGCY

637 S. CLINTON AVENUE

P.O. BOX 18550

TRENTON NJ 08650-2085

**No. Of Pages (excluding Summary Sheet)**

23

**Recording Fee (excluding Transfer Tax)**

\$250.00

**Realty Transfer Tax**

\$0.00

**Amount Charged (Check #3907)**

\$250.00

**Municipality**

BLOOMFIELD

**Parcel Information**

**Block** 2  
**Lot** 9

**First Party Name**

NEW JERSEY HOUS &amp; MTG FIN AGCY

**Second Party Name**

MENTAL HEALTH ASSOCIATION

**Additional Information (Official Use Only)**

CONSIDERATION (R) \$0.00

MAIL COPY \_\_\_\_\_

NO COPY \_\_\_\_\_

ENVELOPE \_\_\_\_\_

**ADDITIONAL STAMPINGS**

\*\*\*\*\* DO NOT REMOVE THIS PAGE. \*\*\*\*\*  
 COVER SHEET (DOCUMENT SUMMARY FORM) IS PART OF ESSEX COUNTY FILING RECORD  
 \*\*\*\*\* RETAIN THIS PAGE FOR FUTURE REFERENCE. \*\*\*\*\*



Record & Return to:  
**Yadira Garcia, Paralegal**  
New Jersey Housing and Mortgage  
Finance Agency  
637 South Clinton Avenue  
P.O. Box 18550  
Trenton, New Jersey 08650-2085

**Project 99**  
**HMFA # 2374**  
**SNHTF # 147**  
**DMHS # 24**

**FINANCING, DEED RESTRICTION AND REGULATORY AGREEMENT**

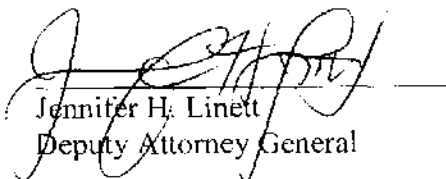
**Between**

**NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**

**And**

**MENTAL HEALTH ASSOCIATION OF ESSEX COUNTY, INC.**

Prepared by:

  
Jennifer H. Linett  
Deputy Attorney General

Special Needs Programs  
Permanent Financing

**THIS FINANCING, DEED RESTRICTION AND REGULATORY AGREEMENT** (this "Agreement"), made and entered into as of this 26<sup>th</sup> day of October, 2009, by and between the **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY** (the "Agency" or "Lender"), a body politic and corporate and an instrumentality exercising public and essential governmental functions of the State of New Jersey (the "State") and **MENTAL HEALTH ASSOCIATION OF ESSEX COUNTY, INC.**, ("Owner" or "Borrower"), a corporation organized and existing pursuant to the laws of the State of New Jersey and duly authorized to transact business in the State of New Jersey.

#### W I T N E S S E T H

In consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Agency and the Owner hereby agree as follows:

**Section 1. Definitions and Interpretation.** The following terms shall have the respective meanings set forth below:

**"Act"** means the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended from time to time, P.L. 1983, c. 530, N.J.S.A. 55:14K-1 et seq., and the regulations promulgated thereunder.

**"Assignment of Leases"** means the Assignment of Leases by and between the Owner and Lender of even date herewith.

**"DMHS"** means the New Jersey Department of Human Services, Division of Mental Health Services, or its successors or assigns.

**"Event of Default"** means any of the events set forth in Section 31 of this Agreement.

**"HUD"** means the United States Department of Housing and Urban Development.

**"Improvements"** means the building together with all fixtures and utility improvements, easements and rights of way that are owned by the Owner and located on the Land.

**"Land"** means the real property described in Exhibit A attached hereto, on which the Project is located.

**"Loan Documents"** means and includes this Agreement, the Mortgage Note, the Mortgage and Security Agreement, the UCC-1 Financing Agreement, and Assignment of Leases.

**"Loan"** means the Mortgage Loan.

**"Low Income"** means a gross annual household income equal to 50% or less of the median gross annual household income for the same size within the relevant housing region.

**"Mortgage" or "Mortgage and Security Agreement"** means the mortgage of even date herewith that constitutes a first lien on a fee simple interest in the Project and Land, given by the Owner to the Agency to secure a Mortgage Loan.

**"Mortgage Loan"** means the loan made to the Owner by the Agency to finance a portion of the cost of the development and/or rehabilitation of the Project that will be located on the real property described in Exhibit A attached hereto, as evidenced by the Mortgage Note and secured by the Mortgage.

**"Mortgage Note" or "Note"** means the interest bearing non-recourse promissory note that contains the promise of the Owner to pay the sum of money stated therein at the times stated therein and that evidences the obligation of the Owner to repay the Mortgage Loan.

**"Permitted Encumbrances"** means the Mortgage, together with any encumbrances permitted thereunder or hereunder.

**"Program"** means the Shared Living Residence Rental Program under the DMHS component of the New Jersey Community Housing Demonstration Programs.

**"Project"** means the Improvements located on the Land described in Exhibit A attached hereto, to be financed, in part, with the proceeds of the Loan together with the Land.

**"Regulations"** means the regulations promulgated or proposed by the United States Department of Housing and Urban Development.

**"State"** means the State of New Jersey.

**"UCC-1"** means the UCC-1 Financing Agreement(s) of even date herewith.

Unless the context clearly requires otherwise, as used in this Agreement, words of the masculine, feminine or neuter gender shall be construed to include any other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice-versa, when appropriate. This Agreement and all the terms and provisions thereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

**Section 2. Background and Purpose.** The Owner proposes to acquire the Land, construct the Project and operate a Project to be located on the Land. The Project will carry a permanent loan of One Hundred Ten Thousand Dollars (\$110,000) with zero percent (0%) interest rate, per annum, during the permanent mortgage term of thirty (30) years. The Lender will hold a first mortgage lien on the Project during the term of the Mortgage Loan. Financing for the Project shall be derived in part from the Lender's Program and more specifically further as follows:

- (a) The Owner has requested from the Lender a Mortgage Loan, up to the principal amount of \$418,377 pursuant to the provisions of the Act. The Mortgage is evidenced by the Owner's nonrecourse Mortgage Note of even date herewith and is secured by the Mortgage on the Project;

In connection with the Mortgage, the Owner and the Agency have entered into this Agreement.

In connection with its application for the Loan, the Owner has furnished to the Agency various details as to the Project, including the description of Land on which it is to be situated, plans and specifications for the construction/rehabilitation of the Project, the tenant population that shall be housed in the Project, the number of units of each type to be included therein, the estimated costs of providing the Project, details as to the Project income and expenses of the Project once constructed and/or rehabilitated and placed in operation and arrangements for any tax abatement for the Project.

**Section 3. Residential Rental Property.** The Owner hereby represents, covenants, warrants and agrees that:

(a) The project is located in the City of Nutley in the County of Essex. This project will provide service-enriched affordable housing to three (3) individuals with mental illness, when complete. The proposed project consists of the acquisition and rehabilitation of a 1,683 s/f single-family home in Bloomfield. The two-story home was built in 1926. The first floor includes a den, kitchen, living room, dining room and one half bathroom. The second floor includes three bedrooms and one full bathroom. The house also includes a finished basement. The property has a three-car driveway and one-car garage. The property will be landscaped and will have outdoor community space in the rear of the home. The Sponsor intends to change the existing layout. The first floor will include a den, living/dining room, large kitchen with a closet for the washer and dryer, handicap accessible bedroom and handicap accessible full bathroom. The second floor will include two bedrooms, a study and one full bathroom. The finished basement will contain a full bathroom. The Sponsor will also be replacing existing windows, roof tile and repairing a crack in foundation. The 3,500 s/f (35x100) property is in close proximity to a variety of amenities. Retail, public transportation, and many other services including a park for recreation are all within walking distance of the property. The project is in a Smart Growth Area.

(b) The Project is to be utilized at all times in accordance with the types of use as permitted by the Act and the Program and as may be approved by the Agency. The Project shall be subject to use and occupancy and/or lease agreements between the Owner and the residents.

**Section 4. Low Income Tenants.** The Owner hereby represents, warrants and covenants that all of the bedrooms shall be occupied or available for occupancy by Low Income Tenants for a period of thirty (30) years from the date hereof.

**Section 5. Additional Representations, Covenants and Warranties of the Owner.** The Owner represents, warrants and covenants that:

(a) The Owner (i) is a corporation, duly organized, validly existing and in good standing under the laws of the State and duly authorized to transact business in the State; (ii) has filed with the Agency a true and complete copy of its Certificate of Incorporation with all amendments, if any, thereto; (iii) has the power and authority to own or lease its properties and assets, including the Project and the Land, and to carry on its business as now being conducted (and as now contemplated), and to borrow the proceeds of the Loans; and (iii) has the power to execute and perform all the undertakings of this Agreement and the other Loan Documents.

(b) All necessary legal action has been taken to authorize the execution, delivery and performance of the Loan Documents by the Owner.

(c) The Loan Documents have been duly executed and delivered by the Owner and constitute the valid and legally binding obligations of the Owner, enforceable against the Owner in accordance with their respective terms.

(d) To the best of the Owner's knowledge after due and diligent inquiry, the execution and performance of this Agreement, the Loan Documents and other instruments required pursuant to this Agreement by the Owner, (i) will not violate or, as applicable, have not violated, any provision of law, rule or regulations, any order of any court or other agency or government or any provision of any document to which the Owner is a party, and (ii) will not violate or, as applicable, have not violated, any provision of any indenture, agreement or other instrument to which the Owner is a party, or result in the creation or imposition of any lien, charge or encumbrance of any nature other than the Permitted Encumbrances.

(e) The Owner will, at the time of execution of this Agreement or at the time of the closing of the Loan and subject only to such exceptions as have been disclosed in writing to the Agency and which will not materially interfere with or impact the beneficial use of the Project and Land for purposes of the Project; have good and marketable title to fee simple interest in the premises constituting the Land and the Project free and clear of any lien or encumbrance (subject to Permitted Encumbrances and encumbrances created or contemplated pursuant to this Agreement).

(f) There is, after due and diligent inquiry, no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair its right to carry on business substantially as now conducted, or as contemplated to be conducted under this Agreement, or would materially adversely affect its financial condition.

(g) To the best of the Owner's knowledge after due and diligent inquiry, the operation of the Project in the manner presently contemplated and as described in this Agreement will not conflict with any zoning, water or air pollution or other ordinance, order, law or regulation applicable thereto. The Owner has caused the Project to be designed in accordance with all applicable federal,



state and local laws or ordinances (including rules and regulations) relating to zoning, building, safety and environmental quality and will proceed with due diligence to rehabilitate the Project pursuant to the Architectural Contract.

Further, the Owner has received or shall obtain all necessary governmental approvals and building permits for construction, rehabilitation and operation of the Project in accordance with the plans and specifications and the Architectural Contract, and shall obtain in a timely manner any and all required extensions of governmental approvals, including, but not limited to, site plan approval.

(h) The Owner has filed, caused to be filed by it, or shall file all federal, state and local tax returns which are required to be filed by it, if any, and has paid or caused to be paid all taxes as shown on said return or on any assessment received by it, to the extent that such taxes have become due.

(i) To the best of the Owner's knowledge, after due and diligent inquiry, the Owner is not in material default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any material agreement or instrument to which it is a party that may materially affect this Project.

(j) The information contained in the Project description provided in the applications for the Loan is accurate in all material respects and does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(k) Except for Leases contemplated by the Project and Section 17 of this Agreement, the Owner shall not during the term of this Agreement sell, transfer or exchange, the Project or the Land (or any part thereof or any interest therein) at any time except in accordance with the terms of the Mortgage, this Agreement, the Act and the regulations promulgated pursuant to the Act, and unless such sale, transfer or exchange shall have been approved by the Agency. The Owner shall notify in writing and obtain the agreement in writing of any buyer or successor or other person acquiring the Project or Land or any interest therein in a form acceptable to the Agency that such acquisition is subject to the requirements of this Agreement. This provision shall not act to waive any other restriction on such sale, transfer or exchange.

(l) The Owner has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof and the Mortgage, and in any event, the requirements of this Agreement and the Mortgage are paramount and controlling as to the rights and obligations herein and in the Mortgage and such requirements shall supersede any other requirements in conflict herewith and therewith.

(m) All statements contained in all applications, correspondence or other materials delivered to the Agency by the Owner in connection with its consideration of the Loan to the Owner or relating to the Project are materially true and correct.

(n) The representations, covenants and warranties of the Owner contained in this Agreement on the date of its execution are true and shall continue to be true at all times during the term of this Agreement.

(o) No event has occurred and no condition exists which constitutes an Event of Default under this Agreement or the Mortgage or which, but for a requirement of notice or lapse of time, or both, would constitute such an Event of Default.

(p) As of the date of this Agreement, the Architectural Contract is in full force and effect and no default has occurred thereunder, and a true copy of the entire Architectural Contract with all modifications and addenda to date has been filed with the Agency.

**Section 6. Covenants to Run With the Land.** The covenants, reservations and restrictions set forth herein shall be deemed covenants running with the Land and, except as provided in Section 7 hereof, shall pass to and be binding upon the Owner's assigns and successors in title to the Land or the Project; provided, however, that upon the termination of this Agreement in accordance with the terms hereof said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Land or the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions of the Land or Project are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Project and Land.

**Section 7. Term.** This Agreement shall remain in full force and effect until all indebtedness from the Owner to the Agency in respect to the Project shall have been paid in full in accordance with the provisions of this Agreement and the other Loan Documents.

**Section 8. Reserved.**

**Section 9. Reserved.**

**Section 10. Insurance; Condemnation.** The Owner shall cause the buildings on the premises and the fixtures and articles of personal property covered by the Mortgage to be insured against loss by fire and against loss by such other hazards as may be required by the Agency for the benefit of the Agency, including, but not by way of limitation flood insurance if any part of the Project is located in an area designated by or on behalf of the federal government as having specific flood hazard. Such insurance shall be written by such companies, in an amount not less than the full insurable value of the Project exclusive of excavations and foundations and in such forms as are satisfactory to the Agency. The Owner shall assign and deliver the policies to the Agency, and the Agency shall be loss payee under such policies. Such policies shall provide that the insurer may not cancel the policy and will not refuse to renew the policy except after thirty (30) calendar days written notice to the Agency. If the Agency shall not receive evidence satisfactory to it of the existence of effective insurance coverage as required by the Agency, the Agency may (but shall not be required

to) obtain such coverage and the Owner shall reimburse the Agency on demand for any premiums paid for insurance procured by the Agency, and until so reimbursed the amount of such premiums shall be added to the principal amount of the Mortgage and shall bear interest at the then current rate being paid by the Agency on its borrowing as determined in good faith by the Agency. Valid participation by the Owner in a blanket insurance program offered by or through the Agency or approved by the Agency shall be satisfactory evidence of the required insurance for each type or class of coverage.

In the event of substantial damage to the Project by the occurrence of an insured casualty or the taking of a substantial portion of the Project by condemnation, if, in the sole judgment of the Agency (which judgment shall be conclusive): (a) the Project can be replaced or restored in whole or in part, and (b) the Project as so replaced will produce sufficient income to meet the obligations of the Owner under the Loan Documents, the proceeds of insurance or condemnation, together with any other money available for such purpose, if sufficient, shall be made available to the Owner, subject to the approval of the Agency. To the extent the Project is not replaced or restored, the balance of such proceeds shall be applied to the indebtedness secured thereby. Nothing in this Section shall affect the lien of this Agreement and the obligation of the Owner under the Loan Documents to pay the entire balance of the Loan.

The Owner shall maintain continuously in effect such other insurance coverage of the types and in the amounts specified by the Agency, including workers' compensation insurance and other insurance required by law with respect to employees of the Owner, and liability insurance, protecting the Owner and the Agency against any loss or liability or damage for personal injury or property damage with respect to the Project. Owner shall also maintain use and occupancy insurance covering loss of revenues derived from the Project by reason of interruption, total or partial, of the use of the Project resulting from loss or physical damage thereto in an amount not less than one year's gross rental income. The Owner shall carry fidelity bond insurance covering all employees of the Owner authorized to handle the revenues derived from the Project in an amount equal to one-half times the maximum monthly rent roll.

**Section 11. Taxes or Payments in Lieu of Taxes.** Unless the Owner has received a full tax exemption for the taxes on the Project at the time the Owner takes title to the Project, the Owner covenants and agrees to pay any valid municipal taxes, charges, assessments, water charges and/or sewer charges, and in default thereof the Agency may pay the same. Any such sum or sums so paid by the Agency shall be added to the principal sum secured by the Mortgage, as determined by the Agency, and shall bear interest at the then current rate being received by the Agency on its investment as determined in good faith by the Agency.

**Section 12. Liens.** The Owner covenants and agrees to maintain its right, title and interest in the Project and Land and all items enumerated in Section 7 of the Mortgage free and clear of all liens and security interests, except Permitted Encumbrances, those exceptions identified and set forth in title insurance commitments and title insurance commitment number ST-22581 issued by Select Title Agency dated August 13, 2009. Except with the written consent of the Agency, the Owner will



not install any item of tangible personal property as part of the fixtures or furnishings of the Project, which is subject to a purchase money lien or security interest.

The Agency may, at its sole option, pay the amount necessary to discharge any such lien, and the Owner shall promptly reimburse the Agency for any amounts so paid. Until reimbursement of the Agency of any amounts so paid, such amount shall be added to the Principal Sum as defined in and secured by the Mortgage, as determined by the Agency, and shall bear interest at the then current rate being received by the Agency on its investments as determined in good faith by the Agency.

**Section 13. Encumbrances - Sale of Project.** The Owner covenants and agrees not to sell, lease or otherwise encumber the Project or the Land, or any part thereof, or the rents or revenues thereof without prior written consent of the Agency, except by leasing to eligible residential tenants as provided by the Mortgage and this Agreement.

**Section 14. Maintenance, Repair and Replacement.** The Owner covenants and agrees to maintain the Project and the appurtenant equipment and grounds in good repair and condition so as to provide decent, safe and sanitary housing accommodations.

Following completion of rehabilitation, the Owner will not make any substantial alteration in the Project without the consent of the Agency, nor will the Owner permit the removal of any fixtures or articles of personal property except in connection with the replacement thereof with appropriate property of at least equal value and free of all liens or claims.

The Owner will not permit any waste with respect to the Project or any of its real or personal property without the consent of the Agency, or make any alteration which will increase the hazard of fire or other casualty.

**Section 15. Advance Amortization Payments.** The Note is pre-payable at any time without a prepayment penalty.

**Section 16. Compliance with the Program, the Act, Agency's Regulations and Any Federal or State Subsidy Source.** The Owner covenants and agrees to comply with the Program, the Act and any regulations promulgated pursuant thereto, and with any amendments or supplements to the Program, the Act or regulations. Throughout the term of this Agreement, the Owner further covenants and agrees to comply with any and all requirements imposed upon it as a condition of any federal or state grant, subsidy or loan.

**Section 17. Use of Project - Leasing.** Except as otherwise expressly provided in Section 3 and 4 of this Agreement or as otherwise agreed to in writing by the Agency, and except for facilities approved by the Agency as normally appurtenant to residential projects for non-transients (such as laundry facilities), the Project shall be used solely (or as otherwise may be approved by the Agency) to provide handicapped accessible, affordable housing units under the Agency's Program.

**Section 18. Consideration for Lease.** The Owner covenants and agrees not to require as a condition of the occupancy or leasing of any dwelling unit in the Project and not to accept or allow any employee or agent to accept any consideration other than the prepayment of the first month's rent, plus a security deposit not in excess of one (1) month's rent to guarantee the performance of the covenants of the rent agreement or lease.

**Section 19. Security Deposit** The Owner covenants and agrees to deposit all moneys paid to the Owner by any resident, if any, as a security deposit for the payment of rent or other allowable charges under any use and occupancy agreement and/or lease in a separate interest bearing bank account held and maintained in accordance with applicable law.

**Section 20. Account for Project Revenues/Operating Account.** The Owner covenants and agrees to establish an account for Project Revenues specific to the Project. "Project Revenues" shall mean all rents and other revenues of any type whatsoever received in respect of the Project or the Owner, except for Loan disbursements. Project Revenues shall be deposited in such account and all operating expenses should be paid from this account.

**Section 21. Reserve and Escrow Payments**

On the date of the execution of this Agreement, the Owner will deposit with the Agency the following amounts which will serve as a reserve against late payments and be available to pay expenses when due:

(a) one monthly installment of debt service on the First Mortgage Note, including principal and interest;

(b) an amount equal to one-half (1/2) of the estimated annual insurance payments; and

Commencing with the Amortization Date, as defined in the First Mortgage Note, and on the first day of each month thereafter, the Owner will pay to the Agency, along with the monthly principal and interest payment, the following:

(c) one-twelfth (1/12) of the estimated annual amounts necessary to pay insurance premiums, if applicable.

(d) an amount as agreed upon between the Borrower and the Agency and as reflected in the Form 10 budget for the Project as a reserve for repairs and replacement.

All reserve and escrow payments required pursuant to this Section shall be held in accounts under the sole control of the Agency and shall be paid out for the benefit of the Project as needed on request of the Owner or on the Agency's own initiative. Any interest which may be earned on such reserves shall remain in the escrow accounts and shall be used for similar purposes unless the Owner and Agency mutually agree to apply the funds to some other Project purpose.

If the Agency determines that the payments specified herein are insufficient to insure prompt payment of taxes, payments in lieu of taxes, insurance premiums, or to properly fund painting, decorating, repair and replacement needs with respect to the Project, then the Agency may require increases in the required payments necessary to assure proper funding.

**Section 22. Inspection of Premises.** The Owner covenants and agrees to permit the Agency, its agents or representatives, to inspect the Project at any and all reasonable times with or without notice, pursuant to the provisions of the Act.

**Section 23. Books and Records.** The Owner covenants and agrees to maintain adequate books and records of its transactions with respect to the Project in the Owner's standard form. Such books and records shall be available for inspection and audit by the Agency or its agents at any time during business hours, with notice, pursuant to the provisions of the Act. The Owner further covenants and agrees to cause the financial affairs with respect to the Project to be audited by independent certified public accountants and shall furnish the Agency with its audit report of such accountants as may from time to time be required by the Agency.

The Owner shall furnish to the Agency such other information and reports respecting the Project as may from time to time be required by the Agency.

**Section 24. Management Contract.** The Owner may, and if the Agency so elects, shall contract for the services of a firm experienced in real estate management to act as the managing agent for the Project. The selection of any such managing agent, the scope of the agent's duties and the basis of the agent's compensation shall be the subject of a consultation between the Agency and the Owner and any contract for the employment of any managing agent shall provide that such contract may be terminated by the Agency at any time by notice of such determination by the Agency given to the Owner and managing agent.

**Section 25. Prohibited Actions.** Except with the express approval of the Agency, which approval shall not be unreasonably withheld, the Owner shall not with Project Revenues (as defined in Section 20 hereof), Loan disbursements or grant advances:

1. incur any liabilities, except in connection with the acquisition, rehabilitation and rental of the Project and its operation and maintenance;
2. engage in any business activity except the ownership and operation of the Project;
3. enter into contracts for managers, attorneys, accountants or other services without the prior written approval of the Agency;
4. pay more than fair market value thereof for goods or services; and
5. pay compensation to any officer, director or partner in such capacity or make any cash distribution to any of the foregoing.

**Section 26. Transfers of Ownership Interests.** The Owner shall not transfer or sell any interest in the Project, except in accordance with the Agency's regulations governing such transfers.

**Section 27. Statutory Powers and Restrictions.** The Mortgage shall be subject to the restrictions in the Act, and in connection therewith, the Agency shall have the powers set forth in the Act and the regulations now or hereafter promulgated pursuant to the Act and the Owner hereby consents to such restrictions and agrees to be bound thereby. Such powers and restrictions shall be in addition to and not in limitation of the rights of the Agency expressly set forth in this Agreement.

**Section 28. Accounting in Event of Default; Estoppel.** Upon the occurrence of an Event of Default and within ten (10) business days of demand therefore by the Agency, and otherwise within ten (10) business days of written demand by the Agency, the Owner will furnish to the Agency in writing a statement of the principal amount remaining due on the Loan, together with a statement of any known defenses which may exist as to any liability of the Owner on the Notes or otherwise thereunder.

**Section 29. Financing Statements.** The Owner hereby irrevocably authorizes the Agency to execute on its behalf one or more financing statements or renewals thereof in respect to any of the security interests granted by the Mortgage.

**Section 30. Assignment by Agency.** The Owner hereby consents to any assignment of any Loan Document by the Agency.

**Section 31. Defaults.** Each of the following shall be an Event of Default:

(a) failure by the Owner to pay more than thirty (30) calendar days after the due date any installment of principal or interest on the Loan or any other payment required by the Owner to the Agency or any other person pursuant to the terms of this Agreement, the Mortgage or the other Loan Documents; provided, however, that interest shall accrue on any payment made beyond its due date;

(b) commission by the Owner of any act prohibited by the terms of this Agreement, the Mortgage or any other Loan Document, failure by the Owner to perform or observe in a timely fashion any action or covenant required by any of the terms of this Agreement, the Mortgage or any other Loan Document, or failure by the Owner to produce satisfactory evidence of compliance therewith;

(c) the filing by the Owner under any federal or state bankruptcy or insolvency law or other similar law of any petition in bankruptcy or for reorganization or composition with creditors or the making of an assignment for the benefit of creditors;

(d) the filing against the Owner of a petition seeking its adjudication as a bankrupt or the appointment of a receiver for the benefit of its creditors which shall not have been dismissed within sixty (60) calendar days of the filing thereof, or the adjudication of the Owner as a bankrupt or the

appointment of a receiver for the benefit of its creditors; or the appointment by court order of a custodian (such as a receiver, liquidator or trustee) of the Owner or of any of its property or the taking of possession of the Owner or any of its property for the benefit of its creditors and such order remains in effect or such possession continues for more than sixty (60) calendar days;

(e) the occurrence of substantial destruction of the Project by an uninsured casualty or the inability to replace or restore the Project in accordance with Section 10;

(f) any representation in conjunction with the Loan and the Project by or on behalf of the Owner that is knowingly false or misleading in any respect or warranty of the Owner that is breached;

(g) any breach by the Owner of its obligations or any failure to observe its covenants under this Agreement, and the other Loan Documents; and

(h) failure to complete the Project.

(i) failure or refusal to acquire, rehabilitate, operate and/or maintain the Project in accordance with the Program.

The events set forth in the subsections (b) and (g) of this Section shall not constitute Events of Default until the prohibited acts, failure to perform or observe, or breaches shall remain uncured for a period of thirty (30) calendar days after the Agency's written notice to the Owner, specifying such prohibited act, failure or breach and requesting that it be remedied, unless the Agency shall agree in writing to an extension of such time prior to its expiration; provided, however, that after the Rehabilitation Period only, if the prohibited act, failure, or breach stated in each notice is correctable, but cannot be corrected within the 30-day period, the Agency may not unreasonably withhold its consent to an extension of up to 120 calendar days from the delivery of the written notice referred to herein if corrective action is instituted by the Owner, within the initial 30-day period and diligently pursued.

The failure of the Owner to comply with any of the provisions of Section 25 or 31 of this Agreement shall not be deemed an Event of Default hereunder unless such failure has not been corrected within a period of 60 calendar days, have actual or constructive knowledge of such failure or after the Agency's written notice to the owner, whichever is earlier.

**Section 32. Remedies.** Upon the occurrence of any Event of Default, the Agency may at its option take any one or more of the following actions or remedies and no failure to exercise any remedy or take any action enumerated shall constitute a waiver of such right or preclude a subsequent exercise by the Agency of any such remedy:

(a) declare the entire principal sum of the Mortgage together with all other liabilities of the Owner under the Note to be immediately due and payable;



(b) cease making disbursements to the Owner of any funds under the Loan or from reserves held by the Agency;

(c) apply any reserves held by the Agency or the balance in the accounts for Project disbursements and revenues, or any combination of these monies, to the payment of the Owner's liabilities hereunder;

(d) foreclose the lien of the Mortgage on the Project and Land or a portion thereof, including without limitation all Improvements existing or hereafter placed in or on the Project and Land. In any action to foreclose, the Agency shall be entitled to the appointment of a receiver of the rents and profits of the Project as a matter of right and without notice, with power to collect the rents, uses and profits of said Project, due and becoming due during the pendency of such foreclosure suit, such rents and profits being hereby expressly assigned and pledged as additional security for the payment of the indebtedness secured by the Mortgage without regard to the value of the Project or the solvency of any person or persons liable for payment of the mortgaged indebtedness. The Owner for itself and any such subsequent owner hereby waives any and all defenses to the application for a receiver as above and hereby specifically consents to such appointment without notice, but nothing herein contained is to be construed to deprive the holder of the Mortgage of any other right, remedy or privilege it may now have under the law to have a receiver appointed. The provisions for the appointment of a receiver of the rents and profits and the assignment of such rents and profits, is made an express condition upon which the Loan hereby secured are made. Upon such foreclosure the Agency shall have the right to have a receiver appointed for the Project and the rent from the Project;

(e) pursuant to its rights under the Act, remove the Project Manager(s) after consultation with the Owner, or, if the Agency, after consultation with the Owner, decides, it is in the best interest of the Project and Clients, hereinafter defined, the Owner shall deed the Project and Land to the Agency;

(f) take possession of the Project and Land or a portion thereof;

(g) without judicial process, collect all rents and other revenue including federal and State subsidies as the agent of the Owner (which upon the occurrence of any Event of Default the Agency is deemed to have been irrevocably appointed by the Owner), and apply the same at the Agency's option either to the operation and maintenance of the Project or to the liabilities of the Owner under the Mortgage;

(h) act as landlord of the Project and rent or lease the same on any terms approved by it, or dispossess by summary proceedings or other available means any tenant defaulting under the terms of the lease of a dwelling unit;

(i) take possession of equipment, appliances or other tangible personal property in which a security interest has been granted by this Agreement or the Mortgage and dispose of the same in any commercially reasonable manner. The Agency shall have the option to dispose of any such



equipment and personal property either separately from the Project and Land or in conjunction with a sale of the Project and Land, and the Owner agrees that either method of disposition shall be commercially reasonable;

(j) make effective an assignment of the Architectural Contract by the Owner to the Agency, in which event the Agency is specifically empowered by the Owner to exercise any and all rights of the Owner under the Architectural Contract, and at the option of the Agency to proceed with the rehabilitation of the Project, in which event all payments by the Owner made with respect to the Architectural Contract shall be treated as disbursements on the Loan;

(k) subject to Section 40 hereof, sue the Owner for a mandatory injunction or other equitable relief requiring performance by the Owner of any of its obligations under this Agreement or the Mortgage or the other Loan Documents. The Owner agrees with the Agency that the Agency's remedy at law for the violation or nonperformance of the Owner's obligations under the Mortgage or this Agreement or the other Loan Documents is not adequate by reason, among other things, of the Agency's public purpose to provide adequate, safe and sanitary dwelling units;

(l) after consultation with the Owner, sue under the Architectural Contract or on a warranty to recover any amount payable to the Owner pursuant to the Architectural Contract or payable to the Owner pursuant to any such warranty and to settle any such claim or liability and release the same and apply the proceeds of any such suit, settlement or release to the liabilities of the Owner under this Agreement or the Mortgage;

(m) notwithstanding the above enumeration of remedies, the Agency shall have available to it all other remedies provided at law or in equity or any other action permitted by law subject to the provisions of Section 40 of this Agreement;

(n) if the Owner commits a breach or threatens to commit a breach of any of the provisions of the Mortgages or other Loan Documents, the Agency shall have the right, without posting bond or other security, to seek injunctive relief or specific performance, it being acknowledged and agreed that any such breach, or threatened breach, will cause irreparable injury to the Agency and that money damages will not provide an adequate remedy; and/or

(o) to undertake reasonable maintenance and make reasonable repairs to the Project and to add the cost thereof to the principal balance of the Mortgages.

#### **Owners' Default Under Financing Documents.**

1) Upon the occurrence of an Event of Default set forth in this Agreement or in the event of a violation by the Owner of the terms of any agreement between the Agency and the Owner, or in the event of a violation of the rules and regulations of the Agency or in the event that the Agency shall reasonably and in good faith determine that the Loans are in jeopardy of not being repaid, the Agency shall have the right to manage the affairs of the Owner as such affairs relate to the Project or to name a designee to manage the same.

(2) The delegation of authority to the Agency shall terminate upon the curing, to the satisfaction of the Agency, of the event giving rise to the delegation.

(3) In the absence of fraud or bad faith, the Agency or its designees, agents, officers, or employees shall not be personally responsible for the debts, obligations or liabilities of the Owner.

(4) The admission and delegation to the Agency or its designee shall last only for a period coexistent with the duration of the event giving rise to the action hereunder or until the Agency determines in its sole discretion that such an event or one of similar nature will not reoccur.

(5) The Agency or its designee shall serve without compensation, but shall be entitled to be reimbursed for all necessary expenses incurred in discharge of its duties as determined by the Agency.

(6) The primary function of the Agency or its designee is to protect the interest of the Agency's Loan and the tenants of the Project and, in the absence of fraud or bad faith, the Agency or its designee shall not be liable for damages to the Owner or any stockholder thereof.

(7) This Agreement and the admission of and delegation to the Agency shall not be construed as to cause a merger between any of the Loan Documents and the title to the Project.

(8) The rights and remedies granted to the Agency under this Agreement are not intended to limit in any way its rights and powers under Section 7 (b)(6) of the Act.

**Section 33. Expenses Due to Default.** All expenses (including reasonable attorneys' fees and costs and allowances) incurred in connection with an action to foreclose the Mortgage or in exercising any other remedy provided by the Mortgage or this Agreement or the other Loan Documents, including the curing of any Event of Default, shall be paid by the Owner, together with interest at the then current rate being received by the Agency on its investments as determined in good faith by the Agency. Any such sum or sums and the interest thereon shall be a further lien on the Project, Land and Improvements, and shall be secured by this Agreement and the Mortgage.

**Section 34. Burden and Benefit.** The Agency and the Owner hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the Land in that the Owner's legal interest in the Land and the Project is rendered less valuable thereby. The Agency and the Owner hereby further declare their understanding and intent that the benefit of such covenants touch and concern the Land by enhancing and increasing the enjoyment and use of the Land and part of the Project as housing for persons with developmental disabilities.

**Section 35. Uniformity; Common Plan.** The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project and Land.

**Section 36. Remedies; Enforceability.** The provisions hereof are imposed upon and made applicable to the Land and shall run with the Land and shall be enforceable against the Owner or any other person or entity that has or had an ownership interest in the Project at the time of such violation or attempted violation. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation hereof at any later time or times.

**Section 37. Amendments; Notices; Waivers.** This Agreement and the Mortgage may be amended only by an instrument in writing executed and acknowledged on behalf of the Agency and the Owner in such manner that the instrument may be recorded.

No waiver by the Agency in any particular instance of any Event of Default or required performance by the Owner and no course of conduct of the parties or failure by the Agency to enforce or insist upon performance of any of the obligations of the Owner under this Agreement, the Mortgage, or under the other Loan Documents at any time shall preclude enforcement of any of the terms of this Agreement, the Mortgage, the Note, or the other Loan documents thereafter.

Any provisions of this Agreement, the Mortgage or other Loan Documents requiring the consent or approval of the Agency for the taking of any action or the omission of any action requires such consent by the Agency in writing signed by a duly authorized officer of the Agency. Any such consent or approval, unless it expressly states otherwise, is limited to the particular action or omission referred to therein and does not apply to subsequent similar actions or omissions.

Notice provided for under this Agreement shall be given in writing signed by a duly authorized officer and any notice required to be given hereunder shall be given by recognized private carrier with acknowledgment of delivery or by confirmed facsimile, with a hard copy sent by certified mail, return receipt requested, or by certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto.

**Agency:** Executive Director  
New Jersey Housing and Mortgage Finance Agency  
637 South Clinton Avenue, CN 18550  
Trenton, NJ 08650-2085

**Owner:** Executive Director  
Mental Health Association of Essex County, Inc.  
33 South Fullerton Avenue  
Montclair, New Jersey 07042

All notices shall be deemed given when received.

**Section 38. Severability.** The invalidity of any part or provision hereof shall not affect the validity, legality and enforceability of the remaining portions hereof, and to this end the provisions of this Agreement shall be severable.

**Section 39. Successors and Assigns.** This Agreement and all rights, duties, obligations and interests arising hereunder shall bind and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

**Section 40. Personal Liability.** Notwithstanding any other provision contained in this Agreement, the other loan documents or any other document or instrument executed by the owner in connection herewith or therewith, the Agency agrees, on behalf of itself and any future holder of the Note, that the liability of the Owner and its respective heirs, representatives, successors and assigns, for the payment of its obligations hereunder and under the other loan documents, including, without limitation, the payment of principal, interest and other charges due hereunder and thereunder, shall be limited to the collateral pledged under the mortgage and the other loan documents, and that the Agency shall have no right to seek a personal judgment against the Owner, its respective heirs, representatives, successors and assigns, individually, except to the extent necessary to subject the collateral (including the Project and Land) pledged under the Mortgage and the other loan documents to the satisfaction of the Mortgage debt, and provided, however, that the Agency shall retain the right to exercise any and all remedies granted to it under the Mortgage, this Agreement and the other loan documents, including without limitation the right to sue for injunctive or other equitable relief. The foregoing limitation of liability shall not apply to any party to the extent such party has committed fraudulent, criminal or other unlawful acts and shall not apply to such amounts due to the Lender pursuant to Sections 10, 11, 12, 13, 14 and 32 of this Agreement

**Section 41. Counterparts.** This Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

**Section 42. Disclaimer of Warranties, Liability; Indemnification/Defense.**

A. The Owner acknowledges and agrees that (i) the Agency has not heretofore and does not make any warranty or representation, either express or implied, as to the value, condition, or fitness for particular purposes of the Project or any portions thereof or any other warranty or representation with respect thereto; (ii) in no event shall the Agency or its agents or employees be liable or responsible for any incidental, indirect, special or consequential damages in connection with or arising out of this Agreement or any of the other Loan Documents or the development of the Project or the existence, functioning or use of the Project or any items or services provided for in this Agreement or the other Loan Documents; and (iii) during the term of this Agreement and the other Loan Documents and to the fullest extent permitted by law, the Owner shall indemnify, defend and hold the Agency harmless against, damage, claims, judgments or expenses of any and all kinds or

nature and however arising, imposed by law, which the Owner and the Agency including reasonable attorneys' fees and costs, may sustain, be subject to, or be caused to incur by reason of any claim, suit or action based upon personal injury, death or damage to property, whether real, personal or mixed, or upon or arising out of contract entered into by the Owner, or arising out of the Owner's ownership of the Project or out of the construction, rehabilitation, operation or management of the Project.

B. It is mutually agreed by the Owner and the Agency that the Agency and its directors, officers, agents, servants and employees shall not be liable for any action performed under this Agreement, and that the Owner shall hold them harmless from any claim or suit of whatever nature.

C. Any claims asserted against the Agency shall be subject to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq. While this statute may not be applicable by its terms to claims arising under contracts with the Agency, the Owner agrees that it shall be applicable to any claims arising under the Loan Documents. It is acknowledged by the parties that the Agency is a public entity covered by the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1, et seq.

**Section 43. Recording.** This Agreement shall be duly recorded in the Office of the Clerk for the county in which the Land is located within ten (10) days following its execution.

**Section 44. Governing Law.** This Agreement shall be governed by the laws of the State of New Jersey. The parties agree that any cause of action that may arise under this Agreement or the Loan Documents shall have jurisdiction and venue only in the Courts of the State of New Jersey in and for the County of Mercer.

**Section 45. Equal Opportunity and Non-Discrimination.** The Owner covenants and agrees that it will comply with the Agency guidelines with respect to equal opportunity and non-discrimination in its purchase of goods and services for the operation and maintenance of the Project throughout the term of this Agreement.

**THIS SPACE INTENTIONALLY LEFT BLANK**

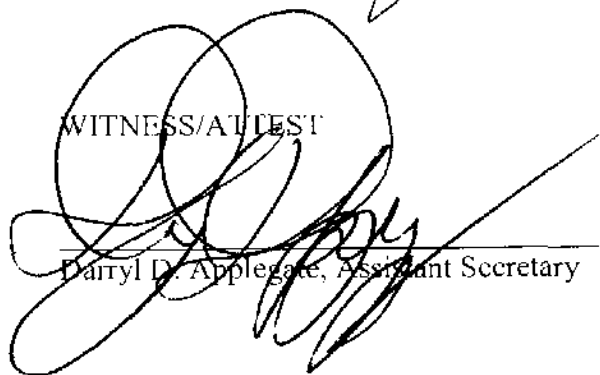


**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the day and year first written above.

WITNESS/ATTEST

  
\_\_\_\_\_

WITNESS/ATTEST

  
Darryl D. Applegate, Assistant Secretary

**OWNER:**  
**MENTAL HEALTH ASSOCIATION OF**  
**ESSEX COUNTY, INC.**

By: 

Robert N. Davison, Executive Director

**LENDER:**  
**NEW JERSEY HOUSING AND**  
**MORTGAGE FINANCE AGENCY**

By: 

Leslie S. Lefkowitz, Chief of Legal and  
Regulatory Affairs

This Agreement is approved as to form:

ATTORNEY GENERAL OF NEW JERSEY

By: 

Jennifer H. Linett  
Deputy Attorney General



# CORPORATE ACKNOWLEDGMENT

STATE OF NEW JERSEY )  
 ) SS:  
 COUNTY OF MERCER )

BE IT REMEMBERED, that on this 26<sup>th</sup> day of October, 2009, before me, the subscriber, a Notary Public of New Jersey, personally appeared, Robert N. Davison, who, being by me duly sworn on his oath, acknowledges and makes proof to my satisfaction that Mental Health Association of Essex County, Inc., is the entity named in the within Instrument; that Robert N. Davison is the Executive Director of said corporation; that the execution, as well as the making of this Instrument, has been duly authorized by a proper resolution of the members of the said corporation, and that the seal affixed to said Instrument is the proper seal and was thereto affixed and said Instrument signed and delivered by said members of the corporation as and for the voluntary act and deed of said corporation, in the presence of deponent, who there upon subscribed his name thereto as attesting witness.

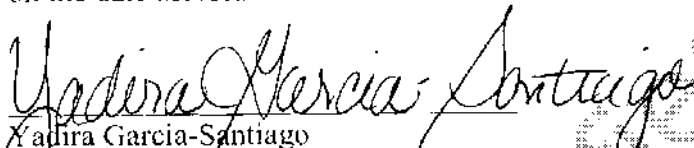
Sworn to and subscribed before me  
 on the date aforesaid.

*Jelly B. Kunkley*  
 Attorney at Law of New Jersey

STATE OF NEW JERSEY )  
 ) SS:  
COUNTY OF MERCER )

BE IT REMEMBERED, that on this 26<sup>th</sup> day of October, 2009, before me, the subscriber, a Notary Public of the State of New Jersey, personally appeared Darryl D. Applegate who, being by me duly sworn on his oath, acknowledges and makes proof to my satisfaction that he is an Assistant Secretary of the NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY (the "Agency"), named as the Lender in the within Instrument, that Leslie S. Lefkowitz is the Chief of Legal and Regulatory Affairs of said Agency, that the execution, as well as the making of this Instrument, has been duly authorized by a proper resolution of the members of the said Agency, that deponent well knows the corporate seal of said Agency, and that the seal and said Instrument signed and delivered by said Leslie S. Lefkowitz as and for the voluntary act and deed of said Agency, in the presence of deponent, who there upon subscribed his name thereto as attesting witness.

Sworn to and subscribed before me  
on the date aforesaid.

  
Yadira Garcia-Santiago  
Notary Public of New Jersey  
My Commission Expires November 21, 2012

**Schedule A**  
**Legal Description**

**TITLE INSURANCE COMMITMENT**  
*Issued by Select Title Agency, Inc.*  
**AGENT FOR OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY**

**AMENDMENT**  
**Dated: August 13, 2009**

**Commitment Number: ST-22581**

**LEGAL DESCRIPTION**

ALL that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Municipality of Township of Bloomfield, in the County of Essex, State of NJ:

BEGINNING at a point in the northwesterly sideline of North 16th Street, said point being distant 166.67 feet southwesterly from the intersection of the said northwesterly sideline of North 16th Street and the southwesterly sideline of First Avenue, and from said point of beginning running thence

- (1) North 68 degrees 24 minutes 25 seconds West 100.00 feet to a point; thence
- (2) South 21 degrees 35 minutes 35 seconds West 35.00 feet to a point; thence
- (3) South 68 degrees 24 minutes 25 seconds East 100.00 feet to a point in said northwesterly sideline of North 16th Street; thence
- (4) Along the said northwesterly sideline of North 16th Street on a course of North 21 degrees 35 minutes 35 seconds East 35.00 feet to the point and place of BEGINNING.

BEING in accordance with a survey prepared by EKA Associates, P.A., L.S., dated August 9, 2009.

FOR INFORMATION PURPOSES ONLY: BEING known as 99 North Sixteenth Street, Tax Lot 9, Tax Block 2 on the Official Tax Map of Township of Bloomfield, NJ.

**RECORDING INFORMATION SHEET**

**ESSEX COUNTY REGISTER'S OFFICE**  
**HALL OF RECORDS , ROOM 130**  
**465 MARTIN LUTHER KING Jr. Blvd**  
**NEWARK NJ 07102**

INSTRUMENT NUMBER:

**9020958**

DOCUMENT TYPE :

**DEED****Official Use Only**

CAROLE A. GRAVES, REGISTER  
 ESSEX COUNTY, NJ

INSTRUMENT NUMBER  
 9020958  
 RECORDED ON  
 March 24, 2009 09:25 am  
 BOOK:12184 PAGE:8421

RB

**Return Address (for recorded documents)**

JEFFREY R KUSCHNER, ESQ.

180 GLENRIDGE AVE

MONTCLAIR NJ 07042

**No. Of Pages (excluding Summary Sheet)**

5

**Recording Fee (excluding Transfer Tax)****\$80.00****Realty Transfer Tax****\$0.00****Amount Charged (Check # 3371)****\$80.00****Municipality****BLOOMFIELD****Parcel Information****Block 2****Lot 9****First Party Name****MENTAL HEALTH ASSOCIATION****Second Party Name****MENTAL HEALTH ASSOCIATION**CONSIDERATION (E) \$1.00

MAIL COPY \_\_\_\_\_

NO COPY \_\_\_\_\_

ENVELOPE \_\_\_\_\_

**ADDITIONAL STAMPINGS****Additional Information (Official Use Only)**

\*\*\*\*\* DO NOT REMOVE THIS PAGE. \*\*\*\*\*  
 COVER SHEET (DOCUMENT SUMMARY FORM) IS PART OF ESSEX COUNTY FILING RECORD  
 \*\*\*\*\* RETAIN THIS PAGE FOR FUTURE REFERENCE. \*\*\*\*\*

# Deed

This Deed is made on 3/10/2009  
**BETWEEN**  
**MENTAL HEALTH ASSOCIATION OF ESSEX COUNTY, INC.**

a corporation of the state of **New Jersey**  
 having its principal office at  
**33 South Fullerton Avenue**  
**Montclair, New Jersey 07042**

referred to as the Grantor,  
**AND**  
**MENTAL HEALTH ASSOCIATION OF ESSEX COUNTY, INC.**

whose post office address is  
**33 South Fullerton Avenue**  
**Montclair, New Jersey 07042**

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 **\$1.00**  
**One Dollars and No Cents**  
 The Grantor acknowledges receipt of this money.

**2. Tax Map Reference.** (N.J.S.A. 46:15-1.1) Municipality of **Bloomfield**  
 Block No. **2** Lot No. **9** 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 buildings and structures on the land in the **Township** of **Bloomfield**, County of **Essex** and State of New Jersey. The legal description is:

☒ Please see attached Legal Description annexed hereto and made a part hereof. (Check Box if Applicable.)

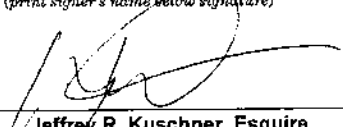
Being the same premises conveyed to the grantor herein by deed from Amado Romero and Diane Fortunate, husband and wife to Amilca Rosa, single dated July 29, 2005 and recorded August 11, 2005 in the Essex County Register's Office in Deed Book 6219, Page 404. \*

The within conveyance is subject to zoning ordinances, easements and restrictions of record, if any, and such state of facts as an accurate survey would disclose.

"The grantee hereunder does acknowledge that the cost of acquisition and rehabilitation of the property has been satisfied out of part of the proceeds of a certain loan from the County of Essex under the Federal HOME program and that the premises to be rehabilitated shall be subject to the affordability requirements contained in 24 Code of Federal Regulation, Part 92. The provisions thereof may be enforced by the County of Essex by an action for specific performance filed in a Court having jurisdiction. The premises to be rehabilitated shall be subject to the specific provisions for affordability contained in 24 CFR 92.504 for a period of twenty years from the date of completion of the project as evidenced by the issuance of a Certificate of Occupancy for the use of the premises."

This is a corrective deed which corrects the original deed by including deed restriction language required by the County of Essex under the Federal HOME program.

\*Also being the same premises conveyed to the Grantor herein by deed from AMILCA ROSA, single, dated May 24, 2007 and recorded June 5, 2007 in Deed Book 12060 Page 7166.

Prepared by: (print signer's name below signature)	(For Recorder's Use Only)
 _____ Jeffrey R. Kuschner, Esquire	



File No. ST-21004M

**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 Township of Bloomfield and the City of East Orange, County of Essex and State of New Jersey:

BEGINNING at a point in the northwesterly sideline of North 16<sup>th</sup> Street, said point being distant 166.67 feet southwesterly from the intersection of the said northwesterly sideline of North 16<sup>th</sup> Street and the southwesterly sideline of First Avenue, and from said point of beginning running thence

- (1) North 68 degrees 24 minutes 25 seconds West 100.00 feet to a point; thence
- (2) South 21 degrees 35 minutes 35 seconds West 35.00 feet to a point; thence
- (3) South 68 degrees 24 minutes 25 seconds East 100.00 feet to a point in said northwesterly sideline of North 16<sup>th</sup> Street; thence
- (4) Along the said northwesterly sideline of North 16<sup>th</sup> Street on a course of North 21 degrees 35 minutes 35 seconds East 35.00 feet to the point and place of BEGINNING.

BEING in accordance with a survey prepared by EKA Associates, P.A., L.S., dated April 3, 2007.

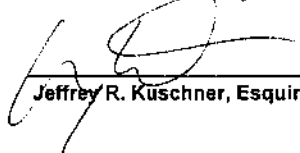
For Informational Purposes only: ALSO known as Lot 9 in Block 2 on the Township of Bloomfield Tax Map and Lot 6.01 in Block 103 on the City of East Orange Tax Map.



The street address of the Property is:  
**99 North 16th Street**  
**Bloomfield, NJ 07003**

**4. 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. Its corporate seal is affixed. (Print name below each signature.)

Witnessed or Attested by:

  
\_\_\_\_\_  
**Jeffrey R. Kushner, Esquire**

By:

  
\_\_\_\_\_  
**Robert Davison**

**STATE OF NEW JERSEY, COUNTY OF ESSEX**  
I CERTIFY that on  
**Robert Davison**

SS:

personally came before me and stated to my satisfaction that this 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 **Executive Director** of **MENTAL HEALTH ASSOCIATION OF ESSEX COUNTY, INC.** the entity named in this Deed;
- (c) made this Deed for \$ **1.00** 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); and
- (d) executed this Deed as the act of the entity.

RECORD AND RETURN TO:  
**Jeffrey R. Kushner, Esquire**  
**180 Glenridge Avenue**  
**Montclair, New Jersey 07042**

  
\_\_\_\_\_  
**Jeffrey R. Kushner**  
**An Attorney at Law of the State of New Jersey**  
*Print name and title below signature*

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) Mental Health Association of Essex County, Inc.

Current Resident Address 33 South Fullerton Avenue

City, Town, Post Office Montclair

State NJ

Zip Code 07042

**PROPERTY INFORMATION (Brief Property Description):**

Block(s) 2

Lot(s) 9

Qualifier \_\_\_\_\_

Street Address 99 North 16th Street

City, Town, Post Office Bloomfield

State NJ

Zip Code 07042

Seller's Percentage of Ownership 100% Consideration \$1.00

Closing Date \_\_\_\_\_

**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.

3/10/09

Date

Robert Davison

Signature

(Seller) Please indicate if Power of Attorney or Attorney in Fact

Date

Signature

(Seller) Please indicate if Power of Attorney or Attorney in Fact

MUST SUBMIT IN DUPLICATE  
N.C. 2345 - Affidavit of Consideration  
RTF-1 (Rev. 7/08) P.9/08

Printed by ALL-STATE LEGAL®  
www.aslegal.com 800.222.0510 Page 1

## 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. 46:15-6 et seq.)

BEFORE COMPLETING THIS AFFIDAVIT, PLEASE READ THE INSTRUCTIONS ON THE REVERSE SIDE OF THIS FORM.

STATE OF NEW JERSEY

COUNTY OF

ESSEX

County Municipal

Code

0702

Municipality of Property Location: Bloomfield

## FOR RECORDER'S USE ONLY

Consideration \$ 1.00  
RTF paid by seller \$ 0  
Date 3.24.09 By CA

† Use symbol "C" to indicate that fee is exclusively for county use.

## (1) PARTY OR LEGAL REPRESENTATIVE (See Instructions 3 and 4 attached)

Deponent, Robert Davison, being duly sworn according to law upon his/her oath deposesand says that he/she is the Exec. Director of Mental Health Association in a deed dated

(Grantor, Grantee, Legal Representative, Corporate Officer, Officer of Title Co., Lending Institution, etc.)

transferring real property identified as Block No. 2 Lot No. 9 located at99 North 16th Street, Bloomfield, New Jersey 07003

(Street Address Town)

and annexed thereto.

(2) CONSIDERATION: \$ 1.00 (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. Consideration is less than \$100.00.

## (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 used for any purpose.  
☐ Not previously occupied.  
☐ "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 10thday of March, 2009Jeffrey R. Kuschner, Esquire  
Notary PublicSignature of Deponent  
33 South Fullerton Avenue  
Montclair, NJ 07042

Deponent Address

XXX-XX-X

Last 3 digits in Grantor's Social Security No.

Grantor Name

33 South Fullerton Avenue  
Montclair, NJ 07042

Grantor Address at Time of Sale

Jeffrey R. Kuschner, Esquire

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/locsitax.htm](http://www.state.nj.us/treasury/taxation/lpt/locsitax.htm).

FOR OFFICIAL USE ONLY  
Instrument Number 9020958 County ESSEX  
Deed Number 18107 Book 8221  
Deed Dated 3.10.09 Date Recorded 3.24.09

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

**RECORDING INFORMATION SHEET**

**ESSEX COUNTY REGISTER'S OFFICE**  
**HALL OF RECORDS , ROOM 130**  
**465 MARTIN LUTHER KING Jr. Blvd**  
**NEWARK NJ 07102**

INSTRUMENT NUMBER:

**8109883**

DOCUMENT TYPE :

**DEED****Official Use Only**

CAROLE A. GRAVES, REGISTER  
 ESSEX COUNTY, NJ

INSTRUMENT NUMBER  
 8109883

RECORDED ON  
 December 15, 2008 02:30 pm  
 BOOK:12170 PAGE:5632

CC

CONSIDERATION (R) \$0.00

MAIL COPY \_\_\_\_\_

NO COPY \_\_\_\_\_

ENVELOPE \_\_\_\_\_

**ADDITIONAL STAMPINGS****Return Address (for recorded documents)**

NEW JERSEY HOUS &amp; MTG FIN AGCY

637 SOUTH CLINTON AVENUE

P.O. BOX 18550

TRENTON NJ 08650-2085

**No. Of Pages (excluding Summary Sheet)**

25

**Recording Fee (excluding Transfer Tax)**

\$280.00

**Realty Transfer Tax**

\$0.00

**Amount Charged (Check # 3151)**

\$280.00

**Municipality**

BLOOMFIELD

**Parcel Information****Block** 691**Lot** 35**First Party Name**

NEW JERSEY HOUS &amp; MTG FIN AGCY

**Second Party Name**

MENTAL HEALTH ASSOCIATION OF

**Additional Information (Official Use Only)**

\*\*\*\*\* DO NOT REMOVE THIS PAGE. \*\*\*\*\*  
 COVER SHEET (DOCUMENT SUMMARY FORM) IS PART OF ESSEX COUNTY FILING RECORD  
 \*\*\*\*\* RETAIN THIS PAGE FOR FUTURE REFERENCE. \*\*\*\*\*

Record & Return to:

**Lisa DiOrio**  
New Jersey Housing and Mortgage  
Finance Agency  
637 South Clinton Avenue  
P.O. Box 18550  
Trenton, New Jersey 08650-2085

**THE BAY PROJECT**  
**HMFA # 02310**  
**SNHTF #114**

**FINANCING, DEED RESTRICTION AND REGULATORY AGREEMENT**

**Between**

**NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**

**And**

**MENTAL HEALTH ASSOCIATION OF ESSEX COUNTY, INC.**

Prepared by:

  
\_\_\_\_\_  
**Jennifer H. Linett**  
Deputy Attorney General

**Special Needs Housing Trust Fund**  
**First Mortgage Loan**  
**Permanent Financing**

**THIS FINANCING, DEED RESTRICTION AND REGULATORY AGREEMENT** (this "Agreement"), made and entered into as of this 24<sup>th</sup> day of November, 2008, by and between the **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY** (the "Agency" or "Lender"), a body politic and corporate and an instrumentality exercising public and essential governmental functions of the State of New Jersey (the "State") and **MENTAL HEALTH ASSOCIATION OF ESSEX COUNTY, INC.**, ("Owner" or "Borrower"), a non-profit corporation organized and existing pursuant to the laws of the State of New Jersey and duly authorized to transact business in the State of New Jersey.

### WITNESSETH

In consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Agency and the Owner hereby agree as follows:

**Section 1. Definitions and Interpretation.** The following terms shall have the respective meanings set forth below:

**"Act"** means the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended from time to time, P.L. 1983, c. 530, N.J.S.A. 55:14K-1 et seq., and the regulations promulgated thereunder.

**"Agency Financing"** means the First Mortgage Loan

**"Agency Regulations"** means the regulations promulgated by the Agency pursuant to the Act and any policies, procedures or guidelines issued by the Agency with respect to the housing projects financed by the Agency under the Act, all of the foregoing as they may be amended from time to time, if applicable.

**"Assignment of Leases"** means the Assignment of Leases by and between the Owner and Lender of even date herewith.

**"Code"** means the Internal Revenue Code of 1986, as amended.

**"Construction Contract"** means the agreement between the Owner and Seehaus and Walker Construction dated February 29, 2008, or any other agreement executed by the Owner and approved by the Agency, for the construction of the Project in accordance with the plans and specifications for the Project approved by the Agency.

**"Day"** or **"Days,"** whether or not the word is a capitalized term, shall mean calendar day or day(s) unless otherwise specified.



**"DDD"** means the New Jersey Department of Human Services, Division of Developmental Disabilities, or its successors and assigns, if applicable.

**"DMHS"** means the New Jersey Department of Human Services, Division of Mental Health Services, or its successors or assigns, if applicable.

**"Environmental Laws"** shall mean and include any federal, State, or local statute, law, ordinance, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic, or dangerous waste, substance, element, compound, mixture or material, as now or at any time hereafter in effect including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended, 42 U.S.C. Sections 9601 et seq., the Federal Hazardous Materials Transportation Act, as amended 42 U.S.C. Sections 1801 et seq., the Federal Resource Conservation and Recovery Act as amended, 42 U.S.C. Sections 6901 et seq., the Superfund Amendments and Reauthorization Act, 42 U.S.C. Sections 9601 et seq., the Federal Toxic Substances Control Act, 15 U.S.C. Sections 2601 et seq., the Federal Hazardous Material Transportation Act, 49 U.S.C. Sections 1801 et seq., the Federal Clean Air Act, 42 U.S.C. Sections 7401 et seq., the Federal Water Pollution Control Act, 33 U.S.C. Sections 1251 et seq., the Rivers and Harbors Act of 1899, 33 U.S.C. Sections 401 et seq., the Residential Lead-Based Paint Hazard Reduction Act of 1992, 42 U.S.C. Section 4852d, the New Jersey Environmental Cleanup Responsibility Act, as amended, N.J.S.A. 13:1K-6 et seq., the New Jersey Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq., the Spill Compensation and Control Act, as amended, N.J.S.A. 58:10-23.11 et seq., the New Jersey Tank Registration Act, N.J.S.A. 58:10A-21 et seq., the New Jersey Water Pollution Control Act, as amended, N.J.S.A. 58:10A-1 et seq., and all rules and regulations adopted and publications promulgated thereto, or any other so-called "Superfund" or "Superlien" laws, or any other federal, State or local environmental law, ordinance, code, rule, or regulation, order or decree as any of the foregoing have been, or are hereafter amended.

**"Environmental Report"** means the Phase I Environmental Site Assessment prepared by LFR, Inc. dated June 22, 2007.

**"Event of Default"** means any of the events set forth in Section 29 of this Agreement.

**"Hazardous Materials"** shall mean and include those elements, materials, compounds, mixtures or substances that are contained in any list of hazardous substances adopted by the United States Environmental Protection Agency (the "EPA") or any list of toxic pollutants designated by Congress, the EPA, or the New Jersey Department of Environmental Protection ("NJDEP"), or that are defined as hazardous, toxic, pollutant, infectious, flammable or radioactive by any of the Environmental Laws, and, whether or not included in such lists, shall be deemed to include all products or substances containing petroleum, asbestos, lead, and polychlorinated biphenyls.

**"HUD"** means the United States Department of Housing and Urban Development.

**"Improvements"** means the building together with all fixtures and utility improvements, easements and rights of way that are owned by the Owner and located on the Land.

**"IRS Regulations"** means the regulations promulgated or proposed by the United States Department of the Treasury or the Internal Revenue Service pursuant to the Code, and to the extent applicable, pursuant to the Internal Revenue Code of 1954, as both may be amended from time to time, including all rules, rulings, policies, and official statements issued by the United States Department of the Treasury or the Internal Revenue Service.

**"Land"** means the real property described in Exhibit A attached hereto, on which the Project is located.

**"Loan Documents"** means and includes this Agreement, the Mortgage Note, the Mortgage and Security Agreement, the UCC-1 Financing Statement, and Assignment of Leases.

**"Loan"** means the Mortgage Loan.

**"Low Income"** means a gross annual household income equal to 30% or less of the median gross annual household income for the same size within the relevant housing region.

**"Mortgage"** means the mortgage of even date herewith that constitutes a first lien on a fee simple interest in the Project and Land, given by the Owner to the Agency to secure the Mortgage Loan.

**"Mortgage Loan"** means the loan made to the Owner by the Agency to finance a portion of the cost of the development and/or rehabilitation of the Project that will be located on the real property described in Exhibit A attached hereto, as evidenced by the Mortgage Note and secured by the Mortgage.

**"Mortgage Note" or "Note"** means the interest bearing non-recourse promissory note that contains the promise of the Owner to pay the sum of money stated therein at the times stated therein and that evidences the obligation of the Owner to repay the Mortgage Loan.

**"Permitted Encumbrances"** means any

(i) Utility, access and other easements and rights of way, restrictions and exceptions that do not, individually or in the aggregate, materially impair the utility or value of the Project or Land for the purposes for which it is intended;

(ii) Liens that are being contested in good faith and for which the Owner has provided security satisfactory to the Agency;

(iii) Liens subordinate to the Mortgage Loan arising due to any monies loaned in connection with the Project or other monies loaned to the Owner, provided such liens are disclosed to and approved by the Agency in writing; and

(iv) Any other encumbrances approved by the Agency in writing.

**"Plans"** means all construction, architectural and design contracts and all architectural design plans and specifications.

**"Program"** means the Special Needs Housing Trust Fund pursuant to the Special Needs Housing Trust Fund Act, P.L. 2005, c.163.

**"Program Guidelines"** means the guidelines promulgated by the Agency pursuant to the Program and any policies or procedures issued by the Agency with respect to the housing projects financed by the Agency, all of the foregoing as they may be amended from time to time.

**"Project"** means the Improvements located on the Land that together with the Land will be financed, in part, with the proceeds of the Loan.

**"Regulations"** means the regulations promulgated or proposed by the United States Department of Housing and Urban Development.

**"Repair and Replacement Reserve"** means the escrow account established pursuant to Section 19 of this Agreement.

**"Servicing Fee"**, if applicable, means the servicing fee that is due from the Owner to the Agency as set forth in the First Mortgage Note.

**"Special Needs Project Escrow"** means the escrow account established pursuant to Section 19 of this Agreement.

**"State"** means the State of New Jersey.

**"Tax Credits"** means low income housing tax credits that the Project may receive pursuant to the Code.

**"UCC-1"** means the UCC-1 Financing Agreement(s) of even date herewith.

Unless the context clearly requires otherwise, as used in this Agreement, words of the masculine, feminine or neuter gender shall be construed to include any other gender when appropriate and words of the singular number shall be construed to include the plural number, and

vice-versa, when appropriate. This Agreement and all the terms and provisions thereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

**Section 2. Background and Purpose.** The Owner has constructed and/or rehabilitated and shall own, maintain, and operate the Project and the Land. The Project consists of one (1) unit of multifamily housing in the Township of Bloomfield, County of Essex, State of New Jersey. To obtain financing for the Project, the Owner has applied to the Agency for the Agency Financing pursuant to the provision of the Program. The Agency will hold a first mortgage lien on the Project during the term of the Mortgage Loan, which will be for 15 years pursuant to the terms of the Note. Financing for the Project is derived in part from the Agency's Program Fund, and, in addition to the First Mortgage Loan, the Owner has obtained and the Agency has approved funding for the Project as follows:

(a) The Owner has received a commitment for Essex County HOME funds in the amount of \$182,000.

In connection with the Mortgage, the Owner and the Agency have entered into this Agreement.

In connection with its application for the Loan, the Owner has furnished to the Agency various details as to the Project, including the description of Land on which it is to be situated, plans and specifications for the construction/rehabilitation of the Project, the tenant population that shall be housed in the Project, the number of units of each type to be included therein, the estimated costs of providing the Project, details as to the Project income and expenses of the Project once constructed and/or rehabilitated and placed in operation and arrangements for any tax abatement for the Project.

**Section 3. Residential Rental Property.** The Owner hereby represents, covenants, warrants and agrees that:

(a) The project is located in the Town of Bloomfield in the County of Essex. The project involves the new construction or rehabilitation of a 1837 square foot structure that will include 3 bedrooms, 2 full bathrooms, kitchen, living room, dining room and basement.

(b) The Project is to be utilized at all times in accordance with the types of use as permitted by the Act and the Program and as may be approved by the Agency. The Project shall be subject to use and occupancy and/or lease agreements between the Owner and the residents.

**Section 4. Low Income Tenants.** The Owner hereby represents, warrants and covenants that the unit shall be occupied or available for occupancy by Low Income Tenants for a period of thirty (30) years from the date hereof.

**Section 5. Additional Representations, Covenants and Warranties of the Owner.** The Owner represents, warrants and covenants that:

(a) The Owner (i) is a non-profit corporation, duly organized, validly existing and in good standing under the laws of the State and duly authorized to transact business in the State; (ii) has filed with the Agency a true and complete copy of its Certificate of Incorporation with all amendments, if any, thereto; (iii) has the power and authority to own or lease its properties and assets, including the Project and the Land, and to carry on its business as now being conducted (and as now contemplated), and to borrow the proceeds of the Loans; and (iv) has the power to execute and perform all the undertakings of this Agreement and the other Loan Documents.

(b) All necessary legal action has been taken to authorize the execution, delivery and performance of the Loan Documents by the Owner.

(c) The Loan Documents have been duly executed and delivered by the Owner and constitute the valid and legally binding obligations of the Owner, enforceable against the Owner in accordance with their respective terms.

(d) To the best of the Owner's knowledge after due and diligent inquiry, the execution and performance of this Agreement, the Loan Documents and other instruments required pursuant to this Agreement by the Owner, (i) will not violate or, as applicable, have not violated, any provision of law, rule or regulations, any order of any court or other agency or government or any provision of any document to which the Owner is a party, and (ii) will not violate or, as applicable, have not violated, any provision of any indenture, agreement or other instrument to which the Owner is a party, or result in the creation or imposition of any lien, charge or encumbrance of any nature other than the Permitted Encumbrances.

(e) The Owner will, at the time of execution of this Agreement or at the time of the closing of the Loan and subject only to such exceptions as have been disclosed in writing to the Agency and which will not materially interfere with or impact the beneficial use of the Project and Land for purposes of the Project; have good and marketable title to fee simple interest in the premises constituting the Land and the Project free and clear of any lien or encumbrance (subject to Permitted Encumbrances and encumbrances created or contemplated pursuant to this Agreement).

(f) There is, after due and diligent inquiry, no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair its right to carry on business substantially as now conducted, or as contemplated to be conducted under this Agreement, or would materially adversely affect its financial condition.



(g) To the best of the Owner's knowledge after due and diligent inquiry, the operation of the Project in the manner presently contemplated and as described in this Agreement will not conflict with any zoning, water or air pollution or other ordinance, order, law or regulation applicable thereto. The Owner has caused the Project to be designed in accordance with all applicable federal, state and local laws or ordinances (including rules and regulations) relating to zoning, building, safety and environmental quality.

Further, the Owner has received or shall obtain all necessary governmental approvals and building permits for construction, rehabilitation and operation of the Project. The Owner will continue to retain ownership of the Project and Land during the term of the Mortgage, subject to the terms of this Agreement and the other Loan Documents, the Act, Agency Regulations, the Program, the Program Guidelines, and, if applicable, the Code.

(h) The Owner has filed, caused to be filed by it, or shall file all federal, state and local tax returns which are required to be filed by it, if any, and has paid or caused to be paid all taxes as shown on said return or on any assessment received by it, to the extent that such taxes have become due.

(i) To the best of the Owner's knowledge, after due and diligent inquiry, the Owner is not in material default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any material agreement or instrument to which it is a party that may materially affect this Project.

(j) The information contained in the Project description provided in the applications for the Loan is accurate in all material respects and does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(k) Except for Leases contemplated by the Project and Section 17 of this Agreement, the Owner shall not during the term of this Agreement sell, transfer or exchange, the Project or the Land (or any part thereof or any interest therein) at any time except in accordance with the terms of the Mortgage, this Agreement, the Act and the Agency Regulations promulgated pursuant to the Act, and the Program Guidelines and unless such sale, transfer or exchange shall have been approved by the Agency. The Owner shall notify in writing and obtain the agreement in writing of any buyer or successor or other person acquiring the Project or Land or any interest therein, in a form acceptable to the Agency that such acquisition is subject to the requirements of this Agreement. This provision shall not act to waive any other restriction on such sale, transfer or exchange.

(l) The Owner has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof and the Mortgage, and in any event, the requirements of this Agreement and the Mortgage are paramount and controlling as to the rights and obligations herein and in the Mortgage and such requirements shall supersede any other requirements in conflict herewith and therewith.



(m) All statements contained in all applications, correspondence or other materials delivered to the Agency by the Owner in connection with its consideration of the Loan to the Owner or relating to the Project are materially true and correct.

(n) The representations, covenants and warranties of the Owner contained in this Agreement on the date of its execution are true and shall continue to be true at all times during the term of this Agreement.

(o) No event has occurred and no condition exists which constitutes an Event of Default under this Agreement or the Mortgage or which, but for a requirement of notice or lapse of time, or both, would constitute such an Event of Default.

**Section 6. Covenants to Run With the Land.** The covenants, reservations and restrictions set forth herein shall be deemed covenants running with the Land and, except as provided in Section 5 hereof, shall pass to and be binding upon the Owner's assigns and successors in title to the Land or the Project; provided, however, that upon the termination of this Agreement in accordance with the terms hereof said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Land or the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions of the Land or Project are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Project and Land.

**Section 7. Term.** This Agreement shall remain in full force and effect until the later of:

(a) a period of thirty (30) years from the date hereof;

(b) until all indebtedness from the Owner to the Agency in respect to the Project shall have been paid in full in accordance with the provisions of this Agreement, the Mortgage Note and the other Loan Documents.

**Section 8. Insurance; Condemnation.** The Owner shall cause the buildings on the premises and the fixtures and articles of personal property covered by the Mortgage to be insured against loss by fire and against loss by such other hazards as may be required by the Agency for the benefit of the Agency, including, but not by way of limitation flood insurance if any part of the Project is located in an area designated by or on behalf of the federal government as having specific flood hazard. Such insurance shall be written by such companies, in an amount not less than the full insurable value of the Project exclusive of excavations and foundations and in such forms as are satisfactory to the Agency. The Owner shall assign and deliver the policies to the Agency, and the Agency shall be loss payee under such policies. Such policies shall provide that the insurer may not cancel the policy and will not refuse to renew the policy except after thirty (30) calendar days written notice to the Agency. If the Agency shall not receive evidence satisfactory to it of the existence of

effective insurance coverage as required by the Agency, the Agency may (but shall not be required to) obtain such coverage and the Owner shall reimburse the Agency on demand for any premiums paid for insurance procured by the Agency, and until so reimbursed the amount of such premiums shall be added to the principal amount of the Mortgage and shall bear interest at the then current rate being paid by the Agency on its borrowing as determined in good faith by the Agency. Valid participation by the Owner in a blanket insurance program offered by or through the Agency or approved by the Agency shall be satisfactory evidence of the required insurance for each type or class of coverage.

In the event of substantial damage to the Project by the occurrence of an insured casualty or the taking of a substantial portion of the Project by condemnation, if, in the sole judgment of the Agency (which judgment shall be conclusive): (a) the Project can be replaced or restored in whole or in part, and (b) the Project as so replaced will produce sufficient income to meet the obligations of the Owner under the Loan Documents, the proceeds of insurance or condemnation, together with any other money available for such purpose, if sufficient, shall be made available to the Owner, subject to the approval of the Agency. To the extent the Project is not replaced or restored, the balance of such proceeds shall be applied to the indebtedness secured thereby. Nothing in this Section shall affect the lien of this Agreement and the obligation of the Owner under the Loan Documents to pay the entire balance of the Loan.

The Owner shall maintain continuously in effect such other insurance coverage of the types and in the amounts specified by the Agency, including workers' compensation insurance and other insurance required by law with respect to employees of the Owner, and liability insurance, protecting the Owner and the Agency against any loss or liability or damage for personal injury or property damage with respect to the Project. Owner shall also maintain use and occupancy insurance covering loss of revenues derived from the Project by reason of interruption, total or partial, of the use of the Project resulting from loss or physical damage thereto in an amount not less than one year's gross rental income. The Owner shall carry fidelity bond insurance covering all employees of the Owner authorized to handle the revenues derived from the Project in an amount equal to one-half times the maximum monthly rent roll.

**Section 9. Taxes or Payments in Lieu of Taxes.** Unless the Owner has received a full tax exemption for the taxes on the Project at the time the Owner takes title to the Project, the Owner covenants and agrees to pay any valid municipal taxes, payments in lieu of taxes, charges, assessments, water charges and/or sewer charges, and in default thereof the Agency may pay the same. Any such sum or sums so paid by the Agency shall be added to the principal sum secured by the Mortgage, as determined by the Agency, and shall bear interest at the then current rate being received by the Agency on its investment as determined in good faith by the Agency.

**Section 10. Liens.** The Owner covenants and agrees to maintain its right, title and interest in the Project and Land and all items enumerated in Section 5 of the Mortgage free and clear of all liens and security interests, except Permitted Encumbrances, and those exceptions identified and set forth in title insurance commitments and title insurance commitment number ST-21915 issued by

Select Title Agency, Inc. dated June 24, 2008 and continued to the date of this Agreement, as accepted by the Agency. Except with the written consent of the Agency, the Owner will not install any item of tangible personal property as part of the fixtures or furnishings of the Project, which is subject to a purchase money lien or security interest.

The Agency may, at its sole option, pay the amount necessary to discharge any such lien, and the Owner shall promptly reimburse the Agency for any amounts so paid. Until reimbursement of the Agency of any amounts so paid, such amount shall be added to the Principal Sum as defined in and secured by the Mortgage, as determined by the Agency, and shall bear interest at the then current rate being received by the Agency on its investments as determined in good faith by the Agency.

**Section 11. Encumbrances - Sale of Project.** The Owner covenants and agrees not to sell, lease or otherwise encumber the Project or the Land, or any part thereof, or the rents or revenues thereof without prior written consent of the Agency, except by leasing to eligible residential tenants as provided by the Mortgage and this Agreement.

**Section 12. Maintenance, Repair and Replacement.** The Owner covenants and agrees to maintain the Project and the appurtenant equipment and grounds in good repair and condition so as to provide decent, safe and sanitary housing accommodations.

The Owner will not make any substantial alteration in the Project without the consent of the Agency, nor will the Owner permit the removal of any fixtures or articles of personal property except in connection with the replacement thereof with appropriate property of at least equal value and free of all liens or claims.

The Owner will not permit any waste with respect to the Project or any of its real or personal property without the consent of the Agency, or make any alteration which will increase the hazard of fire or other casualty.

**Section 13. Advance Amortization Payments.** The Owner shall not make any advance principal repayment except as allowed by the Program and Program Guidelines.

**Section 14. Compliance with the Program, the Act and Agency's Regulations.** The Owner covenants and agrees to comply with the Program, the Program Guidelines the Act and Agency Regulations promulgated pursuant thereto, and with any amendments or supplements to the Program, the Program Guidelines the Act or Agency Regulations.

**Section 15. Use of Project - Leasing.** Except as otherwise expressly provided in Section 3 and 4 of this Agreement or as otherwise agreed to in writing by the Agency, and except for facilities approved by the Agency as normally appurtenant to residential projects for non-transients (such as laundry facilities), the Project shall be used solely (or as otherwise may be approved by the Agency) to provide affordable housing units to a special needs population(s) under the Agency's Program.

**Section 16. Consideration for Lease.** The Owner covenants and agrees not to require as a condition of the occupancy or leasing of any dwelling unit in the Project and not to accept or allow any employee or agent to accept any consideration other than the prepayment of the first month's rent, plus a security deposit not in excess of one (1) month's rent to guarantee the performance of the covenants of the rent agreement or lease.

**Section 17. Security Deposit** The Owner covenants and agrees to deposit all moneys paid to the Owner by any resident, if any, as a security deposit for the payment of rent or other allowable charges under any use and occupancy agreement and/or lease in a separate interest bearing bank account held and maintained in accordance with applicable law.

**Section 18. Account for Project Revenues/Operating Account.** The Owner covenants and agrees to establish an account for Project Revenues specific to the Project. "Project Revenues" shall mean all rents and other revenues of any type whatsoever received in respect of the Project or the Owner, except for Loan disbursements. Project Revenues shall be deposited in such account and all operating expenses should be paid from this account.

**Section 19. Reserve and Escrow Payments.**

On the date of the execution of this Agreement, the Owner will deposit with the Agency the following amounts as shown on the closing budget for the Project ("Form 10") which will serve as a reserve against late payments and be available to pay expenses when due or be available to assist with project expenses. These amounts will comprise the Special Needs Project Escrow:

- (a) an amount equal to twelve (12) months of the estimated annual insurance payments;
- (b) an amount equal to twelve (12) months of the estimated annual tax payments; and
- (c) an amount(s) as stated on the Form 10 for a project escrow.

Additionally, the Owner will deposit an amount as agreed upon between the Borrower and the Agency for the Project as a reserve for repairs and replacement of items at the Project and initial project costs, excluding social service and/or operating costs. Additionally, the repair and replacement reserve will be funded quarterly by the Borrower with an amount equal to three (3) months repair and replacement reserve as shown on the Project's Form 10. This reserve will be separate from the Special Needs Project Escrow and will be known as the Repair and Replacement Reserve.

The Owner will also deposit an amount equal to \$8,814 representing 10% of the Project's hard costs for construction and/or rehabilitation as stated on the Form 10 for a reserve in lieu of payment and performance bond to be held in the Project's Repair and Replacement Reserve for a period of two (2) years from the date of issuance of the Certificate of Occupancy or Architect's Certification of Substantial Completion, whichever is later. After the period of two (2) years, any



remaining funds will continue to be held in the Repair and Replacement Reserve account to be used as outlined in the preceding paragraph.

All reserve and escrow payments required pursuant to this Section shall be held in accounts under the sole control of the Agency and shall be paid out for the benefit of the Project as needed on request of the Owner or on the Agency's own initiative. Any interest which may be earned on such reserves shall remain in the escrow account and shall be used for similar purposes unless the Owner and Agency mutually agree to apply the funds to some other Project purpose.

If the Agency determines that the payments specified herein are insufficient to ensure prompt payment of taxes, payments in lieu of taxes, insurance premiums, or to properly fund painting, decorating, repair and replacement needs with respect to the Project, then the Agency may require an increase in the minimum required escrow amounts necessary to assure proper funding.

**Section 20. Inspection of Premises.** The Owner covenants and agrees to permit the Agency, its agents or representatives, to inspect the Project at any and all reasonable times with or without notice, pursuant to the provisions of the Act and the Program.

**Section 21. Books and Records.** The Owner covenants and agrees to maintain adequate books and records of its transactions, including the social services provided to the Project's residents, with respect to the Project in the Owner's standard form. Such books and records shall be available for inspection and audit by the Agency or its agents at any time during business hours, with notice, pursuant to the provisions of the Act and the Program. The Owner further covenants and agrees to cause the financial affairs with respect to the Project to be audited by independent certified public accountants and shall furnish the Agency with its audit report of such accountants as may from time to time be required by the Agency.

The Owner shall furnish to the Agency such other information and reports respecting the Project as may from time to time be required by the Agency.

**Section 22. Management Contract.** The Owner may, and if the Agency so elects, shall contract for the services of a firm experienced in real estate management to act as the managing agent for the Project. The selection of any such managing agent, the scope of the agent's duties and the basis of the agent's compensation shall be the subject of a consultation between the Agency and the Owner and any contract for the employment of any managing agent shall provide that such contract may be terminated by the Agency at any time by notice of such determination by the Agency given to the Owner and managing agent.

**Section 23. Prohibited Actions.** Except with the express approval of the Agency, which approval shall not be unreasonably withheld, the Owner shall not with Project Revenues (as defined in Section 18 hereof), Loan disbursements or grant advances:

1. incur any liabilities, except in connection with the acquisition, rehabilitation and rental of the Project and its operation and maintenance;
2. engage in any business activity except the ownership and operation of the Project;
3. pay more than fair market value thereof for goods or services; and
4. pay compensation to any officer, director or partner in such capacity or make any cash distribution to any of the foregoing.

**Section 24. Transfers of Ownership Interests.** The Owner shall not transfer or sell any interest in the Project, except in accordance with the Agency's Regulations governing such transfers.

**Section 25. Statutory Powers and Restrictions.** The Mortgage shall be subject to the restrictions in the Act and the Program, and in connection therewith, the Agency shall have the powers set forth in the Act, the Program and the regulations now or hereafter promulgated pursuant to the Act and the Program and the Owner hereby consents to such restrictions and agrees to be bound thereby. Such powers and restrictions shall be in addition to and not in limitation of the rights of the Agency expressly set forth in this Agreement.

**Section 26. Accounting in Event of Default; Estoppel.** Upon the occurrence of an Event of Default and within ten (10) business days of demand therefore by the Agency, and otherwise within ten (10) business days of written demand by the Agency, the Owner will furnish to the Agency in writing a statement of the principal amount remaining due on the Loan, together with a statement of any known defenses which may exist as to any liability of the Owner on the Notes or otherwise thereunder.

**Section 27. Financing Statements.** The Owner hereby irrevocably authorizes the Agency to execute on its behalf one or more financing statements or renewals thereof in respect to any of the security interests granted by the Mortgage.

**Section 28. Assignment by Agency.** The Owner hereby consents to any assignment of any Loan Document by the Agency.

**Section 29. Defaults.** Each of the following shall be an Event of Default:

- (a) failure by the Owner to pay more than thirty (30) calendar days after the due date any installment of principal or interest on the Loan or any other payment required by the Owner to the Agency or any other person pursuant to the terms of this Agreement, the Mortgage or the other Loan Documents; provided, however, that interest shall accrue on any payment made beyond its due date;



(b) commission by the Owner of any act prohibited by the terms of this Agreement, the Mortgage or any other Loan Document, failure by the Owner to perform or observe in a timely fashion any action or covenant required by any of the terms of this Agreement, the Mortgage or any other Loan Document, or failure by the Owner to produce satisfactory evidence of compliance therewith;

(c) the filing by the Owner under any federal or state bankruptcy or insolvency law or other similar law of any petition in bankruptcy or for reorganization or composition with creditors or the making of an assignment for the benefit of creditors;

(d) the filing against the Owner of a petition seeking its adjudication as a bankrupt or the appointment of a receiver for the benefit of its creditors which shall not have been dismissed within sixty (60) calendar days of the filing thereof, or the adjudication of the Owner as a bankrupt or the appointment of a receiver for the benefit of its creditors; or the appointment by court order of a custodian (such as a receiver, liquidator or trustee) of the Owner or of any of its property or the taking of possession of the Owner or any of its property for the benefit of its creditors and such order remains in effect or such possession continues for more than sixty (60) calendar days;

(e) the occurrence of substantial destruction of the Project by an uninsured casualty or the inability to replace or restore the Project in accordance with Section 10;

(f) any representation in conjunction with the Loan and the Project by or on behalf of the Owner that is knowingly false or misleading in any respect or warranty of the Owner that is breached;

(g) any breach by the Owner of its obligations or any failure to observe its covenants under this Agreement, and the other Loan Documents; and

(h) failure or refusal to acquire, rehabilitate, operate and/or maintain the Project in accordance with the Program and Program Guidelines, the Act and Agency Regulations.

The events set forth in the subsections (b) and (g) of this Section shall not constitute Events of Default until the prohibited acts, failure to perform or observe, or breaches shall remain uncured for a period of thirty (30) calendar days after the Agency's written notice to the Owner, specifying such prohibited act, failure or breach and requesting that it be remedied, unless the Agency shall agree in writing to an extension of such time prior to its expiration; provided, however, that after the Rehabilitation Period only, if the prohibited act, failure, or breach stated in each notice is correctable, but cannot be corrected within the 30-day period, the Agency may not unreasonably withhold its consent to an extension of up to 120 calendar days from the delivery of the written notice referred to

herein if corrective action is instituted by the Owner, within the initial 30-day period and diligently pursued.

The failure of the Owner to comply with any of the provisions of Section 25 or 31 of this Agreement shall not be deemed an Event of Default hereunder unless such failure has not been corrected within a period of 60 calendar days, have actual or constructive knowledge of such failure or after the Agency's written notice to the owner, whichever is earlier.

**Section 30. Remedies.** Upon the occurrence of any Event of Default, the Agency may at its option take any one or more of the following actions or remedies and no failure to exercise any remedy or take any action enumerated shall constitute a waiver of such right or preclude a subsequent exercise by the Agency of any such remedy:

(a) declare the entire principal sum of the Mortgage together with all other liabilities of the Owner under the Note to be immediately due and payable;

(b) cease making disbursements to the Owner of any funds under the Loan or from reserves held by the Agency;

(c) apply any reserves held by the Agency or the balance in the accounts for Project disbursements and revenues, or any combination of these monies, to the payment of the Owner's liabilities hereunder;

(d) foreclose the lien of the Mortgage on the Project and Land or a portion thereof, including without limitation all Improvements existing or hereafter placed in or on the Project and Land. In any action to foreclose, the Agency shall be entitled to the appointment of a receiver of the rents and profits of the Project as a matter of right and without notice, with power to collect the rents, uses and profits of said Project, due and becoming due during the pendency of such foreclosure suit, such rents and profits being hereby expressly assigned and pledged as additional security for the payment of the indebtedness secured by the Mortgage without regard to the value of the Project or the solvency of any person or persons liable for payment of the mortgaged indebtedness. The Owner for itself and any such subsequent owner hereby waives any and all defenses to the application for a receiver as above and hereby specifically consents to such appointment without notice, but nothing herein contained is to be construed to deprive the holder of the Mortgage of any other right, remedy or privilege it may now have under the law to have a receiver appointed. The provisions for the appointment of a receiver of the rents and profits and the assignment of such rents and profits, is made an express condition upon which the Loan hereby secured are made. Upon such foreclosure the Agency shall have the right to have a receiver appointed for the Project and the rent from the Project;

(e) pursuant to its rights under the Act and the Program, remove the Project Manager(s) after consultation with the Owner, or, if the Agency, after consultation with the Owner, decides, it is in the best interest of the Project and Clients, hereinafter defined, the Owner shall deed the Project and Land to the Agency;

(f) take possession of the Project and Land or a portion thereof;

(g) without judicial process, collect all rents and other revenue including federal and State subsidies as the agent of the Owner (which upon the occurrence of any Event of Default the Agency is deemed to have been irrevocably appointed by the Owner), and apply the same at the Agency's option either to the operation and maintenance of the Project or to the liabilities of the Owner under the Mortgage;

(h) act as landlord of the Project and rent or lease the same on any terms approved by it, or dispossess by summary proceedings or other available means any tenant defaulting under the terms of the lease of a dwelling unit;

(i) take possession of equipment, appliances or other tangible personal property in which a security interest has been granted by this Agreement or the Mortgage and dispose of the same in any commercially reasonable manner. The Agency shall have the option to dispose of any such equipment and personal property either separately from the Project and Land or in conjunction with a sale of the Project and Land, and the Owner agrees that either method of disposition shall be commercially reasonable;

(j) subject to Section 40 hereof, sue the Owner for a mandatory injunction or other equitable relief requiring performance by the Owner of any of its obligations under this Agreement or the Mortgage or the other Loan Documents. The Owner agrees with the Agency that the Agency's remedy at law for the violation or nonperformance of the Owner's obligations under the Mortgage or this Agreement or the other Loan Documents is not adequate by reason, among other things, of the Agency's public purpose to provide adequate, safe and sanitary dwelling units;

(k) after consultation with the Owner, sue under or make effective an assignment by the Owner to the Agency of any warranty for the Project or any contract for construction, rehabilitation, repair, renovation, reconstruction or improvement of the Project, to recover any amount payable to the Owner pursuant to any such warranty and to settle any such claim or liability and release the same and apply the proceeds of any such suit, settlement or release to the liabilities of the Owner under the Mortgage Note, this Agreement or the Mortgage, or the other Loan Documents;

(l) if the Owner commits a breach or threatens to commit a breach of any of the provisions of the Mortgages or other Loan Documents, the Agency shall have the right, without posting bond or other security, to seek injunctive relief or specific performance, it being acknowledged and agreed that any such breach, or threatened breach, will cause irreparable injury to the Agency and that money damages will not provide an adequate remedy; and/or

(m) to undertake reasonable maintenance and make reasonable repairs to the Project and to add the cost thereof to the principal balance of the Mortgages; and

(n) notwithstanding the above enumeration of remedies, the Agency shall have available to it all other remedies provided at law or in equity or any other action permitted by law subject to the provisions of Section 40 of this Agreement.

**Section 32. Expenses Due to Default.** All expenses (including reasonable attorneys' fees and costs and allowances) incurred in connection with an action to foreclose the Mortgage or in exercising any other remedy provided by the Mortgage or this Agreement or the other Loan Documents, including the curing of any Event of Default, shall be paid by the Owner, together with interest at the then current rate being received by the Agency on its investments as determined in good faith by the Agency. Any such sum or sums and the interest thereon shall be a further lien on the Project, Land and Improvements, and shall be secured by this Agreement and the Mortgage.

**Section 33. Burden and Benefit.** The Agency and the Owner hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the Land in that the Owner's legal interest in the Land and the Project is rendered less valuable thereby. The Agency and the Owner hereby further declare their understanding and intent that the benefit of such covenants touch and concern the Land by enhancing and increasing the enjoyment and use of the Land and the Project as housing for individuals with mental illness, meaning individuals with a psychiatric disability or individuals with a mental illness eligible for housing or services funded by the DMHS.

**Section 34. Uniformity; Common Plan.** The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project and Land.

**Section 35. Remedies; Enforceability.** The provisions hereof are imposed upon and made applicable to the Land and shall run with the Land and shall be enforceable against the Owner or any other person or entity that has or had an ownership interest in the Project at the time of such violation or attempted violation. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to

obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation hereof at any later time or times.

**Section 36. Amendments; Notices; Waivers.** This Agreement and the Mortgage may be amended only by an instrument in writing executed and acknowledged on behalf of the Agency and the Owner in such manner that the instrument may be recorded.

No waiver by the Agency in any particular instance of any Event of Default or required performance by the Owner and no course of conduct of the parties or failure by the Agency to enforce or insist upon performance of any of the obligations of the Owner under this Agreement, the Mortgage, or under the other Loan Documents at any time shall preclude enforcement of any of the terms of this Agreement, the Mortgage, the Note, or the other Loan documents thereafter.

Any provisions of this Agreement, the Mortgage or other Loan Documents requiring the consent or approval of the Agency for the taking of any action or the omission of any action requires such consent by the Agency in writing signed by a duly authorized officer of the Agency. Any such consent or approval, unless it expressly states otherwise, is limited to the particular action or omission referred to therein and does not apply to subsequent similar actions or omissions.

Notice provided for under this Agreement shall be given in writing signed by a duly authorized officer and any notice required to be given hereunder shall be given by recognized private carrier with acknowledgment of delivery or by confirmed facsimile, with a hard copy sent by certified mail, return receipt requested, or by certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto.

**Agency: Executive Director**  
**New Jersey Housing and Mortgage Finance Agency**  
**637 South Clinton Avenue, CN 18550**  
**Trenton, NJ 08650-2085**

**Owner: Mental Health Association of Essex County, Inc.**  
**33 South Fullerton Avenue**  
**Montclair, New Jersey 07042**

All notices shall be deemed given when received.



**Section 37. Severability.** The invalidity of any part or provision hereof shall not affect the validity, legality and enforceability of the remaining portions hereof, and to this end the provisions of this Agreement shall be severable.

**Section 38. Successors and Assigns.** This Agreement and all rights, duties, obligations and interests arising hereunder shall bind and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

**Section 39. Personal Liability.** Notwithstanding any other provision contained in this Agreement, the other loan documents or any other document or instrument executed by the owner in connection herewith or therewith, the Agency agrees, on behalf of itself and any future holder of the Note, that the liability of the Owner and its respective heirs, representatives, successors and assigns, for the payment of its obligations hereunder and under the other loan documents, including, without limitation, the payment of principal, interest and other charges due hereunder and thereunder, shall be limited to the collateral pledged under the mortgage and the other loan documents, and that the Agency shall have no right to seek a personal judgment against the Owner, its respective heirs, representatives, successors and assigns, individually, except to the extent necessary to subject the collateral (including the Project and Land) pledged under the Mortgage and the other loan documents to the satisfaction of the Mortgage debt, and provided, however, that the Agency shall retain the right to exercise any and all remedies granted to it under the Mortgage, this Agreement and the other loan documents, including without limitation the right to sue for injunctive or other equitable relief. The foregoing limitation of liability shall not apply to any party to the extent such party has committed fraudulent, criminal or other unlawful acts and shall not apply to such amounts due to the Lender pursuant to Sections 8,9,10, 12 and 32 of this Agreement.

**Section 40. Counterparts.** This Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

**Section 41. Disclaimer of Warranties, Liability; Indemnification/Defense.**

A. The Owner acknowledges and agrees that (i) the Agency has not heretofore and does not make any warranty or representation, either express or implied, as to the value, condition, or fitness for particular purposes of the Project or any portions thereof or any other warranty or representation with respect thereto; (ii) in no event shall the Agency or its agents or employees be liable or responsible for any incidental, indirect, special or consequential damages in connection with or arising out of this Agreement or any of the other Loan Documents or the development of the Project or the existence, functioning or use of the Project or any items or services provided for in this Agreement or the other Loan Documents; and (iii) during the term of this Agreement and the other Loan Documents and to the fullest extent permitted by law, the Owner shall indemnify, defend and hold the



Agency harmless against, damage, claims, judgments or expenses of any and all kinds or nature and however arising, imposed by law, which the Owner and the Agency including reasonable attorneys' fees and costs, may sustain, be subject to, or be caused to incur by reason of any claim, suit or action based upon personal injury, death or damage to property, whether real, personal or mixed, or upon or arising out of contract entered into by the Owner, or arising out of the Owner's ownership of the Project or out of the construction, rehabilitation, operation or management of the Project.

B. It is mutually agreed by the Owner and the Agency that the Agency and its directors, officers, agents, servants and employees shall not be liable for any action performed under this Agreement, and that the Owner shall hold them harmless from any claim or suit of whatever nature.

C. Any claims asserted against the Agency shall be subject to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq. While this statute may not be applicable by its terms to claims arising under contracts with the Agency, the Owner agrees that it shall be applicable to any claims arising under the Loan Documents. It is acknowledged by the parties that the Agency is a public entity covered by the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1, et seq.

**Section 42. Recording.** This Agreement shall be duly recorded in the Office of the Clerk for the county in which the Land is located within ten (10) days following its execution.

**Section 43. Governing Law.** This Agreement shall be governed by the laws of the State of New Jersey. The parties agree that any cause of action that may arise under this Agreement or the Loan Documents shall have jurisdiction and venue only in the Courts of the State of New Jersey in and for the County of Mercer.

**Section 44. Equal Opportunity and Non-Discrimination.** The Owner covenants and agrees that it will comply with the Agency guidelines with respect to equal opportunity and non-discrimination in its purchase of goods and services for the operation and maintenance of the Project throughout the term of this Agreement.

**Section 45. Counterparts**

This Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original. A fax copy of a signature on this Agreement shall have the same effect as an original provided that an original is received by the other party hereto within two business days thereafter.

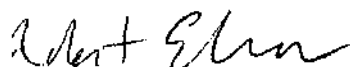
**Section 46. Investment Funding.**

The Owner agrees to make an investment in the Project and Land in an amount which is not less than 20% of the total Project cost as determined by the Agency pursuant to the Act and the

Program. In the event the principal sum set forth in the Agency Financing that is advanced to the Owner is determined by the Agency to exceed 80% of the total Project cost, the Owner shall reimburse the Agency an amount that would reduce the Agency Financing to 80% of the total Project cost.

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

WITNESS/ATTEST

  
**Robert E. Nolan**  
 Assistant Secretary

**OWNER:**

**MENTAL HEALTH ASSOCIATION OF  
 ESSEX COUNTY, INC.**


By:   
**Robert N. Davison**  
 Executive Director

WITNESS/ATTEST

  
**Darryl B. Applegate**  
 Assistant Secretary

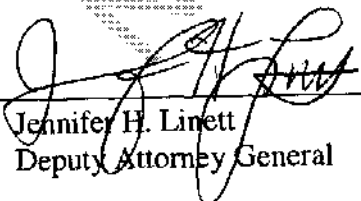
**LENDER:**

**NEW JERSEY HOUSING AND  
 MORTGAGE FINANCE AGENCY**

By:   
**Leslie S. Lefkowitz**  
 Chief of Legal and Regulatory Affairs

This Agreement is approved as to form:

**ATTORNEY GENERAL OF NEW JERSEY**

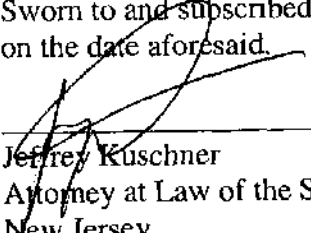
By:   
**Jennifer H. Linett**  
 Deputy Attorney General

CORPORATE ACKNOWLEDGMENT

STATE OF NEW JERSEY )  
 ) SS:  
 COUNTY OF MERCER )

BE IT REMEMBERED, that on this 24<sup>th</sup> day of November, 2008, before me, the subscriber, an Attorney at Law of New Jersey, personally appeared, Robert N. Davison, who, being by me duly sworn on his oath, acknowledges and makes proof to my satisfaction that Mental Health Association of Essex County, Inc., is the entity named in the within Instrument; that Robert N. Davison is the Executive Director of said non-profit corporation; that the execution, as well as the making of this Instrument, has been duly authorized by a proper resolution of the members of the said non-profit corporation, and that the seal affixed to said Instrument is the proper seal and was thereto affixed and said Instrument signed and delivered by said members of the non-profit corporation as and for the voluntary act and deed of said non-profit corporation, in the presence of deponent, who there upon subscribed his name thereto as attesting witness.

Sworn to and subscribed before me  
 on the date aforesaid.

  
 Jeffrey Kushner  
 Attorney at Law of the State of  
 New Jersey

ACKNOWLEDGEMENT CONTINUED ON NEXT PAGE

STATE OF NEW JERSEY )  
 ) SS:  
 COUNTY OF MERCER )

BE IT REMEMBERED, that on this 24<sup>th</sup> day of November, 2008 before me, the subscriber, a Notary Public of the State of New Jersey, personally appeared , who, being by me duly sworn on her oath, acknowledges and makes proof to my satisfaction that Darryl D. Applegate is an Assistant Secretary of the NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY (the "Agency"), named as the Lender in the within Instrument, that Leslie S. Lefkowitz is the Chief of Legal and Regulatory Affairs of said Agency, that the execution, as well as the making of this Instrument, has been duly authorized by a proper resolution of the members of the said Agency, that deponent well knows the corporate seal of said Agency, and that the seal and said Instrument signed and delivered by said Leslie S. Lefkowitz as and for the voluntary act and deed of said Agency, in the presence of deponent, who there upon subscribed her name thereto as attesting witness.

Sworn to and subscribed before me  
 on the date aforesaid.

*Aida L. Lopez*  
 Notary Public of New Jersey

**Aida Luz Lopez**  
**Notary Public of New Jersey**  
**My Commission Expires: July 19, 2012**

**SCHEDULE A****LEGAL DESCRIPTION**

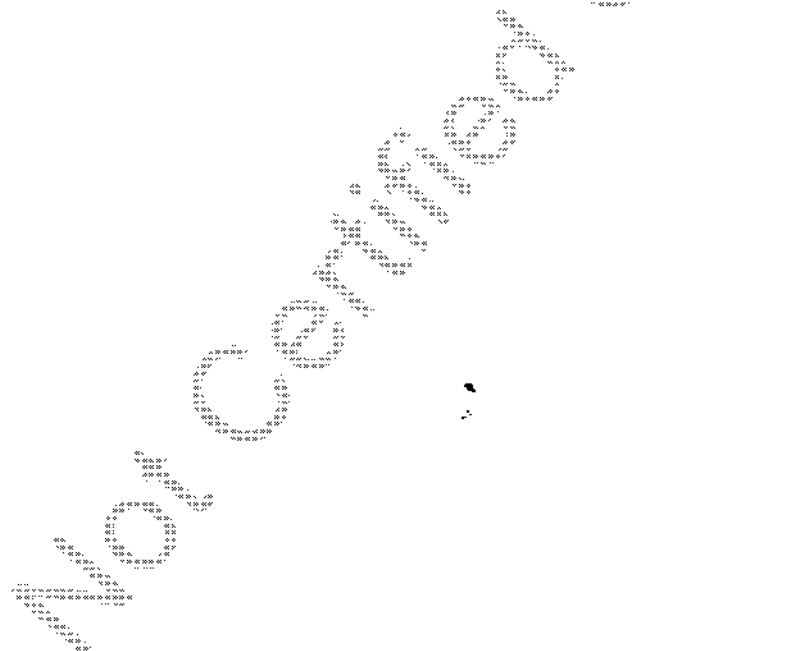
ALL that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Municipality of Township of Bloomfield, in the County of Essex, State of NJ:

BEGINNING at a point in the southerly line of Bay Avenue therein distant 135.62 feet easterly from the intersection of the same with the easterly line of Essex Avenue; thence

- (1) Running along Bay Avenue, South 86 degrees 52 minutes East 40.00 feet; thence
- (2) South 03 degrees 08 minutes West 101.77 feet; thence
- (3) North 87 degrees 49 minutes West 40.00 feet; and thence
- (4) North 03 degrees 08 minutes East 102.43 feet to the southerly line of Bay Avenue and the point and place of BEGINNING.

The above description is in accordance with a survey prepared by EKA Associates, P.A., L.S., dated August 23, 2007.

FOR INFORMATION PURPOSES ONLY: BEING known as 134 Bay Avenue, Tax Lot 35, Tax Block 691 on the Official Tax Map of Township of Bloomfield, NJ.



**RECORDING INFORMATION SHEET**

ESSEX COUNTY REGISTER'S OFFICE  
HALL OF RECORDS, ROOM 130  
465 MARTIN LUTHER KING Jr. Blvd  
NEWARK NJ 07102

INSTRUMENT NUMBER:

**8044934**

DOCUMENT TYPE :

**DEED****Official Use Only**

CAROLE A. GRAVES, REGISTER  
ESSEX COUNTY, NJ

INSTRUMENT NUMBER  
8044934

RECORDED ON  
May 14, 2008 08:57 am  
BOOK:12135 PAGE:8661

RB

**Return Address (for recorded documents)**

JEFFREY R KUSCHNER ESQ

180 GLENRIDGE AVE

MONTCLAIR NJ 07042

**No. Of Pages (excluding Summary Sheet)**

6

**Recording Fee (excluding Transfer Tax)**

\$90.00

**Realty Transfer Tax**

\$0.00

**Amount Charged (Check #1148)**

\$90.00

**Municipality**

BLOOMFIELD

**Parcel Information****Block** 691**Lot** 35**First Party Name**

MENTAL HEALTH ASSOCIATION

**Second Party Name**

MENTAL HEALTH ASSOC

**Additional Information (Official Use Only)**CONSIDERATION (E) \$1.00

MAIL COPY \_\_\_\_\_

NO COPY \_\_\_\_\_

ENVELOPE \_\_\_\_\_

ADDITIONAL STAMPINGS \_\_\_\_\_

\*\*\*\*\* DO NOT REMOVE THIS PAGE. \*\*\*\*\*  
COVER SHEET (DOCUMENT SUMMARY FORM) IS PART OF ESSEX COUNTY FILING RECORD  
\*\*\*\*\* RETAIN THIS PAGE FOR FUTURE REFERENCE. \*\*\*\*\*



# Deed

This Deed is made on **April 29, 2008**  
**BETWEEN**  
**MENTAL HEALTH ASSOCIATION OF ESSEX COUNTY, INC.**

a corporation of the state of **New Jersey**  
 having its principal office at  
**33 South Fullerton Avenue**  
**Montclair, New Jersey 07042**

referred to as the Grantor,  
**AND**  
**MENTAL HEALTH ASSOCIATION OF ESSEX COUNTY, INC.**

whose post office address is  
**33 South Fullerton Avenue**  
**Montclair, New Jersey 07042**

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 **\$1.00**  
**One Dollars and No Cents**  
 The Grantor acknowledges receipt of this money.

**2. Tax Map Reference.** (N.J.S.A. 46:15-1.1) Municipality of **Bloomfield**  
 Block No. **691** Lot No. **35** 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 buildings and structures on the land in the **Township**  
 of **Bloomfield**, County of **Essex** and State of New Jersey. The legal description is:

☒ Please see attached Legal Description annexed hereto and made a part hereof. (Check Box if Applicable.)

Being the same premises conveyed to the grantor herein by Deed from Moshin Awadalla, a/k/a Mohsen Awadalla, dated October 10, 2007, recorded October 16, 2007 in Deed Book 12093, Page 6748.

The within conveyance is subject to zoning ordinances, easements and restrictions of record, if any, and such state of facts as an accurate survey would disclose.

"The grantee hereunder does acknowledge that the cost of acquisition and rehabilitation of the property has been satisfied out of part of the proceeds of a certain loan from the County of Essex under the Federal HOME program and that the premises to be rehabilitated shall be subject to the affordability requirements contained in 24 Code of Federal Regulation, Part 92. The provisions thereof may be enforced by the County of Essex by an action for specific performance filed in a Court having jurisdiction. The premises to be rehabilitated shall be subject to the specific provisions for affordability contained in 24 CFR 92.504 for a period of twenty years from the date of completion of the project as evidenced by the issuance of a Certificate of Occupancy for the use of the premises."

This is a corrective deed which corrects the original deed by including deed restriction language required by the County of Essex under the Federal HOME program.

Prepared by: (print signer's name below signature)

(For Recorder's Use Only)

**Jeffrey R. Kushner, Esquire**

## TITLE INSURANCE COMMITMENT

Issued by Select Title Agency, Inc.

AGENT FOR OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Commitment Number: ST-21726

## SCHEDULE C

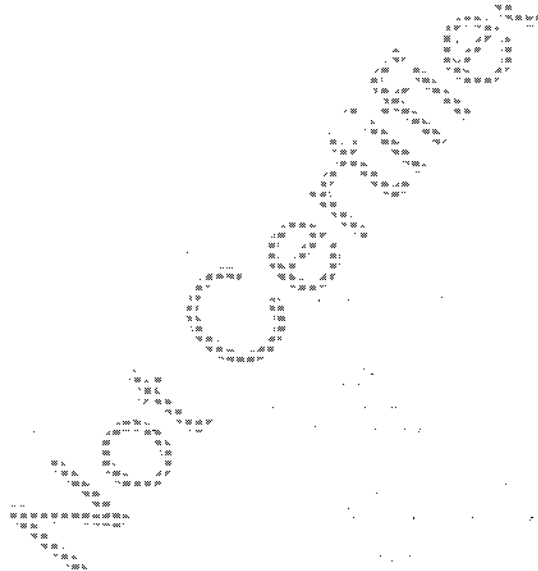
## LEGAL DESCRIPTION

ALL that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Municipality of Township of Bloomfield, in the County of Essex, State of NJ:

BEGINNING at a point in the southerly line of Bay Avenue therein distant 135.62 feet easterly from the intersection of the same with the easterly line of Essex Avenue; thence

- (1) Running along Bay Avenue, South 86 degrees 52 minutes East 40.00 feet; thence
- (2) South 03 degrees 08 minutes West 101.77 feet; thence
- (3) North 87 degrees 49 minutes West 40.00 feet; and thence
- (4) North 03 degrees 08 minutes East 102.43 feet to the southerly line of Bay Avenue and the point and place of BEGINNING.

FOR INFORMATION PURPOSES ONLY: BEING known as 134 Bay Avenue, Tax Lot 35, Tax Block 691 on the Official Tax Map of Township of Bloomfield, NJ.

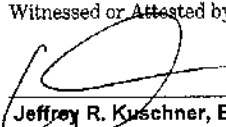


NJRS 3-08  
Effective 2/15/07  
Revised 9/10/07

The street address of the Property is:  
**134 Bay Avenue**  
**Bloomfield, NJ 07003**

4. **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. Its corporate seal is affixed. (Print name below each signature.)

Witnessed or Attested by:

  
**Jeffrey R. Kuschner, Esquire**

  
**Mental Health Association of Essex County, Inc.**

STATE OF NEW JERSEY, COUNTY OF ESSEX  
 I CERTIFY that on **April 29, 2008**  
**Robert Davison**

SS:

personally came before me and stated to my satisfaction that this 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 **Executive Director** of **MENTAL HEALTH ASSOCIATION OF ESSEX COUNTY, INC.** the entity named in this Deed;
- (c) made this Deed for **\$1.00** 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); and
- (d) executed this Deed as the act of the entity.

**RECORD AND RETURN TO:**  
**Jeffrey R. Kuschner, Esquire**  
**180 Glenridge Avenue**  
**Montclair, New Jersey 07042**

  
**Jeffrey R. Kuschner**  
**Attorney at Law of the State of New Jersey**  
 Print name and title below signature

MUST SUBMIT IN DUPLICATE  
NC1645 - Affidavit of Consideration  
RTF-1 (Rev. 8/11/2006) P10/06

Printed by ALL-STATE LEGAL®  
www.aslegal.com 800.222.0510 Page 1

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 } SS. County Municipal Code  
COUNTY OF ESSEX } 0702  
Municipality of Property Location: Bloomfield

**FOR RECORDER'S USE ONLY**  
Consideration \$ 1.00  
RTF paid by seller \$ 1.00  
Date 5-14-08 By JRC  
† (Use symbol "C" to indicate that fee is exclusively for county use.)

(1) **PARTY OR LEGAL REPRESENTATIVE** (See Instructions 3 and 4 attached)  
Deponent, Robert Davison, being duly sworn according to law upon his/her oath deposes

and says that he/she is the Exec. Director of Mental Health Association in a deed dated 4/29/08  
(State whether Grantor, Grantee, Legal Representative, Corporate Officer, Officer of Title Co., Lending Institution, etc.)  
transferring real property identified as Block No. 691 Lot No. 35 located at  
134 Bay Avenue, Bloomfield, New Jersey 07003 and annexed thereto.  
(Street Address, Town)

(2) **CONSIDERATION: \$ 1.00** (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 ASSESSED VALUATION FOR ALL CLASS 4A COMMERCIAL PROPERTY TRANSACTIONS:** (See Instructions 5A and 7)

Total Assessed Valuation ÷ Director's Ratio = Equalized 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. Consideration is less than \$100.00.

(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.

\* IN THE CASE OF HUSBAND AND WIFE, ONLY ONE GRANTOR NEED QUALIFY IF OWNED AS TENANTS BY THE ENTIRETY.

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.

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 used for any purpose.  
☐ Not previously occupied.  
☐ "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 Twenty-Ninth  
day of April, 20 08

Notary Public  
Jeffrey R. Kuschner, Esquire

Signature of Deponent  
Robert Davison  
33 South Fullerton Avenue  
Montclair, NJ 07042  
Deponent Address

Grantor Name  
Robert Davison  
33 South Fullerton Avenue  
Montclair, NJ 07042  
Grantor Address at Time of Sale

Notary Public  
Jeffrey R. Kuschner, Esquire  
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/tp/localtax.htm](http://www.state.nj.us/treasury/taxation/tp/localtax.htm).

**FOR OFFICIAL USE ONLY**  
Instrument Number 8044934 County ESSEX  
Deed Number                      Book 12135 Page 866  
Deed Dated 4-29-08 Date Recorded 5-14-08

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)

**SELLER INFORMATION (If Multiple Sellers, Each Seller Must Complete a Certification)**

Name(s) Mental Health Association of Essex County, Inc.

Current Resident Address: 33 South Fullerton Avenue

Montclair, New Jersey 07042  
City, Town, Post Office Zip Code

Home Phone: (973) 509-9777

**PROPERTY INFORMATION (Brief Property Description)**

Block 691 Lot 35

Street Address: 134 Bay Avenue

Bloomfield, New Jersey 07003  
City, Town, Post Office Zip Code

100% \$1.00 4/29/08  
Seller's Percentage Ownership Consideration Closing Date

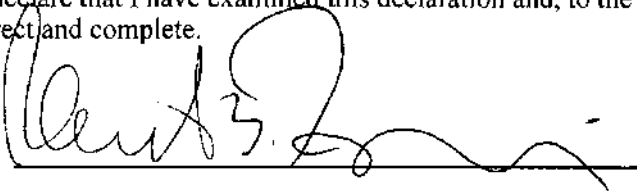
**SELLER ASSURANCES (Check the Appropriate Box)**

1. ☐ I am a resident taxpayer 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 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 individual, estate or trust and as such not required to make an estimated payment pursuant to N.J.S.A. 54A: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.

**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.

Date: 4/29/08

A handwritten signature in black ink, appearing to be "Christ S. [unclear]", written over a horizontal line.

(Seller) Please indicate if Power of Attorney or Attorney in Fact

Not Certified Copy



**RECORDING INFORMATION SHEET**

ESSEX COUNTY REGISTER'S OFFICE  
HALL OF RECORDS, ROOM 130  
465 MARTIN LUTHER KING Jr. Blvd  
NEWARK NJ 07102

INSTRUMENT NUMBER:

**14080854**

DOCUMENT TYPE:

**MORTGAGE****Official Use Only**

WILLIAM NARVAEZ  
DEPUTY REGISTER  
ESSEX COUNTY, NJ

INSTRUMENT NUMBER  
14080854  
RECORDED ON  
November 10, 2014 10:21 am  
BOOK:12523 PAGE:7870

AC

**Return Address (for recorded documents)**

VESTED TITLE, INC.  
165 PASSAIC AVENUE

SUITE 101  
FAIRFIELD NJ 07004

**No. Of Pages (excluding Summary Sheet)** 13

**Recording Fee (excluding Transfer Tax)** \$150.00

**Realty Transfer Tax** \$0.00

**Amount Charged (Check # 14009)** \$150.00

**Municipality** BLOOMFIELD

**Parcel Information** Block  
Lot

**First Party Name** WATSESSING DEVELOPMENT LLC

**Second Party Name** NEW JERSEY HOUS & MTG FIN AGCY

**Additional Information (Official Use Only)**

MAIL COPY \_\_\_\_\_  
NO COPY \_\_\_\_\_  
ENVELOPE \_\_\_\_\_

ADDITIONAL STAMPINGS \_\_\_\_\_

\*\*\*\*\* DO NOT REMOVE THIS PAGE. \*\*\*\*\*  
COVER SHEET (DOCUMENT SUMMARY FORM) IS PART OF ESSEX COUNTY FILING RECORD  
\*\*\*\*\* RETAIN THIS PAGE FOR FUTURE REFERENCE. \*\*\*\*\*

*R+R*

VESTED LAND SERVICES LLC  
165 PASSAIC AVE  
SUITE 101  
FAIRFIELD, NJ 07004

Prepared by: *Anthony Kasprzak*

**RECORD AND RETURN TO:**

New Jersey Housing and Mortgage Finance Agency *92470/pt*  
637 South Clinton Avenue  
P.O. Box 18550  
Trenton, New Jersey 08650-2085  
Attention: Director, Single Family Division  
CHOICE Project: Watsessing Manor, CHOICE # 14-12

CONSTRUCTION MORTGAGE AND SECURITY AGREEMENT  
CHOICES IN HOME OWNERSHIP INCENTIVES CREATED FOR EVERYONE

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## I. PARTIES

This Construction Mortgage and Security Agreement is made on the 5<sup>th</sup> day of November, 2014 between **Watssing Development, LLC**, a For-Profit Limited Liability Company, having an address at 46 Church Street, The Hall Building, Montclair, New Jersey 07042 (hereinafter referred to as the "Mortgagor") and the **New Jersey Housing and Mortgage Finance Agency**, a body corporate and politic and an instrumentality exercising public and essential governmental functions of the State of New Jersey authorized pursuant to N.J.S.A. 55:14K-1 et seq., and whose address is 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085 (hereinafter referred to as the "Agency" or "Mortgagee").

## II. BACKGROUND

This mortgage is being made as part of the Choices in Home Ownership Incentives Created for Everyone Program ("CHOICE"). This mortgage shares co-first mortgage status with the mortgage of a participating CHOICE Participating lender ("the Participating lender"). Also under this program, a CHOICE Subsidy has been established to provide subsidy funding for certain eligible CHOICE construction costs. If provided, CHOICE Subsidy financing will be secured by a construction mortgage and security agreement and note that will be subordinate only to this and the co-first mortgage lien of the Participating lender.

All recitations of rights, duties, protections, security, and obligations of the mortgagor contained in this mortgage for the benefit of the mortgagee, shall be understood to be benefits shared *pari passu* with the co-first mortgagee Participating lender. Recitations that provide exclusive benefits to the mortgagee shall be reasonably interpreted to allow the co-first mortgagee Participating lender and the mortgagee to mutually enjoy these benefits. In the event of conflict between the terms and conditions of co-first mortgages, except as would affect priority of lien or violate provisions of law, including, but not limited to, the Fair Housing Act, N.J.S.A. 52:27D-301 et seq. the Participating lender's mortgage shall prevail. The Mortgagee reserves the right to seek a waiver from the Participating lender of any of its terms and conditions in the event of such a conflict.

## III. GRANT

Mortgagor has executed and delivered to Mortgagee its Construction Mortgage Note (the "Note") bearing even date herewith, wherein Mortgagor promises to pay to Mortgagee the principal sum of **Two Million Three Hundred Ninety-Three Thousand Seven Hundred Fifty-One Dollars (\$2,393,751)** lawful money of the United States of America, advanced or to be advanced by Mortgagee to Mortgagor, with interest thereon, at the rate and times, in the manner and according to the terms and conditions specified in the Note, all of which is incorporated herein by reference.

**NOW, THEREFORE**, in consideration of the indebtedness and as security for payment to Mortgagee of the principal with interest and all other sums provided for in the Note and in this Construction Mortgage and Security Agreement (hereinafter sometimes also referred to as the "Mortgage"), according to their respective terms and conditions and for performance of the agreements, conditions, covenants, provisions and stipulations contained herein, and in an unrecorded Construction Loan Agreement between Mortgagor and the Participating lender, which the Agency reserves the right to review and approve prior to execution, and a Rider thereto between the Borrower and the Agency, bearing even date herewith (the "Loan Agreement"), Mortgagor does hereby grant, convey and mortgage unto the Mortgagee all that certain real estate described in Exhibit "A" attached hereto and made a part hereof.

### TOGETHER WITH:

1. Any and all buildings and improvements erected or hereafter erected thereon;
2. Mortgagor's interest in any and all fixtures, appliances, machinery and equipment of any nature whatsoever, and other articles of personal property at any time now or hereinafter installed in, attached to or situated in or upon the above described real estate or the buildings and improvements to be erected thereon, or used or intended to be used in connection with the real estate or in the operation of the buildings and improvements, plant, business or dwelling situate thereon, whether or not the personal property is or shall be affixed thereto; and all contract rights, accounts receivable and business records used or to be used in the construction, operation and/or maintenance of the aforementioned real property and improvements.
3. Mortgagor's interest in all building materials, fixtures, building machinery and building equipment delivered on site to the real estate during the course of or in connection with construction of the buildings and improvements thereon; and



4. Any and all tenements, hereditaments and appurtenances belonging to the real estate or any part thereof hereby mortgaged or intended so to be or in any way appertaining thereto and all streets, alleys, passages, ways, water courses and all easements and covenants now existing or hereafter created for the benefit of Mortgagor or any subsequent owner or tenant of the mortgaged real estate over ground adjoining the mortgaged real estate and all rights to enforce the maintenance thereof and all other rights, liberties and privileges of whatsoever kind or character and the reversions and remainders, income, rents, issues and profits arising therefrom and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law or in equity, of Mortgagor in and to the real estate or any part thereof.

(All of the above-mentioned real estate, improvements, personal property and other property and interests are sometimes collectively referred to herein as the "Mortgaged Property").

**ALSO TOGETHER WITH** any and all awards hereafter made to the present and all subsequent owners of the Mortgaged Property by any governmental or other lawful authorities for taking or damaging by eminent domain the whole or any part of the Mortgaged Property to any easement therein, including any awards for any changes of grades of streets, which said awards are hereby assigned to Mortgagee, who is hereby authorized to collect and receive the proceeds of any such awards from such authorities and to give proper receipts and acquittances therefor and to apply the same (after deduction of attorney's fees and other costs of collecting the funds) toward the payment of the amount owing on account of this Mortgage and accompanying Note, notwithstanding the amount owing thereon may not then be due and payable; and Mortgagor hereby agrees, upon request, to make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning the aforesaid awards to Mortgagee, free, clear and discharged of any and all encumbrances of any kind or nature whatsoever. Mortgagor further agrees to give Mortgagee immediate notice of the actual or threatened commencement of any proceedings in the nature of eminent domain affecting all or any part of the Mortgaged Property and will deliver to Mortgagee copies of any papers served upon Mortgagor in connection with any such proceedings. No settlement for the damages sustained shall be made by Mortgagor without Mortgagee's prior written approval, which approval shall not be unreasonably withheld.

**TO HAVE AND TO HOLD** the Mortgaged Property hereby conveyed or mentioned and intended so to be, unto Mortgagee, to its own use and that of its successors and assigns forever.

**PROVIDED ALWAYS**, and this instrument is upon the express condition that, if Mortgagor pays to Mortgagee the principal sum mentioned in the Note, the interest thereon and all other sums payable by Mortgagor to Mortgagee as are secured hereby, in accordance with the provisions of the Note and this Mortgage, at the times and in the manner specified, without deduction, fraud or delay and Mortgagor performs and complies with all the agreements, conditions, covenants, provisions and stipulations contained herein and in the Note and in the Construction Loan Agreement, then this Mortgage and the estate hereby granted shall cease and become void.

#### IV. MORTGAGOR'S COVENANTS

**MORTGAGOR COVENANTS** with Mortgagee that until the indebtedness secured hereby is fully repaid:

1. **Seisin and Warranty:** Mortgagor warrants the title to the Mortgaged Property, subject only to such exceptions to title set forth in the title insurance commitment delivered at closing, or at the time of any advance under the Note, which are acceptable to the Mortgagee.
2. **Payment and Performance:** Mortgagor shall pay to Mortgagee, in accordance with the terms of the Note and this Mortgage, the principal and interest, and other sums therein set forth; and shall perform and comply with all the agreements, conditions, covenants, provisions and stipulations of the Note, this Mortgage and the Loan Agreement.
3. **Maintenance of Mortgaged Property:** Mortgagor shall abstain from and shall not permit the commission of waste in or about the Mortgaged Property; and shall not remove or demolish, or alter the structural character of, any building to be erected at any time on the Mortgaged Property, without the prior written consent of Mortgagee; shall not permit the Mortgaged Property to become deserted or unguarded; and shall maintain the Mortgaged Property in good condition and repair, reasonable wear and tear excepted.



4. **Insurance:** Mortgagor shall keep the Mortgaged Property continuously insured against loss or damage by fire, with extended coverage, and against such other hazards as Mortgagee may require (including, without limitation, loss of income) by an insurance company satisfactory to Mortgagee, and in such total amount and form as Mortgagee may require from time to time, with subrogation clauses satisfactory to Mortgagee. All such policies shall be in form satisfactory to Mortgagee, shall be maintained in full force and effect, shall be delivered to Mortgagee, with premiums prepaid, shall be endorsed with a standard non-contributory mortgagee clause in favor of Mortgagee, and shall provide for at least thirty (30) days notice of cancellation to Mortgagee. In addition, Mortgagor shall at all times be protected by comprehensive general public liability, property damage and workers compensation insurance policies, such coverage's at all times to be evidenced by current certificates of insurance issued to Mortgagee providing for thirty (30) days prior written notice of cancellation or reduction of coverage. If the insurance, or any part thereof, shall expire, or be withdrawn, or become void by Mortgagor's breach of any condition thereof or become void or unsafe by reason of the failure or impairment of the capital of any company in which the insurance may then be carried or if in Mortgagee's reasonable judgment the insurance shall be unsatisfactory to Mortgagee, Mortgagor shall place new insurance on the Mortgaged Property, satisfactory to Mortgagee upon demand. All renewal policies, with premiums paid, shall be delivered to Mortgagee at least ten (10) days before expiration (or certificates of insurance evidencing the same) of the old policies. In the event of loss, Mortgagor will give immediate notice thereof to Mortgagee and Mortgagee may make proof of loss if not made promptly by Mortgagor. Each insurance company concerned is hereby authorized and directed to make payment under such insurance, including return of unearned premiums, directly to Mortgagee instead of to Mortgagor and Mortgagee jointly, and Mortgagor appoints Mortgagee, irrevocably, as Mortgagor's attorney-in-fact to endorse any draft therefor, which appointment shall be deemed to be coupled with an interest. Mortgagee shall apply the proceeds of any such insurance to restoration or repair of the property damaged if the proceeds are sufficient, without any additional funds, for that purpose. If the insurance proceeds are not sufficient to fully restore or repair the property damaged, Mortgagee shall retain and apply the proceeds of any such insurance to reduction of the indebtedness secured hereby unless Mortgagor agrees to pay from Mortgagor's own funds, the difference between the cost of restoration or repair and the amount of the insurance proceeds. If Mortgagee becomes the owner of the Mortgaged Property or any part thereof by foreclosure or otherwise, such policies, including the right, title and interest of Mortgagor thereunder, shall become the absolute property of Mortgagee. Full power is hereby given to Mortgagee to assign all policies to any assignee of the Note or to a purchaser of the Mortgaged Property at a foreclosure sale.

5. **Taxes and Other Charges:** Mortgagor shall pay when due and payable and before interest or penalties are due thereon, all taxes, assessments, water and sewer rents and all other charges or claims which may be assessed or levied or filed at any time against Mortgagor, the Mortgaged Property or any part thereof or against the interest of Mortgagee therein, or which by any present or future law may have priority over the indebtedness secured hereby either in lien or in distribution out of the proceeds of any judicial sale; and Mortgagor shall produce to Mortgagee not later than such dates, receipts for the payment thereof; provided that if Mortgagor in good faith and by appropriate legal action shall contest the validity of any such item, or the amount thereof, and shall have established on its books or by deposit of cash with Mortgagee, or the Participating lender, as Mortgagee may elect, a reserve for the payment thereof in such amount as Mortgagee may reasonably require, then Mortgagor shall not be required to pay the item or to produce the required receipts while the reserve is maintained and so long as the contest operates to prevent collection, is maintained and prosecuted with diligence, and shall not have been terminated or discontinued adversely to Mortgagor. Mortgagor covenants that no owner of the Mortgaged Property shall be entitled to any credit by reason of the payment of any tax thereon.

6. **Installments for Insurance, Taxes and Other Charges:** Without limitation of anything else herein contained, Mortgagor, upon written request by Mortgagee after the nonperformance of Mortgagor as set forth herein, shall pay to Mortgagee or Participating lender monthly at the time when the monthly installment of principal and/or interest is payable, an amount equal to one-twelfth (1/12) of the annual premiums for fire and extended coverage insurance and the annual real estate taxes, water and sewer rents, any special assessments, charges or claims and any other item which at any time may be or become a lien upon the Mortgaged Property prior to the lien of this Mortgage; and on demand from time to time Mortgagor shall pay to Mortgagee any additional sums necessary to pay such taxes and other items, all as estimated by Mortgagee; the amounts so paid shall be security for payment of taxes and said other items and shall be used in payment thereof if Mortgagor is not otherwise in default hereunder. Mortgagor will produce to Mortgagee, not later than ten (10) days before the date on which any installment for insurance, taxes and other charges shall become due and owing, receipts for all such installments for insurance, taxes and other charges. No amount so paid shall be deemed to be trust funds but may be commingled with general funds of Mortgagee and no interest shall be payable thereon. If, pursuant to any provision of this Mortgage, the whole



amount of the unpaid principal debt becomes due and payable, Mortgagee shall have the right, at its election, to apply any amount so held against the entire indebtedness secured hereby. At Mortgagee's option, Mortgagee from time to time may waive the provisions of this paragraph and after any such waiver may reinstate the provisions of this paragraph requiring such monthly payments.

7. **Legally Existing Entity:** Mortgagor will preserve and keep in full force and affect the current legal status under which it was formed and exists.

8. **Compliance with Laws:** Mortgagor will promptly and faithfully comply with, conform to and obey all present and future laws, ordinances, rules and regulations related to the Mortgaged Property of every duly constituted governmental authority or agency.

9. **Performance of Other Agreements:** Mortgagor will not violate any of the terms, provisions, covenants, agreements or restrictions and will timely comply with, abide by, and perform all of the terms, agreements, obligations, covenants, restrictions and warranties expressed as binding upon it under any mortgage, lease, easement, or other agreement affecting the Mortgaged Property or any part thereof.

10. **Hold Harmless:** Mortgagor shall save the Mortgagee harmless from all costs and expenses, including reasonable attorney's fees and costs of a title search, continuation of abstract and preparation of survey, incurred by reason of any action, suit, proceeding, hearing, motion or application before any court or administrative body in and to which the Mortgagee may be or become a party by reason of this Mortgage, including but not limited to condemnation, bankruptcy and administration proceedings, as well as any other of the foregoing wherein proof of claim is by law required to be filed or in which it becomes necessary to defend or uphold the terms of this Mortgage, and all money paid or expended by the Mortgagee in that regard, together with interest thereon from day of such payment at the rate set forth in the Note, shall be so much additional indebtedness secured hereby and, except as otherwise provided herein, shall be immediately and without notice due and payable by the Mortgagor.

11. **Maintenance of Books and Records:** Mortgagor shall keep and maintain full and correct books and records showing in detail expenses and shall permit the Mortgagee or its representatives to examine such books and records and all supporting vouchers and data at any time and from time to time on request.

12. **Other Liens:** Except as permitted herein the Mortgagor will not, without the prior written consent of the Mortgagee, create or permit to be created or to remain, any mortgage, pledge, lien, lease, encumbrance or charge on, security interest in, or conditional sale or other title retention agreement, whether prior or subordinate to the liens of the security documents, with respect to the Mortgaged Property or any other part thereof or income therefrom, other than the security documents and the permitted encumbrances.

13. **Mechanic's Lien:** Mortgagor will not permit any mechanic's lien to be filed against the Mortgaged Property or any part thereof and remain unsatisfied or not bonded so as to remove same for a period of thirty (30) days after filing thereof.

14. **No Transfer of Ownership:** Mortgagor covenants and agrees that it shall not, prior to the full payment and discharge of the indebtedness, convey or transfer ownership, in whole or in part, of the Mortgaged Property except as hereinafter provided, and any such transfer or conveyance shall constitute an Event of Default.

15. **Affordable Housing Agreement/Restrictions Affecting Ownership:** Mortgagor covenants and agrees that it shall cause to be executed and recorded at the time of sale certain documents that will cause units restricted for sale to low or moderate income households, or to emerging market or middle-income households, as may have been approved by the Agency's Board for the Mortgaged Property, to be deed restricted for the time periods required by law or by the CHOICE program as the case may be. These documents are the Affordable Housing Agreement (for deed restricted low and moderate income units), Declaration of Covenants (for emerging market or middle-income units), and the Repayment Mortgage and Repayment Note.

## V. EVENTS OF DEFAULT

For purposes of this section, the word "Mortgagor" shall mean the party or parties named as Mortgagor on Page 1 hereof and all its guarantors or some or any of them, jointly, severally or in the alternative. Any one or more of the following shall constitute an Event of Default hereunder:



1. Failure of Mortgagor to pay any installment of principal or interest or any other sum due under the Note or this Mortgage within ten (10) days after the same is due and written notice of a default of payment has been submitted by Mortgagee to Mortgagor.
2. Mortgagor's nonperformance of or noncompliance with any of the other agreements, conditions, covenants, provisions or stipulations contained in the Note or in this Mortgage or the Loan Agreement and Rider thereto or any other agreement or document executed or entered into in connection with this Mortgage within ten (10) business days after written notice from Mortgagee, except that if such nonperformance or noncompliance is not susceptible of cure within ten (10) business days, then said cure period may be extended by the Mortgagee so long as Mortgagor timely commences its cure and diligently prosecutes the same to completion.
3. If Mortgagor shall make a general assignment for the benefit of creditors or shall admit in writing its inability to pay its debts as they become due; or shall file or be the subject of a voluntary or involuntary petition in bankruptcy; or shall be adjudicated bankrupt or insolvent; or shall file a petition seeking any relief under any present or future statute, law or regulation relating to bankruptcy or insolvency; or shall file an answer admitting or not contesting the material allegations of a petition filed against it in any such proceedings, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver, custodian, conservator, sequestrator or similar judicial representative by whatever name of Mortgagor or of any material part of its properties.
4. If, within thirty (30) days after the commencement of any proceeding against Mortgagor seeking any relief under any present or future statute, law or regulation relating to bankruptcy or insolvency, such proceeding shall not have been dismissed or if, within thirty (30) days after the appointment without the consent or acquiescence of Mortgagor of any trustee, receiver, custodian, conservator, sequestrator or similar judicial representative by whatever name of Mortgagor or of any material part of its properties, such appointment shall not have been vacated.
5. If a final judgment for the payment of money shall be rendered against Mortgagor and within thirty (30) days after the entry thereof such judgment shall not have been satisfied or discharged, or execution thereof stayed pending appeal, or if within thirty (30) days after the expiration of any such stay such judgment shall not have been discharged.
6. In the event that Mortgagor or any guarantor of any obligation secured by this Mortgage shall default on any loan made to them or to any of them by Mortgagee, whether or not said loan shall be created prior or subsequent to the within Mortgage, said default shall constitute a default under the terms of this Mortgage and afford Mortgagee the same remedy that Mortgagee would have in the event of a default under any obligation secured by this Mortgage.
7. If any certification, warranty or representation made or hereafter made by Mortgagor to Mortgagee shall prove to be untrue or misleading in any material respect.
8. If the Mortgagor shall cause or permit any transfer by sale, lease, gift, devise, operation of law, or otherwise of title to or beneficial interest in all, or any part of, the Mortgaged Property, except as hereafter expressly allowed by Article VII, or any issuance or transfer of stock of the Mortgagor, whether by sale, exchange, conveyance, merger, consolidation or otherwise.
9. If the holder of a junior, subordinated or senior mortgage, or other lien on the Mortgaged Property (without hereby implying Mortgagor's consent to any such junior, subordinated or senior mortgage, or other lien) institutes foreclosure or other proceedings for the enforcement of its remedies thereunder.
10. If the Mortgagee fails to maintain its status as a legal entity in good standing or if it commences any action that will lead to its liquidation or dissolution.
11. If the Mortgagor permits an uncured breach beyond any applicable grace period of any of the covenants contained in this Mortgage.

## VI. REMEDIES

1. Upon the happening of any Event of Default, the entire unpaid balance of principal, accrued interest and all other sums secured by this Mortgage shall become immediately due and payable, at the option of the Mortgagee, immediately upon notice or demand by Mortgagee.



2. When the entire indebtedness shall become due and payable either because of maturity or because of the occurrence of any Event of Default or otherwise, then forthwith:
- a. **Foreclosure:** Mortgagee may institute an action of mortgage foreclosure or take such other action at law or in equity for the enforcement of this Mortgage and realization on the Mortgage security or any other security herein or elsewhere provided for, as the law may allow, and may proceed therein to final judgment and execution for the entire unpaid balance of the principal debt, with interest at the rate(s) stipulated in the Note, together with all other sums due by Mortgagor in accordance with the provisions of the Note and this Mortgage, including all sums which may have been loaned by Mortgagee to Mortgagor after the date of this Mortgage and all sums which may have been advanced by Mortgagee for taxes, water or sewer rents, other lienable charges or claim, insurance or repairs or maintenance and all costs of suit. Mortgagor authorizes Mortgagee at its option to foreclose this Mortgage subject to the rights of any tenants of the Mortgaged Property and the failure to make any such tenants parties defendant to any such foreclosure proceedings and to foreclose their rights will not be asserted by Mortgagor as a defense to any proceedings instituted by Mortgagee to recover the indebtedness secured hereby or any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Property; however, nothing herein contained shall prevent Mortgagor from disputing in any proceedings the amount of the deficiency or the sufficiency of any bid at such foreclosure sale or from asserting that any such tenants adversely affect the value of the Mortgaged Property. Provided, however, that all leases executed subsequent to the recordation of this Mortgage and Security Agreement shall at all times be subject and subordinate to this Mortgage and Security Agreement and to all the terms and conditions of this Mortgage and Security Agreement and to the rights and liens of the holder of this Mortgage and Security Agreement and to all renewals, modifications, consolidations, replacements and extensions thereof.
- b. **Possession:** Mortgagee may enter into possession of the Mortgaged Property, with legal action, and Mortgagee shall be entitled, as of right, to appointment of a receiver without regard to the solvency of Mortgagor or any other person liable for the debt secured hereby, and regardless of whether Mortgagee has an adequate remedy at law: either Mortgagee or said receiver, as the case may be, may rent the Mortgaged Property or any part thereof in its own name or in the name of Mortgagor for such term or terms and on such other terms and conditions as Mortgagee or such receiver may see fit, collect all rentals (which term "rentals" shall also include sums payable for use and occupation) and, after deducting all costs of collection and administration expense, apply the net rentals to the payment of taxes, water and sewer rents, other lienable charges and claims, insurance premiums and all other carrying charges and to the maintenance, repair or restoration of the Mortgaged Property, or in reduction of the principal or interest, or both, hereby secured, in such order and amounts as Mortgagee or said receiver may elect and for that purpose Mortgagor hereby assigns to Mortgagee all rentals due and to become due under any existing or future lease or leases or rights to use and occupation of the Mortgaged Property, as well as all rights and remedies provided in such lease or leases or at law or in equity for the collection of the rentals. Any lease or leases entered into by Mortgagee or said receiver pursuant to this paragraph shall survive foreclosure of the Mortgage and/or repayment of the debt, except to the extent any applicable lease may provide otherwise.
3. Mortgagee shall have the right, from time to time, to bring an appropriate action to recover any sums required to be paid by Mortgagor under the terms of this Mortgage, as they become due without regard to whether or not the principal indebtedness or any other sums secured by the Note and this Mortgage shall be due and without prejudice to the right of Mortgagee thereafter to bring an action to foreclose this Mortgage or any other action for a default by Mortgagor existing at the time the earlier action was commenced.
4. Any real estate sold to satisfy the mortgage debt may be sold in one (1) parcel as an entirety or in such lots or parcels and in such manner or order as Mortgagee, in its sole discretion, may elect.
5. Neither Mortgagor nor any other person now or hereafter obligated for payment of all or any part of the sums now or hereafter secured by this Mortgage shall be relieved of such obligation by reason of the failure of Mortgagee to comply with any request of Mortgagor or of any other person so obligated to take action to foreclose on this Mortgage or otherwise enforce any provisions of the Mortgage or the Note or by reason of the release, regardless of consideration, of all or any part of the security held for the indebtedness secured by this Mortgage, or by reason of any agreement or stipulation between any subsequent owner of the Mortgaged Property and Mortgagee extending the time of payment or modifying the terms of the Mortgage, the Loan Agreement or Note without first having obtained the consent of Mortgagor or such other person; and in the latter event Mortgagor and all such other persons shall continue to be liable to make payments according to the terms of any such extension or modification agreement, unless expressly released and discharged in writing by Mortgagee. No release of all or any part of the security as aforesaid shall in any way impair or affect the lien of the Mortgage or its priority over any subordinate lien.



6. The granting of an extension or extensions of time for payment of the Note or any sum due under this Mortgage or for the performance of any covenant or condition thereof or of the Loan Agreement, the taking of other or additional security or the waiver of by Mortgagee or failure to enforce any covenant or condition of the Note or this Mortgage or to declare any default thereunder shall not operate as a waiver of any subsequent default or affect the right of Mortgagee to exercise any right hereunder not expressly waived in writing.

7. Mortgagor specifically waives notice, demand or presentment as prerequisites to delivery and effectiveness of a declaration by the Mortgagee that the unpaid portion of the indebtedness is immediately due and payable.

#### **VII. RELEASE**

If the Mortgagor has fully and completely performed all of its obligations under the Mortgage, the Note, the Loan Agreement and if the mortgage loan is current and no event of default has occurred under this Mortgage, the Note, the Loan Agreement or any other document relating to the Mortgage Loan, Mortgagee agrees to release each individual lot (or unit and pro rata share of the common area in the case of a condominium development) from the lien of this Mortgage at the time the Participating lender's Mortgage on such lot is released upon a payment from Mortgagor in the principal amount that is equal to the principal amount that is required to release the Participating lender's co-first mortgage on the lot sought to be released plus interest as may be due on said principal amount. The release of any individual lot is contingent and conditioned upon Mortgagor's grant to Mortgagee of an easement or easements along the proposed streets or otherwise over and across the land being released, to provide access to the remaining land encumbered by Mortgagor's Mortgage because of the location of the land being released. Mortgagor shall prepare and submit to Mortgagee, at Mortgagor's sole expense, an appropriate release for such lot, in a form acceptable to Mortgagee's attorney, at least three (3) days before the date for the requested release of lot(s).

#### **VIII. SECURITY AGREEMENT**

This Mortgage constitutes a security agreement under the Uniform Commercial Code and creates a security interest in the personal property included in the Mortgaged Property. Mortgagor shall execute, deliver, file and refile any refinancing statements or other security agreements Mortgagee may require from time to time to confirm the lien of this Mortgage and the security interest created hereby with respect to such property. Without limiting the foregoing, Mortgagor hereby irrevocably appoints Mortgagee attorney-in-fact for Mortgagor to execute, deliver and file such instruments for and on behalf of Mortgagor, which appointment shall be deemed to be coupled with an interest. Upon Mortgagor's breach of any covenant or agreement contained in this Mortgage, Mortgagee shall have the remedies of a Secured Party under the Uniform Commercial Code and at Mortgagee's option may also invoke the remedies provided in this Mortgage.

#### **IX. ASSIGNMENT OF RIGHTS**

As part of the consideration for the indebtedness evidenced by the Note, Mortgagor hereby absolutely and unconditionally assigns and transfers to Mortgagee the rents and revenues of the Mortgaged Property including those now due, past due or to become due by virtue of any agreement of sale, lease or other agreement for the sale, occupancy or use of all or any part of the Mortgaged Property. The Mortgagor hereby authorizes Mortgagee or Mortgagee's agents to collect the aforesaid rents and revenues and hereby directs each purchaser or tenant of the Mortgaged Property or any part thereof to pay such rents and revenues to the Mortgagee or the Mortgagee's agents provided, however, that prior to written notice given by Mortgagee to Mortgagor of breach by Mortgagor of any covenant or agreement in this Mortgage, Mortgagor shall collect and receive all rents and revenues of the Mortgaged Property as trustee for the benefit of Mortgagee and Mortgagor, to apply the rents and revenues so collected to the sums secured by this Mortgage in the order provided herein with the balance so long as no such breach has occurred to the account of the Mortgagor. Mortgagor agrees that each purchaser and tenant of the Mortgaged Property or any part thereof shall pay such rents and revenues to Mortgagee or the Mortgagee's agents upon the Mortgagee's written demand therefor without any liability on the part of said purchaser or tenant to inquire. Mortgagor hereby covenants that, other than the Assignment of Rents and Leases executed herewith for the benefit of Mortgagee, Mortgagor has not executed any prior assignment of said agreements of sale, leases, rents and other agreements, that the Mortgagor has not performed and will not perform any acts or have not executed and will not execute any instruments which would prevent Mortgagee from exercising its rights under this Section and that at the time of execution of this Mortgage, there has been no anticipation or prepayment of any of the rents and/or revenues of the Mortgaged Property from more than two (2) months prior to the due dates of such rents and/or revenues. The Mortgagor further covenants that the Mortgagor will not hereafter collect or accept payment of any rents or revenues of the Mortgaged Property more than one month prior to the due date of such rents or revenues.



## X. MISCELLANEOUS PROVISIONS

1. **Inspection:** Mortgagee and any persons authorized by Mortgagee shall have the right at any time, upon reasonable notice to Mortgagor, to enter the Mortgaged Property at a reasonable hour to inspect and photograph its condition and state of repair.
2. **Counsel Fees:** If Mortgagee becomes a party to any suit or proceeding affecting the Mortgaged Property or title thereto, the lien created by this Mortgage or Mortgagee's interest therein (including any proceeding in the nature of eminent domain) or if following the occurrence of an Event of Default, Mortgagee engages counsel to collect any of the indebtedness or to enforce performance of the agreements, conditions, covenants, provisions or stipulations of this Mortgage, the Loan Agreement, the Note or any other document executed in connection with this Mortgage, Mortgagee's costs, expenses and reasonable counsel fees, whether or not suit is instituted, shall be paid to Mortgagee by Mortgagor, on demand, with interest at the rate provided in the Note and until paid they shall be deemed to be part of the indebtedness evidenced by the Note and secured by this Mortgage. The amount of attorney's fees payable shall not exceed those permitted by applicable law.
3. **Declaration of No Set-Off:** Within fifteen (15) days after requested to do so by Mortgagee, Mortgagor shall certify to Mortgagee or to any proposed assignee of this Mortgage, in a writing duly acknowledged, the amount of principal, interest and other charges then owing on the obligation secured by this Mortgage and whether there are any set-offs or defenses against it.
4. **Right to Remedy Defaults:** In the event that Mortgagor should fail to pay taxes, assessments, water and sewer charges or other lienable claims (except in case of contest as aforesaid) or insurance premiums or fail to make necessary repairs or permit waste or otherwise fail to comply with its obligations hereunder or under the Note, the Loan Agreement or any other document executed in connection with this Mortgage, then Mortgagee, at its election and upon ten (10) days prior written notice to Mortgagor, shall have the right, but not the obligation, to make any payment or expenditure which Mortgagor should have made or which Mortgagee deems advisable to protect the security of this Mortgage or the Mortgaged Property, without prejudice to any of the Mortgagee's rights or remedies available hereunder or otherwise, at law or in equity. All such sums, as well as costs, advanced by Mortgagee pursuant to this Mortgage shall be due immediately from Mortgagor to Mortgagee, shall be secured hereby and shall bear interest at 3% per annum in excess of the rate otherwise provided in the Note from the day of payment by Mortgagee until the date of repayment.
5. **Commitment Letter:** The terms and conditions of the Commitment Letter from the Participating lender to Mortgagor and the Agency's Board approval to provide CHOICE and related funding and any amendments thereto are hereby incorporated by reference. The failure to comply with any of the terms and conditions contained in said commitment Letter or the Agency's Board approval to provide CHOICE and related funding shall constitute a default hereunder, and the entire unpaid principal indebtedness and all additions hereto and the interest thereon at the option of the lender shall become immediately due and payable thereafter.
6. **Notices:** All notices permitted or required under this Mortgage or the Note shall be in writing and shall be sent by certified mail, return receipt requested, addressed to the addressee at the address set forth in this Mortgage or in the Note.
7. **Amendment:** This Mortgage cannot be changed or amended except by agreement in writing signed by the party against whom enforcement of the change is sought.
8. **Parties Bound:** This Mortgage shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns. For purposes of this Mortgage, the neuter shall include the masculine and feminine and the singular shall include the plural and the plural the singular, as the context may require.
9. **Prepayment:** Mortgagor shall have the privilege without premium or penalty at any time and from time to time of prepaying this Mortgage and the Note secured hereby in whole or in part provided that each prepayment shall be applied first to accrued interest and then to principal. Any partial prepayments shall be applied to installments of principal last falling due and no partial prepayment shall postpone or interrupt payments of interest or the payment of the remaining principal balance, all of which shall continue to be due and payable at the time and the manner set forth above.



**10. Joint and Several Liability:** If the Mortgagor (or Maker of the Note) be more than one person, all agreements, conditions, covenants, provisions, stipulations, warrants of attorney, authorizations, waivers, releases, options, undertakings, rights and benefits made or given by Mortgagor shall be joint and several and shall bind and affect all persons who are defined as "Mortgagor" as fully as though all of them were specifically named herein wherever the word "Mortgagor" is used.

**11. Interest Rate:** Notwithstanding any provision contained in this Mortgage or in the Note secured hereby, Mortgagor's liability for interest shall not exceed the limits now imposed by the applicable usury law. If any clause in the Note or this Mortgage requires interest payments in excess of the highest rate permitted by the applicable usury law, the clause in question shall be deemed to require such payment at the highest interest rate allowed by an applicable usury law.

**12. Captions:** The captions preceding the text of the paragraphs or subparagraphs of this Mortgage are inserted only for convenience of reference and shall not constitute a part of this Mortgage nor shall they in any way affect its meaning, construction or effect.

**13. Other Financing:** Except as permitted herein, unless approved in writing in advance by Mortgagee, Mortgagor will not create or permit to exist any other lien on or security interest in any portion of the Mortgaged Property (including construction materials, furniture, fixtures, machinery, equipment or personalty used in connection therewith).

**14. Conveyance:** Mortgagor will abstain from and will not cause or permit any sale, exchange, transfer or conveyance of the Mortgaged Property or any part thereof or any interest therein, voluntarily or by operation of law, except upon the prior written consent of Mortgagee. Any change in the constitution or ownership of Mortgagor shall be deemed to be a transfer of the Mortgaged Property within the meaning of this paragraph.

**15. Financial Statements:** As long as the debt secured hereby remains unpaid in whole or in part, Mortgagor covenants to furnish to Mortgagee annual unaudited statements prepared by a certified public accountant satisfactory to Mortgagee and in such detail as Mortgagee may reasonably require, showing the annual income and expenses relating to the Mortgaged Property; each of such reports to be due on or before the first day of each April if the Mortgagor's books are kept on a calendar year basis or on or before ninety (90) days following each twelve (12) month period comprising Mortgagor's fiscal year. Mortgagor also covenants to produce at any time during the term hereof, upon fifteen (15) days' notice by Mortgagee, an interim unaudited financial statement satisfactory to Mortgagee showing the income and expenses during the interim period relating to the Mortgaged Property. Mortgagor also covenants to produce during the term hereof on or before the 15th day of April, if Mortgagor's books are kept on a calendar year basis, or on or before ninety (90) days following the close of each fiscal year if the Mortgagor's books are kept on a fiscal year basis, a copy of all federal and state tax returns required to be filed by Mortgagor.

Further, any parties or persons guaranteeing the obligation of Mortgagor shall furnish Mortgagee personal financial statements on or before May 1st of each year while such guarantee is in effect. Such statements shall include a balance sheet and be certified as true and correct by the guarantor.

All financial statements required to be furnished under this Section shall be prepared in accordance with generally accepted accounting principles consistently applied.

**16. Amounts and Obligations Secured:** This Mortgage secures future obligatory advances. Further, this Mortgage and all remedies provided for herein and all agreements, conditions, covenants and promises herein contained shall stand and remain as security for the payment of any note, notes or the obligations accepted and held by Mortgagee in renewal of or in substitution for the note; notes or other obligations secured or to be secured hereby, which shall evidence the same indebtedness, or any part thereof, or which shall evidence further, additional or other present or future loans or liabilities, direct or contingent, primary or secondary, individual, joint or firm, of any nature whatsoever, owing by Mortgagor, or any of them, if more than one, to Mortgagee, while and so long as this Mortgage shall remain uncanceled of record, in any amounts up to an aggregate indebtedness secured or to be secured hereby not exceeding the largest sum recited on page one hereof, whether the parties to such renewal, substituted or additional note, notes or other obligations herein recited or not; and that all promises, covenants, conditions, agreements or provisions herein contained with reference to the note, notes or other obligations secured or to be secured hereby shall apply equally to, and shall be construed to refer in a like manner to such renewal, substituted or additional note, notes or other obligations as aforesaid.



17. **No Waiver:** Any failure by Mortgagee to insist upon the strict performance by Mortgagor of any of the terms and provisions hereof shall not be deemed to be a waiver of any of the terms and provisions hereof and Mortgagee, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Mortgagor of any and all of the terms and provisions hereof to be performed by Mortgagor. Acceleration of maturity once claimed hereunder by Mortgagee may be rescinded by written acknowledgment to that effect by Mortgagee but tender and acceptance of partial payments alone shall not in any way affect or rescind such acceleration of maturity.

18. **No Obligation to Marshal Assets:** Neither the holder of any mortgage, lien or other encumbrance affecting all or a part of the Mortgaged Property which is inferior to the lien of this Mortgage nor Mortgagor shall have any right to require Mortgagee to apply any amounts received by it to the payment of any particular principal indebtedness in preference to any other principal indebtedness secured hereby and neither any such holder nor Mortgagor shall have any right to require Mortgagee to marshal assets.

19. **Mortgagee Appointed Attorney-In-Fact:** Mortgagor hereby irrevocably appoints Mortgagee as its attorney-in-fact, in its name and stead, to make and execute all conveyances, assignments and transfers of all or any part of the Mortgaged Property sold pursuant to foreclosure or other judicial proceedings and Mortgagor shall join in the execution of any such instrument of conveyance, assignment or transfer to be valid and effective in all respects. Such appointment shall be deemed to be coupled with an interest.

20. **Severability:** In the event any clause or provision hereof is determined by final judgment of a court of competent jurisdiction or by application of any law or regulation to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remaining terms hereof and such remaining terms shall remain fully valid and enforceable.

IN WITNESS WHEREOF, this Mortgage has been executed by Mortgagor as of the day and year first above written and they acknowledged receipt of a true copy of this instrument.

WITNESS:

Watssessing Development, LLC, a New Jersey For-Profit Limited Liability Company

BY:

Paul DeBellis, Sr.

TITLE: Managing Member

### LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF NEW JERSEY )  
 ) SS...  
COUNTY OF BERGEN )

BE IT REMEMBERED that on this 5th day of November, 2014, before me, the undersigned authority, personally appeared Paul DeBellis, Sr., Managing Member of Watsessing Development, L.L.C., who I am satisfied is the individual who signed the within instrument and delivered the same as such Manager, and he acknowledged that he signed the same and that the within instrument is the voluntary act and deed of such Company, made by virtue of the direction of its Members.

ATTORNEY AT LAW OR MICHAEL J. OLIVEIRA, ESQ.  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires on

# TITLE INSURANCE COMMITMENT

*Issued by Vested Land Services LLC*

AGENT FOR OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

**Commitment Number: 92470**

## SCHEDULE C

### LEGAL DESCRIPTION

#### Parcel A & Parcel B (Combined – 2 & 4 Bland and 12 Bland)

ALL that certain lot, piece or parcel of land, situate, lying and being in the municipality of Township of Bloomfield, in the County of Essex, State of New Jersey:

BEGINNING at a point in the westerly line of Bland Court (formerly Myrtle Court) said point being distant 102.74 feet northerly from the corner formed by the intersection of the said westerly sideline of Bland Court and the northerly sideline of Myrtle Street; thence running

1. South 68 degrees 47 minutes 00 seconds West, 146.67 feet to a point; thence
2. North 24 degrees 22 minutes 00 seconds West, 27.56 feet to a point; thence
3. South 68 degrees 47 minutes 00 seconds West, 50.10 feet to a point; thence
4. North 24 degrees 22 minutes 00 seconds West, 76.29 feet to a point; thence
5. North 60 degrees 53 minutes 00 seconds East, 50.20 feet to a point; thence
6. North 58 degrees 43 minutes 00 seconds East, 123.49 feet to a point on the westerly line of Bland Court; thence
7. Along the same, South 34 degrees 29 minutes 00 seconds East, 135.80 feet to the point or place of beginning.

Being drawn in accordance with a survey made by Pronesti Surveying, Inc. dated March 13, 2014

FOR INFORMATION PURPOSES ONLY: BEING known as 2 & 4 Bland Court, Tax Lot 23 in Tax Block 126 and 12 Bland Court, Tax Lot 18, 25, 26 and 27 in Tax Block 126 on the Official Tax Map of the Township of Bloomfield, NJ.

Vested Land Services, LLC - 165 Passaic Avenue, Suite 101 - Fairfield, NJ 07004  
973-808-6130 \* Fax- 973-227-0645

New Jersey Land Title  
Insurance Rating Bureau  
ALTA Plain Language Commitment 2006  
New Jersey Variation

NJRB 3-08  
Last Revised 5/15/2009

SCHEDULE C (continued)  
Legal Description

Commitment No. 92470

**Parcel C: (10 Orange St.)**

ALL that certain lot, piece or parcel of land, situate, lying and being in the municipality of Township of Bloomfield, in the County of Essex, State of New Jersey:

BEGINNING at a point in the northerly line of Myrtle Street, said point being a corner formed by a fillet connecting the said northerly sideline of Myrtle Street and the westerly line of Orange Street, thence running;

1. Along the said line of Myrtle Street North 62 degrees 30 minutes West, 137.39 feet to a point; thence
2. Northerly along the lands now or formerly of John Ferguson and parallel with the westerly sideline of Old Orange Road, North 28 degrees 5 minutes East, 105.70 feet to a point; thence
3. South 62 degrees 30 minutes East, parallel with Myrtle Street, 114.98 feet to a point on the westerly sideline of Willow Street; thence
4. Southerly along the westerly sideline of Willow Street, South 3 degrees 47 minutes East, 49.68 feet to corner formed by the intersection of the said westerly sideline of Willow Street and the westerly sideline of Orange Street; thence
5. Along the same, South 27 degrees 55 minutes West, 59.24 feet to a point, said point being the corner formed by a fillet connecting the said westerly sideline of Orange Street and the aforesaid northerly sideline of Myrtle Street; thence
6. South 72 degrees 42 minutes West, 5.68 feet to the point and place of BEGINNING.

Being drawn in accordance with a survey made by Pronesti Surveying, Inc. dated November 21, 2013

FOR INFORMATION PURPOSES ONLY: BEING known as 10 Orange Street, Tax Lot 63 in Tax Block 134 on the Official Tax Map of the Township of Bloomfield, NJ.



**DANA RONE**  
**ESSEX COUNTY REGISTER OF DEEDS & MORTGAGES**



Hall of Records  
465 Martin Luther King Jr Blvd  
Room 130  
Newark, NJ 07102  
(973) 621-4960

**\*RETURN DOCUMENT TO:**  
CHIESA SHAHINIAN & GIATOMASI PC  
ONE BOLAND DRIVE  
WEST ORANGE, NJ 07052

**Instrument Number - 2017044201**

Recorded On 5/23/2017 At 11:34:17 AM

\* Instrument Type - DEED

Invoice Number - 131648 User ID: YN

**\*Total Pages - 102**

\* Grantor - WATSESSING DEVELOPMENT, LLC

\* Grantee - COURT MANOR OF BLOOMFIELD CONDOMINIUM

\* PARCEL IDENTIFICATION NUMBER

Block: 126 Lot: 23 - BLOOMFIELD

**\* FEES**

NJ PRESERVATION	\$515.00
ACCOUNT	
REGISTER RECORDING FEE	\$525.00
HOMELESSNESS TRUST FUND	\$3.00
TOTAL PAID	\$1,043.00

I hereby CERTIFY that this document is  
Recorded in the Register of Deeds & Mortgages Office  
of Essex County, New Jersey

Dana Rone  
Register of Deeds & Mortgages

THIS IS A CERTIFICATION PAGE

**Do Not Detach**


THIS PAGE IS NOW PART OF THIS LEGAL DOCUMENT

\* - Information denoted by an asterisk may change during the verification process and may not be reflected on this page.

INSTRUMENT NUMBER - 2017044201

002Z09



<b>Essex County Recording Data Page</b> <b>Honorable Dana Rone</b> <b>Essex County Register</b>		<b>Official Use Only</b>	
			
<b>Official Use Only:</b>			
<b>Date of Document:</b> May 23, 2017		<b>Type of Document:</b> Master Deed	
<b>First Party Name:</b> Watsessing Development, LLC		<b>Second Party Name:</b> 	
<b>Additional Parties:</b>			
<b>THE FOLLOWING SECTION IS REQUIRED FOR DEEDS ONLY</b>			
<b>Block:</b> 126		<b>Lot:</b> 23	<b>Qualifier:</b>
<b>Municipality:</b> Bloomfield			
<b>Consideration:</b> n/a			
<b>Mailing Address of Grantee:</b> 46 Church Street Montclair, New Jersey 07042			
<b>THE FOLLOWING SECTION IS FOR ORIGINAL MORTGAGE BOOKING &amp; PAGING INFORMATION</b> <b>ASSIGNMENTS, RELEASES, SATISFACTIONS, DISCHARGES &amp; OTHER ORIGINAL MORTGAGE AGREEMENTS ONLY</b>			
<b>Original Book:</b>		<b>Original Page:</b>	
<b>ESSEX COUNTY RECORDING DATA PAGE</b> Please do not detach this page from the original document as it contains important recording information and is part of the permanent record.			

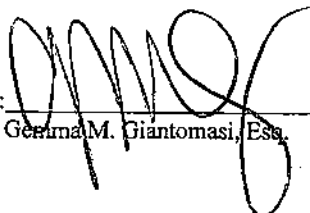


101

**MASTER DEED**

**COURT MANOR OF BLOOMFIELD CONDOMINIUM**

Prepared by:

  
Gerina M. Giantomasi, Esq.

**Record And Return To:**

**CHIESA SHAHINIAN & GIANOMASI PC**  
**One Boland Drive**  
**West Orange, New Jersey 07052**  
**(973) 325-1500**

## COURT MANOR OF BLOOMFIELD CONDOMINIUM

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MASTER DEED

Watsessing Development, LLC, (the "Grantor") having offices at 46 Church Street, in the Township of Montclair, County of Essex and State of New Jersey, hereinafter referred to as the Grantor, does hereby make, declare, and publish this Master Deed made this 22<sup>nd</sup> day of May, 2017.

1. SUBMISSION OF PROPERTY TO THE CONDOMINIUM ACT: The Grantor is the owner of fee simple title to the Parcels, as hereinafter defined. The Grantor hereby submits the Parcels, as hereinafter defined, to the provisions of the Condominium Act of the State of New Jersey (N.J.S.A. 46:8B-1 et seq., as amended). The Condominium property shall be known as "COURT MANOR OF BLOOMFIELD CONDOMINIUM." This Master Deed is intended to establish the condominium form of ownership for the Parcels.

2. DEFINITION OF TERMS: As used herein, the following terms shall have the meaning hereinafter set forth:

Association: Court Manor of Bloomfield Condominium Association, Inc., a New Jersey not for profit, non-stock membership corporation formed under the Corporations and Associations Not For Profit Act of the State of New Jersey, comprised exclusively of Unit Owners to effect the administration, management, maintenance, repair, and replacement of the Condominium Property pursuant to the Condominium Act, this Master Deed and the By-Laws.

Buildings: The building and improvements constructed on the Parcels as shown on the Survey. The Building consists of seventeen (17) Residential Condominium Units.

By-Laws: The By-Laws of the Association, a true copy of which is annexed hereto and made a part hereof as Exhibit B.

Common Elements: All parts of the Condominium Property other than the Condominium Units. Specifically the Common Elements include, but are not limited to, the garage doors, the driveway and driveway apron at the entrance to the Buildings, the land on which the Buildings are erected, the exterior walls and roofs of the Units, open spaces, any Units, equipment, furniture, or other property which is owned by the Association, and the Limited Common Elements and also as more specifically designated in the Condominium Act.

Common Expenses: As defined in Article 5.

Condominium Act: The Condominium Act of the State of New Jersey (N.J.S.A. 46:8-B1 et seq., as amended).

Condominium Documents: This Master Deed and its Exhibits, which the Grantor has recorded in the Office of the Essex County Clerk/Register, the Association's Certificate of Incorporation, By-Laws and Rules and Regulations.

Condominium Property: The Parcels and the Buildings which include the Condominium Units.

Limited Common Element: Those Common Elements which are for the use of one or more specified Units to the exclusion of other Units. The Limited Common Elements shall include by way of description and not by way of limitation, all of the following: (1) any exterior landing, walkway, lobby or stairway to which there is direct access from the interior of an appurtenant Unit; (2) any parking space assigned to the Unit.



Parcels: The real estate described in Exhibit A annexed hereto and made a part hereof.

Permitted Mortgagee: Any holders thereof as Permitted Mortgage as defined in Section 10 hereof.

Person: An individual, corporation, partnership, trustee, or other legal entity capable of holding title to real property.

Proportionate Part or Proportionately: For each Unit, the percentage interest of each respective Unit in the Common Elements as set forth on Exhibit D hereof.

Residential Condominium Unit: A part of the Buildings designed and intended for independent use as a private dwelling (except as otherwise permitted by this Master Deed or the By-Laws) consisting of (a) the interior walls and partitions which are contained within the private dwelling, and (b) the inner decorated and/or finished surfaces of the perimeter walls, doors, floors, ceilings, and exterior and interior surfaces of windows, including dry-wall, paint, wallpaper, etc. contained in the dwelling as shown on the Survey, but shall not mean any part of the Common Elements situated within the Residential Condominium Unit (e.g. pipes, ducts, wires, conduits, and other facilities running through any interior wall or partition for the furnishing of services to other Units or to the Common Elements and any structural elements of the Buildings).

Rules and Regulations: Those Rules and Regulations of the Association that may be promulgated by same, together with all future amendments or supplements thereto.

Survey: The plans or surveys of the Condominium Property, which are annexed hereto and make a part hereof as Exhibit C.

Unit: A Residential Condominium Unit together with such Unit Owner's proportionate undivided interest in the Common Elements.

Unit Owner: The Person or Persons whose estates or interest individually or collectively aggregate fee simple absolute ownership of a Unit. The term Unit Owner does not include the Grantor unless specifically provided in the applicable sentence. Any specified percentage of Unit Owners shall mean those owners who, in the aggregate, own such specified percentage of Units.

**3. DESCRIPTION OF UNIT:** The legal description of each Unit shall consist of the identifying number of such Unit as shown on the Unit Plans and the Limited Common Elements related thereto attached hereto in Exhibit C. Every deed, lease, mortgage, or other instrument may legally describe a Unit as indicated in the preceding sentence and every such description shall be deemed good and sufficient for all purposes as provided in the Condominium Act.

Each Unit generally consists of the space bounded by an imaginary plane along and coincident with the innermost surface of the ceiling joists of the Unit, an imaginary plane along and coincident with the unexposed surface of the ground floor or floor joists, and imaginary planes along and coincident with the innermost surfaces of the studding of the perimeter walls of the Unit.

**4. OWNERSHIP AND USE OF COMMON ELEMENTS:** The proportionate undivided interest of each Unit Owner in the Common Elements is set forth in Exhibit D annexed hereto and made a part hereof. Each Unit Owner shall have the right to use the Common Elements in common with all other Unit Owners in accordance with the reasonable purposes for which they are intended. Such rights shall extend to the Unit Owner and the members of the immediate family and guests and other authorized

occupants and visitors of the Unit Owner. The use of the Common Elements and the rights of the Unit Owners with respect thereto shall be subject to and governed by the provisions of the Condominium Act, this Master Deed, the By-Laws and rules and regulations of the Association. The Association shall have the authority to lease or grant licenses or concessions with respect to the Common Elements subject to the provisions of this Master Deed and the By-Laws.

5. COMMON EXPENSES: Until the conveyance of title to the first unit, the Grantor shall be solely responsible for all Common Expenses, including insurance and fidelity bond premiums, if applicable. Following the first conveyance, the owners of the Units to whom title has been conveyed shall be responsible for their proportionate share of all Common Expenses and the Grantor shall be responsible for payment of any operating deficit for each fiscal year after taking into account any other revenues of the Association except working capital and replacement reserve contributions made by the Unit Owners at the time of acquisition of title from the Grantor. This means that the Grantor shall pay the difference between the total amount assessed and due from the individual Unit Owners and the actual amount of operating expenses incurred during the Association's fiscal year. Any expenses incurred beyond budgeted amounts shall be borne equally by all Units, either existing or under development. Grantor shall not be responsible for operating deficits caused by delinquencies of the Unit Owners. The Grantor will also pay a proportionate share of common expenses for each Unit with a certificate of occupancy, including the amount of reserves for replacement, assessed against each unit with a certificate of occupancy if not yet conveyed to an individual Unit Owner. If multiple dwellings are located in one building and at least one certificate of occupancy has been issued, the Grantor shall be responsible for payment of replacement reserves for all unsold units in the building whether completed or under development. After the Grantor relinquishes control of the Board of Trustees of the Association (the "Board"), the Grantor shall only be responsible for payment of its proportionate share of all budgeted common expenses for all units which have been declared of record and which have not been conveyed by the Grantor to individual Unit Owners. At the time of relinquishing the control of the Board to the Unit Owners, the Grantor shall turn over all the working capital and replacement reserve contributions collected from the Unit Owners to the Association as per the accounting by an independent accountant.

6. ASSOCIATION BOARD OF TRUSTEES: The Board of Trustees of the Association (the "Board") shall constitute the governing Board referred to in the Condominium Act.

7. VOTING: Each Unit Owner shall automatically become and be a member of the Association so long as he continues to be a Unit Owner. Upon the termination of the interest of a Unit Owner, his membership shall thereupon automatically terminate and inure to the new Unit Owner succeeding him in interest. Each Unit Owner shall vote pursuant to its percentage of ownership interest. All votes shall be decided by a majority of the total votes eligible to be cast. Whenever this Master Deed or the By-Laws confer a power on the Association (as distinguished from the Board) said power shall be exercised only by vote of the Association at a meeting of the Association.

8. INTERPRETATION AND DISPUTES: The Board shall adopt procedures for the resolution of disputes with respect to the interpretation or application of the provisions of this Master Deed or the By-Laws that shall act as an alternative to litigation.

9. PARKING FACILITIES: There are twenty-three (23) parking spaces. The twenty-three (23) parking spaces will be located at grade-level in an outdoor parking area. Each Unit shall be assigned one (1) parking space as a limited common element upon the sale of the respective Unit. The parking space will be selected by Unit owners on a first come first serve basis. There will be one (1) unassigned, handicapped parking space. There will be five (5) guest parking spaces. All guest parking spaces shall be vacant between the hours of 2:00 a.m. and 6:00 a.m.

10. MORTGAGING OF UNITS: Each Unit Owner shall have the right to mortgage or encumber his Unit provided that such mortgage or encumbrance is made to a bank, trust company, insurance company, real estate investment trust, Federal or State savings and loan

association, or a mortgage banker or broker or is a purchase money mortgage made to the Grantor or to the seller or a unit (hereinafter referred to as "Permitted Mortgages").

11. PROPERTY TAXES, ASSESSMENTS, AND CHARGES: All property taxes, special assessments, and other charges imposed by any taxing authority are to be separately assessed against and collected on each Unit as a single parcel, as provided in the Condominium Act. In the event that for any year such taxes are not separately taxed to each Unit, but are taxed on the Condominium Property as a whole, then each Unit Owner including the Grantor shall pay the Association at least fifteen (15) days prior to the due date thereof, his proportionate part of said taxes in accordance with his proportionate undivided interest in the Common Elements, as set forth in Exhibit D. The Association shall thereafter remit the entire amount to the Tax Collector as soon as is reasonably possible.

12. UTILITIES: Each Unit Owner shall pay for his own telephone and utilities, including but not limited to water, gas, and electric, which are separately metered or billed to each user by the respective utility company. Utilities, including but not limited to water, which are not separately metered or billed, shall be treated as part of the Common Expenses.

13. INSURANCE: The Board shall be required to obtain and maintain, to the extent obtainable, insurance of the types and in the amounts required by the By-Laws. In addition, each Unit Owner shall be required to obtain a Home Owner's Insurance policy covering his Unit at the Unit Owner's sole expense.

If the insurance proceeds derived from a loss amount to \$50,000.00 or less, then the Board shall contract with any licensed contractor or contractors to rebuild or repair such damaged or destroyed portions of the insured improvements in conformance with the original plans and specification, or if adherence to such original plans and specifications is impracticable in the discretion of the Board of Trustees, then in conformance with revised plans and specifications provided such repairs or rebuilding shall be of a quality and kind substantially equivalent to the original construction. The Board shall accept bids only in specific amounts and shall not enter into any cost-plus or other sliding scale arrangement for compensation to the contractor.

If the insurance proceeds derived from such loss exceed \$50,000.00, all such insurance proceeds shall be paid directly to an Insurance Trustee as may be designated by the Board, as Trustee for all Permitted Mortgagees and all Unit Owners as their interests may then appear. Disbursement of such funds shall be made only upon the signatures of a majority of the members of the Board in accordance with the following:

- (a) Upon notification of the receipt of insurance proceeds by the Insurance Trustee or at such earlier date as may be determined by the Board, the Board shall enter into a contract for a specific dollar amount with a licensed contractor or contractors for the repair or rebuilding of all the damaged or destroyed portions of the insured improvements, as nearly as practicable to the original plans and specifications thereof and in accordance with all applicable building codes.
- (b) The Board shall enter into said contract with a licensed contractor or contractors which shall have provisions for periodic disbursements of funds by the Insurance Trustee. Disbursement to the contractor shall be made subject to the prior presentation of an architect's certificate and contractor's requisition containing such provisions as may be appropriate under the circumstances and deemed suitable by the Board.

The Board shall employ a properly qualified party to supervise the repair and rebuilding to ensure that such work, services, and supplies are of proper quality and that construction is completed in a workmanlike manner and according to plans and specifications.

14. MAINTENANCE, REPAIRS, AND REPLACEMENTS: Each Unit Owner shall furnish and be responsible for, at his own expense, all of the maintenance, repairs, and

replacements within his Unit; provided, however, such maintenance, repairs, and replacements as may be required for the proper functioning of the plumbing lines and electric wire situated wholly outside the Residential Condominium Unit or, if within the interior partitions, if excluded from the definition of Residential Condominium Unit in Paragraph 2 of this Master Deed, shall be furnished by the Association as part of the Common Expenses. Maintenance, repairs, and replacements of the refrigerators, ranges, and other kitchen appliances, lighting fixtures, heating and air conditioning units, and other electrical appliances, and plumbing fixtures of any Unit Owner shall be at his sole expense. Maintenance, repairs, and replacements of the Common Elements shall be furnished by the Association as part of the Common Expenses. The Association may (but need not) provide, by its rules and regulations, ordinary maintenance and minor repairs and replacements to be furnished to Condominium Units by Building personnel and charged as a Common Expense or as a special assessment.

If, due to the negligent act or omission of a Unit Owner, member of his family, household pet, guest or other authorized occupant or visitor of such Unit Owner, damage shall be caused to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs or replacements shall be required which would otherwise be Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Association. Maintenance, repairs and replacements to the Common Elements and the Units shall be subject to the By-Laws and the rules and regulations of the Association.

To the extent that equipment, facilities, and fixtures within any Unit or Units shall be connected to similar equipment, facilities, or fixtures affecting or serving other Units or the Common Elements, then the use thereof by the individual Unit Owner shall be subject to the By-Laws and the rules and regulations of the Association. The authorized representatives of the Association or Board, or of the manager or managing agent for the Buildings, shall be entitled to reasonable access to the individual Units as may be required in connection with maintenance, repairs, and replacements of or to the Common Elements or any equipment, facilities, or fixtures affecting or serving other Units or the Common Elements; with notice at reasonable hours except in cases of emergency.

All maintenance and repair of garage doors, exterior landings, balconies, walkways or stairways, as well as the maintenance, repair, snow removal, resurfacing and replacement of the driveway, driveway aprons and parking facilities, whether a Common Element, Limited Common Element or Parking Condominium Unit, shall be the responsibility of the Association. Unit Owners having the use of any balcony, terrace, patio, or deck shall be responsible for all routine cleaning and snow clearing of same, as appropriate. All other maintenance of same shall be the responsibility of the Association. Each Unit Owner's right to use a Limited Common Element may not be transferred apart from the conveyance of title to his Unit.

#### 15. EASEMENTS:

(A) UNIT OWNER EASEMENTS. Every Unit Owner, his successors and assigns, shall have the following perpetual easements with respect to the Condominium Property, which shall be for the benefit of all owners and occupants of Units in the Condominium and their invitees:

1. A non-exclusive easement in, upon, over, under, across, and through the Common Elements to keep, maintain, use, operate, repair, and replace his Unit in its original position and in every subsequent position to which it changes by reason of the gradual forces of nature and the elements; and
2. An exclusive easement for the existence and continuance of any encroachment by his Unit upon any adjoining Unit or upon any Common Elements, now existing or which may come into existence hereafter as a result of construction, reconstruction, repair, shifting, settlement, or movement of any portion of Buildings or a Unit, or as a result of condemnation or eminent domain proceedings, so that any such encroachment may remain undisturbed so long as the Buildings stand; and
3. A non-exclusive easement for ingress and egress to his Unit in, upon, under, over, across, and through the Common Elements; and



4. An exclusive easement to use and enjoy the surfaces of the main walls (including any skylights, doors, fireplace, and chimney if any therein), ceilings, floors, stairway and foyer of his Unit; and
  5. An exclusive easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines, television systems, master antenna facilities or other Common Elements located within any of the other Units or Common Elements and serving his Unit; and
  6. A perpetual and non-exclusive easement in, over, and through the Common Elements to use the common facilities and recreational amenities, if any, within the Condominium subject to the right of the Board to:
    - i. Promulgate Rules and Regulations for the use and enjoyment thereof;
    - ii. Suspend the enjoyment of any Unit Owner for any period during which any assessment, fine, or other charge remains unpaid, or for any period during which any infraction of its published Rules and Regulations continues, it being understood that any suspension for either non-payment of any assessment or a breach of the Rules and Regulations of the Association shall not constitute a waiver or discharge of the Unit Owner's obligation to pay the assessment; and
    - iii. Designate portions of the Common Elements as Limited Common Elements.
  7. A non-exclusive easement for pedestrian ingress and egress to and from the other Units over and through all common walkways and roadways located within the Common Elements, which easement shall be for the benefit of all Unit Owners and occupants in the Condominium or their invitees; and
  8. A non-exclusive easement for access to or use of the Common Elements within the Condominium for any other purposes not prohibited by the Condominium Documents, which easement is for the benefit of all Owners and occupants of Units in the Condominium and their invitees; and
  9. A non-exclusive easement for vehicular ingress and egress reasonably required to and from the Units over and through roadways in the Condominium, which easement shall be for the benefit of all Unit Owners and occupants of Units in the Condominium and their invitees.
- (B) Grantor's Easements. The Grantor, his respective successors and assigns, shall have the following easements with respect to the Condominium Property. This Master Deed cannot be amended to modify or eliminate the easements reserved to Grantor by this or any other section without the prior written consent of Grantor, and any attempt to do so will have no force or effect.
1. A blanket and non-exclusive easement in, upon, through, under, and across the Common Elements for the purpose of (i) construction installation, maintenance and repair of any improvements to the Units or the Common Elements, (ii) ingress and egress for the use of all driveways and parking areas, (iii) the utilization of existing and future model Condominium Units for sales promotion and exhibition, and (iv) installation of identification signs deemed appropriate by the Grantor, all of which may be illuminated and located anywhere on the Common Elements at the sole cost and discretion of Grantor, until the expiration of one (1) year from the date the last Unit is sold and conveyed in the normal course of business, but in no event more than five (5) years from the date of recording of the Master Deed, the Grantor's right to use the model Units for sales promotion and exhibition will end when the last Unit is sold and conveyed in the normal course of business;
  2. The irrevocable right to enter unto, upon, over, or under any Unit for such purposes as may be reasonably necessary for the Grantor or its agents to service such Unit or any part of the Buildings provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate whether the Unit Owner is present at the time or not;
  3. A blanket and non-exclusive easement in, upon, over, through, under, and across the Common Elements to use all driveways and parking areas to perform any service or repair required pursuant to the Grantor's warranty



obligations, until the expiration of the Grantor's warranty obligations pursuant to law;

4. A perpetual, blanket and non-exclusive easement in, upon, over, under, across, and through the Common Elements for surface water runoff and drainage caused by natural forces and elements, grading, and/or the improvements located upon the property. No individual Unit Owner shall directly or indirectly interfere with or alter the drainage and runoff patterns and systems within the Condominium;
5. A blanket and non-exclusive easement in, upon, over, under, through, and across the Condominium Property for ingress and egress, and for development, construction, installation, maintenance, and repair of any improvements to any portion of the Condominium Property;
6. A perpetual, blanket, and non-exclusive easement in, upon, over, under, through, and across the Common Elements for ingress and egress to, and for the installation, construction, use, maintenance, repair, and replacement of pipes, wires, ducts, cables, conduits, public utility lines, television systems, master antenna facilities, water and sewer systems, drainage structures, and retaining walls to serve all or any portion of the Condominium Property; and
7. A blanket and non-exclusive easement in, upon, over, through, under, and across the Common Elements and existing and future model units for sales promotion and exhibition, including the posting of signs and other forms of advertisements, and the right of access to community facilities for marketing purposes, until the last unit in the Condominium is sold and conveyed in the normal course of business, but in no event more than five (5) years from the date of recording the Master Deed.

(C) Association Easements. The Condominium Property shall also be subject to the following perpetual easements for the benefit of the Association:

1. The Association shall have a perpetual and exclusive easement for the maintenance of any Common Elements, including those which presently or may hereafter encroach upon a Unit; and
2. The Association, through its Board or any manager, or managing agent, or its respective agents or employees shall have the perpetual and non-exclusive right of access to each Unit (i) to inspect same, (ii) to remedy any violations of the provisions of the Condominium Documents of the Association, and (iii) to perform any operations required in connection with its maintenance, repairs and replacements as set forth in Article XIV hereof; provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

(D) Permitted Mortgage Holder Easements. Any Permitted Mortgagee, its officers, agents, and employees, shall have a blanket, perpetual, and non-exclusive easement to enter the Condominium or any part thereof to inspect the condition and repair of the Common Elements, or any Units so encumbered by a first mortgage owned by it. This right shall be exercised only during reasonable daylight hours, and then whenever practicable, only after advance notice to, and with the permission of, the Board of Trustees of the Association and the Unit Owner.

(E) Utility Easements. A blanket, perpetual, and non-exclusive easement in, upon, over, across, and through the Common Elements for the purpose of installation, maintenance, repair, service and replacement of all sewer, water, power and telephone pipes, lines, mains, conduits, waters, poles, transformers, master television antennas, cable television facilities, and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility systems serving the property, which easement shall be for the benefit of any governmental agency, or utility company or other entity which requires same for the purpose of finishing one or more of the foregoing services.

(F) Government Easements. The Condominium Property shall also be subject to the following easements:

1. A blanket, perpetual, and non-exclusive easement of unobstructed ingress and egress in, upon, over, across, and through the Common Elements to the Township of Bloomfield, its respective officers, agents, and employees (but not the public in general) and all police, fire, and ambulance personnel in the proper performance of their respective duties (including, but not limited to, emergency repairs to a Unit), and for repair and maintenance of the Common Elements. Except in the event of emergencies, the rights accompanying the easements provided for in this subparagraph shall be exercised only during reasonable daylight hours and then, whenever practicable, only after advance notice to, and with permission of, the Unit Owner(s) directly affected thereby; and
2. A perpetual, blanket, and non-exclusive easement in, upon, over, under, across, and through the Common Elements to the Township of Bloomfield, its respective officers, agents, and employees (but not the general public) for surface water runoff and drainage caused by natural forces and elements, grading, and/or the improvements located upon the Condominium Property. No individual Unit Owner shall directly or indirectly interfere with or alter the drainage and runoff patterns and systems within the Condominium Property.

(G) Responsibility for Damages. In the event that any easement right set forth in this Article 15 is exercised, the person or entity exercising such right shall be responsible for the repair of any damage and liable for any personal injury or property damage arising directly or indirectly from its use or maintenance of the easement area.

16. DEED RESTRICTIONS: All Units will be subject to deed restrictions, mortgages and notes. All deed restrictions and mortgages will be recorded with the Essex County Clerk's/Register's Office.

The deed restrictions, mortgages and notes related to the aforementioned Units are as follows:

1. Declaration of Covenants, Conditions and Restrictions Implementing Equity Sharing Controls for New Jersey Housing and Mortgage Finance Agency Non-Deed Restricted Emerging Market Units (5 or 15 year equity sharing controls)- A copy of said declaration is attached hereto as Exhibit F.
2. Recapture Mortgage Note for CHOICE Program Non-Deed Restricted Emerging Market Units (5 - 15 year equity sharing controls)- A copy of said note is attached hereto as Exhibit G.
3. Repayment Mortgage Securing Payment of CHOICE Program Recapture Note in Favor of the New Jersey Housing and Mortgage Finance Agency (5 - 15 year Equity Sharing Controls)- A copy of said mortgage is attached hereto as Exhibit H.

17. PETS: One pet, not exceeding twenty-two (22) pounds in weight, shall be permitted per Residential Condominium Unit, provided that they are carried in the Common Elements and are walked offsite. Certified service animals are excluded from this provision and may be kept in accordance with State and Federal law, however service animals may not interfere with the use and enjoyment of the Common Elements. Further, pets may not be kept, bred, or maintained for any commercial purpose.

18. DECORATING: Each Residential Condominium Unit Owner shall furnish and be responsible for, at his expense, all of the decorating within his own Residential Condominium Unit from time to time, including painting, wall papering, washing (including windows, inside and outside), cleaning, paneling, floor covering, draperies, window shades, curtains, lamps, and other furnishings and interior decorating. Each Residential Condominium Unit Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floors, and ceilings which constitute the exterior boundaries of the respective Residential Condominium Unit owned by him, and such owner shall maintain such interior surfaces (or drop ceiling) in good condition at his sole expense as

may be required from time to time, and each such Residential Condominium Unit Owner shall have the right to decorate such interior surfaces from time to time as he may see fit and at his sole expense. The use of and the covering of the interior surfaces of such windows and the doors leading to the decks, whether by draperies, shades, or other items visible on the exterior of the Buildings, shall be subject to the rules and regulations of the Association. Decorating of the Common Elements (other than interior surfaces) within the Condominium Property to the extent made necessary by any damage to existing decorating of such Residential Condominium Unit caused by maintenance, repair, or replacement work on the Common Elements by the Association, shall be furnished by the Association as part of the Common Expenses. No Unit Owner shall have any right to replace the windows in a Unit unless said windows are replaced with a similar window that has been previously approved by the Board of Trustees.

19. ALTERATIONS, ADDITIONS, AND IMPROVEMENTS: No Unit Owner (other than the Grantor) may make any structural additions, alterations, or improvements in his Unit or of the Common Elements without the prior written approval of the membership of the Association or impair any easement without the written consent of the membership of the Association or of the Unit Owner or Owners for whose benefit such easement exists.

While the Grantor maintains a majority of the Board, it shall make no additions, alterations, improvements or purchases not contemplated in this offering which would necessitate a special assessment or a substantial increase in the monthly assessment unless required by a governmental agency, title insurance company, mortgage lender, or in the event of an emergency.

20. ENCROACHMENTS: If any portion of the Common Elements shall actually encroach upon any Unit or if any Unit shall actually encroach upon any portions of the Common Elements, as the Common Elements and Units are shown on the Survey, there shall be deemed to be mutual easements in favor of the owners of the Common Elements and the respective Unit Owners involved to the extent of such encroachment so long as the same shall exist.

21. SALE OR LEASE OR OTHER DISPOSITION OF UNITS: Should the Unit Owner wish to sell or lease his Unit, he shall, before accepting any offer to sell or lease his Unit, comply with the applicable provision of the By-Laws, specifically, but not limited to, Article VII. Any attempt to sell or lease a Unit except as provided in the By-Laws, shall be wholly null and void and shall confer no title or interest whatsoever upon the intended purchaser or lessee.

22. REMEDIES: In the event of any default by a Unit Owner under the provisions of the Condominium Act, this Master Deed, the By-Laws or rules and regulations of the Association, the Association and the Board of Trustees shall have each and all of the rights and remedies which may be provided for in the Condominium Act (except as otherwise provided in this Master Deed or the By-Laws), this Master Deed, the By-Laws or said rules and regulations or which may be available at law or in equity, and may prosecute any action or other proceedings against such defaulting Unit Owner and/or others for enforcement of any lien, statutory or otherwise, including but not limited to foreclosure of such lien, appointment of a receiver for the Unit, damages, an injunction, specific performance, judgment for payment of money and collection thereof, or for any combination of remedies or for any other relief. All expenses of the Association in connection with any such actions or proceedings, including court costs and attorneys' fees and other fees and expenses, all damages, liquidated or otherwise, together with interest thereon at the maximum legal rate until paid, shall be charged to and assessed against such defaulting Unit Owner, and shall be added to and deemed part of his respective part of the Common Expenses and the Association shall have a lien for all of the same. In the event of any such default by any Unit Owner, the Association, the Board, and the manager or managing agent if so authorized by the Board, shall have the authority to correct such default, and to do whatever may be necessary for such purpose, and all expenses in connection therewith shall be charged to and assessed against such defaulting Unit Owner. Any and all of such rights and remedies may be exercised at the time and from time to time, cumulatively or otherwise, by the Association or the Board.

23. AMENDMENTS: The provisions of this Master Deed may be amended from time to time upon the approval of such amendment or amendments by the Association pursuant to a resolution or written consent approving such amendment or amendments adopted or given by Unit Owners owning not less than Sixty-seven (67%) percent of the total number of Units in the Condominium Property; provided, however, if the Condominium Act or this Master Deed shall require the consent or agreement of a larger percentage of Unit Owners or lien holders for any action specified in the Act or in the Master Deed, then any amendment or amendments with respect to such action shall require said larger percentage of consent or agreement as may be provided in the Condominium Act or in this Master Deed. The Grantor shall not be permitted to cast any votes held by him for unsold lots, parcels, units, or interests for the purpose of amending the Master Deed, by-laws or any other document for the purpose of changing the permitted use of a Lot, Parcel, Unit or interest, or for the purpose of reducing the Common Elements or Limited Common Elements. Each such amendment shall be effective upon the recording of an appropriate instruction setting forth the amendment and its due adoption, execution, and acknowledgment by one or more officers or the Grantor of the Board. All amendments to this Master Deed shall be recorded and shall not become effective until recorded in the same office in which the Master Deed was recorded.

24. NOTICE: All notices provided for in the Condominium Act, this Master Deed, or the By-Laws shall be in writing, and shall be addressed to the Association or to any Unit Owner at the Buildings, or at such other address as hereinafter provided. The Association or Board may designate a different address or addresses for notices to them respectively, by giving written notice of such change of address to all Unit Owners at such time. Any Unit Owner may also designate a different address or addresses for notice to him by giving written notice of his change of address to the Association. Notice addressed as above shall be deemed delivered when mailed in the United States registered or certified mail or when delivered in person with written acknowledgment of the receipt thereof, or, if addressed to a Residential Condominium Unit Owner, when deposited in his mailbox in the Building or at the door of his Residential Condominium Unit in the Building.

25. SEVERABILITY: The invalidity of any provisions of this Master Deed or of the By-Laws attached hereto shall not be deemed to impair or affect in any manner the validity, enforceability or effect the remainder of this Master Deed or the By-Laws, and in such event, all of the other provisions of this Master Deed and the By-Laws shall continue in full force and effect as if such invalid provision had never been included in either document.

26. PARTITION: No Unit Owner shall have the right to partition the Common Elements nor to do any act or take any action that would result in the destruction of condominium form of ownership as established by the Condominium Act.

27. RIGHTS AND OBLIGATIONS: The provisions of this Master Deed and the By-Laws and the rights and obligations established thereby shall be deemed to be covenants running with the land, so long as the Condominium Property remains subject to the provisions of the Condominium Act and shall inure to the benefit of and be binding upon each and all of the Unit Owners and their respective heirs, representatives, successors, assigns, purchasers, lessees, grantees, and mortgagees. The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the Condominium Act, the rules and regulations of the Association and the provisions of the Master Deed, as they may be amended from time to time, are accepted and ratified and will be complied with. Each purchaser of a Unit in the Condominium will, by virtue of his ownership, become a member of the Association.

28. RATIFICATION, CONFIRMATION, AND APPROVAL OF AGREEMENTS: The fact that some or all of the officers, trustees, members, or employees of the Association and the Grantor are identical, and the fact that the Grantor or its nominees, have heretofore or will hereafter enter into agreements with the Association or with third parties, will not violate any such agreements and the Association and its members, from time to time, will be obligated to abide by and comply with the terms and conditions thereof. The purchase of a Unit, and the acceptance of the deed therefor by any party shall constitute the ratification, confirmation and approval by such purchaser, his heirs, legal representatives,



successors and assigns, or the propriety and legality of said agreement or said agreements, or any other agreements authorized and permitted by the Condominium Act, this Master Deed and the By-Laws.

29. EMINENT DOMAIN: If all or any part of the Common Elements shall be taken, injured or destroyed by eminent domain, all applicable provisions of the Condominium Act shall control the respective rights of the Unit Owners, including the Grantor. Notwithstanding the aforementioned, no Unit Owner or any other party shall have priority over any rights of a first Permitted Mortgagee of a Unit to any eminent domain award for a taking of a Unit and/or the Common Elements.

30. GENDER: The use of the masculine gender in the Master Deed shall be deemed to include the feminine or neutral gender, as the circumstances may require, and the use of the singular, by way of illustration and not limitation, such as Grantor, shall be deemed to include the plural whenever the context so requires.

31. MISCELLANEOUS: Nothing herein shall be construed to prohibit the reasonable adaptation of any unit for handicapped use.

32. GRANTOR ACTIONS: While the Grantor maintains control of the Board, he will take no action which adversely affects a homeowner's rights under N.J.A.C.5:25-5.5. Claims relative to common element defects shall be processed in accordance with N.J.A.C.5:25-5.5.

### 33. GRANTOR RIGHTS:

#### (A) RATIFICATION, CONFIRMATION AND APPROVAL OF AGREEMENTS.

The fact that some or all of the officers, directors, members or employees of the Association and the Grantor may be identical, and the fact that the Grantor or its nominees, have heretofore or may hereafter enter into agreements with the Association or with third parties, will not invalidate any such agreements and the Association and the Unit Owners, from time to time, will be obligated to abide by and comply with the terms and conditions thereof. The purchase of a Unit, and the acceptance of a deed therefor by any party, shall constitute the ratification, confirmation and approval by such purchaser, its heirs, legal representatives, successors and assigns, of the propriety and legality of said agreements or said agreement, or any other agreements authorized and permitted by the Condominium Act, this Master Deed, the Certificate of Incorporation or the By-Laws.

(B) RIGHTS RESERVED TO GRANTOR. Subject to Condominium Act, this Master Deed, specifically including, but not limited to Section 23 hereof and the Bylaws, Grantor hereby reserves for itself, its successors and assigns, for so long as it owns one or more Units in the Condominium:

1. the right to sell, lease, mortgage, sublease or otherwise dispose of any unsold Units within the Condominium in the normal course of business; and

2. the right, until the date the last Unit in the Condominium is conveyed in the normal course of Grantor's business, but in no event more than five (5) years from the date this Master Deed is recorded, to use the Common Areas for on-site sales, storage, construction and service trailers for storage of construction materials and equipment; for models and administrative offices; and for any and all purposes deemed necessary by Grantor for the rental and sales promotion and exhibition of Units, provided however, that the Grantor's use of the Common Areas for the foregoing purposes does not materially hinder, impede or interfere with the use and enjoyment of the Common Areas by the Unit Owners.

(C) USE OF EASEMENTS. Grantor, its successors, agents, affiliates, employees or subcontractors shall have the right to utilize easements, roads, drainage facilities, utility lines and the like within or servicing the Condominium.

(D) Protection of Grantor. The prior written approval of Grantor will be required before any amendment that would materially impair or materially diminish the rights of Grantor to sell or lease Units; or subdivide or demolish, repair, renovate or



reconstruct Units, in accordance with this Master Deed shall become effective. Notwithstanding any other provisions of this Master Deed, until such time as Grantor no longer owns any Unit or Units in the Condominium that it intends to sell in a commercially reasonable manner, the following actions, before being undertaken by the Association, shall first be approved in writing by Grantor, which approval shall not be unreasonably withheld, conditioned or delayed:

1. Any amendment or action requiring the approval of Permitted Mortgagees pursuant to this Master Deed;
2. Any significant reduction of Association maintenance or other services;
3. Material alteration in the method of fixing and collecting Common Expense assessments or any increases in Common Expense assessments beyond the amounts permitted under this Master Deed;
4. Material reduction in the level of, or change in allocation of responsibility for maintenance of and repairs to all or any portion of the Common Elements subject to this Master Deed, or any other maintenance obligations of the Association set forth in this Master Deed;
5. The grant by the Association of an interest in all or any portion of the Common Elements;
6. Material modification of the enforcement and review procedures of the Association, or any change in the architectural and landscaping design originally installed in the Condominium;
7. Material modification to improvements in the Common Elements or to the level or frequency of maintenance of same;
8. Material alteration in the method of enforcing the provisions of this Master Deed; or
9. Any material modification of the rights reserved and granted to Grantor herein with respect to development of the Parcels.

(E) TRANSFER OF GRANTOR'S SPECIAL RIGHTS. No special rights created or reserved to the Grantor under this Master Deed (hereinafter "Special Grantor Rights") may be transferred except by an instrument evidencing the transfer recorded in the Office of the Register of Essex County, New Jersey. The instrument shall not be effective unless executed by the transferee.

1. LIABILITY OF TRANSFEROR. Upon transfer of any such Special Grantor Right, the liability of the transferor is as follows:

(i) A transferor is not relieved of any obligation or liability arising before the transfer and remains liable for warranty obligations imposed upon him. Lack of privity does not deprive any Unit Owner of standing to bring an action to enforce any obligation of the transferor.

(ii) If a transferor retains any such Special Grantor Right, or if a successor to any such Special Grantor Right is an affiliate of the Grantor, the transferor is subject to liability for all obligations and liabilities imposed on Grantor by law or by the Master Deed, arising after the transfer, and is jointly and severally liable with the successor for the liabilities and obligations of the successor which relate to the Condominium.

(iii) A transferor who retains no such Special Grantor Rights has no liability for any act or omission or any breach of a contractual or warranty obligation arising from the exercise of any such Special Grantor Right by a successor Grantor who is not an affiliate of the transferor.

(F) TRANSFER OF RIGHTS REQUESTED. Unless otherwise provided in a mortgage instrument or deed of trust, in case of foreclosure of a mortgage, sale by a trustee under a deed of trust, or sale under any bankruptcy or receivership proceedings, of any Units owned by Grantor in the Condominium, a person acquiring title to all the Units being foreclosed or sold, but only upon its request, succeeds to all such Special Grantor Rights. The judgment or instrument conveying title shall provide for transfer of only the Special Grantor Rights requested.

(G) FORECLOSURE, BANKRUPTCY, RECEIVERSHIP. Upon foreclosure, sale by a trustee under a deed of trust, or sale under any bankruptcy or receivership proceedings, of all Units in the Condominium owned by Grantor:

1. The Grantor ceases to have any such Special Grantor Rights;
- and
2. The period of Grantor control terminates unless the judgment or instrument conveying title provides for transfer of all such Special Grantor Rights to a successor to Grantor.

(H) LIABILITY OF SUCCESSORS. The liabilities and obligations of persons who succeed to all Special Grantor Rights are as follows:

1. A successor to all such Special Grantor Rights who is an affiliate of the Grantor is subject to all obligations and liabilities imposed on any Grantor by law or by the Master Deed.
2. A successor to all such Special Grantor Rights, other than a successor described in subparagraph (3) of this subsection H hereof who is not an affiliate of Grantor, is subject to all obligations and liabilities imposed upon Grantor by law or the Master Deed, but it is not subject to liability for misrepresentations or warranty obligations on improvements made by any previous Grantor or made before the Condominium was created, or for a breach of fiduciary obligation by any previous Grantor.
3. A successor to any or all Special Grantor Rights who is not an affiliate of Grantor and who succeeded to those rights pursuant to a deed in lieu of foreclosure or a judgment or instrument conveying title to Units under Section 33(F) aforesaid, may declare its intention in a recorded instrument to hold those rights solely for transfer to another party. Thereafter, until transferring all such Special Grantor Rights to any person acquiring title to any Unit owned by the successor, or until recording an instrument permitting exercise of all those rights, that successor may not exercise any of those rights other than the right to control the Board for the duration of any period of Grantor control, and any attempted exercise of those rights is void. So long as a successor Grantor may not exercise special rights under this subsection, it is not subject to any liability or obligation as a Grantor other than liability for the successor's express acts and omissions under the Master Deed. A successor under this subsection is not subject to liability for misrepresentations or warranty obligations on improvements made by any previous Grantor or made before the Condominium was created, or for a breach of fiduciary obligation by any previous Grantor.

Nothing in this Section 33 (H) subjects any successor to a Special Grantor Right to any claims against or other obligations of a transferor other than claims and obligations directly relating to such successor's express exercise of said Special Grantor Right arising under the Master Deed.

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

Witness

WATSESSING DEVELOPMENT, LLC

By: Robert Richardi, Member

By: Paul DeBellis, Sr., Member

STATE OF NEW JERSEY, COUNTY OF ESSEX:

I CERTIFY that on the 18<sup>th</sup> day, in the month of May, 2019, Robert Richardi and Paul DeBellis, Sr., members of Watsessing Development, LLC, personally came before me and acknowledged under oath, to my satisfaction, that this person (or if more than one, each person):

- (a) was the maker of and personally signed this document;
- (b) was authorized to and did execute this document Individually as the Members of Watsessing Development, LLC, the entity named in this document;
- (c) executed this document as the act of the entity named in this document.

NOTARY PUBLIC

MARIA VOGLINO  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires 11/9/2020

# Exhibit A



870 POMPTON AVENUE, SUITE B1  
CEDAR GROVE, NJ 07009

TEL: (973) 857-3319  
FAX: (973) 857-3608

www.PRONESTI.com

*Description of  
2 Bland Court  
Lot 23 in Block 126  
On Tax Maps of  
Township of Bloomfield, Essex County, New Jersey*


**BEGINNING** at a point in the present westerly line of Bland Court, formerly Myrtle Court, said point the flowing two courses from the corner formed by the intersection of the said westerly sideline of Bland Court and the northerly sideline of Myrtle Street:

- A) From said intersection, northerly along the present westerly sideline of Bland Court, North 34 degrees 29 minutes 00 seconds West, 102.74 feet to a point, thence
- B) South 68 degrees 47 minutes 00 seconds West, 5.14 feet to the POINT AND PLACE OF BEGINNING; thence running
  - 1) South 68 degrees 47 minutes 00 seconds West, 141.53 feet to a point, thence
  - 2) North 24 degrees 22 minutes 00 seconds West, 27.56 feet to a point, thence
  - 3) South 68 degrees 47 minutes 00 seconds West, 50.10 feet to a point, thence
  - 4) North 24 degrees 22 minutes 00 seconds West, 76.29 feet to a point, thence
  - 5) North 60 degrees 53 minutes 00 seconds East, 50.20 feet to a point, thence
  - 6) North 58 degrees 43 minutes 00 seconds East, 118.48 feet to a point on the aforesaid present westerly sideline of Bland Court, thence
  - 7) Southerly along the said westerly sideline of Bland Court, South 34 degrees 29 minutes 00 seconds East, 134.90 feet to the POINT AND PLACE OF BEGINNING.

The above described parcel contains 19,794 square feet or 0.454 acres of land.

*The above description excludes a 5 foot strip of land dedicated to the Township of Bloomfield, to become part of Bland Court.*

The above description is written in accordance with a survey prepared by *Pronesti Surveying, Inc.* dated April 18, 2017.

  
Michael Pronesti, P.L.S.  
New Jersey License No. 37605



# Exhibit B

# **BY LAWS**

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**BY-LAWS**  
**OF**  
**COURT MANOR OF BLOOMFIELD CONDOMINIUM ASSOCIATION, INC.**  
**A New Jersey Not for Profit Corporation**

2 Bland Court in the Township of Bloomfield, County of Essex,  
 State of New Jersey

**ARTICLE I**

**NAME, OFFICE, AND PURPOSE**

Section 1. Name and Principal Office. The Association is formed to serve as a means through which the owners of the Residential Condominium Units, defined herein as set forth in the Master Deed, (collectively referred to as the "Unit Owners") may take action with regard to the administration, management, maintenance, repair, and operation of the Condominium Property (hereinafter defined) known as COURT MANOR OF BLOOMFIELD CONDOMINIUM (the "Condominium"), situated in the Township of Bloomfield, Essex County, New Jersey, which has been created and established in accordance with the provisions of a Master Deed which has been recorded in the office of the Essex County Clerk, by Watsessing Development, LLC ("the Grantor"), to which these By-Laws are appended as an exhibit. The statutes relating to the Condominium in effect in the State of New Jersey pursuant to which the Condominium has been created and established and is to be governed are P.L. 1969, Ch. 257, R.S. 46:8B-1 et seq., as amended, of the laws of the State of New Jersey (the "Condominium Act"), and Court Manor of Bloomfield Condominium Association, Inc. ("the Association") is intended to be the entity responsible for the administration and management of the condominium as provided in the Condominium Act.

**ARTICLE II**

**PLAN OF CONDOMINIUM UNIT OWNERSHIP**

Section 1. Applicability of By-Laws. The provisions of these By-Laws are applicable to the Condominium and to the use and occupancy thereof. The term "Condominium Property" as used herein shall include the land, the building ("Building") and all other improvements thereon, including the Residential Condominium Units, the Common Elements, and Limited Common Elements as defined in the Master Deed, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all as set forth in the Master Deed.

Section 2. Application. All present and future Unit Owners, mortgagees, lessees and occupants of Residential Condominium Units and their employees, and any other persons who may use the facilities of the Residential Condominium Property in any manner are subject to these By-Laws, the rules and regulations of the Association and the Master Deed. The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a Unit, defined herein as set forth in the Master Deed, shall constitute an agreement that these By-Laws, the rules and regulations of the Association and the provisions of the Master Deed, as they may be amended from time to time, are accepted and ratified and will be complied with. Each purchaser of a Unit will, by virtue of his ownership, become a member of the Association. Title to a Unit may be taken in the name of an individual or in the names of two or more persons, as tenants in common, as joint tenants, or as tenants by the entirety, or in the name of a corporation or partnership, or in the name of a fiduciary.

## ARTICLE III

## MEETING OF UNIT OWNERS

Section 1. Place of Meeting. The Unit Owners of the Condominium shall hold meetings at the Building, or at such other place as may be fixed from time to time by the Board of Trustees of the Association (the "Board of Trustees") and designated in the notice of such meeting.

Section 2. Annual Meeting. The first annual meeting of the Unit Owners shall be held at 8:00 o'clock P.M. on the first Monday of the sixth month following the end of the fiscal year of the Association, but not prior to the time at which the Board of Trustees contains one (1) Trustee elected by Unit Owners other than Grantor pursuant to Article IV Section 1 (B) of these By-Laws. Thereafter, in each succeeding year, an annual meeting of the Unit Owners shall be held on the first Monday of said month or, in the event that date is a legal holiday, on the first day thereafter which is not a legal holiday. Subject to the provisions of Section 1 of Article IV, at each annual meeting the Unit Owners shall elect Trustees of the Association and may transact such other business as may properly come before the Board of Trustees.

Section 3. Special Meetings. Special meetings may be called by the President, Vice President, Secretary or a majority of the Board of Trustees, and must be called by such officers upon receipt of written request of fifty percent (50%) or more of the Unit Owners; provided, however, that in the discretion of the Board of Trustees, no more than one special meeting need be held in any one calendar month. Such written request shall state the purpose or purposes of the proposed meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice of such special meeting.

Section 4. Record Date. For the purpose of determining the Unit Owners entitled to the notice of any meeting of the Association, or any adjournment thereof, or for the purpose of any other action, the Board of Trustees shall fix, in advance, a date as the record date for such determination. Such date shall not be more than thirty (30) nor less than ten (10) days before the date of the meeting. If no record date is fixed, then the date shall be ten (10) days before the date of the meeting.

Section 5. Notice of Meeting. Notice of meeting to the Unit Owners shall be in writing and, except in the case of the annual meeting, shall indicate and state that it is being issued by or at the direction of the person or persons calling the meeting and the purpose therefore. Such notice shall be mailed or delivered not less than ten (10) nor more than sixty (60) days prior to the date of the meeting. Notice of all meetings at which disposition is to be made of assets or granting of rights of easements in the Condominium Property must also be given to the record holders of permitted mortgages on any Unit.

Section 6. Waiver of Notice. Notice of a meeting need not be given to any Unit Owner who signs a waiver of notice either in person or by proxy, whether before or after the meeting. The attendance of any Unit Owner at a meeting in person or by proxy, without protesting prior to the conclusion of the meeting the lack of proper notice to him of such meeting, shall constitute a waiver of notice of the meeting by him.

Section 7. Quorum. The presence in person or by proxy of Unit Owners holding at least fifty-one percent (51%) or more of the ownership interest in the Common Elements shall constitute a quorum at a meeting of the Unit Owners.

Section 8. Majority Vote. The vote of a two-thirds majority of the votes cast by Unit Owners at a meeting at which a quorum shall be present, shall be binding upon the Unit Owners for all purposes other than those under which the terms of the Master Deed or these By-Laws or the provisions of New Jersey law require a higher percentage.



Section 9. Voting. Except as otherwise required by law, or specifically required by the Master Deed, each Unit Owner shall vote pursuant to its percentage of ownership in accordance with the Master Deed. A fiduciary shall be entitled to vote with respect to any Unit owned in a fiduciary capacity. If there are co-owners of record of a Unit (whether by joint tenancy, tenancy in common, tenancy by the entireties, partnership, or otherwise), all of such co-owners may attend the meetings of the Association but their votes shall be exercised unanimously by having such co-owners designate in writing one person who alone shall be entitled to exercise the entire voting rights appurtenant to such Unit, which designation shall be recorded on the voting list and shall be controlling until canceled or superseded by a written notice to the Secretary of the Board of Trustees, signed by all such co-owners and received at least one (1) day prior to the meeting or meetings to which such notice relates. If at any time the co-owners of a Unit cannot unanimously agree how to cast their votes at a meeting, then and in that event the votes appurtenant to their Unit shall not be permitted to be cast at that meeting and, for the purpose of determining a quorum, that unit owned by such co-owner shall be deemed to be zero and shall not be entitled to cast any vote at that meeting. If the co-owners of a Unit shall not be permitted to cast the votes appurtenant to their Unit for the reason specified in the immediately preceding sentence, they shall be deemed to have consented to any action taken at such a meeting which requires the unanimous consent of all Unit Owners. Despite the foregoing, if co-owners of a Unit shall have failed to designate a person to cast their votes and if only one of such co-owners is present or represented by proxy, he, or the holder of such proxy, as the case may be, shall be accepted by the Association as the agent and attorney-in-fact for the other co-owners not present and shall be permitted to cast all of the votes appurtenant to such Unit if held in a fiduciary capacity, the fiduciary and not the beneficiary shall be entitled to exercise the voting rights appurtenant to such Unit. If a Unit is held by a corporation, its governing board shall designate a person to exercise its voting rights which such designation shall be recorded on the voting list and received by the Secretary of the Board of Trustees at least one day prior to the meeting to which such designation relates.

No vote shall be cast for the election of the Board of Trustees on behalf of a Unit which has been acquired by the Association in its own name or in the name of its agent, designee, or nominee on behalf of all of the Unit Owners so long as it continues to be so held. Votes may be cast by each Unit Owner in person or by his proxy. The designation of any such proxy shall be made in writing and filed with the Secretary of the Association before the appointed time of the meeting. A proxy shall be valid only for the particular meeting designated therein and may be revoked by the Unit Owner by appearance in person at the meeting upon filing with the Secretary at the time of the notice of revocation.

When a member of the Board of Trustees who has been elected by Unit Owners other than Grantor is removed or resigns, that vacancy shall be filled by a Unit Owner other than Grantor.

The "Guidelines for Elections in Common Interest Communities," issued by the New Jersey Department of Community Affairs and attached hereto as Exhibit A, shall govern all other election and voting procedures.

Section 10. Good Standing. A Unit Owner shall be deemed "in good standing" and shall therefore be entitled to vote as herein provided at any meeting of Unit Owners subject, however, to the limitations of Section 9 of this Article, if said Unit Owner shall have paid, in full, at least five (5) days prior to the date fixed for a particular meeting, all then due assessments, charges, and any interest, penalties, costs, fees and the like which have been levied against his Condominium Unit and/or himself. The Board of Trustees shall be the sole judge of whether a Unit Owner has paid all then due assessments, charges and interest, penalties, costs, fees, and the like which have been levied against his Unit and/or himself.

Section 11. Adjournment of Meeting. If any meeting of Unit Owners cannot be held because quorum has not attended, the meeting shall be adjourned to a time not less than 48 hours from the time scheduled for the original meeting.

Section 12. Order of Business. The order of business at the annual meeting of the Unit Owner shall be as follows:

- (a) Roll Call
- (b) Proof of Notice of Meeting
- (c) Reading of Minutes of Preceding Meeting
- (d) Reports of Officers (including the Treasurer's report on the Annual Financial Statement and current budget)
- (e) Report of Board of Trustees
- (f) Report of Committees (if any)
- (g) Appointment of Inspectors of Election
- (h) Election of Members of the Board of Trustees
- (i) Unfinished Business
- (j) New Business
- (k) Adjournment

With regard to new business as set forth in subparagraph (j) above, any matter constituting new business may only be added to the agenda by a Unit Owner for purposes of taking a vote thereon if a petition, signed by the Unit Owners requesting that such matter be added to the agenda of new business, is served upon the Secretary of the Association not less than fourteen (14) days nor more than sixty (60) days prior to the last day upon which notice of the meeting must be given pursuant to Section 5 hereof. The order of business at all other meetings of the Unit Owners shall conform to the above order of business insofar as the special purpose or purposes thereof will permit.

#### ARTICLE IV

##### BOARD OF TRUSTEES

Section 1. Number and Qualification. The affairs of the Association shall be governed by a Board of Trustees, consisting initially of not less than three (3) members, who shall be designated by the Grantor. Until such time as trustees are elected by Unit Owners, all trustees will be designated by the Grantor.

Within thirty (30) days after Unit Owners other than the Grantor are entitled to elect a member or members of the Board, the Association shall call a meeting of the Unit Owners to elect the new members of the Board. Notice of this meeting shall be made, not less than twenty (20) days, and not more than thirty (30) days, prior to the meeting.

The Board of Trustees will be turned over to the Unit Owners as follows:

A. Within sixty (60) days after conveyance by the Developer of twenty-five percent (25%) of the maximum number of units to be constructed at the Condominium, the Association will hold a special meeting of Unit Owners at which one (1) trustee theretofore designated by the Developer shall be replaced by a person elected by Unit Owners other than the Developer; and

B. Within sixty (60) days after conveyance by the Developer of seventy-five percent (75%) of the maximum number of units to be constructed at the Condominium, the Association will hold a special meeting at which time, the remaining two (2) trustees theretofore designated by the Developer will be replaced by persons elected by Unit Owners other than the Developer; provided, however, that so long as any Units in the Condominium remain unsold in the regular course of business, the Developer will have the right to designate one member of the trustees.

C. Within five (5) years from the date of the project offering registration, the Association will hold a special meeting, at which time the Developer will offer to yield control. However, a majority vote of Unit owners is required before control will be assumed. Should the Unit Owners vote not to accept control, the Developer will continue to control the Association until the seventy-five percent (75%) threshold is reached.

D. Notwithstanding the above, within sixty (60) days after conveyance of seventy-five percent (75%) of Units, the Developer's control of the Board shall terminate, at which time the owners shall elect the entire Board. However, at its discretion, the Developer maintains the right to retain one member of the Board, so long as there are any Units remaining unsold in the regular course of business.

Thereafter, the Board of Trustees shall consist of three (3) persons, (or such greater number as may be fixed by the Board of Trustees from time to time), each of whom (except in the case of Condominium Unit owned by the Grantor) shall be owners or spouses of owners of Units, or in the case of partnership owners shall be members of such partnership, or in the case of corporate owner shall be officers or stockholders of such corporation, or in the case of fiduciary owner shall be fiduciaries or officers of such fiduciaries provided that at all times a least one member of the Board of Trustees shall be a resident of the State of New Jersey.

Each owner of a Unit shall automatically, upon becoming an owner of a Unit, be a member of said Association until such time as his ownership ceases for any reason, at which time his membership in said Association shall automatically cease. Other than as an incident to a lawful transfer of title to a unit, membership in the Association shall be non-transferable and any attempt to transfer shall be null and void.

Prior to, or not more than sixty (60) days after, the time that Unit Owners other than the Grantor elect a majority of the members of the Board of Trustees, the Grantor shall relinquish control of the Association and the Unit Owners shall accept control. Simultaneously, the Grantor shall deliver to the Association all property of the Unit Owners and of the Association held or controlled by the Grantor including but not limited to, the items set forth in N.J.S.A. 46:8B-12.1. Which are as follows: Certified copy of the complete Master Deed and amendments, certified copy of Association Articles of Incorporation, copy of By-Laws, minutes, rules and regulations, officer resignation, association fund accounting, association funds, personal property of association, copy of plans and specifications, insurance policies, certificates of occupancy, any permits issued within one year, warranties, roster of Unit Owners, leases, employment, management contracts, and any other contracts to which to association is a party.

Section 2. Powers and Duties. The Board of Trustees shall have the powers and duties necessary for the administration and management of the affairs of the Association and may do all such acts and things, except those which by law or by Master Deed or by these By-Laws may not be delegated to the Board of Trustees, pursuant to the Condominium Act, the powers and duties of the Board of Trustees shall include, but shall not be limited to, the following:

- (a) Operation, care, upkeep, repair and replacement of the Common Elements of the Association, if any, together with the right to use all funds collected by the Association to effectuate the foregoing.
- (b) Determination of the Common Expenses required for the affairs and duties of the Association, including the establishment of reasonable reserves for future replacement of, and maintenance of, the Condominium Property.
- (c) The Board of Trustees shall, prior to the beginning of each fiscal year of the Association, prepare a budget which shall determine the amount of common charges payable by each Unit to meet the Common Expenses of the Association, including the aforesaid reserves, and to make up any deficit in the Common Expenses of any prior year. The Board of Trustees shall allocate and assess such charges among the Unit Owners in accordance with the applicable provisions of the Master Deed.
- (d) Unit Owners are permitted to attend and participate in the meeting held for the purpose of preparing the budget but said Unit Owners shall not be permitted to vote on matters pertaining thereto. Unit Owners shall be advised of the amount of Common Expenses payable by each of them and these charges shall be paid to the Association in twelve (12) equal monthly installments on the 1<sup>st</sup> day of each

month of the fiscal year, in advance, at the office of the Association. A statement of the aforesaid yearly charges along with a copy of the annual budget shall be mailed to each Unit Owner at the commencement of each fiscal year and no further billing by the Association shall be required.

- (c) The fiscal year of the Association shall be a calendar year.
- (f) Despite anything in these By-Laws or elsewhere to the contrary, the Board of Trustees shall not have the authority, except for the repair and/or replacement of any Common Element or such other emergency as determined by the Board of Trustees, to expend in excess of \$5,000.00, on any item of expense in any year which is not specified in, or if specified, over the amount indicated for such item in, the aforesaid budget for such year without the consent of the majority of the Unit Owners.
- (g) Employment and dismissal of personnel necessary for the maintenance and operation of the Condominium Property, including the Common Elements and other property which may be owned by the Association.
- (h) Adoption of rules and regulations covering the operation and use of the Condominium Property.
- (i) Opening of bank accounts on behalf of the Association and designation of the signatories required therefore.
- (j) Purchase or arrangement for such services, machinery, tools, supplies, and the like as in the opinion of the Board of Trustees may, from time to time, be necessary for the proper operation and maintenance of the Condominium Property and Common Elements and the facilities and general business of the Association. As of the date of these By-Laws, Grantor has entered into a Management Agreement Contract for a period of one (1) year with De-Camp Realty Company, Inc., a New Jersey Corporation, which is owned by the principals of Grantor. Pursuant to N.J.A.C. 5:26-8.5, said management contract shall not be renewed for a period in excess of one year. Grantor shall post an appropriate bond while maintaining a majority of the Board of Trustees pursuant to item (o) below and N.J.A.C. 5:26-8.7(d). The Board of Trustees may employ a manager for the Association at such compensation as it may deem appropriate, to perform such duties as the Board of Trustees may so designate and may lawfully delegate.
- (k) Employment of legal counsel, engineers, and accountants and fixing their compensations whenever such services may be deemed necessary by the Board of Trustees.
- (l) Maintenance of detailed books of accounts of receipts and expenditures of the Association. Such books of accounts shall be audited when requested by the Board of Trustees but not less than annually by a certified public accountant and a statement reflecting the financial condition and transactions of the Association shall be furnished to each Unit Owner on annual basis. The books of accounts and any supporting vouchers shall be made available for examination by a Unit Owner at convenient hours on working days that shall be established by the Board of Trustees and announced for general knowledge.
- (m) While the Grantor maintains a majority of the Board of Trustees, it shall have an annual audit of Association funds prepared by an independent accountant, a copy of which shall be delivered to each Unit Owner within ninety (90) days of the expiration of the fiscal year of the Association. The audit shall cover the operation budget and reserve accounts.
- (n) After the Grantor relinquishes a majority position on the Board of Trustees, the Association is responsible for the maintenance of adequate fidelity bonds for Association officers, agents, and employees handling Association funds and records, at such times and costs in such amounts as the Board of Trustees may

deem necessary. The premiums for such coverage shall be paid by the Association and shall constitute a Common Expense.

- (o) While the Grantor maintains a majority of representation on the Board of Trustees, he shall post a fidelity bond or other guarantee acceptable to the Agency, in an amount equal to the annual budget. For the second and succeeding years, the bond or other guarantee shall include accumulated reserves.
- (p) Payment of all taxes, assessments, utility charges and the like assessed against any property of the Association or assessed against any Common Elements exclusive of any taxes or assessments properly levied against any Unit Owners.
- (q) Purchase or lease or other acquisition in the name of the Association or its designee, corporate or otherwise, on behalf of all Unit Owners, offered for sale or lease or surrender by their Unit Owners to the Association or to the Board of Trustees, when so required in the discretion of the Board of Trustees. The Association shall not purchase a unit while the Grantor maintains control.
- (r) Purchase of Residential Condominium Units at foreclosure of other judicial sale in the name of the Association or its designee, corporate or otherwise, on behalf of all Unit Owners, when so required in the discretion of the Board of Trustees. The Association shall not purchase a Condominium Unit while the Grantor maintains control.
- (s) Adjustment or increase of the amount of any monthly installment payment of Common Expenses and levying and collecting from Unit Owners special assessments in such amounts and payable in such manner as the Board of Trustees may deem necessary to defray and meet increased operating costs, capital expenses, or to resolve emergency situations.
- (t) Make repairs, additions, and improvements to, or alteration of, the Condominium Property and repairs to, and restoration of, the Condominium Property in accordance with the other provisions of these By-Laws after damages or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings. When in the opinion of the Board of Trustees any of the Common Elements requires protection, renewal, maintenance, or repair or when enforcement of any of the Association's rules and regulations so require or when the abatement of any nuisance is required or in any emergency situation, the Board of Trustees will have the right to enter any Condominium Unit for such purposes. Such entry shall, however, be done with as little inconvenience to the Condominium Unit Owners thereof as is reasonably possible. By the acceptance of a deed conveying each Unit to the Unit Owner, each Unit Owner expressly and irrevocably grants and confirms the aforesaid rights of entry; with notice at reasonable hours except in case of emergency.
- (u) While the Grantor maintains a majority of the Board of Trustees, it shall make no additions, alterations, improvements, or purchases not contemplated in the Public Offering Statement which would necessitate a special assessment or a substantial increase in the monthly assessment unless required by a government agency, title insurance company, mortgage lender, or in the event of an emergency.
- (v) Purchasing insurance in such amounts and kinds as may be required by these By-Laws or the Master Deed or which the Board of Trustees considers in the best interest of the Association, including by way of example and not by way of limitation, Trustees Liability Insurance or similar types of coverage.
- (w) Leasing or granting licenses or concessions with respect to the Common Elements.
- (x) Issuing a Certificate ("Treasurer's Certificate") showing the amount of unpaid assessments pertaining to Units upon request therefore pursuant to N.J.S.A. 46:8B-21.



- (y) Assessing, levying, and collecting special assessments limited to one or more Units where authorized by the Master Deed, these By-Laws, or the Condominium Act.
- (z) Notwithstanding anything in these By-Laws, the Master Deed or elsewhere to the contrary, the Board of Trustees shall not have the authority, except for with the affirmative vote of at least 67% of all Unit Owners (whether or not present) at a meeting of Unit Owners duly held for the purpose of said vote, to institute litigation.
- (aa) Subject to the Master Deed, declaration of covenants and restrictions or other instruments of creation, the association may do all that is legally entitled to do under the laws applicable to its form of organization.

Section 3. Election and Term of Office. An annual meeting of the Unit Owners shall be held after the earlier of (a) the expiration of one (1) year from the date of recordation of the Master Deed or (b) the date on which title to all of the Units has been transferred by the Grantor to Unit Owners, or (c) at such earlier time as is designated by the Grantor. The Trustees shall serve a one year term, each term to expire the day following the annual meeting. The members of the Board of Trustees shall hold office until their respective successors shall have been elected by the Unit Owners. Trusteeships shall be filled by a majority vote of all Unit Owners attending the meeting and entitled to vote.

Section 4. Removal of Members of the Board of Trustees. At any annual or special meeting of the Unit Owners held after the earlier of (a) the expiration of one (1) year from the date of recordation of the Master Deed, or (b) the date on which title to all of the Units has been transferred by the Grantor to Unit Owners, or (c) at such earlier time as is designated by the Grantor, any one or more of the members of the Board of Trustees may be removed, with or without cause, by a two-thirds majority vote of the Unit Owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Trustees whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting called for such purpose.

Section 5. Vacancies. Vacancies on the Board of Trustees caused by any reason other than the removal of a member thereof by a vote of the Unit Owners shall be filled by a vote of a majority of the remaining Trustees at a special meeting of the Board of Trustees held for that purpose promptly after the occurrence of any such vacancy or at any regular meeting of the Board of Trustees. Each person so elected shall be a member of the Board of Trustees until a successor shall be elected at the next annual meeting of the Unit Owners and the term of the newly elected Trustee shall be for the balance of the term of the vacated trusteeship. When a member of the Board of Trustees who has been elected by Unit Owners other than Grantor is removed or resigns, that vacancy shall be filled by a Unit Owner other than Grantor.

Section 6. Organizational Meeting. The first meeting of the Board of Trustees elected at the first annual meeting of the Unit Owners held after the earlier of (a) the expiration of one (1) year from the date of recordation of the Master Deed, or (b) the date on which title to all of the Units has been transferred by the Grantor to Unit Owners, or (c) at such earlier time as is designated by the Condominium Act or Grantor, shall be held at such time and place as shall be fixed by the Unit Owners at such meeting. Thereafter, immediately following each annual meeting of Unit Owners, the newly elected Board of Trustees shall meet for the purpose of organization, election of officers, and the transaction of other business. Prior to the first organization meeting specified herein, the Board of Trustees shall have such meetings and at such times as is necessary to properly supervise the operation of the Condominium.

Section 7. Regular Meetings. Regular meetings of the Board of Trustees may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Trustees, but at least two such meetings shall be held during