U.S. Department of Housing and Urban Development
Newark Field Office - Region II
One Newark Center, 13th Floor
Newark, NJ 07102-5260
Telephone: (973) 622-7900

January 21, 2015

Andrea E. Wyatt, Esq.
Gilmore & Monahan, P.A.
10 Allen Street, 4th Floor
P.O. Box 1540
Toms River, NJ 08754-1540

Dear Ms. Wyatt:

I am writing to you in support of National Church Residences' request to extend the term of the existing PILOT agreement for Willett Manor. National Church Residences of South River, NJ owns the 75 unit affordable housing property for the elderly and disabled located at 340 Whitehead Avenue, South River, NJ 08882, and is currently in the process of refinancing the property under HUD's 223(f) mortgage insurance program to generate capital for repairs. HUD is intimately familiar with the project as it was constructed with a direct HUD Section 202 note that still encumbers the property, and HUD also provides financial assistance to the project's tenants through a Section 8 Housing Assistance Payments (HAP) contract covering 74 of the 75 units. A concept meeting was held between the owner and HUD Newark Field Office staff on Tuesday, August 5th, 2014. HUD encouraged the owner to pursue the refinance, and the impact of the owner's PILOT agreement was discussed.

According to HUD underwriting guidelines as described in the MAP Guide section 7.16 the appraiser must not include extra value associated with a tax abatement unless the abatement runs for the full term of the mortgage. It was stated during the concept meeting that the existing PILOT agreement expires in 2040, which would limit the term of the 223(f) loan to approximately 25 years in order to realize the benefit of the existing PILOT for valuation. However, the maximum term under the 223(f) program is 35 years, and if the PILOT agreement is extended to allow for the 35 year term the loan could increase providing significantly more capital for repair work at the property.

HUD strongly supports National Church Residences' request to extend the PILOT agreement in order to increase the benefit to Willett Manor, its tenants, and preserve the property as affordable housing for the future. Please note that as a requirement of the refinance National Church Residences must renew the Willett Manor HAP contract for an initial period of 20 years, and also execute a Preservation Agreement committing the property to an extension of the HAP contract upon its expiration. In total the property's commitment to operating as affordable housing under the Section 8 HAP contract will extend through January 27th, 2052, approximately 37 years from now. HUD encourages all of its affordable housing ownership and management partners to pursue tax abatements and partnerships with local municipalities to further HUD's mission to create strong, sustainable, inclusive communities and quality affordable homes. The extension of the Willett Manor PILOT Agreement is an opportunity for the City Council of South River, NJ to show its support for providing quality affordable housing, and I encourage you to do so.

Thank you for your consideration,

Sincerely,

Dean J. Santa
Director
Newark Multifamily Program Center

National Church Residences
EXCELLENCE THAT TRANSFORMS LIVES

January 23, 2015

Borough of South River
Fred Carr
48 Washington Street
South River, NJ 08882-1247

RE: National Church Residences of South River, NJ
Clarification of Items

Dear Members of the Council,

This letter is to clarify details surrounding the request of a PILOT extension for National Church Residences of South River, NJ.

The Borough of South River is home to two National Church Residences housing communities. Although they share National Church Residences as a parent corporation, these two facilities are owned by two different entities.

Willet Manor facility is owned by National Church Residences of South River, NJ
Incorporated on Oct 26, 1984
Federal Id Number 31-1248895, Fiscal Year End August
Located on Tax Block 356, Lot 1
Finance with HUD 202 Direct Loan
Rental Assistance Type - Section 8 Housing Assistance Program (HAP)

South River Landing facility is owned by National Church Residences of South River II, Inc
Incorporated on August 13, 2001
Federal Id Number 31-1797407 Fiscal Year End October
Located on Tax Block 356, Lot 1.04
Financed with HUD 202 Capital Advance
Rental Assistance Type – Project Rental Assistance Contract (PRAC)

The sites appear to share the same parcel but as noted above they are each located on their own parcel and each facility has their own separate Tax Abatement Agreement with the Borough. Each facility maintains different accounting and corporate records. Tax returns are required on each entity, where both entities have their own income and expenses. The sites may share the same management staff, but each facility is required to pay their share of the cost of the staff. Income is not shared between the facilities. Each facility has to maintain separate records and fund reserve accounts with any surplus cash according to HUD. All proceeds from the refinance of Willett Manor will be spent to benefit Willett Manor.

2335 North Bank Drive Columbus, Ohio 43220 Phone: 800.388.2151 Fax: 614.451.0257 www.nationalchurchresidences.org

Willet Manor was built in 1992 and South River Landing was built in 2005. When each facility was built the Department of Housing and Urban Development (HUD) was required to approve all plans and buildings were constructed according to local building codes. HUD approved the plans and controlled the spending on improvements for each facility, as they financed the buildings.

Concerns have been expressed over the functions provided by the current generator at Willett Manor in the event of an emergency. Currently the generator provides emergency lighting to aid residents in moving from their apartment to the community area, and the generator met code requirements at the time of installation. Due to the concerns expressed by your council, we are researching the possibility of extending the functions to include providing heat in the common areas of the building. We will be making this a priority to be considered by HUD as a refinance project.

I would further like to emphasize that National Church Residences is very committed to the residents of our communities. In any case, where residents are displaced or experience a problem with services, we are quick to respond. An example is a recent public water contamination that occurred in Ohio. Thousands of people in the area were unable to shower or drink the water for several days. Within hours of learning of the situation, our service coordination department, along with the management staff had truck-loads of water bottles delivered directly in the hands of each individual resident. Our focus is on the residents' and their immediate needs.

Our request to the Borough of South River is strictly for the extension of the Tax Abatement Agreement ("Abatement") between Willet Manor (National Church Residences of South River, Inc) and the Borough of South River. The current Abatement is a 50 year term that is set to expire in January 2042, leaving 27 years remaining. We are attempting to refinance the loan for a 35 year term to gain the most benefit. To do this we would need to have a **maximum extension of 10 years** added to the current Abatement, so the new term would allow the Abatement to stay in place until January 2052.

Due to HUD's guidelines in approving the terms of the loan, if the benefit of the Abatement does not continue for the full loan term, then the underwriters treat it as if there is no Abatement in Place. The effect on our financing would be...

Current Abatement – Loan Term is limited to 25.75 year
Allows for Estimated Repairs of $432,700

Extended Abatement – Loan Term expands to 35 years
Allows for Estimate Repairs of $1,167,200

The refinancing does not affect the tenant's rent, it generates savings that can be spent on capital improvements. The capital improvements will extend the life of the structure and allow for replacement of items that are nearing the end of their useful life. The residents will benefit from the modernization of the property. As you can see above, the amount of capital improvements increases greatly when an additional 10 years is added to the existing Abatement.

Included as attachments to this letter you will find a petition from the residents of Willett Manor and also a letter from HUD that further supports our initiative to seek the extension.

We respectfully request you give every possible consideration when evaluating our request for a 10-year extension of our Abatement.

Thank you very much for your consideration and please do not hesitate to contact me if you have any further questions.

Sincerely,

Dorothy Patsy
Director of Special Projects
2225 North Bank Drive,
Columbus, Ohio 43225

TO THE BOROUGH OF SOUTH RIVER:

We, the undersigned residents of Willett Manor, are asking you to please consider extending the PILOT so there will be funds available for repairs and capital projects. We need new windows, and if the refinance goes through the windows will be replaced; if the PILOT is not extended, there will not be enough funds to pay for the window replacement nor other updates planned for our building.

1. Deborah Russell 226
2. Theresa Miller
3. Sophie Ciulla
4. Sharon Hartnett
5. George Russell
6. [illegible]
7. Rafaela Russo
8. Kay Miller
9. Peter Rigo
10. Salwa
11. Malak Shoda
12. [illegible]
13. Samira Toma
14. Emad Shabri
15. Hanna Girgis
16. Vicki St. Ambrogio
17. Hector Lugo APT 102
18. [illegible] APT-101
19. Deborah Anglay
20. Helen [illegible]
21. [illegible]
22. [illegible]

We, the undersigned residents of Willett Manor, are asking you to please consider extending the PILOT so there will be funds available for repairs and capital projects. We need new windows, and if the refinance goes through the windows will be replaced; if the PILOT is not extended, there will not be enough funds to pay for the window replacement nor other updates planned for our building.

23. Margaret Vandenhoff
24. [illegible]
25. Sandy Annechiarino
26. Moneer IS Kandar 301
27. Richard Jones 302
28. Sarah Gallimore 304
29. Josephine Bielicki 308
30. Dan Esposito 310
31. Gwenn A Duncan 311
32. Audrey Zucan 315
33. Buck D. Taylor 317
34. Kathleen A McGreevy 326
35. Munir Kharal 321
36. Chet Zyglowski 319
37. Michael Levin #323
38. Rosemari Monteiro 213
39. Lois Lorok

We, the undersigned residents of Willett Manor, are asking you to please consider extending the PILOT so there will be funds available for repairs and capital projects. We need new windows, and if the refinance goes through the windows will be replaced; if the PILOT is not extended, there will not be enough funds to pay for the window replacement nor other updates planned for our building.

40. Irina Surzhik (IRINA SURZHK)
41. P. Ann Terenin 116
42. Dorothy Christensen 117
43. [illegible] 225
44. WILLIAM COURREE
45. [illegible] 220 [illegible]
46. [illegible] 220
47. [illegible]
48. [illegible]
49. Deborah Gerhard
50. Thelma Trapp
51. [illegible]
52. [illegible] 208
53. Polina Frumin
54. Shuk Fun Li
55. [illegible]
56. Amal Wahba 327

We, the undersigned residents of Willett Manor, are asking you to please consider extending the PILOT so there will be funds available for repairs and capital projects. We need new windows, and if the refinance goes through the windows will be replaced, if the PILOT is not extended, there will not be enough funds to pay for the window replacement nor other updates planned for our building.

57. FAWZIA 218
58. RAHIL 325
59. Lillian Wagenhoffer 227
60. Tonya Belogorodtseva 307
61. Lillian Kuntne 324
62. B. Marmuzak 121
63. Ann Jaroszki #306
64. Eleanor Vesyoly #118
65. Dolores [illegible] #114
66. Dorothy Balyk 104
67. Eleanor J Blunt #120
68. [illegible]
69. Gregory J Metzger
70. Lai Jin Yang #211
71. Ruth Fulham #116
72. Ruth Avila #106
73. Janice Moscato #203

Attachment 11-2

RECEIVED
MAR 2 6 2012
BY: NCR-tb

U.S. Department of Housing and Urban Development

Office of Housing

Project-based Section 8

HOUSING ASSISTANCE PAYMENTS

BASIC RENEWAL CONTRACT

MULTI-YEAR TERM

PREPARATION OF CONTRACT

Reference numbers in this form refer to notes at the end of the contract text. These endnotes are instructions for preparation of the Basic Renewal Contract. The instructions are not part of the Renewal Contract

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U.S. Department of Housing and Urban Development
Office of Housing

Project-based Section 8

HOUSING ASSISTANCE PAYMENTS

BASIC RENEWAL CONTRACT[1]

MULTI-YEAR TERM

1 CONTRACT INFORMATION[2]

PROJECT

Section 8 Project Number: NJ39T871007

Section 8 Project Number of Expiring Contract: NJ39T871007

FHA Project Number (if applicable): 031-EH227

Project Name: Willett Manor

Project Description:[3]

High-Rise/ Elevator bldg. at: 340 Whitehead Ave., South River, NJ 08882-2573

TYPE OF RENEWAL

☐ Check this box for a project renewed under Section 524(a) of MAHRA (not including a Mark-Up-To-Market renewal).

☒ Check this box for a project renewed at exception rents under Section 524(b)(1) of MAHRA.

PARTIES TO RENEWAL CONTRACT

Name of Contract Administrator[4]

New Jersey Housing & Mortgage Finance Agency

Address of Contract Administrator

637 So. Clinton Avenue
P.O. Box 18550
Trenton, NJ 08650-2085

Name of Owner[5]

National Church Residences of South River, NJ

Address of Owner

2335 No. Bank Drive
Columbus, OH 43220

2 TERM AND FUNDING OF RENEWAL CONTRACT

a The Renewal Contract begins on January 28, 2012[6] and shall run for a period of 20 (twenty)[7] years.

b Execution of the Renewal Contract by the Contract Administrator is an obligation by HUD of $ 626,688.00,[8] an amount sufficient to provide housing assistance payments for approximately 12(twelve)[9] months of the first annual increment of the Renewal Contract term.

c HUD will provide additional funding for the remainder of the first annual increment and for subsequent annual increments, including for any remainder of such subsequent annual increments, subject to the availability of sufficient appropriations. When such appropriations are available, HUD will obligate additional funding and provide the Owner written notification of (i) the amount of such additional funding, and (ii) the approximate period of time within the Renewal Contract term to which it will be applied.

3 DEFINITIONS

ACC. Annual contributions contract.

Anniversary. The annual recurrence of the date of the first day of the term of the Renewal Contract.

Contract rent. The total monthly rent to owner for a contract unit, including the tenant rent (the portion of rent to owner paid by the assisted family).

Contract units. The units in the Project which are identified in Exhibit A by size and applicable contract rents.

Fifth year anniversary. The Renewal Contract annual anniversary that falls at expiration of each 5-year period of the Renewal Contract term.

Fifth year comparability adjustment. An adjustment of contract rents by the contract administrator at the Fifth Year Anniversary. The contract rent for each unit size is set at comparable rent as shown by comparability analysis.

HAP contract. A housing assistance payments contract between the Contract Administrator and the Owner.

HUD. The United States Department of Housing and Urban Development.

HUD requirements. HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract.

MAHRA. The Multifamily Assisted Housing Reform and Affordability Act of 1997 (Title V of Public Law No.105-65, October 27, 1997, 111 Stat. 1384), as amended.

Mid-term comparability adjustment. An adjustment of contract rents by the contract administrator within each 5-year period of the Renewal Contract term (in addition to the comparability analysis and adjustment at

the Fifth Year Anniversary). The contract rent for each unit size is set at comparable rent as shown by comparability analysis.

OCAF. An operating cost adjustment factor established by HUD.

PHA. Public housing agency (as defined and qualified in accordance with the United States Housing Act of 1937. 42 U.S.C. 1437 et seq.).

Project. The housing described in section 1 of the Renewal Contract.

Renewal Contract. This contract, including applicable provisions of the Expiring Contract (as determined in accordance with section 5 of the Renewal Contract).

Section 8. Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

4 RENEWAL CONTRACT

a Parties

(1) The Renewal Contract is a housing assistance payments contract ("HAP Contract") between the Contract Administrator and the Owner of the Project (see section 1).

(2) If HUD is the Contract Administrator, HUD may assign the Renewal Contract to a public housing agency ("PHA") for the purpose of PHA administration of the Renewal Contract, as Contract Administrator, in accordance with the Renewal Contract (during the term of the annual contributions contract ("ACC") between HUD and the PHA). Notwithstanding such assignment, HUD shall remain a party to the provisions of the Renewal Contract that specify HUD's role pursuant to the Renewal Contract, including such provisions of section 9 (HUD requirements), section 10 (statutory changes during term) and section 11 (PHA default), of the Renewal Contract.

b Statutory authority

The Renewal Contract is entered pursuant to section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), and section 524 of MAHRA.

c Expiring Contract

Previously, the Contract Administrator and the Owner had entered into a HAP Contract ("expiring contract") to make Section 8 housing

assistance payments to the Owner for eligible families living in the Project. The term of the expiring contract will expire prior to the beginning of the term of the Renewal Contract.

d Purpose of Renewal Contract

(1) The purpose of the Renewal Contract is to renew the expiring contract for an additional term. During the term of the Renewal Contract, the Contract Administrator shall make housing assistance payments to the Owner in accordance with the provisions of the Renewal Contract.

(2) Housing assistance payments shall only be paid to the Owner for contract units occupied by eligible families leasing decent, safe and sanitary units from the Owner in accordance with statutory requirements, and with all HUD regulations and other requirements. If the Contract Administrator determines that the Owner has failed to maintain one or more contract units in decent, safe and sanitary condition, and has abated housing assistance payments to the Owner for such units, the Contract Administrator may use amounts otherwise payable to the Owner pursuant to the Renewal Contract for the purpose of relocating or rehousing assisted residents in other housing.

e Contract units

The Renewal Contract applies to the Contract units.

5 EXPIRING CONTRACT – PROVISIONS RENEWED

a Except as specifically modified by the Renewal Contract, all provisions of the Expiring Contract are renewed (to the extent such provisions are consistent with statutory requirements in effect at the beginning of the Renewal Contract term).

b All provisions of the Expiring Contract concerning any of the following subjects are not renewed, and shall not be applicable during the renewal term:

(1) Identification of contract units by size and applicable contract rents;

(2) The amount of the monthly contract rents;

(3) Contract rent adjustments; and

(4) Project account (sometimes called "HAP reserve" or "project reserve") as previously established and maintained by HUD pursuant to former Section 8(c)(6) of the United States Housing Act of 1937 (currently Section 8(c)(5) of the Act, 42 U.S.C. 1437f(c)(5)). Section 8(c)(5) does not apply to the Renewal Contract, or to payment of housing assistance payments during the Renewal Contract term.

c The Renewal Contract includes those provisions of the Expiring Contract that are renewed in accordance with this section 5.

6 CONTRACT RENT

a Initial contract rents

At the beginning of the Renewal Contract term, and until contract rents for units in the Project are adjusted in accordance with section 6b, the contract rent for each bedroom size (number of bedrooms) shall be the initial contract rent amount listed in Exhibit A of the Renewal Contract.

b Contract rent adjustments

(1) OCAF or Budget-Based Rent Adjustments

(a) Except as provided in section 6b(2) below (concerning comparability adjustments at each Fifth Year Anniversary and discretionary comparability adjustments within each five-year term), during the term of the Renewal Contract the Contract Administrator shall annually, on the anniversary of the Renewal Contract, adjust the amounts of the monthly contract rents in accordance with HUD requirements by either of the following methods (as determined by the Contract Administrator in accordance with HUD requirements):

(i) Using an OCAF; or

(ii) At the request of the owner, based on the budget for the Project, as approved by the Contract Administrator in accordance with HUD requirements.

(b) Adjustments by use of the OCAF shall not result in a negative adjustment (decrease) of the contract rents. The OCAF shall not be used for adjustment of rent at each Fifth Year Anniversary (as determined in accordance with section 6b(2)(b) below).

(2) Comparability adjustments

(a) **Applicability.** This section 6b(2) is applicable only if the contract has been renewed pursuant to Section 524(a) of MAHRA. This section 6b(2) does not apply to a project renewed at exception rents under Section 524(b)(1) of MAHRA (See section 1 of the Renewal Contract).

(b) **Fifth year adjustment (comparability adjustment at expiration of each 5-year period, *if applicable*).**

(i) This section 6b(2)(b) is only applicable if the term of the Renewal Contract is longer than five (5) years (from the first day of the term specified in section 2a).

(ii) At the expiration of each 5-year period of the Renewal Contract term ("Fifth Year Anniversary"), the Contract Administrator shall conduct a comparability analysis of existing contract rents. At such Fifth Year Anniversary of the Renewal Contract, the Contract Administrator shall make any adjustments in the monthly contract rents, as reasonably determined by the Contract Administrator in accordance with HUD requirements, necessary to set the contract rent for each unit size at comparable market rent. Such adjustment may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.

(iii) To assist in the redetermination of contract rents at each Fifth Year Anniversary, the Contract Administrator may require that the Owner submit to the Contract Administrator a rent comparability study prepared (at the Owner's expense) in accordance with HUD requirements.

(c) Mid-term adjustment (discretionary comparability adjustment within 5-year term)

In addition to the comparability analysis and adjustment of contract rents at the Fifth Year Anniversary, HUD may, at HUD's discretion, require or permit the Contract Administrator to conduct a comparability analysis and adjustment of contract rents ("mid-term adjustment"), one more time within each 5-year period of the Renewal Contract term

(d) Adjusting contract rent

At the time of a fifth year or mid-term comparability adjustment, the Contract Administrator shall make any adjustments in the monthly contract rents, as reasonably determined by the Contract Administrator in accordance with HUD requirements, necessary to set the contract rent for each unit size at comparable rent. Such adjustment may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.

(3) Procedure for rent adjustments during renewal term

(a) To adjust contract rents during the term of the Renewal Contract (including an OCAF or budget-based adjustment in accordance with section 6b(1), or a fifth year or midterm adjustment in accordance with section 6b(2)), the Contract Administrator shall give the Owner notice with a revised Exhibit A that specifies the adjusted contract rent amounts.

(b) The revised Exhibit A shall specify the adjusted contract rent amount for each bedroom size as determined by the Contract Administrator in accordance with this section. The adjustment notice by the Contract Administrator to the Owner shall specify when the adjustment of contract rent is effective.

(c) Notice of rent adjustment by the Contract Administrator to the Owner shall automatically constitute an amendment of the Renewal Contract.

(4) No other adjustments

Except for contract rent adjustments in accordance with this section, there shall not be any other adjustments of the contract rents during the term of the Renewal Contract. Special adjustments shall not be granted.

7 OWNER WARRANTIES

a The Owner warrants that it has the legal right to execute the Renewal Contract and to lease dwelling units covered by the contract.

b The Owner warrants that the rental units to be leased by the Owner under the Renewal Contract are in decent, safe and sanitary condition (as defined and determined in accordance with HUD regulations and procedures), and shall be maintained in such condition during the term of the Renewal Contract.

8 OWNER TERMINATION NOTICE

a Before termination of the Renewal Contract, the Owner shall provide written notice to the Contract Administrator and each assisted family in accordance with HUD requirements.

b If the Owner fails to provide such notice in accordance with the law and HUD requirements, the Owner may not increase the tenant rent payment for any assisted family until such time as the Owner has provided such notice for the required period.

9 HUD REQUIREMENTS

The Renewal Contract shall be construed and administered in accordance with all statutory requirements, and with all HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract. However, any changes in HUD requirements that are inconsistent with the provisions of the Renewal Contract, including the provisions of section 6 (contract rent), shall not be applicable.

10 STATUTORY CHANGES DURING TERM

If any statutory change during the term of the Renewal Contract is inconsistent with section 6 of the Renewal Contract, and if HUD determines, and so notifies the Contract Administrator and the Owner, that the Contract Administrator is unable to carry out the provisions of

section 6 because of such statutory change, then the Contract Administrator or the Owner may terminate the Renewal Contract upon notice to the other party.

11 PHA DEFAULT

a This section 11 of the Renewal Contract applies if the Contract Administrator is a PHA acting as Contract Administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD. This includes a case where HUD has assigned the Renewal Contract to a PHA Contract Administrator, for the purpose of PHA administration of the Renewal Contract.

b If HUD determines that the PHA has committed a material and substantial breach of the PHA's obligation, as Contract Administrator, to make housing assistance payments to the Owner in accordance with the provisions of the Renewal Contract, and that the Owner is not in default of its obligations under the Renewal Contract, HUD shall take any action HUD determines necessary for the continuation of housing assistance payments to the Owner in accordance with the Renewal Contract.

12 EXCLUSION OF THIRD-PARTY RIGHTS

a The Contract Administrator does not assume any responsibility for injury to, or any liability to, any person injured as a result of the Owner's action or failure to act in connection with the Contract Administrator's implementation of the Renewal Contract, or as a result of any other action or failure to act by the Owner.

b The Owner is not the agent of the Contract Administrator or HUD, and the Renewal Contract does not create or affect any relationship between the Contract Administrator or HUD and any lender to the Owner or any suppliers, employees, contractors or subcontractors used by the Owner in connection with implementation of the Renewal Contract.

c If the Contract Administrator is a PHA acting as Contract Administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD, the Contract Administrator is not the agent of HUD, and the Renewal Contract does not create any relationship between HUD and any suppliers, employees, contractors or subcontractors used by the Contract Administrator to carry out functions or responsibilities in connection with contract administration under the ACC.

13 WRITTEN NOTICES

a Any notice by the Contract Administrator or the Owner to the other party pursuant to the Renewal Contract shall be given in writing.

b A party shall give notice at the other party's address specified in section 1 of the Renewal Contract, or at such other address as the other party has designated by a contract notice. A party gives a notice to the other party by taking steps reasonably required to deliver the notice in ordinary course of business. A party receives notice when the notice is duly delivered at the party's designated address.

SIGNATURES

Contract administrator (HUD or NJHMFA)

Name of Contract Administrator (Print)

New Jersey Housing & Mortgage Finance Agency

By: _____
Signature of authorized representative

Francis A. Thomas, Director of Contract Administration
Name and official title (Print)

Date 3/7/2012

U.S. Department of Housing and Urban Development

By: _____
Signature of authorized representative

Walter Kreher, Director, Newark Multifamily Program Center
Name and official title (Print)

Date 3-16-12

RECEIVED

Owner

CONTRACT ADMINISTRATION

Name of Owner (Print)

National Church Residences of South River, N. J

By _____
Signature of authorized representative

Mark R. Ricketts, President
Name and title (Print)

Date 03-05-2012

RECEIVED
MAR 26 2012
BY: NCR-tb

Willett Manor
NJ39T871007
031-EH227
Effective Date 01/28/2012
Expiration Date 01/31/2032

EXHIBIT A

IDENTIFICATION OF UNITS ("CONTRACT UNITS") BY SIZE AND APPLICABLE CONTRACT RENTS

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent
18	0	$ 858.00	$ 47.00	$ 905.00
56	1	$ 953.00	$ 55.00	$1,008.00

NOTE: This Exhibit will be amended by Contract Administrator notice to the Owner to specify adjusted contract rent amounts as determined by the Contract Administrator in accordance with section 6b of the Renewal Contract.

RECEIVED
MAR 26 2012
BY: N.C.R.:tb

EXHIBIT B

DISTRIBUTIONS LIMITATION

FOR PROJECT NOT SUBJECT TO DISTRIBUTIONS LIMITATION:

If the project is not subject to any limitation on distributions of project funds, either pursuant to an FHA Regulatory Agreement or pursuant to the Expiring Contract, neither HUD nor the PHA may impose any additional limitation on distributions of project funds during the term of the Renewal Contract.

FOR PROJECT SUBJECT TO DISTRIBUTIONS LIMITATION:

If the project is subject to any limitation on distributions of project funds pursuant to an FHA Regulatory Agreement or pursuant to the Expiring Contract, such limitation on distributions shall continue to be applicable during the term of the Renewal Contract, provided that the owner may take an increased distribution in accordance with the Section 8 Renewal Policy Guidance for Renewal of Project-Based Section 8 Contracts, (the "Guidebook").

However, owners of Section 8 properties must maintain the property in good condition, as demonstrated by a REAC score of 60 or higher, in order to take increased distributions.

The owner shall comply with the distribution limitations. The maximum distribution to the owner shall be equal to the total of:

1. The limited distribution permitted pursuant to the FHA Regulatory agreement or the Expiring Contract, **plus**
2. Any increased distribution as approved by HUD in accordance with the Guidebook.

HMFA

RECEIVED
MAR 26 2012
BY: NCR-tb.

Richard E. Constable III
Acting Chairman

Anthony L. Marchetta
Executive Director

March 21, 2012

National Church Residences
2335 North Bank Drive
Columbus, OH 43220
Attn: Dr. Bruce E. Hogan, Regional Director - NCR

Re: Willett Manor
Section 8 Contract No. NJ39T871007
Executed HAP Contract & Rent Schedule

Dear Dr. Hogan,

Please find enclosed a signed, executed copy of the Housing Assistance Payment Contract (HAP) renewal for Willett Manor. This renewal has an overall expiration date of January 31, 2032. The contract must be funded annually, therefore you must submit the appropriate rental adjustment worksheets from revised Attachment 3A-1 HUD's Section 8 Renewal Policy Guide no less than 120 days prior to the anniversary date of the contract each year.

Additionally included, is your signed, executed copy of the HUD-92458 Rent Schedule reflecting the newly revised rents that are effective February 1, 2012.

Should you have any questions, please contact Gregory Collins, Contract Administrator at (609) 278-8808 or e-mail gcollins@njhmfa.state.nj.us.

Sincerely,

Francis A. Thomas
Director of Contract Administration

Enclosure

cc: Ms. Deborah Zimpfer, National Church Residences
Ms. Theresa Arce, Sr. Project Manager, HUD Newark Field Office
Mr. Rick Griffiths, Contract Administrator, NJHMFA
Ms. Toni Stewart, TRACS Coordinator, NJHMFA
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