A-440
VK

AMENDMENT TO TAX EXEMPTION AGREEMENT

This **AMENDMENT TO TAX EXEMPTION AGREEMENT** (this "**Agreement**") is made and entered into as of 9/29, 2021, (the "**Effective Date**") by and between the **City of Atlantic City**, a municipal corporation of the County of Atlantic and State of New Jersey (hereinafter the "**City**"), and Best of Life Partners, LLC ("BLP" or the "**Entity**"), with an address of 129 S. Virginia Avenue and otherwise known as Block 61, Lot 8, in the City of Atlantic City, and its successors and assigns (together with the City, the "**Parties**").

W I T N E S S E T H

WHEREAS, BLP is currently the owner of the 208-unit senior, age restricted, affordable residential building known as "Best of Life Apartments" located at 129 S. Virginia Avenue and otherwise known as Block 61, Lot 8 in the City of Atlantic City ("**Project**") in the City of Atlantic City ("**City**"); and

WHEREAS, the previous owner of the Best of Life Apartments, Best-of-Life Park, previously entered into a Long-Term Tax Exemption Agreement ("**LTTE Agreement**") (Attached hereto as **Exhibit A**) under N.J.S.A. 55:141-1 *et seq* (now repealed and governed under the savings clause contained in section 19 of P.L.1991, Chapter 431) dated December 8, 1965 and since assumed by BLP; and

WHEREAS, the tax abatement and PILOT statutes were completely reorganized and brought together by the State Legislature in 1992 and thereby organized within the "Long Term Tax Exemption Law" ("**LTTEL**") through and by L. 1991 c. 431, which public law was codified at N.J.S.A. 40A:20-1 *et. seq.*; and

WHEREAS, Section 19 of L.1991 c.431 (N.J.S.A. 40A:20-19) specifically repealed N.J.S.A 55:141-1 *et seq*; and

WHEREAS, Section 20 of L. 1991 c.431 (N.J.S.A. 40A:20-20) provides that "any entity which was a party to any tax exemption granted or extended by any law repealed by L. 1991. C.431 shall not be affected by the repeal" and "any tax exemption granted or extended by the repealed law [here, N.J.S.A 55:141-1 *et seq*] shall remain binding upon the entity and the municipality subject to modification by mutual written consent."; and

WHEREAS, the City has the further authority to approve the extension and amendment of the LTTE pursuant to PL 2019 c. 297, as codified in N.J.S.A. 40A:20-1 et seq., N.J.S.A. 55:14K-37; and

WHEREAS, pursuant to this evolution of the controlling statutory law, the City can "modify and extend" the LTTE Agreement; and

WHEREAS, BLP has undertaken extensive renovations to the Project since 2016 and continues to do so; and

WHEREAS, since November 1, 2016, one hundred eighteen (118) of the two hundred and eight (208) total apartments have been renovated and the balance of the units in the building will

be upgraded over the next 5 years, which may be extended due to circumstances outside the control of BLP such as restrictions due to the COVID-19 pandemic; and

WHEREAS, the apartments being renovated, at a minimum are painted with a mold, mildew and germ-resistant paint, removal of carpet, installation of laminate flooring, new electrical outlets, and refinished countertops. Further, each apartment is inspected and assessed for needed repairs and replacement; and

WHEREAS, the Revised LTTE Agreement will allow for financing for the Project and will also allow the Entity to invest significant funds in the Project to renovate and rehabilitate the Project's units, systems, and common areas; and

WHEREAS, no tenants will be displaced during any currently planned renovations and the rent obligations of qualifying tenants will continue to be determined by the applicable affordable housing program guidelines; and

WHEREAS, the City finds that the renovation of Project is consistent with the goals of the City to improve the quality of housing for its senior residents; and

WHEREAS, by Resolution No. 116 (Attached hereto as **Exhibit B**) adopted by the Municipal Council of the City on April 6, 2021, the City approved the terms of Revised LTTE Agreement and authorized the execution of Revised LTTE Agreement; and

WHEREAS, the Parties have agreed to enter into this Revised LTTE Agreement to amend the Annual Service Charge and the period of the exemption as set forth in the Tax Exemption Agreement so as to extend the term of the period of the exemption for so long as the Project remains subject to any of the affordability restrictions identified in PL 2019 c. 297, as codified in N.J.S.A. 40A:20-1 et seq., N.J.S.A. 55:14K-37; and

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants herein contained, and for other good and valuation consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the Parties hereby agree as follows:

1. That the period of exemption from real estate taxation as set forth in paragraph 5 of the LTTE Agreement is hereby amended and extended for so long as the Project remains subject to the affordability restrictions identified in PL 2019 c. 297, as codified in N.J.S.A. 40A:20-1 et seq., N.J.S.A. 55:14K-37.

2. That paragraph 4 of the LTTE Agreement shall be read and construed in harmony with the below amended paragraph 8 the LTTE Agreement.

3. That paragraphs 8 and 9 of the LTTE Agreement is hereby deleted and replaced with the following paragraph:

> "8. In consideration of the aforesaid exemption from taxation, the Entity shall make a payment, through quarterly installments, to the City of an Annual Service Charge ("**ASC**") for municipal services

supplied to the Project. The ASC shall be calculated as follows: BLP shall annually pay to the City, in lieu of taxes, fifteen percent (15%) of the Tenant portion of the gross rent, less utilities, and shall actually perform, to the City's reasonable review, inspection and approval, the work described in the Eight (8th), Ninth (9^{th}) and Tenth (10^{th}) Whereas Clauses above; if said work is not so performed then the extended LTTE shall be subject to cancellation by the City and the Project returned to a regular and conventionally assessed and taxed basis.

4. That the following new paragraph 9 of the LTTE Agreement is hereby added:

> "9. The Entity will perform, to the City's reasonable review, inspection and approval, (which approval, if not provided by the City, shall subject the Revised LTTE Agreement to cancellation by the City and the property returned to a regular and conventionally assessed and taxed basis) the scope of rehabilitation and repair work to the Project identified in the Eight (8th), Ninth (9th) and Tenth (10th) Whereas Clauses above."

5. That all other terms or provisions of the LTTE Agreement remain in full force and effect.

6. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

7. This Revised LTTE Agreement shall be effective upon its final execution by both the City and the Entity.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Amendment to Tax Exemption Agreement as of the day and year first above written by their duly authorized representatives.

Best of Life Partners, LLC

By: _____
Name: Michael Wieder
Title: Managing Partner

STATE OF NEW JERSEY)
)
COUNTY OF Essex)

The foregoing instrument was acknowledged before me this 31 day of August, 21, by Michael Wieder, a partner, by _____, its _____, on behalf of the company.

_____
Notary Public
Commission Expiration: 2/23/23

DAVID SALZMAN
Commission # 50077377
Notary Public, State of New Jersey
My Commission Expires
February 23, 2023

THE CITY OF ATLANTIC CITY

By: _____
Mayor

ATTEST:

_____
Paula Celeste
City Clerk

The Agreement approved as to form and execution

Date: 9/29/21

By: _____
Matthew D. Sykes
Assistant City Solicitor

EXHIBIT A

THIS AGREEMENT made this 9th day of DECEMBER, 1965, by and between the CITY OF ATLANTIC CITY, a municipal corporation of the State of New Jersey, hereinafter called the MUNICIPALITY, and BEST-OF-LIFE PARK, a corporation not for pecuniary profit organized under the laws of the State of New Jersey, hereinafter called the CORPORATION.

In consideration of the premises and of the mutual agreements and covenants herein contained, it is agreed between the parties hereto as follows:

1. This agreement shall be governed and controlled by the provisions of Chapter 92 of the Laws of 1965, N.J.S.A. 55:14J-1, et seq. known as the "Senior Citizens Non-Profit Rental Housing Tax Law" and the amendments and supplements thereto.

2. Pursuant to the aforesaid Statute and a resolution of the Board of Commissioners of the City of Atlantic City, it is agreed that Best-Of-Life Park, and specifically the building being constructed by the said Corporation on the east side of Virginia Avenue between the Boardwalk and Pacific Avenue, in the City of Atlantic City, shall be exempt from taxation on real property and that in lieu thereof, the said Best-Of-Life Park shall pay to the City of Atlantic City an annual charge of fifteen percent (15%) of the annual gross rents, and it is further agreed that the resolution heretofore adopted by the Board of Commissioners concerning Best-Of-Life Park shall be considered by the parties as having been adopted in full in this agreement.

3. The Corporation agrees that the Housing Project being constructed by it on South Virginia Avenue in the City of Atlantic City shall be used for the rental of housing units

therein to elderly families, as defined in N.J.S.A. 55:141-3.

4. That, in lieu of said Best-Of-Life Park paying real property taxes, said Corporation shall make payment to the Municipality of an annual charge of fifteen percent (15%) of the annual gross rents derived from such Housing Project. Said payment of fifteen percent (15%) of the annual gross rents derived from the Housing Project shall be paid to the Municipality by no later than January 15th after the end of the preceding calendar year.

5. The said exemption from taxation made pursuant to the provisions of this agreement and the Statute upon which the same is based shall be effective for the year 1966, and thereafter during the period not to exceed fifty (50) years from the date of this agreement, and shall only be effective during the usefulness of the Project, as jointly determined by the Corporation and the Municipality; and further said exemption from taxation shall continue in force only while the Project is owned by a non-profit corporation formed for the purpose of complying with N.J.S.A. 55:141-1 et seq. The said exemption shall commence on January 1, 1966, and the fifteen percent (15%) of the gross rents shall be payable no later than January 15th of the following year for each preceding year or part of a year's business.

6. That during the period that the Project is operated, pursuant to law, the Municipality without cost or charge to the Corporation other than payment of fifteen percent (15%) of the gross rents in lieu of taxes shall:

(a) Furnish or cause to be furnished to the Corporation and the tenants of the Project, public services and facilities of the same character and to the same extent as are furnished from time to time without cost or

charge to other dwellings and inhabitants of the Municipality.

7. If at any time the beneficial title to the Project now owned by Best-Of-Life Park is held by some other Corporation qualified as Best-Of-Life Park, the provisions hereof shall inure to the benefit of any such Corporation.

8. The term "annual gross rents" means and shall be construed to mean the total income derived by the Corporation from rental of apartments, amounts collected from any concessionaires, automatic machines, parking facilities and income of any other source whatsoever from which said total sum the Municipality is to receive fifteen percent (15%) thereof.

9. It is agreed between the parties hereto that on or before January 15th of each year, when the Corporation shall submit its check of fifteen percent (15%) of the preceding year or part of a year's gross rents, there shall be submitted to the Municipality, and specifically a copy to the City Clerk, a copy to the City Comptroller and a copy to the City Solicitor, a complete breakdown of the rents and other income received from the operation of the Project, which said complete statement of income from all sources shall be certified by a Certified Public Accountant of the State of New Jersey. In addition to said statement, it is herewith agreed between the parties that the Corporation shall submit within fifteen (15) days after written demand by the Municipality such other supplemental data including financial records as the governing body of the Municipality may demand.

IN WITNESS WHEREOF, the MUNICIPALITY and the CORPORATION have respectively signed this Agreement and caused their

seals to be affixed and attested as of the day and year first above written.

ATTEST:

By _____

CITY OF ATLANTIC CITY

By _____
MAYOR

ATTEST:

By _____
Secretary

BEST-OF-LIFE PARK

By _____
President

STATE OF NEW JERSEY)
ss.
COUNTY OF ATLANTIC)

BE IT REMEMBERED that on this 16 day of DECEMBER in the year of our Lord, One Thousand Nine Hundred and Sixty-five, before me, the subscriber, a Notary Public in and for the State of New Jersey, personally appeared Reuben R. Blane who being by me duly sworn on his oath says that he is the Secretary of BEST-OF-LIFE PARK, the CORPORATION within named and that . . . . Tyer is the President; that deponent knows the common or corporate seal of said CORPORATION and that the seal annexed to the within agreement is such common or corporate seal; that the said agreement was signed by the said President and the seal of said CORPORATION affixed thereto in the presence of deponent; that said agreement was signed, sealed and delivered as and for the voluntary act and deed of said CORPORATION for the uses and purposes therein expressed, pursuant to a resolution of the Board of Directors of said CORPORATION and that at the execution thereof, this deponent subscribed his name thereto as witness.

Sworn and subscribed to
the day and year aforesaid.

Reuben R. Blane
Secretary

Susan J. Newmarchen
Notary Public of New Jersey

SUSAN J. NEWMARCHEN
Notary Public of New Jersey
My Commission Expires April 30, 1970

EXHIBIT B

Resolution of the City of Atlantic City

No. 116

Approved as to Form and Legality on Basis of Facts Set Forth

Assistant City Solicitor /s/ Karl Timbers

Factual contents certified to by

Adetoro Aboderin, Chief Financial Officer

Prepared by City Solicitor's Office

Council Members KURTZ & SHABAZZ present the following Resolution:

RESOLUTION AUTHORIZING THE AMENDMENT AND EXTENSION OF THE AGREEMENT FOR PAYMENT IN LIEU OF TAXES FOR THE REAL PROPERTY LOCATED AT 129 S. VIRGINIA AVENUE (BLOCK 61, LOT 8)

WHEREAS, Best of Life Partners, LLC ("BLP") is a developer/owner of affordable housing and is the owner of the 208 unit senior, age restricted, affordable residential building known as "Best of Life Apartments" located at 129 S. Virginia Avenue and otherwise known as Block 61, Lot 8 in the City of Atlantic City ("City"); and

WHEREAS, the previous owner of the Best of Life Apartments, Best-of-Life Park, previously entered into an Agreement for a Long Term Tax Exemption ("LTTE") with the City; and

WHEREAS, BLP has undertaken extensive renovations to the property since 2016 and continues to do so; and

WHEREAS, since November 1, 2016, one hundred eighteen (118) of the two hundred and eight (208) total apartments have been renovated and the balance of the units in the building will be upgraded over the next 5 years, which may be extended due to circumstances outside the control of BLP such as restrictions due to the COVID-19 pandemic; and

WHEREAS, the apartments being renovated, at a minimum are painted with a mold, mildew and germ-resistant paint, removal of carpet, installation of laminate flooring, new electrical outlets, and refinished countertops. Further, each apartment is inspected and assessed for needed repairs and replacement; and

WHEREAS, the past and continuing renovations to the Best of Life Apartments is consistent with the goals of the City to improve the quality of housing for its residents; and

WHEREAS, no tenants will be displaced during any currently planned renovations; and

WHEREAS, the City has the authority, so long as the property remains subject to certain tenant and affordability controls, to approve the extension and amendment of the PILOT pursuant to PL 2019 c. 297, as codified in N.J.S.A. 40A:20-1 et seq., N.J.S.A. 55:14K-37 or other applicable statutes; and

WHEREAS, BLP has requested that the City authorize an amendment and extension to the LTTE pursuant to PL 2019 c. 297, as codified in N.J.S.A. 40A:20-1 et seq., N.J.S.A. 55:14K-37 or other applicable statutes, in order to maintain affordability for the residents; and

WHEREAS, BLP has requested that the City extend the LTTE for up to 30 years and amend the payment in lieu of taxation payments under the LTTE so that the annual service charge will be calculated utilizing 15% of tenant portion of the rent, less utilities.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City that:

Section 1. In accordance with the terms of PL 2019 c. 297, as codified in N.J.S.A. 40A:20-1 et seq., N.J.S.A. 55:14K-37 and/or other applicable statutes, the thirty (30) year extension of the LTTE is hereby authorized and approved by the City Council.

Section 2. The City's authorization and approval of the extension is expressly conditioned on Best of Life continuing to annually pay to the City, in lieu of taxes, fifteen percent (15%) of the Tenant portion of the gross rent, less utilities, and actually performing, to the City's reasonable review, inspection and approval, the work described in the Fifth (5th) Whereas Clause above; if said work is not so performed then the extended LTTE shall be subject to cancellation by the City and the Project returned to a regular and conventionally assessed and taxed basis.

Section 3. The City hereby authorizes and directs the City's Legal Counsel to insure that the Extended LTTE Agreement is fully consistent with the terms set forth in this Resolution and then to submit that Extended LTTE Agreement, as executed by Best of Life, to the City for the Mayor's signature.

Section 4. The Mayor is hereby authorized and directed to execute, acknowledge and deliver the Extended LTTE Agreement on behalf of the City.

Section 5. All other resolutions, or parts thereof, inconsistent herewith are hereby rescinded and repealed to the extent of any such inconsistency.

Section 6. This Resolution shall take effect immediately upon adoption.

City Council hereby authorizes and approves the extension of the LTTE.

April 6, 2021 4:34 PM

DO NOT USE SPACE BELOW THIS LINE

RECORD OF COUNCIL VOTE ON FINAL PASSAGE

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	MOT.	SEC.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	MOT.	SEC.
DELGADO	X						MORSHED	X					X
DUNSTON	X						RANDOLPH	X					
FAUNTLEROY	X						SHABAZZ	X				X	
KURTZ	X						ZIA	X					
							TIBBITT, PRESIDENT	X					

X-Indicates Vote NV-Not Voting AB-Absent MOT-Motion SEC-Second

This is a Certified True copy of the Original Resolution on file in the City Clerk's Office.

DATE OF ADOPTION: FEBRUARY 24, 2021 Paula Geletei

/s/ Paula Geletei, City Clerk