

DATE \_\_\_\_\_

NUMBER 9-2023

**TITLE:**

**AN ORDINANCE CONSENTING TO (1) THE PURCHASE OF THE SENIOR HOUSING PROJECT LOCATED AT 98 HIGH STREET BY JERUSALEM TOWERS URBAN RENEWAL LLC, (2) THE TRANSFER AND ASSIGNMENT OF THE PROJECT'S TAX EXEMPTION FROM THE CURRENT OWNER TO THE PURCHASER, (3) AN EXTENSION OF THE TAX EXEMPTION, AND (4) AN AMENDMENT TO THE TAX EXEMPTION RELATING TO THE ANNUAL PILOT.**

**THE CITY COUNCIL OF THE CITY OF ORANGE TOWNSHIP DOES ORDAIN:**

**WHEREAS**, pursuant to N.J.S.A. 55:16-1 et seq., Section 30 of the NJHMFA Law, and Resolution of the Governing Body dated December 18, 1979, the City approved a Tax Exemption and the execution of a Financial Agreement with High Street Associates, LP [the Original Entity], pursuant to the Limited-Dividend Nonprofit Housing Corporations or Associations Law [the "Limited Dividend Housing Law"], as amended and supplemented, N.J.S.A. 55:16-1 et seq., for the construction of a senior housing project consisting of 113 residential units, and more particularly described as Block 2101, Lot 13 on the official Tax Map of the City of Orange Township [Project]; and

**WHEREAS**, the City and the Original Entity, entered into a Financial Agreement dated January 2, 1980 [Financial Agreement]; and

**WHEREAS**, pursuant to an Agreement of Sale dated June 29, 2022, the Original Entity agreed to sell the Project and assign the Financial Agreement to Jerusalem Towers Urban Renewal LLC [New Entity]; and

**WHEREAS**, by application dated October 21, 2022, the New Entity formally requested that the City give its consent and approval for the purchase of the Project, and the assignment of the Financial Agreement to the New Entity; and

**WHEREAS**, the New Entity has agreed to assume all obligations of the previous Entity under the Financial Agreement as amended, including, but not limited to, the continuance of the affordability controls at the project; and

**WHEREAS**, the New Entity has requested that the Financial Agreement be amended to extend the period of the Tax Exemption for the lesser of 1. an additional thirty years or 2. The termination of the affordability requirements at the Project; and

**WHEREAS**, the New Entity has also requested that the Financial Agreement be amended to reset the annual service charge as follows: the New Entity will pay the greater of 1. \$175,000, or 2. 10% of the Annual Gross Revenues as currently calculated at the Project; and

  
A. M. Z.



**WHEREAS**, pursuant to N.J.S.A. 55:16-14, upon written application by the New Entity, the City is required to consent to the purchase of a housing project and transfer of a tax exemption if the prospective purchaser can demonstrate that:

1) The project is within an area where, under the conditions existing at the time, dwellings conforming to reasonable standards of adequacy and renting at or below the average rent to be charged in the project, are not being provided in sufficient quantity through the ordinary operation of private enterprise; and

2) That there has been presented to the authority, in such form and with such proof as it may require, a financial plan covering the cost of lands and improvements and the operation of the project, such as shall reasonably assure the successful completion and operation of the project in accordance with the purposes of this act.

**WHEREAS**, the New Entity has demonstrated that the project is within an area where, under the conditions existing at the time, dwellings conforming to reasonable standards of adequacy and renting at or below the average rent to be charged in the project, are not being provided in sufficient quantity through the ordinary operation of private enterprise; and

**WHEREAS**, the New Entity has provided a financial plan with its application which assures the successful operation of the project in accordance with the Law; and

**WHEREAS**, it is in the City's best interest that the New Entity be permitted to purchase this project from the current owner and that the tax exemption originally granted to the current owner be transferred to the New Entity; and

**WHEREAS**, the City has analyzed the current financials at the Project and qualifications of the owners of the New Entity and agree with the information set forth for the transfer of the Tax Exemption, extension of the Tax Exemption, and Amendment of the Annual Service Charge.

**NOW, THEREFORE, BE IT ORDAINED** by the City Council of the City of Orange Township that:

- A. Consent for Jerusalem Towers Urban Renewal LLC to purchase the project located at Block 2101, Lot 13 and more commonly known by the street address of 98 High Street, is hereby approved.
- B. Consent to transfer the tax exemption from High Street Associates, LP to Jerusalem Towers Urban Renewal LLC, is hereby approved.
- C. The New Entity agrees to assume all obligations of the Current Entity under the Financial Agreement as amended, including, but not limited to, the continuance of the affordability controls for the senior citizen occupants of the project.



- D. The term of the tax exemption shall be extended for the lesser of the following: 1. An additional thirty years from the current Agreement termination date of December 31, 2029 or 2. the termination of the affordability controls at the Project.
- F. The Annual Service Charge shall be amended in the Financial Agreement to read: The Annual Service Charge shall be the greater of 1. \$175,000 or 2. 10% of the Annual Gross Revenues.
- G. All Ordinances and parts of Ordinances inconsistent herewith are hereby repealed.
- H. This Ordinance shall take effect at the time and in the manner provided by law.

**Adopted:**

---

Joyce L. Lanier  
City Clerk

---

Tency A. Eason  
Council President

**Approved:**

---

Dwayne D. Warren, Esq.



7113

CITY COUNCIL

City of Orange, New Jersey

Date ..... December 18, 1979 .....

Number ..... 371-79 .....

**TITLE: A RESOLUTION APPROVING TAX ABATEMENT FOR PROPERTIES LOCATED AT HIGH STREET AND WHITE STREET, ORANGE, NEW JERSEY, COMMONLY KNOWN AND DESIGNATED ON THE TAX MAPS OF THE CITY OF ORANGE, NEW JERSEY, AS BLOCK 70, LOTS 13, 14, 15, 18 AND 19 FOR A HOUSING PROJECT ON SAID SITE SPONSORED BY THE HIGH STREET ASSOCIATES.**

WHEREAS, High Street Associates (hereinafter referred to as the "applicant") proposes to construct a housing project (hereinafter referred to as the "development" or the "housing") pursuant to the provisions of the New Jersey Housing Finance Agency Law of 1967, as amended and supplemented, within the City of Orange (sometimes referred to as the "municipality") on a site more particularly described as follows: Block 70, Lots 13, 14, 15, 18 and 19 on the tax maps of the City of Orange, Essex County, New Jersey, White and High Streets; and

WHEREAS, an application will be made to the Public Housing and Development Authority (hereinafter referred to as the "Authority") in the Department of Community Affairs of the State of New Jersey, pursuant to the provisions of the Limited-Dividend Nonprofit Housing Corporations or Associations Law, Chapter 184, Laws of 1949, as amended and supplemented (hereinafter referred to as the "Limited-Dividend Law"), has approved a certificate of organization of a housing association and application has been made for the approval of the development to be constructed, maintained, or operated by the proposed corporation or association on the aforesaid described area; and

WHEREAS, the proposed development will be subject to the Rules and Regulations of both the New Jersey Housing Finance Agency (hereinafter referred to as "NJHFA") and the Authority; and

WHEREAS, pursuant to the provisions of the Limited-Dividend Law it is necessary for the governing body of the municipality to certify that it approved of the development or acquisition of the proposed housing and that the proposed housing meets or will meet an existing housing need; and

WHEREAS, the proposed development will be within an area where, under the conditions existing at this time, dwellings conforming to reasonable standards of adequacy and renting at or below the average rent to be charged in the proposed development, are not being provided in sufficient quantity through the ordinary operation of private enterprise; and

WHEREAS, High Street Associates has presented to this body a financial estimate dated December 6, 1979 (hereinafter referred to as Exhibit "A"), covering the cost of the land and improvements and the operation of the project as estimated by the applicant and the NJHFA, which reasonably assures the successful completion and operation of the project.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE, NEW JERSEY, that they find and certify that:

- (a) The proposed development will meet or meets an existing housing need;


(b) The proposed development conforms to the requirements of all applicable ordinances of this municipality;

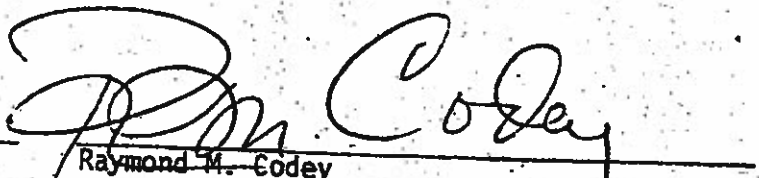
(c) The development or acquisition of the housing is hereby approved; and

BE IT FURTHER RESOLVED, that the City Council finds that the proposed development is and will be an improvement made for the purpose of assisting the clearance, replanning, development or redevelopment of blighted areas in this municipality; and

BE IT FURTHER RESOLVED, that the City Council does hereby adopt the within Resolution and makes the determinations and findings therein contained by virtue of, pursuant to, and in conformity with the provisions of the Limited-Dividend Law and the New Jersey Housing Finance Agency Law with the intent and purpose that the Authority shall rely thereon in approving the certificate of incorporation of a housing corporation or certificate of organization of a housing association which shall construct, own and operate the development, and in approving the development proposed to be constructed, maintained, and operated in the aforesaid described area and with further intent and purpose that the proposed development and improvements will be exempt from all property taxation as provided in N.J.S.A. 14J-30 and N.J.S.A. 55:16-18, and that, in lieu of taxes said housing corporation or association shall make to the municipality payment of an annual service charge for municipal services supplied to the housing development in such amount not exceeding the tax on the property on which the development is located for the year in which a mortgage on the development is executed in favor of the NJHFA, or, an amount not exceeding fifteen percent (15%) of gross shelter rents, determined in the manner set forth in Exhibit "A" hereinabove referred to and relied upon by the NJHFA as the basis for its financing the development for each year of operation of the development following the Agency's determination that the development has been substantially completed, whichever amount is greater. For purposes of this Resolution, Gross Shelter Rents shall mean rents paid by or on behalf of tenants. The Mayor of the City of Orange and the City Clerk are authorized and directed to execute, on behalf of the municipality such agreement reflecting the aforesaid annual service charge, in lieu of taxes, as may be deemed necessary or desirable by the NJHFA. The City of Orange understands and agrees that the amounts set forth in Exhibit "A" are estimates only and agrees that the Sponsor may, upon NJHFA approval, make reasonable changes in the construction, maintenance and operation of the development to ensure compliance with the financial and statutory requirements of NJHFA which will necessitate reasonable changes in the amounts set forth on Exhibit "A".

Adopted: December 18, 1979

  
Felix De Feo  
City Clerk

  
Raymond M. Codey  
Council President

Motion: Brown                      Seconded: Jones  
Yeas: Brown, Jones, Marucci, Monacelli, Council President Codey  
Nays: None  
Absent: Della Salla, Juliano



EXHIBIT "A"

FINANCIAL ESTIMATE

Housing Developmnet has been constructed on property known as

HIGH STREET ASSOCIATES  
(Name of Sponsor or Owner)

December 6, 1979  
(Date)

1. Estimated Total Development Cost		\$ 4,986,860
2. Estimated Mortgage(s) Amount		\$ 4,488,174
(a) Term of Mortgage		48 years
(b) Estimated Interest Rate		1 % *
3. Calculation of Estimated Annual Gross Shelter Rents		after application of subsidy
(a) Income		
Gross Collections	\$ 312,769	
Other Income	\$ --	
Total		\$ 312,769
(b) Deductions		
Vacancy/Collection Loss	\$ 10,612	
Utilities	\$ 45,780	
Total		\$ 56,392
(c) Estimated Annual Gross Shelter Rents		\$ 256,375
(d) Municipal Service Charge of 15% of Annual Gross Shelter Rents		\$ 38,456



725  
ORIGINAL

Salem T  
SECTION 236  
70  
6.30

TAX ABATEMENT AGREEMENT

THIS AGREEMENT, made this 2nd day of JANUARY, 1980,  
between HIGH STREET ASSOCIATES, a  
limited partnership of the State of New Jersey, organized  
pursuant to the Limited Dividend Nonprofit Housing Corporations or Associations Law  
as amended, or hereinafter amended (N.J.S.A. 55:16-1 et seq.) (hereinafter referred  
to as the "Limited-Dividend Law"), having its principal office at: 10 East 53rd  
Street, New York, NY 10022, c/o its general partner National Kinney Corp. (hereinafter designated as the "Sponsor")  
and the City of Orange, a municipal corporation in the County of  
Essex and State of New Jersey (hereinafter  
designated as the "Municipality").

WITNESSETH:

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

1. This Agreement is made pursuant to the authority contained in Section  
18 of the Limited-Dividend Law (N.J.S.A. 55:16-18) Section 30 of the HFA Law  
(N.J.S.A. 55:14J-30), and a Resolution of the City Council  
of the Municipality dated December 18, 1979, and with the approval  
of the New Jersey Housing Finance Agency (hereinafter referred to as "NJHFA"), as  
provided for under Section 30 (b) of the NJHFA Law (N.J.S.A. 55:14J-30 (b)).

2. The Municipality recognizes and approves the Sponsor as the owner and  
operator of the development known as Salem Towers  
and previously approved by the governing body in the aforesaid Resolution dated  
December 18, 1979.

3. It is expressly understood and agreed that the Municipality enters into  
the Agreement in reliance upon the data set forth in the financial plan attached  
hereto as Exhibit "A" and which was made a part of the aforesaid Resolution of the  
City Council of the Municipality, dated December 18, 1979,  
and upon the supervision over the Sponsor vested by statute in the Public Housing  
and Development Authority in the Department of Community Affairs of the State of  
New Jersey (hereinafter referred to as the "Authority") and in the NJHFA. The  
Municipality recognizes, however, the right of the NJHFA to direct the Sponsor to  
make reasonable changes in the construction, maintenance and operation of the  
development which are required by the NJHFA, in its view, to ensure compliance with  
the financial statutory requirements of the New Jersey Housing Finance Agency Law

of 1967, amended or hereinafter amended (N.J.S.A. 55:14J-1 et seq.) and, further, to comply with covenants made to the bond holders of the NJHFA.

4. The lands upon which the development is to be undertaken is described as follows: Block 70, Lots 13, 14, 15, 18 and 19, as more particularly described in Exhibit I attached.

5. The tax exemption established by N.J.S.A. 55:16-18 and N.J.S.A. 55:14J-30 shall be effective upon the date the Sponsor executes a first mortgage upon the development in favor of the NJHFA and shall continue for a period of not more than fifty (50) years therefrom nor less than the term of the NJHFA mortgage.

6. (a) In consideration of the aforesaid exemption from taxation, the Sponsor shall make payment to the Municipality of an annual service charge for municipal services supplied to said development, in such amount, not exceeding the tax on the property on which the development is located for the full year in which a mortgage on the development is executed in favor of the NJHFA or an amount not exceeding fifteen percent (15%) of the gross shelter rents of the development determined in the manner set forth in Exhibit "A", whichever amount is greater. For purposes of this Agreement, Gross Shelter Rents shall mean rents paid by or on behalf of tenants.

(b) The aforesaid payment by the Sponsor shall be made on a quarterly basis in accordance with bills issued by the Department of Finance of the Municipality and in the same manner and on the same dates as real estate taxes are paid in the Municipality. Said payments shall be in the amount of one fourth (1/4) of the minimum service charge set forth above except that no later than February 1st of any year after the issuance of a State or local certificate of Occupancy for one or more units, or for the entire development, the Sponsor shall submit to the Dept. of Finance of the Municipality, for as long as this Agreement is in effect, an auditor's report, certified to by a certified public accountant, of the operations of the development setting forth the actual figures for the prior year of operation comprising the annual gross rents of the development and the total service charge due the Municipality at fifteen percent (15%) thereof determined in the manner set forth in Exhibit "A". The Sponsor shall simultaneously pay the difference, if any, between 15% of the gross shelter rents shown by the

audit and the sum of the four quarterly payments paid by the Sponsor to the Municipality. The Municipality may accept payment without prejudice to its right to challenge the accuracy of the audit and the amount due.

(c) In the event the development is enlarged or modified upon the present site, it is understood and agreed that the annual municipal service charge shall become due from the added or enlarged units, in accordance with the formula more specifically set forth above.

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

7. The tax exemption provided herein shall apply only so long as the Sponsor or its successors and assigns and the development remain subject to the provisions of the aforesaid Limited-Dividend Law (N.J.S.A. 55:16-1 et seq.) under the supervision of the Authority and subject to the NJHFA mortgage, but in no event longer than fifty (50) years from the effective date of the exemption as set forth in paragraph 5 above.

8. Upon any termination of such tax exemption, whether by affirmative action of the Sponsor, its successors and assigns, or by virtue of the provisions of the Limited-Dividend Law or the HFA Law, the development shall be taxed as omitted property in accordance with Law.

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

10. A notice or communication sent by either party to the other hereunder

shall be sent by certified mail, return receipt requested, addressed as follows:

(a) When sent by the Municipality to the Sponsor, it shall be addressed to HIGH STREET ASSOCIATES c/o National Kinney Corp., 10 East 53rd Street, NY, NY 10022 or to such other address as the Corporation may hereafter designate in writing and a copy of said notice or communication by the Municipality to the Sponsor shall be sent by the Municipality to the NJHFA at 3535 Quakerbridge Road, Post Office Box 417, Trenton, N.J. 08603.

(b) When sent by the Sponsor to the Municipality, it shall be addressed to or to such other addresses in respect to either party as that party may designate in writing.

11. It is agreed and understood that subject to the terms and provisions of paragraph 8 herein, the Corporation agrees that it will not sell or transfer the development described in the annexed application, together with the improvements thereon, to any corporation, association or entity, unless such corporation, association or entity qualifies under the Limited-Dividend Law (N.J.S.A. 55:16-1 et seq.) or under the HFA Law (N.J.S.A. 55:14J-1 et seq.), and owns no other development at the time of the transfer, without first obtaining the prior written consent of the Municipality and the first mortgagee.

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

IN WITNESS WHEREOF, the parties have caused these presents to be executed the day and year first above written.

ATTEST:

*[Signature]*

SPONSOR - HIGH STREET ASSOCIATES  
By: National Kinney Corp.

By: *[Signature]*  
President

ATTEST:

*[Signature]*  
City Clerk

MUNICIPALITY - City of Orange

By: *[Signature]*  
Mayor

APPROVED:

NEW JERSEY HOUSING FINANCE AGENCY

By \_\_\_\_\_

ORIGINAL

EXHIBIT "A"

FINANCIAL ESTIMATE

Housing Development has been constructed on property known as

HIGH STREET ASSOCIATES  
(Name of Sponsor or Owner)

December 6, 1979  
(Date)

1. Estimated Total Development Cost		\$ 4,986,860
2. Estimated Mortgage(s) Amount		\$ 4,488,174
(a) Term of Mortgage		48 years
(b) Estimated Interest Rate		1 % *
3. Calculation of Estimated Annual Gross Shelter rents		after application of subsidy
(a) Income		
Gross Collections	\$ 312,769	
Other Income	\$ --	
Total		\$ 312,769
(b) Deductions		
Vacancy/Collection Loss	\$ 10,612	
Utilities	\$ 45,780	
Total		\$ 56,392
(c) Estimated Annual Gross Shelter Rents		\$ 256,375
(d) Municipal Service Charge of 15% of Annual Gross Shelter Rents		\$ 38,456



**Canger, Schoor & Cassera Inc.**

*a member of the school engineering group*

Consulting Engineers • Planners • Land Surveyors  
1359 Linton Road P.O. Box 120, Parsippany-Troy Hills, N.J. 07054  
(201) 267-2630

June 26, 1979  
Revised January 9, 1980

C Canger, L.S., P.P.  
J. Schoor, P.E., P.P., L.S.  
D Cassera, P.E., P.P.  
et al.

High Street Associates  
Project #14659

**DESCRIPTION OF CONSOLIDATION OF LOTS 13, 14, 15, 18 AND  
19 IN BLOCK 70, CITY OF ORANGE, ESSEX COUNTY, N.J.**

Beginning at a point in the southeasterly line of High Street  
(66 feet wide) said point being 70.00 feet from intersection of  
the southeasterly sideline of White Street (65 feet wide) as shown  
on the Tax Assessment Maps of the City of Orange, Essex County,  
New Jersey and running; thence,

- 1) S. 53° 07' 30" E 152.96 feet to a point; thence,
- 2) N. 37° 15' 00" E 70.00 feet to a point in the south-  
westerly line of White Street; thence,
- 3) S. 53° 08' 00" E 100.00 feet along said line to a point;  
thence,
- 4) S. 37° 15' 00" W 183.76 feet to a point; thence,
- 5) N. 57° 45' 00" W 253.93 feet to a point in the south-  
easterly sideline of High Street;  
thence,
- 6) N. 37° 15' 00" E 134.20 feet along said line to the  
point or place of beginning.

**CONTAINING 38,362+ SQUARE FEET  
OR 0.861 ACRES**

This description is certified to be correct and accurate  
in accordance with a survey prepared by Canger, Schoor &  
Cassera Inc. dated June 25, 1979, as further revised on,  
January 7, 1980.

and upon the supervision over the Sponsor vested by statute in the Public Housing



Please feel free to contact the New Owner as indicated above if you should have any questions.

Sincerely,  
HIGH STREET ASSOCIATES, a limited  
dividend housing partnership  
By: HIGH STREET-MICHAELS CORP.,  
a New Jersey corporation, its General  
Partner

By: \_\_\_\_\_  
Name: James R. Miller  
Title: Vice President

**EXHIBIT 7.1(B)**

**GREEN CARD (AKA CERTIFICATE OF INSPECTION)**

1/22/2022



**State of New Jersey  
DEPARTMENT OF COMMUNITY AFFAIRS  
CERTIFICATE OF REGISTRATION  
REGISTRATION NUMBER: 0717000226**



<b>BUILDINGS:</b>	1 TO 1	<b>BUILDING USE:</b>	Multiple Dwelling
<b>TOTAL NUMBER OF UNITS ON PROPERTY:</b>	113	<b>OWNERSHIP:</b>	Legal Partnership
<b>TOTAL NUMBER OF LEAD EXEMPT UNITS:</b>	113	<b>YEAR CONSTRUCTED:</b>	04/1980
<b>DATE OF TRANSFER OF OWNERSHIP:</b>	4/1/1980	<b>BLOCK AND LOT:</b>	2101, 13
<b>PROPERTY MAIN ADDRESS:</b>	98 HIGH ST		
<b>TAXES PAID TO MUNICIPALITY:</b>	ORANGE CITY, ESSEX COUNTY		

<b>PRIMARY PROPERTY OWNER</b> HIGH STREET ASSOC LLC C/O MICHAEL LEVITT 2 COOPER ST FL 14 CAMDEN, NJ 08102	<b>AUTHORIZED AGENT</b> HIGH STREET ASSOC LLC C/O MICHAEL LEVITT 2 COOPER ST FL 14 CAMDEN, NJ 08102
---	---

<b>EMERGENCY REPAIR EXPENDITURE AUTHORIZER</b> SEAN DALY 3 EAST STOW RD STE 100 Marlton, NJ 08053 6093925500	<b>IN-COUNTY AGENT</b> ARNETTA MCKOY 98 HIGH ST Orange, NJ 07050
--	---

<b>MAINTENANCE SERVICE PROVIDER</b> ANTOINE SANFORD 98 HIGH ST Orange, NJ 07050	<b>MANAGER</b> ARNETTA MCKOY 98 HIGH ST Orange, NJ 07050
--	---

<b>OFFICER OR GENERAL PARTNER</b> MICHAEL LEVITT 3 E STOW RD STE 100 Marlton, NJ 08053	<b>REGISTERED AGENT</b> MICHAEL LEVITT 3 E STOW RD STE 100 Marlton, NJ 08053
---	---

THE LAW REQUIRES THAT THIS CERTIFICATE OF REGISTRATION BE POSTED IN A CONSPICUOUS LOCATION IN THE REGISTERED PREMISES ALONG WITH THE NAME AND ADDRESS OF THE BUILDING MANAGER.

THIS CERTIFICATE IS NOT TRANSFERRABLE. IN THE CASE OF ANY TRANSFER OF TITLE, IT SHALL BE THE DUTY OF THE NEW OWNER(S) TO FILE WITH THE COMMISSIONER WITHIN 20 DAYS OF SUCH TRANSFER AN APPLICATION FOR A NEW CERTIFICATE OF REGISTRATION. IN THE CASE OF ANY CHANGE IN THE AGENT FOR SERVICE OF PROCESS OR BUILDING MANAGER, IT SHALL BE THE DUTY OF THE OWNER TO NOTIFY THE DEPARTMENT OF COMMUNITY AFFAIRS WITHIN 30 DAYS OF SUCH CHANGE.

FAILURE TO COMPLY WITH THESE REQUIREMENTS CONSTITUTES A VIOLATION OF P.L. 1987, C. 78 OF THE LAWS OF NEW JERSEY AND SUBJECTS THE PARTY SO VIOLATING TO THE PENALTIES THEREIN. REGISTRATIONS MAY BE SUBMITTED ONLINE AT THE DIVISION OF CODES AND STANDARDS WEBSITE ([www.nj.gov/dca/divisions/codes/](http://www.nj.gov/dca/divisions/codes/)) UNDER THE DCA SERVICE PORTAL LINK OR BY CALLING THE BUREAU OF HOUSING INSPECTION AT 609-433-8218 OR EMAIL, [BHCODEADMIN@DCA.NJ.GOV](mailto:BHCODEADMIN@DCA.NJ.GOV).

Lt. Governor Sheila Y. Oliver  
Commissioner, Community Affairs By:

Bureau Chief  
Susan M. Woidill  
Bureau of Housing Inspection

**EXHIBIT 7.1(c)**

**LEASING OR OTHER COMMISSION**

**NONE**

**EXHIBIT 7.1(e)**

**LITIGATION**

**NONE**

**EXHIBIT 7.1(f)**  
**UNION CONTRACTS**

**NONE**



**EXHIBIT 7.1(i)**

**LIST OF SECURITY DEPOSITS**

07/11/2022

## RESIDENT DEPOSIT AUDIT

A/R-712-001

As of 07/11/2022

Parameters: Status - Current, Order by - Unit, Subproperty: ALL

Unit	Name	Status	Move In Date	Move Out Date	Total Dep. Required	Unit Deposit	Pet Deposit	Other Deposits	Deposits On Hand	Outstanding Deposit
01 01J	Cunningham, Thomas	Current resident	10/15/2021		793.00	793.00	0.00	0.00	793.00	0.00
01 01K	BENDER, LUCILLE	Current resident	10/31/2018		953.00	953.00	0.00	0.00	953.00	0.00
01 02A	PATE, EUGENE	Current resident	02/19/2016		937.00	937.00	0.00	0.00	937.00	0.00
01 02B	JOHNSON, LEWIS	Current resident	04/29/2016		753.00	753.00	0.00	0.00	753.00	0.00
01 02D	PAYTON, ANN	Current resident	07/01/2001		518.00	518.00	0.00	0.00	518.00	0.00
01 02E	Jeter, Jacqueline	Current resident	02/03/2020		247.00	247.00	0.00	0.00	247.00	0.00
01 02F	Mosley, Elizabeth	Current resident	11/01/2019		1,316.00	1,316.00	0.00	0.00	1,316.00	0.00
01 02G	FREEMAN, BERNELL	Current resident	10/01/2019		973.00	973.00	0.00	0.00	973.00	0.00
01 02H	Hughes, Leroy	Current resident	01/06/2017		705.00	705.00	0.00	0.00	705.00	0.00
01 02J	Vankline, George	Current resident	10/01/2020		1,001.00	1,001.00	0.00	0.00	1,001.00	0.00
01 02K	DESIR, JEAN	Current resident	10/31/2018		380.00	380.00	0.00	0.00	380.00	0.00
01 03A	BROOKS TAYLOR, MARY	Current resident	08/05/2019		1,001.00	1,001.00	0.00	0.00	1,001.00	0.00
01 03B	TROTMAN, ERNEST	Current resident	09/01/2006		181.00	181.00	0.00	0.00	181.00	0.00
01 03D	GADSDEN, ANNABELL	Current resident	06/03/2022		937.00	937.00	0.00	0.00	937.00	0.00
01 03E	MACHARIA, ELIZABETH	Current resident	08/01/2013		212.00	212.00	0.00	0.00	212.00	0.00
01 03F	WILLIAMS, HENRY	Current resident	07/15/2019		362.00	362.00	0.00	0.00	362.00	0.00
01 03G	WILSON, SHIRLEY	Current resident	06/15/2016		889.00	889.00	0.00	0.00	889.00	0.00
01 03H	HENDERSON, HELEN	Current resident	12/15/2008		920.00	920.00	0.00	0.00	920.00	0.00
01 03K	MILLS, JUDITH	Current resident	05/07/2021		332.00	332.00	0.00	0.00	332.00	0.00
01 04A	NICOLAS, ROSIE	Current resident	06/01/2022		469.00	469.00	0.00	0.00	469.00	0.00
01 04B	HURT, EUGENE	Current resident	10/07/2013		751.00	751.00	0.00	0.00	751.00	0.00
01 04C	CARITHERS, EDITH	Current resident	12/31/2013		107.00	107.00	0.00	0.00	107.00	0.00
01 04D	DUCHEIN, RACHELE	Current resident	11/18/2011		145.00	145.00	0.00	0.00	145.00	0.00
01 04E	RICHARDSON, CHARLES	Current resident	10/03/2019		875.00	875.00	0.00	0.00	875.00	0.00
01 04F	Dalce, Marie	Current resident	07/24/2015		183.00	183.00	0.00	0.00	183.00	0.00
01 04H	PAYNE, CARL	Current resident	05/17/2019		801.00	801.00	0.00	0.00	801.00	0.00
01 04J	SOIRO, MARIE	Current resident	09/09/2016		197.00	197.00	0.00	0.00	197.00	0.00
01 05A	WARE, JOANNE	Current resident	04/25/2016		889.00	889.00	0.00	0.00	889.00	0.00
01 05B	PINEIRO, BONIFACIO	Current resident	06/18/2001		178.00	178.00	0.00	0.00	178.00	0.00
01 05D	HURT, ELAINE	Current resident	03/05/2018		637.00	637.00	0.00	0.00	637.00	0.00
01 05E	Graves, Hattie	Current resident	04/03/2020		1,001.00	1,001.00	0.00	0.00	1,001.00	0.00
01 05F	SAMUELS, WYONNE	Current resident	09/20/2010		1,146.00	1,146.00	0.00	0.00	1,146.00	0.00
01 05G	Johnson, Lena	Current resident	11/01/2008		879.00	879.00	0.00	0.00	879.00	0.00
01 05H	JEROME, VERTUS	Current resident	08/04/2016		229.00	229.00	0.00	0.00	229.00	0.00
01 05J	HUTCHINS, BETTY	Current resident	06/01/2008		112.00	112.00	0.00	0.00	112.00	0.00
01 06A	CRAIG, JEANETTE	Current resident	02/01/2002		50.00	50.00	0.00	0.00	50.00	0.00
01 06B	Defreitas, Heathcliffe	Current resident	08/21/2020		793.00	793.00	0.00	0.00	793.00	0.00
01 06C	FRANKLIN, MARIE	Current resident	10/01/2000		523.00	523.00	0.00	0.00	523.00	0.00
01 06D	PITT, PEARLIE	Current resident	10/01/2012		208.00	209.00	0.00	0.00	208.00	0.00
01 06E	RAYMOND, DENISE	Current resident	09/01/2012		517.00	517.00	0.00	0.00	517.00	0.00
01 06F	SMITH, ENID	Current resident	08/01/2012		252.00	252.00	0.00	0.00	252.00	0.00

† Indicates Deposit(s) on hand and the Unit are not on the same subproperty.

07/11/2022

**RESIDENT DEPOSIT AUDIT**

A/R-712-001

As of 07/11/2022

Parameters: Status - Current, Order by - Unit, Subproperty: ALL

Unit	Name	Status	Move In Date	Move Out Date	Total Dep. Required	Unit Deposit	Pet Deposit	Other Deposits	Deposits On Hand	Outstanding Deposit
01 06G	HARRIS, SYLVIA	Current resident	07/01/1995		559.00	559.00	0.00	0.00	559.00	0.00
01 06H	THOMAS, NOEL	Current resident	09/17/2010		751.00	751.00	0.00	0.00	751.00	0.00
01 06J	CHARLES, PAMELA	Current resident	11/01/2019		227.00	227.00	0.00	0.00	227.00	0.00
01 06K	TRICE, WARNER	Current resident	11/01/2013		253.00	253.00	0.00	0.00	253.00	0.00
01 07B	Miles, Charles	Current resident	05/06/2021		793.00	793.00	0.00	0.00	793.00	0.00
01 07D	HOLSTON, JEAN	Current resident	06/26/2018		973.00	973.00	0.00	0.00	973.00	0.00
01 07E	Gilliam, Helen	Current resident	04/14/2022		577.00	577.00	0.00	0.00	577.00	0.00
01 07F	DAVIS, LINDA	Current resident	11/16/2015		288.00	288.00	0.00	0.00	288.00	0.00
01 07G	SUTTON, HORACE	Current resident	07/01/2022		323.00	323.00	0.00	0.00	323.00	0.00
01 07H	MARTIN, CLAUDIA	Current resident	07/03/2014		751.00	751.00	0.00	0.00	751.00	0.00
01 07J	LAURY, MOLLIE	Current resident	07/01/2010		261.00	261.00	0.00	0.00	261.00	0.00
01 07K	DOLISCAT, VICTOIRE	Current resident	09/21/2021		1,001.00	1,001.00	0.00	0.00	1,001.00	0.00
01 08A	PERRY, ROBERT	Current resident	07/11/2016		1,061.00	1,061.00	0.00	0.00	1,061.00	0.00
01 08B	SMITH, EDNA	Current resident	05/01/2007		193.00	193.00	0.00	0.00	193.00	0.00
01 08C	Merritt, Edward	Current resident	11/04/2019		793.00	793.00	0.00	0.00	793.00	0.00
01 08D	KILLEN, STANLYN	Current resident	10/01/2010		277.72	277.72	0.00	0.00	277.72	0.00
01 08E	PUGH, ANNE	Current resident	05/02/2022		252.00	252.00	0.00	0.00	252.00	0.00
01 08F	BONILLA, JANICE	Current resident	12/02/2006		186.00	186.00	0.00	0.00	186.00	0.00
01 08G	Dunaway, Judith	Current resident	06/03/2021		1,001.00	1,001.00	0.00	0.00	1,001.00	0.00
01 08H	LANCASTER, BURT	Current resident	04/13/2021		793.00	793.00	0.00	0.00	793.00	0.00
01 08K	LAGO, ADRIANA	Current resident	04/22/2022		120.00	120.00	0.00	0.00	120.00	0.00
01 09A	McCLUNEY, ALLEN	Current resident	08/23/2016		647.00	647.00	0.00	0.00	647.00	0.00
01 09B	MCKNIGHT, JOSEPH	Current resident	04/01/2012		751.00	751.00	0.00	0.00	751.00	0.00
01 09C	LASSITER, MARY	Current resident	07/01/2008		252.00	252.00	0.00	0.00	252.00	0.00
01 09D	DUNCAN, MICHAEL	Current resident	10/04/2019		300.00	300.00	0.00	0.00	300.00	0.00
01 09E	MC GEE, AGNES	Current resident	12/15/2007		802.00	802.00	0.00	0.00	802.00	0.00
01 09F	Karamoko, Souleymane	Current resident	06/02/2021		1,001.00	1,001.00	0.00	0.00	1,001.00	0.00
01 09G	ASAFO-ADJEI, DOROTHY	Current resident	04/20/2022		336.00	336.00	0.00	0.00	336.00	0.00
01 09J	ALLEN, SUZETTE	Current resident	08/15/2016		262.00	262.00	0.00	0.00	262.00	0.00
01 09K	WILLIAMS, ELLECIA	Current resident	10/05/2020		240.00	240.00	0.00	0.00	240.00	0.00
01 10A	LAWSON, OINA	Current resident	07/02/2019		128.00	128.00	0.00	0.00	128.00	0.00
01 10B	SKELTON, EFFIE	Current resident	04/21/2017		705.00	705.00	0.00	0.00	705.00	0.00
01 10C	COON, HOWARD	Current resident	06/26/2008		353.00	353.00	0.00	0.00	353.00	0.00
01 10D	MARQUEZ, CARMEN	Current resident	03/01/1998		610.00	610.00	0.00	0.00	610.00	0.00
01 10E	ROMERO, JERRY	Current resident	04/01/2004		703.00	703.00	0.00	0.00	703.00	0.00
01 10F	Antoine, Mona	Current resident	06/03/2021		162.00	162.00	0.00	0.00	162.00	0.00
01 10G	Etienne, Clautes	Current resident	07/20/2020		1,001.00	1,001.00	0.00	0.00	1,001.00	0.00
01 10J	ABDUL-ALEEM, AQUEELAH	Current resident	04/01/2013		937.00	937.00	0.00	0.00	937.00	0.00
01 10K	THOMAS-ALPHONS O, KATHLEEN	Current resident	08/23/2004		112.00	112.00	0.00	0.00	112.00	0.00
01 11A	CHARLES, SENELIA	Current resident	06/01/2022		134.00	134.00	0.00	0.00	134.00	0.00
01 11B	BOBIEN, JOSEPHINE	Current resident	12/31/2013		564.00	564.00	0.00	0.00	564.00	0.00
01 11C	MILLER, DOROTHY	Current resident	07/15/2008		143.00	143.00	0.00	0.00	143.00	0.00

† Indicates Deposit(s) on hand and the Unit are not on the same subproperty.

07/11/2022

**RESIDENT DEPOSIT AUDIT**

A/R-712-001

As of 07/11/2022

Parameters: Status - Current; Order by - Unit; Subproperty: ALL

Unit	Name	Status	Move In Date	Move Out Date	Total Dep. Required	Unit Deposit	Pet Deposit	Other Deposits	Deposits On Hand	Outstanding Deposit
01 11D	Fonville, Lester	Current resident	04/12/2022		1,196.00	1,196.00	0.00	0.00	1,196.00	0.00
01 11E	Carter, Ishmel	Current resident	07/30/2021		1,001.00	1,001.00	0.00	0.00	1,001.00	0.00
01 11F	FIELDS, CARL	Current resident	11/15/2011		937.00	937.00	0.00	0.00	937.00	0.00
01 11G	Chavis, Lannetta	Current resident	08/30/2017		304.00	304.00	0.00	0.00	304.00	0.00
01 11H	Wilson, Mary	Current resident	04/20/2021		793.00	793.00	0.00	0.00	793.00	0.00
01 11J	BROWN, MARION	Current resident	10/01/2006		846.00	846.00	0.00	0.00	846.00	0.00
01 11K	LEWIS, JUANITA	Current resident	10/16/2006		793.00	793.00	0.00	0.00	793.00	0.00
01 12A	FRANCIS, DELORES	Current resident	05/06/2021		1,001.00	1,001.00	0.00	0.00	1,001.00	0.00
01 12B	EWELL, DOLORES	Current resident	11/01/2007		186.00	186.00	0.00	0.00	186.00	0.00
01 12C	GUY, CHARLES	Current resident	08/12/2019		1,006.00	1,006.00	0.00	0.00	1,006.00	0.00
01 12D	TOUSSAINT, FREDRENA	Current resident	08/01/2012		392.00	392.00	0.00	0.00	392.00	0.00
01 12E	VanDuysen, Rachel	Current resident	08/04/2017		528.00	528.00	0.00	0.00	528.00	0.00
01 12G	THOMAS, PATSY	Current resident	03/07/2013		474.00	474.00	0.00	0.00	474.00	0.00
01 12H	Brooks, Morris	Current resident	11/13/2020		793.00	793.00	0.00	0.00	793.00	0.00
01 12J	Caesar, Curlina	Current resident	06/24/2021		630.00	630.00	0.00	0.00	630.00	0.00
01 12K	JAMES, HAZEL	Current resident	11/02/2015		262.00	262.00	0.00	0.00	262.00	0.00
<b>Totals:</b>					<b>57,071.72</b>	<b>57,071.72</b>	<b>0.00</b>	<b>0.00</b>	<b>57,071.72</b>	<b>0.00</b>

† Indicates Deposit(s) on hand and the Unit are not on the same subproperty.

**AGREEMENT OF PURCHASE AND SALE**

**Salem Towers  
98 High Street, Orange, New Jersey**

AGREEMENT OF PURCHASE AND SALE

ARTICLE 1: PROPERTY/PURCHASE PRICE

1.1 Certain Basic Terms.

(a) Purchaser and Notice Address:

Jerusalem Towers LLC  
ATTN: Michael Wieder, Manager  
691 Elizabeth Avenue #2  
Newark, NJ 07112

With a copy to:

David Schreiber, Esq.  
366 Pearsall Avenue, Suite 1  
Cedarhurst, New York, 11516  
Office Phone: (516) 561-8800  
Cell Phone: (917) 328-0411

(b) Seller and Notice Address:

*Mailing Address:*  
High Street Associates  
c/o The Michaels Organization  
P.O. Box 90708  
Camden, New Jersey 08101  
Attn: James R. Miller  
Telephone: (856) 797-8429  
Facsimile: (856) 988-5817  
E-mail: [jmiller@tmo.com](mailto:jmiller@tmo.com)

With a copy to:

*Mailing Address:*  
Law Offices of Ryan D. Harmon, LLC  
c/o The Michaels Organization  
P.O. Box 90708  
Camden, New Jersey 08101  
Attn: Ryan D. Harmon, Esq.  
Telephone: (856) 355-4973  
Facsimile: (856) 988-5817  
E-mail: [rdharmonlaw@gmail.com](mailto:rdharmonlaw@gmail.com)

*Overnight Deliveries:*  
High Street Associates  
c/o The Michaels Organization  
2 Cooper Street  
14th Floor  
Camden, New Jersey 08102  
Attn: James R. Miller

*Overnight Deliveries:*  
Law Offices of Ryan D. Harmon, LLC  
c/o The Michaels Organization  
2 Cooper Street  
14th Floor  
Camden, New Jersey 08102  
Attn: Ryan D. Harmon, Esq.

(c) Title Company:

TriStone Land Services, LLC  
1021 Cedar Lane, Suite 204  
Woodmere, New York 11598  
Attn: Howard Wieder, Esq.  
Telephone: (718) 690-9070  
Facsimile: (718) 690-3608  
E-mail: [howard@tristoneland.com](mailto:howard@tristoneland.com)

(d) Escrow Agent:

TriStone Land Services, LLC  
1021 Cedar Lane, Suite 204  
Woodmere, New York 11598  
Attn: Howard Wieder, Esq.  
Telephone: (718) 690-9070  
Facsimile: (718) 690-3608  
E-mail: [howard@tristoneland.com](mailto:howard@tristoneland.com)

(e) Date of this Agreement:

July 5, 2022

- (f) Purchase Price: \$7,750,000.00
- (g) Earnest Money Deposit: \$ 200,000.00
- (h) Due Diligence Period: Thirty (30) days, commencing upon the Date of this Agreement.
- (i) Closing Date: The latter of twenty (20) days after completion of the Due Diligence Period or receipt of the approvals and Required Consents set forth in Article 5, below, but in no event later than December 31, 2022 (the "Outside Closing Date"), which Outside Closing Date may be extended by Purchaser for two additional 30 day periods by depositing an Additional Earnest Money Deposit with Escrow Agent in the sum of \$50,000 for each requested extension.
- (j) Adjustment Date: Closing Date
- (k) Real Property: Salem Towers, a 112-unit elderly designated, income, rent, and distribution restricted housing project located at 98 High Street, Orange, New Jersey 07050.

1.2 Property. Subject to the terms and conditions of this Agreement of Purchase and Sale (the "Agreement"), Seller agrees to sell to Purchaser, and Purchaser agrees to purchase from Seller, all of Seller's right, title and interest in and to the following property (collectively, the "Property"):

(a) The "Real Property," being the land described in Exhibit 1.2(a) attached hereto, together with (i) all improvements located thereon ("Improvements"), (ii) all and singular the rights, benefits, privileges, easements, tenements, hereditaments, and appurtenances thereon or in anywise appertaining to such real property, and (iii) without warranty, all right, title, and interest of Seller in and to all strips and gores and any land lying in the bed of any street, road or alley, open or proposed, adjoining such real property.

(b) The landlord's interest in the "Leases," being all leases of the Improvements, including leases which may be made by Seller after the date hereof and prior to Closing (as defined below) as permitted by this Agreement and all cell tower leases, including that certain (i) Lease Agreement dated May 16, 2011, by and between Seller and New Cingular Wireless PCS, LLC (dba Cingular Wireless), (ii) Communications Site Lease Agreement (Building) dated June 9, 2000, by and between Seller and Nextel of New York, Inc. (dba Nextel Communications), and (iii) Rooftop Lease with Option dated December 23, 2007, by and between Seller and Omnipoint Facilities Network 2, LLC.

(c) The "Tangible Personal Property," being all equipment, machinery, furniture, furnishings, supplies and other tangible personal property owned by Seller, and Seller's interest in any such property leased by Seller, now or hereafter located in and used in connection with the operation, ownership or management of the Real Property, but excluding time clock(s), postage meter(s), computer(s), computer scanner(s), software and tablet control maintenance system of the Seller and the property management agent, if any, and any proprietary software of Seller or Seller's property management company, Interstate Realty Management Company (t/a Michaels Management Affordable) ("IRMC"). Purchaser acknowledges that IRMC may use Real Page property management software in connection with its management of the Property and that Seller is unable to transfer the license to use such software to Purchaser. Seller shall obtain and transfer to Purchaser the base line file at Closing.

(d) The "Intangible Personal Property," being all of Seller's right, title and interest, if any, in intangible personal property related to the Real Property and the Improvements, including, without limitation: governmental permits, approvals and licenses (to the extent assignable); current tenant lists and correspondence; plans and specifications and warranties (to the extent in Seller's possession); all current records and promotional materials relating to the Property; telephone exchange numbers (to the extent assignable); Seller's right, if any, to use of the name "Salem Towers" and any other names associated with the Improvements, as well as all logos, designs, trademarks and trade names related to the Property and any websites or domain names associated with the Improvements. Notwithstanding anything to the contrary, Intangible Personal Property shall not include Seller's accounts receivable, cash and cash equivalents and prepaid items to the extent related to contracts not being assumed by Purchaser and reserves for replacement and all other reserves, escrow accounts and deposits of Seller.

1.3 Earnest Money. Within five (5) days of the Date of this Agreement, Purchaser shall deposit the Earnest Money Deposit of Two Hundred Thousand Dollars (\$200,000.00) (the "Earnest Money") by federal funds wire-transfer in immediately available U.S. funds with Escrow Agent. The Earnest Money will be placed in an interest-bearing escrow account, with all interest earned to be added to and become a part of the Earnest Money. Interest on the Earnest Money will be reported against the T.I.N. of Purchaser unless the Earnest Money is forfeited, in which case it will be reported against the T.I.N. of the Seller. The Earnest Money and any interest earned thereon will be refundable to Purchaser if: (i) Purchaser terminates this Agreement during the Due Diligence Period for any reason whatsoever; (ii) Seller cannot deliver required consent and approval of the sale by its general and/or limited partners, members, directors or shareholders, as applicable; (iii) Seller is unable to deliver clear and marketable title to the Property at Closing, free of all mortgage liens, charges and other financial encumbrances; (iv) the contingencies set forth herein are not satisfied at or prior to Closing, or (v) if otherwise specifically provided for in this Agreement. In the event of default by Purchaser under this Agreement, the Earnest Money and any interest earned thereon will be forfeited as liquidated damages. At the Closing, the Earnest Money will be applied against the Purchase Price. From and after the Due Diligence Period, and subject to the additional conditions set forth above, except for Purchaser's default under this Agreement, and except as otherwise provided herein, the Earnest Money and any interest earned thereon shall be non-refundable to Purchaser. If this Agreement terminates pursuant to Section 2.2 hereof, the Earnest Money and any interest earned thereon shall be refunded to Purchaser immediately upon request, and all further rights and obligations of the parties under this Agreement



shall terminate. The Earnest Money shall be held and disbursed by the Escrow Agent pursuant to Article 9 of this Agreement.

## ARTICLE 2: INSPECTION

2.1 Seller's Delivery of Specified Documents. To the extent such items are in Seller's possession or control, Seller shall make available to Purchaser the due diligence items listed on Exhibit 2.1 attached hereto (the "Property Information"), within ten (10) business days after the Date of this Agreement.

2.2 Due Diligence. (a) Subject to the terms of the Leases, Purchaser, at its sole cost and expense, shall have through the last day of the Due Diligence Period, in which to enter the Property and examine, inspect, and investigate the Property. Notwithstanding anything to the contrary in this Agreement, if Purchaser, in its sole and absolute discretion, is dissatisfied with any matter whatsoever concerning the Property, Purchaser may terminate this Agreement by giving an email notice of termination to Seller's counsel (the "Due Diligence Termination Notice") on or before 5:00 p.m. (Eastern Standard Time) on the last day of the Due Diligence Period, time being of the essence with respect to such date. If Purchaser does not deliver a Due Diligence Termination Notice on or before 5:00 p.m. (Eastern Standard Time) on the last day of the Due Diligence Period, this Agreement shall continue in full force and effect and the Seller and Purchaser shall proceed to the Closing, pursuant and subject to the remaining provisions hereof. If Purchaser delivers a Due Diligence Termination Notice on or before 5:00 p.m. (Eastern Standard Time) on the last day of the Due Diligence Period, then this Agreement shall automatically terminate and, subject to Section 9.2 of this Agreement, the Escrow Agent shall return the Earnest Money and any interest earned thereon to Purchaser, and this Agreement shall be deemed terminated and shall be null and void without recourse to either party hereto, except for those obligations which expressly survive the termination of this Agreement. Without intending to limit or alter Purchaser's rights hereunder to make such examinations, inspections and investigations, however, Purchaser agrees to cooperate with Seller to, and shall use commercially reasonable efforts to, minimize disruption to the operations of the Property and inconvenience to the tenants of the Property.

(b) Purchaser shall have reasonable access to the Property during normal business hours for the purpose of conducting surveys, architectural, engineering, geotechnical and environmental inspections and tests and any other inspections, studies, or tests reasonably required by Purchaser, upon reasonable prior notice to Seller. Purchaser shall keep the Property free and clear of any liens and will indemnify, defend, and hold Seller harmless from all claims and liabilities asserted against Seller and/or damage to the Property or property of others as a result of any such entry by Purchaser, its agents, employees or representatives, provided, however, Purchaser's indemnity under this Section shall not extend to any adverse or pre-existing condition on or with respect to the Property that is discovered or revealed by Purchaser in the course of the inspections, including, without limitation, any pre-existing condition discovered which relates in any way to Hazardous Substances (as hereinafter defined), unless and to the extent such condition is exacerbated by Purchaser. Purchaser shall not perform any intrusive or invasive testing without the prior written approval of Seller. In the event any approved intrusive or invasive testing is

performed, Purchaser will restore the Property to substantially the same condition as existed prior to any such inspection or test. Purchaser shall have the right to conduct a "walk-through" of the Property prior to expiration of the Due Diligence Period and prior to the Closing upon appropriate notice to Seller and to tenants as permitted under the Leases. In the course of its investigations, Purchaser may make inquiries of lenders, contractors, property managers, parties to Service Contracts and municipal, local and other government officials and representatives, and Seller consents to such inquiries. Purchaser may not conduct interviews with any site employee earlier than thirty (30) days prior to Closing without the prior consent of Seller. The obligations of the Purchaser under this Section 2.2(b) shall survive the termination of this Agreement. Prior to entry upon the Property for the purposes set forth in this Section, Purchaser or any consultants shall deliver to Seller a Certificate of Insurance addressed to Seller evidencing Commercial General Liability insurance coverage, including property damage naming Seller and IRMC as additional named insureds with combined single limits of not less than Two Million Dollars (\$2,000,000). Such insurance shall be maintained by Purchaser throughout the term of this Agreement.

(c) If the Closing hereunder shall not occur for any reason whatsoever (other than solely a Seller default), if requested by Seller, Purchaser shall promptly deliver to Seller, at no cost to Seller, and without representation or warranty, the original and all copies of all tests, reports and inspections of the Property obtained by Purchaser from third parties which do not restrict such delivery to Seller (which reports may be redacted to exclude any description of data or information concerning Purchaser's internal operations, policies and/or procedures), with Seller hereby agreeing that Purchaser does not represent or warrant that Seller or any other person or entity shall be entitled to rely on any such test, report or inspection without the prior written consent of the party which prepared or conducted the same, Purchaser having no obligation to require or obtain such consent.

(d) Purchaser's obligation to close this transaction are not contingent upon obtaining any financing.

(e) The obligations of Purchaser under this Section 2.2 shall survive the termination of this Agreement.

2.3 Service Contracts. Within ten (10) days after the date of this Agreement, Seller shall deliver to Purchaser copies of all of the service contracts currently in effect and applicable to the Property, including, without limitation, those set forth on Exhibit 2.3 (collectively, the "Existing Service Contracts"). Not later than the end of the Due Diligence Period, Purchaser shall notify Seller of which of the Existing Service Contracts, if any, it intends to assume (the "Service Contracts"), which shall specifically exclude the current management contract between Seller and IRMC (the "Management Agreement"), which Seller shall terminate prior to Closing at Seller's sole cost and expense. In addition, Seller shall, at its sole cost and expense, terminate all Existing Service Contracts that Purchaser does not elect to assume, provided, however, that Purchaser must assume any Existing Service Contracts for which there is a termination fee or penalty, unless Purchaser pays, at or prior to Closing, such fee or penalty. Seller shall be responsible for providing any notices and/or obtaining all vendor consents required in order for Purchaser to assume the Service Contracts.

### ARTICLE 3: TITLE REVIEW

**3.1 Delivery of Title Commitment.** Purchaser, should it choose to do so, shall cause to be prepared and delivered to Seller (i) an ALTA survey of the Property (the "Survey"), and (ii) a current, effective commitment for title insurance (the "Title Commitment", in New Jersey standard form issued by the Title Company, in the amount of the Purchase Price with Purchaser as the proposed insured, and accompanied by true, complete, and legible copies of all documents referred to in the Title Commitment ("Exception Documents"). The Title Commitment, the Exception Documents and the Survey are sometimes hereinafter collectively referred to as the "Title Documents."

**3.2 Title Review and Cure.** During the Due Diligence Period, Purchaser shall review title to the Property as disclosed by the Title Commitment and the Survey. Seller will cooperate with Purchaser in curing any objections Purchaser may have to title to the Property, provided that Seller shall have no obligation to cure title objections except (i) mortgage or deed of trust liens of an ascertainable amount voluntarily granted by Seller, (ii) taxes and assessments due and payable for any period prior to Closing, (iii) all encumbrances, exceptions or matters created by Seller after the date of this Agreement without prior written consent of Purchaser, and (iv) mechanics' liens, judgment liens and or tax liens, by, through or under Seller, but not otherwise. Seller further agrees to remove any encumbrances to title granted by Seller after the Date of this Agreement without Purchaser's consent. The term "Permitted Exceptions" shall mean: the specific exceptions (exceptions that are not part of the promulgated title insurance form) in the Title Commitment that the Title Company has not agreed to insure over or remove from the Title Commitment as of the end of the Due Diligence Period and that Seller is not required to remove as provided above; real estate taxes not yet due and payable; matters disclosed on the Survey that are not objected to by the Purchaser or cured by the Seller pursuant to this Section 3.2; the Financing, Deed Restriction and Regulatory Agreement by and between New Jersey Housing and Mortgage Finance Agency ("NJHMFA") and Seller dated as of July 14, 2005 (the "Regulatory Agreement"); to the extent they may be recorded against title to the Property, the HAP Contract (as defined in Section 5.2(a)(7), below), the Use Agreement (as defined in Section 5.2(a)(8), below), the IRP Agreement (as defined in Section 5.2(a)(9), below) and the NJDCA Voucher Agreement (as defined in Section 5.2(a)(10), below); and, subject to the other provisions of this Agreement in respect of leasing of the Property by Seller, tenants in possession as tenants only under the Leases without any option to purchase or acquire an interest in the Property. Notwithstanding any provision herein to the contrary, Purchaser shall have not more than five (5) business days following receipt of all Title Documents (the "Title Review Period") to review the same and to notify Seller of those items to which Purchaser objects ("Purchaser's Title Notice") and Seller shall have ten (10) business days following receipt of Purchaser's Title Notice to notify Purchaser of Seller's response to those matters objected to by Purchaser ("Seller's Title Response"). In the event Seller's Title Response shall not confirm Seller's agreement to cure all of the objections set forth in Purchaser's Title Notice, Purchaser shall have the right to terminate this Agreement by notice to Seller on or prior to the date which is the later of the end of the Due Diligence Period and five (5) business days following receipt of Seller's Title Response, whereupon the Earnest Money shall be returned to Purchaser and thereafter neither party shall have any further rights or obligations to the other. If this Agreement is not cancelled by Purchaser on or prior to the later to occur of the end of the Due Diligence Period or five (5) business days following Seller's Title Response, whereupon the Earnest Money shall be returned to Purchaser and thereafter neither party shall have any further rights or obligations to the other, except for the provisions of this Agreement that expressly survive its termination. If this Agreement is not cancelled by Purchaser on or prior to the later to occur of

the end of the Due Diligence Period or five (5) business days following Seller's Title Response, a schedule of the Permitted Exceptions will be prepared by Seller and Purchaser and attached to this Agreement as Exhibit 3.2 not more than three (3) business days thereafter. If Purchaser fails to timely deliver any notice of termination as provided for in this Section 3.2, Purchaser shall be deemed to have agreed to accept the Title Documents and conveyance of title to the Property subject to any Title Defects that Seller has not agreed to cure, and all such matters disclosed by the Title Documents shall be Permitted Exceptions.

Time is hereby made of the essence with respect to all dates contained in this Section 3.2.

**3.3 Delivery of Title Policy at Closing.** If the Title Commitment or report discloses judgments, bankruptcies, or other returns against other persons having names the same as or similar to that of Seller, Seller shall deliver at Closing an affidavit stating that such judgments, bankruptcies and other returns are not against Seller. Seller shall execute at Closing an affidavit in the form attached hereto as Exhibit 3.3 (the "Affidavit of Title").

Seller, at Seller's election and cost, if any, shall have the right with Purchaser's consent, not to be unreasonably withheld, to request Purchaser's title insurer to affirmatively insure over title exceptions objected to by Purchaser in which event Purchaser shall accept title with such affirmative title insurance, and Seller shall pay the cost therefor.

Franchise, corporate income tax or other corporate tax open, levied or imposed against Seller or any former owners of the Property shall not be objections to title if the Title Company insures against collection thereof from or out of the Property or omits the same from its title insurance policies to Purchaser and Purchaser's lenders.

If Seller is unable to deliver title as required in this Agreement, Purchaser's sole remedy shall be (i) to take such title as Seller can deliver without reduction in the Purchase Price or (ii) terminate this Agreement and receive the Earnest Money and any interest thereon. Thereafter neither party shall have any further rights or obligations hereunder except the Surviving Obligations.

**3.4 Title and Survey Costs.** The cost of the Survey shall be paid by Purchaser. The premium for title examination and the title policy issued to Purchaser at Closing (the "Title Policy"), including the premium for extended coverage and the Purchaser's endorsements, shall be paid by Purchaser. The cost of any UCC searches requested by Purchaser or which the Title Company may require be performed for the Title Policy shall be paid by the Purchaser.

#### **ARTICLE 4: OPERATIONS AND RISK OF LOSS**

**4.1 Ongoing Operations.** During the pendency of this Agreement:

(a) **Performance under Leases and Service Contracts.** Seller shall (i) subject to the provisions of this Agreement, carry on its business and activities relating to the Property substantially in the same manner as it did before the Date of this Agreement, and (ii) shall perform its material obligations under the Leases and Existing Service Contracts and other agreements that may affect the Property.

(b) New Contracts. Seller will not enter into any contract that will be an obligation affecting the Property subsequent to the Closing, except (i) contracts entered into in the ordinary course of business that are terminable without cause on 30-days' notice without penalty or premium, or (ii) which are renewals or extensions of Existing Service Contracts in the ordinary course of business and which are terminable without cause on 30-days' notice without penalty or premium.

(c) Capital Expenditures; Maintenance of Improvements and Removal of Personal Property. Seller shall maintain all Improvements in substantially the same condition and repair as exists on the Date of this Agreement. Seller will not remove any Personal Property except as may be required for necessary repair or replacement or as a result of obsolescence.

(d) Leasing Arrangements. Subject to Seller's right to make commercially reasonable modifications, without Purchaser's prior written consent in each instance, Seller will not amend or terminate any Lease unless in the ordinary course of business. All Leases entered into during this Agreement shall be on Seller's standard lease form delivered to Purchaser, shall be for terms of no greater than twelve (12) months, and shall not include any concessions or discounts more favorable to the tenants than those which are now regularly offered by Seller at the Property (i.e., one month rent credit for new leases and renewal leases). During the pendency of this Agreement, Seller shall, upon request of Purchaser, provide Purchaser with monthly leasing activity and occupancy reports ("Leasing Report") showing all leasing activity during the previous month.

(e) Insurance. Seller shall maintain in full force and effect the insurance policies currently in effect with respect to the Property (or replacements thereof with similar coverage).

(f) Encumbrances. Seller shall not grant, record in the public records or consent to be recorded any covenant, restriction, easement or other agreement without obtaining Purchaser's consent, which consent shall not be unreasonably withheld, conditioned or delayed if the same benefits the operation of the Property.

(g) Employees. Seller shall give notice to Seller's Employees (as defined below) of the impending sale of the Property as may be required under existing union agreements, if any, for the Property or applicable law or such notice in addition to the foregoing which Seller deems appropriate (but subject to the provisions of Section 10.10 hereof) not later than thirty (30) days prior to the Closing Date. Seller shall terminate the employment of each of its Employees prior to Closing in accordance with all applicable laws and terminate any union contract then in effect.

4.2 Damage. In the event of any damage to or destruction of the Property or any portion thereof requiring repairs of Three Hundred Thousand Dollars (\$300,000.00) or more, Purchaser may, at its option, by notice to Seller given within ten (10) business days after Seller notifies Purchaser in writing of such damage or destruction (and if necessary the Closing Date shall be extended to give Purchaser the full ten (10) business day period to make such election): (i) terminate this Agreement and the Earnest Money and any interest earned thereon shall be immediately returned to Purchaser, or (ii) proceed under this Agreement, receive any insurance

proceeds (including any rent loss insurance applicable to any period on and after the Closing Date) due Seller as a result of such damage or destruction and assume responsibility for such repair, and Purchaser shall receive a credit at Closing for any deductible amount under said insurance policies. If Purchaser elects (ii) above, Purchaser may extend the Closing Date for up to an additional thirty (30) business day period in which to obtain insurance settlement agreements with Seller's insurers, and Seller will cooperate with Purchaser in obtaining the insurance proceeds and such agreements from Seller's insurers. If the Property is damaged but repairs necessitated thereby will cost less than Three Hundred Thousand Dollars (\$300,000.00), then Purchaser shall not have the right to terminate this Agreement, but Seller shall, at its cost, repair the damage before the Closing in a manner reasonably satisfactory to Purchaser or, if repairs cannot be completed before the Closing, credit Purchaser at Closing for the reasonable cost to complete the repair. Seller may settle any insurance claim with Purchaser's consent, which consent shall not be unreasonably withheld or delayed. The provisions of this Section 4.2 supersede any law applicable to the Property governing the effect of fire or other casualty in contracts for real property.

4.3 Condemnation. In the event any proceedings in eminent domain are contemplated, threatened or instituted by anybody having the power of eminent domain with respect to the Property or any material portion thereof (i.e. more than twenty percent (20%) of the Property or any portion of the Property material to its use, occupancy or operation), Purchaser may, at its option, by notice to Seller given within twenty (20) business days after Seller notifies Purchaser of such proceedings (and if necessary the Closing Date shall be extended to give Purchaser the full twenty (20) business day period to make such election): (i) terminate this Agreement and the Earnest Money and any interest earned thereon shall be immediately returned to Purchaser, or (ii) proceed under this Agreement, in which event Seller shall, at the Closing, without representation, or warranty, assign to Purchaser its entire right, title and interest in and to any condemnation award.

4.4 Employees. Seller shall be responsible for all claims and liabilities associated with employees of Seller at the Property ("Employees"), and all required legal notices and other obligations with respect to Employees, including without limitation any and all claims and liabilities for severance pay related to or arising out of the termination of Employees by Seller required by this transaction. Seller agrees to indemnify, defend and hold Purchaser harmless from and against any and all claims, losses, damages and expenses (including reasonable attorneys' fees) with respect to such claims and liabilities as set forth above. This Section 4.4 shall survive termination of this Agreement or Closing. Notwithstanding anything to the contrary, Purchaser will not discuss potential employment with any Employees earlier than thirty (30) days prior to Closing.

## ARTICLE 5: CLOSING

5.1 Closing. Subject to the terms and conditions set forth in this Agreement, the consummation of the transaction contemplated herein ("Closing") shall occur on the Closing Date by mail.

5.2 Conditions to the Parties' Obligations to Close.

(a) In addition to all other conditions set forth herein, the obligation of Seller, on the one hand, and Purchaser, on the other hand, to consummate the transactions contemplated hereunder shall be contingent upon the following:

(1) The other party's material representations and warranties contained herein shall be true and correct in all material respects as of the Date of this Agreement and on the Closing Date. For purposes of this clause (a), if a representation is made to knowledge, but the factual matter that is the subject of the representation is false notwithstanding any lack of knowledge or notice to the party making the representation, such event shall constitute a failure of this condition only, and not a default by the party making such representation;

(2) The other party shall have performed its obligations hereunder and all deliveries to be made at Closing have been tendered;

(3) There shall exist no pending or threatened actions, suits, arbitrations, claims, attachments, proceedings, assignments for the benefit of creditors, bankruptcy, reorganization or other proceedings, against the other party that would materially and adversely affect the other party's ability to perform its obligations under this Agreement;

(4) There shall exist no pending or threatened action, suit or proceeding with respect to the other party before or by any court or administrative agency which seeks to restrain or prohibit, or to obtain damages or a discovery order with respect to, this Agreement or the consummation of the transactions contemplated hereby;

(5) Approval by NJHMFA of the Sale of the Property and the assumption by Purchaser of all of the obligations under the Regulatory Agreement and the release of Seller from such obligations upon the terms and conditions reasonably acceptable to Seller (the "NJHMFA Consent"). Seller shall reasonably cooperate with Purchaser in connection with Purchaser's application to NJHMFA for such approval;

(6) Issuance by HUD to Purchaser of HUD Form 2530 Previous Participation Approval ("2530 Approval"). Purchaser shall provide the 2530 Approval to Seller immediately upon receipt. Notwithstanding anything in this Agreement to the contrary, Purchaser shall have sixty (60) days from the Submission Date (as hereafter defined) to obtain such 2530 Approval. If Purchaser does not obtain the 2530 Approval within such sixty (60) day period, Purchaser may elect to terminate this Agreement by providing Seller with written notice of its intention to do so on or before the last day of such sixty (60) day period, whereupon the Earnest Money shall be returned to Purchaser and thereafter neither party shall have any rights or obligations one to the other, except for obligations which expressly survive pursuant to the terms of this Agreement. Notwithstanding anything in this Agreement to the contrary, if Purchaser elects not to timely terminate this Agreement pursuant to the preceding sentence, failure of Purchaser to obtain the 2530 Approval on or before the Closing Date shall not entitle Purchaser to the return of the Earnest Money which shall be retained by Seller;

(7) Approval by HUD of the Assignment and Assumption of the Housing Assistance Payment contract for the Property ("HAP Contract") upon the terms and

conditions reasonably acceptable to Seller and Purchaser. Seller shall reasonably cooperate with Purchaser in connection with Purchaser's application to HUD for such approval.

(8) Approval by HUD of the assumption by Purchaser of all of the obligations under the Section 236(e)(2) Use Agreement ("Use Agreement") and the release of Seller from such obligations upon the terms and conditions reasonably acceptable to Seller (the "236(e)(2) Consent"). Seller shall reasonably cooperate with Purchaser in connection with Purchaser's application to HUD for such approval;

(9) Approval by HUD of the decoupling and assumption by Purchaser of all of the obligations under the Section 236(e)(2) Agreement for Interest Reduction Payments ("IRP Agreement") and the release of Seller from such obligations upon the terms and conditions reasonably acceptable to Seller (the "IRP Consent"). Seller shall reasonably cooperate with Purchaser in connection with Purchaser's application to HUD for such approval;

(10) Approval by the New Jersey Department of Community Affairs ("NJDCA") of the assumption by Purchaser of all of the obligations under the applicable project-based voucher agreement ("NJDCA Voucher Agreement") and the release of Seller from such obligations upon the terms and conditions reasonably acceptable to Seller (the "NJDCA Consent"). Seller shall reasonably cooperate with Purchaser in connection with Purchaser's application to the NJDCA for such approval;

The consents and approvals contained in this Section 5.2(a) are hereinafter referred to as the "Required Consents." If any Required Consent is conditional, such condition(s) must be acceptable to Purchaser in its reasonable, good faith discretion. Purchaser shall submit/apply for the Required Consents by the later of (i) fifteen (15) days following the last day of the Due Diligence Period, or (ii) seven (7) days following Purchaser's receipt of the LP Consent (the "Submission Date").

(b) Conditions to Purchaser's Obligations to Close. In addition to all other conditions set forth herein, the obligation of Purchaser to consummate the transactions contemplated hereunder shall be contingent upon the following:

(1) There shall exist no pending or threatened actions, suits, arbitrations, claims, attachments, proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings against Seller that would materially and adversely affect the Property or the operation of the Property.

(2) All other conditions to Purchaser's obligation to close hereunder provided for under this Agreement (including the continued accuracy of all of Seller's representations and warranties) shall have been satisfied.

(c) So long as a party is not in default hereunder (in which event the provisions of Article 8 shall control), if any condition to such party's obligation to proceed with the Closing hereunder is not satisfied as of the Closing Date, such party may, in its sole discretion, either (i) terminate this Agreement by delivering written notice to the other party on or before the Closing Date, whereupon Escrow Agent shall return the Earnest Money and any interest money earned



thereon to Purchaser, (ii) elect to extend the Closing until such condition is satisfied (subject to the limitations otherwise herein set forth), such extension(s) in all events not to extend the Closing Date by more than sixty (60) days (unless otherwise expressly agreed in writing by Seller and Purchaser), or (iii) elect to consummate the transaction, notwithstanding the non-satisfaction of such condition, in which event such party shall be deemed to have waived any such condition. However, in no event shall Closing occur after the Outside Closing Date without the written approval of both parties. In the event such party elects to close, notwithstanding the nonsatisfaction of such condition, there shall be no liability on the part of the other party hereto for failure of such condition or a breach of any representation, warranty or agreement contained in this Agreement.

5.3 Seller's Deliveries. On or before the Closing Date, Seller shall deliver the following:

(a) Deed. A special warranty deed in recordable form executed and acknowledged by Seller, conveying to Purchaser fee simple title to the Real Property, subject only to the Permitted Exceptions (the "Deed"). A form of the Deed is attached hereto as Exhibit 5.3(a).

(b) Bill of Sale and Assignment of Leases and Contracts. A Bill of Sale and Assignment and Assumption of Leases and Contracts in the form of Exhibit 5.3(b) attached hereto (the "Assignment"), executed and acknowledged by Seller, vesting in Purchaser good title to the property described therein free of any claims, except for the Permitted Exceptions to the extent applicable.

(c) Transfer Tax Returns. Such returns and statements as are required in connection with applicable realty transfer fees and taxes. Seller shall pay all real estate transfer fees or taxes imposed by law on sales of real property in Orange, New Jersey, and delivery of related forms.

(d) FIRPTA. A Foreign Investment in Real Property Tax Act affidavit executed by Seller. If Seller fails to provide the necessary affidavit and/or documentation of exemption on the Closing Date, Purchaser may proceed with withholding provisions as provided by law.

(e) Authority. Evidence of the existence, organization and authority of Seller and of the authority of the persons executing documents on behalf of Seller reasonably satisfactory to the Title Company.

(f) Affidavit of Title. An Affidavit of Title to the Title Company as to facts within Seller's actual knowledge in the form attached hereto as Exhibit 3.3.

(g) Termination of Management Agreement. Evidence of termination of the existing property management agreement reasonably satisfactory to Purchaser.

(h) Update of Rent Roll. An update of the Rent Roll, certified by Seller as true and correct in all material respects.

(i) Closing Statement. A closing statement detailing all prorations and closing adjustments of the transaction executed by Seller.

(j) Assignments. Assignment and assumption documents for the Use Agreement, the IRP Agreement, and NJDCA Voucher Agreement, each in a form reasonably satisfactory to Seller and Purchaser.

(k) Assignment of HAP Contract. A counterpart Assignment, Assumption and Amendment Agreement with respect to the Property HAP contract in form required by HUD and reasonably acceptable to Purchaser (the "Assignment of HAP Contract").

(l) LP Consent. The consent of the limited partners ("LP Consent") is required for the sale of the Property by Seller to Purchaser and such LP Consent shall be delivered to Purchaser no later than fifteen (15) days after the expiration of the Due Diligence Period. If LP consent is not obtained as of such date, then all dates contained herein shall be extended day for day until obtained. Notwithstanding the above, the Outside Closing Date shall only be extended day for day for a maximum of ninety (90) days. Any further extension of the Outside Closing Date beyond such ninety (90) day period may only be done pursuant to a written agreement between the parties.

(m) Additional Documents. Any additional documents that Purchaser, Escrow Agent or the Title Company may reasonably require for the proper consummation of the transaction contemplated by this Agreement.

5.4 Purchaser's Deliveries. Except as set forth below, on or prior to the Closing Date, Purchaser shall deliver all of the following:

(a) Purchase Price. On or before the Closing Date, the Purchase Price, less the Earnest Money that is applied to the Purchase Price, plus or minus applicable prorations, in immediate, same-day federal funds wired for credit into the Escrow Agent's escrow account.

(b) Bill of Sale and Assignment of Leases and Contracts. The Assignment, executed by Purchaser.

(c) Assignments. Counterpart signatures to any assignment and assumption documents relative to the Use Agreement, the IRP Agreement, and NJDCA Voucher Agreement, each in a form reasonably satisfactory to Seller and Purchaser.

(d) Closing Statement. A closing statement detailing all prorations and closing adjustments of the transaction executed by Purchaser.

(e) Assignment of HAP Contract. The Assignment of HAP Contract, executed by Purchaser.

(f) Additional Documents. Any additional documents that Seller, Escrow Agent or the Title Company may reasonably require for the proper consummation of the transaction contemplated by this Agreement.

5.5 Possession. Seller shall deliver possession of the Property to Purchaser at the Closing, subject only to the rights of tenants under Leases and the Permitted Exceptions.

5.6 Delivery of Books and Records. Immediately after the Closing, Seller shall deliver to the Property to the extent in Seller's possession or control, the original (or copies if originals cannot be located) current Leases; security deposit register, keys and other items, if any, used in the operation of the Property; provided, however, that unless Purchaser shall otherwise request (in which event Seller shall provide such materials as may be requested and are in its possession and/or control), Seller's obligations hereunder shall be limited to (a) all lease files, filings and correspondence for or concerning tenants, and records, documents, correspondence and plans of or concerning the construction of the Building, and (b) current (i.e. dated within and including the current year in which Closing occurs and the two (2) preceding years) books and records, correspondence and other papers and documents which Purchaser shall request in connection with Closing and which are in Seller's possession or control. The provisions of this Section 5.6 shall survive the Closing.

5.7 Notice to Tenants. Seller and Purchaser shall deliver to each tenant immediately after the Closing a notice regarding the sale in substantially the form Exhibit 5.7 attached hereto, or such other form as may be required by applicable state law.

5.8 Certificate of Occupancy. If the City of Orange, New Jersey, requires that certificates of occupancy/habitability, certificates of continued occupancy, smoke detector certifications or other inspection or occupancy certificates be obtained in connection with the conveyance of the Property to Purchaser, Seller shall, at its cost, obtain such certificates and make any repairs, replacements, alterations and changes to the Property required in connection therewith prior to Closing; provided, however, Seller shall not be required to expend more than Twenty-Five Thousand Dollars (\$25,000) to comply with the provisions of this Section 5.8. If the cost to Seller to comply with this Section 5.8 will exceed the sum of Twenty-Five Thousand Dollars (\$25,000), Seller shall provide Purchaser with notice thereof and an estimate of the cost thereof (the "C/O Notice"). Purchaser shall have not more than ten (10) days following receipt of the C/O Notice to either (a) terminate this Agreement, whereupon the Earnest Money and any interest earned thereon shall be returned to Purchaser and thereafter neither party shall have any further rights or obligations one to the other, or (b) proceed to the Closing pursuant to the remaining terms of this Agreement, in which event Purchaser shall reimburse Seller at Closing for the amount in excess of Twenty-Five Thousand Dollars (\$25,000) expended by Seller to comply with this Section 5.8. Notwithstanding the above, Purchaser may, provided Purchaser and Seller enter into an acceptable agreement with the City of Orange, New Jersey, or such other applicable government agency, authorizing Seller and Purchaser to proceed to Closing on the basis that Purchaser will make and assume all responsibility for any repairs, replacements, alterations and changes to the Property required in connection with any certificate of occupancy/habitability, proceed to Closing and receive a credit from Seller for such repairs, replacements, alterations and changes to the Property up to a maximum amount of Twenty-Five Thousand Dollars (\$25,000).

#### ARTICLE 6: PRORATIONS

6.1 Prorations. The items in this Section 6.1 shall be prorated between Seller and Purchaser as of the close of the day immediately preceding the Closing Date, the Closing Date being a day of income and expense to Purchaser:

(a) Taxes and Assessments. Seller shall receive a credit for any paid real estate taxes and assessments ("Taxes") applicable to any period on or after the Closing Date. Purchaser shall receive a credit for any Taxes due as of Closing and applicable to any period before the Closing Date. If the amount of any Taxes has not been determined as of Closing, such credits shall be based on one hundred ten percent (110%) of the most recent ascertainable Taxes and shall not be re prorated. Purchaser shall receive a credit for any special assessments which are levied or charged against the Property for the period prior to the Closing Date unless payable in installments in which event such assessment shall be equitably prorated.

(b) Collected Rent. All collected rent and other collected income (and any applicable state or local tax on rent) under Leases in effect on the Closing Date. Seller shall be charged with any rentals collected by Seller before Closing but applicable to any period of time after Closing. Uncollected rent and other income shall not be prorated. If any tenant is in arrears in the payment of rent on the Closing Date, rents received from such tenant after the Closing shall be applied (a) first to the cost of collection, if any, then to current rents and any rents accruing from and after the Closing Date, and then (b) to all rent due and owing for the months immediately preceding the month in which Closing occurs, to be paid to Seller.

Upon and following the Closing, Seller shall not have the right to seek collection of any unpaid rent delinquent for any period prior to the Closing unless (1) the tenant has vacated the premises under the lease before Closing and the lease is not assigned to Purchaser or (2) the related lease has been terminated and the tenant thereunder has vacated its premises. Notwithstanding the foregoing sentence, however, with respect to any court proceeding commenced by Seller prior to Closing in the ordinary course of business for collection of rent payable by any residential tenant for periods prior to Closing, and subject to the other provisions of this Section, such rent collection proceeding shall continue under Seller's direction after Closing and Purchaser shall cooperate with Seller at Seller's expense in connection therewith; provided, however that Seller shall have no right to seek eviction or termination of any lease in connection with any such proceeding. From and after Closing, Purchaser agrees to bill each tenant in occupancy or as to which the lease has not been terminated owing rent for periods prior to the Closing Date and, Purchaser shall use commercially reasonable efforts consistent with Purchaser's normal practices to collect such rents, and the provisions of this Section 6.1(b) shall continue to apply thereto; provided, however, that Purchaser shall have no obligation to engage any collection agency or to commence any actions or proceedings to collect any such past due rent or to terminate any lease; and provided further, however, that if Purchaser shall commence any actions or proceedings against such tenant to collect any past due rent or to terminate its lease, Purchaser shall include any past due rent owed to Seller in its claim and shall not settle any claim for past due rent owed Seller without Seller's prior written consent. The provisions of this Section 6.1(b) shall survive the Closing for a period of six (6) months.

(c) Utilities. Utilities, including water, sewer, electric, and gas, based upon the last reading of meters prior to the Closing. Seller shall endeavor to obtain meter readings on the day before the Closing Date, and if such readings are obtained, there shall be no proration of such items. To the extent available, Seller shall pay at Closing the bills therefor for the period to the day preceding the Closing, and Purchaser shall pay the bills therefor for the period subsequent thereto. If the utility company will not issue separate bills, Purchaser will receive a credit against the Purchase Price for Seller's portion and will pay the entire bill prior to delinquency after Closing.

If Seller has paid any utilities no more than thirty (30) days in advance in the ordinary course of business, then Purchaser shall be charged its portion of such payment at Closing.

(d) Fees and Charges Under Service Contracts. Fees and charges under Service Contracts being assigned to and assumed by Purchaser at the Closing on the basis of the periods to which such Service Contracts-relate. No initial fees received by Seller shall be prorated.

(e) Reserve Accounts; Sinking Fund Accounts; Other Accounts. No proration shall be made of any reserve accounts, sinking funds, replacement reserves or any other accounts. If the same are not otherwise returned to Seller, but are instead received by or credited to Purchaser, or shall be available for use of the Property, Purchaser shall pay to Seller at Closing, in addition to the Purchase Price, an amount equal to the amount in all reserve accounts, sinking fund, replacement reserves and all other accounts, including escrow accounts.

6.2 Final Adjustment After Closing. In the event that final bills are not available or cannot be issued prior to Closing for any item being prorated under Section 6.1, then Purchaser and Seller agree to allocate such items on a fair and equitable basis and as soon as such bills are available, final adjustment to be made as soon as reasonably possible after the Closing, but in no event later than ninety (90) days after Closing. Payments in connection with the final adjustment shall be due within thirty (30) days of written notice.

6.3 Tenant Deposits. All tenant security, pet or other deposits deposited under Leases (and interest thereon if required by law or contract to be earned thereon) shall be transferred or credited to Purchaser at Closing. As of the Closing, Purchaser shall assume Seller's obligations related to tenant security deposits, but only to the extent they are properly credited and transferred to Purchaser. Seller shall deliver notice to tenants by certified mail regarding the transfer of security deposits to Purchaser. Purchaser shall indemnify and save Seller harmless from any obligations under this Section 6.3 from and after Closing with respect to tenant security deposits transferred or credited to Purchaser.

6.4 Utility Deposits. Seller shall receive a credit for the amount of deposits, if any, with utility companies that are transferable and that are assigned to and assumed by Purchaser at the Closing.

6.5 Sales, Transfer, and Documentary Taxes. At Closing, Seller shall pay all documentary stamp transfer taxes, realty transfer taxes and fees imposed in connection with this transaction under applicable state or local law.

6.6 Wages. Seller shall pay the wages, and the employment taxes and fringe benefits applicable thereto, payable to employees of Seller.

6.7 Commissions. Except for the fees payable to Berkadia Real Estate Advisors LLC ("Broker"), which shall be the responsibility of Seller, Seller and Purchaser represent and warrant each to the other that they have not dealt with any real estate broker, sales person or finder in connection with this transaction. In the event of any claim for broker's or finder's fees or commissions in connection with the negotiation, execution or consummation of this Agreement or the transactions contemplated hereby, each party shall indemnify and hold harmless the other party

from and against any such claim based upon any statement, representation or agreement of such party. This provision shall survive the Closing.

6.8 Insurance. There will be no proration of insurance premiums, it being agreed that Purchaser will be responsible to obtain its own insurance as of the Closing.

#### ARTICLE 7: REPRESENTATIONS AND WARRANTIES

7.1 Seller's Representations and Warranties. As a material inducement to Purchaser to execute this Agreement and consummate this transaction, Seller represents and warrants to Purchaser that as of the date hereof and the Closing Date:

(a) Organization and Authority. Seller is a validly existing limited dividend housing partnership of the State of New Jersey. Except for the Required Consents and LP Consent, Seller has the full right and authority to enter into this Agreement and to consummate or cause to be consummated the transactions contemplated hereby. This Agreement has been, and all of the documents to be delivered by Seller at the Closing will be, authorized and properly executed and constitutes, or will constitute, as appropriate, the valid and binding obligation of Seller, enforceable in accordance with their terms.

(b) Conflicts and Pending Actions or Proceedings. The execution, delivery and performance of this Agreement by Seller (i) does not and will not conflict with or result in a breach of or default under the organizational documents of Seller, (ii) does not and will not conflict with or result in a breach of any condition or provision of, or constitute a default under, or result in the acceleration, creation or imposition of any lien, charge or encumbrance upon any of the Property by reason of the terms of any contract, mortgage, lien, agreement, indenture, instrument, decree or judgment to which the Seller is a party or which is binding upon Seller, (iii) to the knowledge of Seller, does not and will not constitute a violation of any applicable code, resolution, law, statute, regulation, ordinance or rule applicable to Seller or the Property, (iv) does not and will not constitute a violation of any judgment, decree or order applicable to Seller or specifically applicable to the Property, or (v) does not and will not require the consent, waiver or approval of any third party, other than as stated herein. There is no action or proceeding pending or, to Seller's actual knowledge, threatened against Seller or relating to the Property, including, without limitation, any condemnation proceedings or actions under the Fair Housing Act which challenges or impairs Seller's ability to execute or perform its obligations under this Agreement. The Property is registered with the New Jersey Department of Community Affairs and there is a current green card for the Property, a copy of which is attached hereto as Exhibit 7.1(b). All permits, certificates, zoning, building, housing or safety, fire and health department approvals, and all other permits, approvals and licenses necessary to operate the Property and the equipment thereof have been issued and, to the extent possible, will be assigned to Purchaser at Closing.

(c) Rent Roll. Each Rent Roll and collection history delivered to Purchaser is and shall be true, complete and correct in all material respects as of its date. No concessions have been granted to any tenant. All information set forth in any Rent Roll delivered to Purchaser shall be true, correct and complete in all material respects as of the Closing Date. Except as disclosed on Exhibit 7.1(c), there are no leasing or other commissions due, nor will any become due, in

connection with any Lease, and no understanding or agreement with any party exists as to payment of any leasing commissions or fees regarding future leases or as to the procuring of tenants.

(d) Service Contracts. The list of Existing Service Contracts set forth on Exhibit 2.3 to this Agreement is true, correct, and there are no other contracts affecting the Property. Neither Seller nor, to Seller's knowledge, any other party is in default under any Existing Service Contracts.

(e) Litigation. Except for any matters identified on Exhibit 7.1(e), there is no action, suit, litigation, hearing or administrative proceeding pending against Seller or the Property or, to Seller's actual knowledge, threatened in writing against Seller or relating to the Property, including without limitation, any condemnation or eminent domain proceedings or actions under the Fair Housing Act (1) which challenges or impairs Seller's ability to execute or perform its obligations under this Agreement or (2) which is not or would not be covered by insurance or which would have a material adverse effect on the use or operation of the Property or upon Seller's right, title or interest in the Property or upon Seller's power or authority to convey the same as required hereunder.

(f) Collective Bargaining Agreements; Employees. There are no collective bargaining or other employment agreements to which Seller is a party and relating to the Property except as set forth on Exhibit 7.1(f) attached hereto. Seller has not received notice of default under any purported agreement. On or before Closing, Seller shall have terminated the employment of all of its Employees with respect to the Property in accordance with all applicable laws and any collective bargaining agreements.

(g) Purchase Options. There are no purchase options, rights of first offer, rights of first refusal or other similar agreements in force or effect with respect to the transfer of the Property.

(h) Assessments. Seller has no knowledge of the imposition of any special assessments relating to the Property.

(i) Security Deposits. Exhibit 7.1(i) is a true, correct and complete list of security deposits currently held by Seller under the Leases in effect as of the date hereof and setting forth the form in which held if other than cash. Seller has made available to Purchaser a true and complete copy of any non-cash security deposit and represents and warrants that Seller has not previously assigned or transferred any security deposit. Seller has held and administered all such security deposits in conformity in all material respects with all applicable laws and legal requirements.

(j) Residential Leases. Seller has entered into residential leases at the Property which, to Seller's actual knowledge, do not exceed the rents that are permitted under applicable laws and legal requirements and has, to the extent and in the manner required by all applicable laws and legal requirements, prepared, filed and served all required registration statements for each apartment.

(k) Knowledge Party. "To Seller's knowledge" "to Seller's actual knowledge" or similar words used in this Agreement shall mean to the actual knowledge of Mario Molano,

Vice President of IRMC, who is the individual who is primarily responsible for the management of the Property on behalf of Seller.

(l) Intentionally Omitted.

(m) Compliance with International Trade Control Laws and OFAC Regulations.

Seller is not now nor shall it be at any time prior to or at the Closing an individual, corporation, partnership, joint venture, association, joint stock company, trust, trustee, estate, limited liability company, unincorporated organization, real estate investment trust, government or any agency or political subdivision thereof, or any other form of entity (collectively, a "Person") with whom a United States citizen, entity organized under the laws of the United States or its territories or entity having its principal place of business within the United States or any of its territories (collectively, a "U.S. Person"), is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") (including those executive orders and lists published by OFAC with respect to Persons that have been designated by executive order or by the sanction regulations of OFAC as Persons with whom U.S. Persons may not transact business or must limit their interactions to types approved by OFAC ("Specially Designated Nationals and Blocked Persons")) or otherwise. Neither Seller nor any Person who owns an interest in Seller (collectively, a "Seller Party") is now nor shall be at any time prior to or at the Closing a Person with whom a U.S. Person, including a "financial institution" as defined in 31 U.S.C. 5312 (a)(z), as periodically amended ("Financial Institution"), is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the OFAC (including those executive orders and lists published by OFAC with respect to Specially Designated Nationals and Blocked Persons) or otherwise.

(n) Anti-Money Laundering Laws. To the best of Seller's knowledge after making due inquiry, neither Seller nor any Seller Party, nor any Person providing funds to Seller: (i) is under investigation by any governmental authority for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist-related activities, any crimes which in the United States would be predicate crimes to money laundering, or any violation of any Anti Money Laundering Laws (as hereinafter defined in this Section); (ii) has been assessed civil or criminal penalties under any Anti-Money Laundering Laws; or (iii) has had any of its funds seized or forfeited in any action under any Anti Money Laundering Laws. For purposes of this Subsection (i), the term "Anti-Money Laundering Laws" shall mean all applicable laws, regulations and sanctions, state and federal, criminal and civil, that: (w) limit the use of and/or seek the forfeiture of proceeds from illegal transactions; (x) limit commercial transactions with designated countries or individuals believed to be terrorists, narcotics dealers or otherwise engaged in activities contrary to the interests of the United States; (y) require identification and documentation of the parties with whom a Financial Institution conducts business; or (z) are designed to disrupt the flow of funds to terrorist organizations. Such laws, regulations and sanctions shall be deemed to include the USA PATRIOT Act of 2001, Pub. L. No. 107-56 (the "Patriot Act"), the Bank Secrecy Act of 1970, as amended, 31 U.S.C. Section 5311 *et. seq.*, the Trading with the Enemy Act, 50 U.S.C. App. Section 1 *et. seq.*, the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 *et. seq.*, and the sanction regulations promulgated pursuant thereto by the OFAC, as well as



laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

(o) **Seller Compliance with Patriot Act.** Seller is in compliance with any and all applicable provisions of the Patriot Act.

(p) **Violations of Law.** Seller has received no uncured written notice, and is not aware of any, violations of law with respect to the Property, including any legal requirements with respect to the use, occupancy or construction of the Improvements, and, to Seller's knowledge, no such violations exist.

7.2 **Purchaser's Representations and Warranties.** As a material inducement to Seller to execute this Agreement and consummate this transaction, Purchaser represents and warrants to Seller as of the date hereof and the Closing Date that:

(a) **Organization and Authority.** Purchaser is a duly organized and validly existing in its state of formation, and will be, at Closing, in good standing in the State of New Jersey. Subject only to obtaining certain internal approvals on or before the expiration of the Due Diligence Period which Purchaser covenants to obtain before the expiration of the Due Diligence Period unless Purchaser terminates this Agreement during the Due Diligence Period, Purchaser has the full right and authority and has obtained any and all consents required to enter into this Agreement and to consummate or cause to be consummated the transactions contemplated hereby. This Agreement has been, and all of the documents to be delivered by Purchaser at the Closing will be, authorized and properly executed and constitutes, or will constitute, as appropriate, the valid and binding obligation of Purchaser, enforceable in accordance with their terms.

(b) **Conflicts and Pending Action.** There is no agreement to which Purchaser is a party or to Purchaser's knowledge binding on Purchaser which is in conflict with this Agreement. There is no action or proceeding pending or, to Purchaser's knowledge, threatened against Purchaser which challenges or impairs Purchaser's ability to execute or perform its obligations under this Agreement.

7.3 **Survival of Representations and Warranties.** The representations and warranties set forth in this Article 7 are made as of the date of this Agreement and as of the Closing Date and shall be deemed merged into and waived by the instruments of Closing and shall not survive the Closing except as expressly provided to survive Closing. If any representation or warranty made by Seller hereunder is materially untrue on the Closing Date and Purchaser has actual knowledge that such representation or warranty is untrue on or prior to the Closing Date, Purchaser, as its sole and exclusive remedy, may elect to (i) terminate this Agreement on or before the Closing Date in which event the Earnest Money and any interest earned thereon shall be returned to Purchaser and neither party shall have any further rights or obligations under this Agreement or (ii) close without reduction in the Purchase Price. If any representation or warranty is actually known by Purchaser to be untrue on or prior to the Closing Date, Purchaser shall deliver notice thereof to Seller and in all events Seller, at Seller's election, shall have a reasonable time (in no event to exceed thirty (30) days) to cure such misrepresentation or warranty and the Closing Date shall be adjourned for such period.

7.4 No Damages for Breach of Representations and Warranties. Notwithstanding anything in this Agreement to the contrary, in no event shall Seller be liable to Purchaser for, and Purchaser shall not be entitled to, damages or costs of any kind or nature as a result of a material breach by Seller of any warranty, representation or agreement contained in this Agreement; provided, however, in the event of such breach, Seller shall reimburse Purchaser for its reasonable out-of-pocket costs, not to exceed Fifty Thousand Dollars (\$50,000). The provisions of this Section 7.4 shall survive the Closing.

7.5 Notice to Seller of Misrepresentation. If, prior to Closing, Purchaser shall have actual knowledge that any representation of Seller hereunder is untrue, as of the date made or deemed to have been re-made, and Purchaser proceeds to Closing notwithstanding its actual knowledge of such fact or circumstance, then Seller shall have no liability whatsoever to Purchaser with respect to a breach of such representation and warranty.

7.6 (a) Compliance with International Trade Control Laws and OFAC Regulations. Purchaser is not now nor shall it be at any time prior to or at the Closing, a Person with whom a U.S. Person is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by OFAC (including those executive orders and lists published by OFAC with respect to Persons that have been designated by executive order or by the sanction regulations of OFAC (as Specially Designated Nationals and Blocked Persons) or otherwise. Neither Purchaser nor any Person who owns an interest in Purchaser (collectively, a "Purchaser Party") is now nor shall be at any time prior to or at the Closing a Person with whom a U.S. Person, including a Financial Institution, is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the OFAC (including those executive orders and lists published by OFAC with respect to Specially Designated Nationals and Blocked Persons) or otherwise.

(b) Purchaser's Funds. Purchaser has taken, and shall continue to take until the Closing, such measures as are required by applicable law to assure that the funds used to pay to Seller the Purchase Price are derived: (i) from transactions that do not violate United States law nor, to the extent such funds originate outside the United States, do not violate the laws of the jurisdiction in which they originated; and (ii) from permissible sources under United States law and to the extent such funds originate outside the United States, under the laws of the jurisdiction in which they originated.

(c) Anti-Money Laundering Laws. To the best of Purchaser's knowledge after making due inquiry, neither Purchaser nor any Purchaser Party, nor any Person providing funds to Purchaser: (i) is under investigation by any governmental authority for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist-related activities, any crimes which in the United States would be predicate crimes to money laundering, or any violation of any Anti Money Laundering Laws (as hereinafter defined in this Section); (ii) has been assessed civil or criminal penalties under any Anti-Money Laundering Laws; or (iii) has had any of its funds seized or forfeited in any action under any Anti Money Laundering Laws. For purposes of this Subsection (i), the term "Anti-Money Laundering Laws" shall mean all applicable laws, regulations and sanctions, state and federal, criminal and civil, that: (w) limit the use of and/or seek the forfeiture of proceeds from illegal transactions; (x) limit commercial transactions with designated countries

or individuals believed to be terrorists, narcotics dealers or otherwise engaged in activities contrary to the interests of the United States; (y) require identification and documentation of the parties with whom a Financial Institution conducts business; or (z) are designed to disrupt the flow of funds to terrorist organizations. Such laws, regulations and sanctions shall be deemed to include the Patriot Act, the Bank Secrecy Act of 1970, as amended, 31 U.S.C. Section 5311 *et. seq.*, the Trading with the Enemy Act, 50 U.S.C. App. Section 1 *et. seq.*, the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 *et. seq.*, and the sanction regulations promulgated pursuant thereto by the OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

(d) Purchaser Compliance with Patriot Act. Purchaser is in compliance with any and all applicable provisions of the Patriot Act.

#### ARTICLE 8: DEFAULT AND REMEDIES

8.1 Seller's Default. If the Closing does not occur as a result of any of Seller's material representations or warranties contained in this Agreement being materially untrue as of the Closing Date, or if Seller shall have failed or refused to perform any of the material covenants or other agreements contained herein which are to be performed by Seller on or before the Closing (each event referred to in the foregoing provisions of this sentence is referred to herein as a "Seller Default"), Purchaser may, as its sole and exclusive remedies, (A) terminate this Agreement by giving written notice of such termination to Seller, and thereupon the Earnest Money and any interest earned thereon shall be refunded to Purchaser and the parties shall have no further liability to each other hereunder (except those obligations expressly provided herein to survive the termination of this Agreement), or (B) close the transaction which is the subject of this Agreement without abatement to or reduction of the Purchase Price, or (C) in the event of a willful refusal of Seller to complete Closing hereunder, seek to enforce the sale of the Property by maintaining an action for specific performance of this Agreement to compel performance by Seller hereunder. The remedies specified in the foregoing clauses (A), (B) and (C) shall be in lieu of any other rights or remedies of Purchaser, including, without limitation, any right or claim for damages. Purchaser shall be deemed to have elected to terminate this Agreement in accordance with clause (A) above if Purchaser fails to file suit for specific performance against Seller in a court having jurisdiction in the county and state in which the Property is located on or before sixty (60) days following the date upon which the Closing is scheduled to have occurred as set forth herein (as same may be adjourned as provided herein or by mutual agreement of the parties). If, as of the Closing Date, Purchaser has actual knowledge of any Seller Default and Purchaser elects to close the transaction which is the subject of this Agreement in accordance with clause (B) above or otherwise, then Purchaser shall be deemed to have waived any rights of Purchaser in regard to such Seller Default. In no event shall Seller or its affiliates have any liability to the payment of money damages of any kind or nature whatsoever to Purchaser or any of its affiliates, except as expressly provided in this Agreement.

8.2 Purchaser's Default. If this transaction fails to close due to the default of Purchaser, then Seller's sole remedy in such event shall be to terminate this Agreement and to retain the Earnest Money and any interest earned thereon as liquidated damages, Seller waiving all other rights or remedies in the event of such default by Purchaser. The parties acknowledge that Seller's

actual damages in the event of a default by Purchaser under this Agreement will be difficult to ascertain, and that such liquidated damages represent the parties' best estimate of such damages.

8.3 Notice of Default. Except for Purchaser's failure to close on or before the Closing Date, neither party shall have the right to declare a default by the other party and terminate this Agreement because of a failure by such other party to perform under the terms of this Agreement unless the other party shall fail to cure such failure to perform within three (3) business days after its receipt of written notice of such failure to perform.

8.4 Other Expenses. If this Agreement is terminated due to the default of a party, then the defaulting party shall pay any fees due to the Escrow Agent for holding the Earnest Money and any fees due to the Title Company for cancellation of the Title Commitment.

8.5 No Survival. It is the intention of the parties that no representation, warranty or obligation of Seller relating to the subject matter of this Agreement shall survive Closing unless contained in a separate writing signed by Seller or in an express provision in this Agreement expressly stating the obligations contained herein or therein are intended to survive Closing.

#### ARTICLE 9: EARNEST MONEY PROVISIONS

9.1 Investment and Use of Funds. The Escrow Agent shall invest the Earnest Money in a government insured interest-bearing account at an institution reasonably acceptable to Purchaser and Seller, shall not commingle the Earnest Money with any funds of the Escrow Agent or others, and shall promptly provide Purchaser and Seller with confirmation of the investments made. Interest, if any, accrued on the Earnest Money shall be delivered with the Earnest Money to the party entitled to the Earnest Money hereunder. If the Closing under this Agreement occurs, the Escrow Agent shall deliver the Earnest Money to, or upon the instructions of, Purchaser on the Closing Date. Provided such supplemental escrow instructions are not in conflict with this Agreement as it may be amended in writing from time to time, Seller and Purchaser agree to execute such supplemental escrow instructions as may be appropriate to enable Escrow Agent to comply with the terms of this Agreement. Upon request, Purchaser shall promptly execute and deliver a W-9 form.

9.2 Termination Before Expiration of Due Diligence Period. If Purchaser elects to terminate the Agreement pursuant to Section 2.2 hereof, then Escrow Agent shall pay to Purchaser, within five (5) business days following receipt of the Due Diligence Period Termination Notice from Purchaser (as long as the current investment can be liquidated in one day), the Earnest Money and any interest earned thereon. No further notice to Escrow Agent from Seller or Purchaser shall be required for the release of the Earnest Money by Escrow Agent pursuant to this Section 9.2. The Earnest Money shall be released and delivered to Purchaser from Escrow Agent upon Escrow Agent receipt of the Due Diligence Termination Notice, despite any objection or potential objection by Seller or Purchaser. Seller, prior to the end of the Due Diligence Period, time being of the essence, agrees it shall have no right to bring any action against Escrow Agent which would have the effect of delaying, preventing, or in any way interrupting Escrow Agent's delivery of the Earnest Money pursuant to this Section, any remedy being against the other party, not Escrow Agent, provided that Escrow Agent receives the Due Diligence Termination Notice to Proceed prior to the end of the Due Diligence Period, time being of the essence.

9.3 Other Terminations. Upon a termination of this Agreement other than as described in Section 9.2 hereof, either party to this Agreement (the "Terminating Party") may give written notice to the Escrow Agent and the other party (the "Non-Terminating Party") of such termination and the reason for such termination. Subject to the provisions of Section 1.3(b) and the last sentence of this Section 9.3, such request shall also constitute a request for the release of the Earnest Money to the Terminating Party. The Non-Terminating Party shall then have ten (10) business days in which to object in writing to the release of the Earnest Money to the Terminating Party. If the Non-Terminating Party provides such an objection, then the Escrow Agent shall retain the Earnest Money until it receives written instructions executed by both Seller and Purchaser as to the disposition and disbursement of the Earnest Money, or until ordered by final court order, decree or judgment, which is not subject to appeal, to deliver the Earnest Money to a particular party, in which event the Earnest Money shall be delivered in accordance with such notice, instruction, order, decree or judgment. Notwithstanding anything in this Agreement to the contrary, it is the intention of the parties that the Earnest Money shall become nonrefundable at the end of the Due Diligence Period unless Purchaser elects to terminate this Agreement pursuant to its terms.

9.4 Interpleader. Except as provided in Section 9.2 above, Seller and Purchaser mutually agree that in the event of any controversy regarding the Earnest Money, unless mutual written instructions are received by the Escrow Agent directing the Earnest Money's disposition, the Escrow Agent shall not take any action, but instead shall await the disposition of any proceeding relating to the Earnest Money or, at the Escrow Agent's option, the Escrow Agent may interplead all parties and deposit the Earnest Money with a court of competent jurisdiction in New Jersey in which event the Escrow Agent may recover all of its court costs and reasonable attorneys' fees. Seller or Purchaser, whichever loses in any such interpleader action, shall be solely obligated to pay such costs and fees of the Escrow Agent, as well as the reasonable attorneys' fees of the prevailing party in accordance with the other provisions of this Agreement.

9.5 Liability of Escrow Agent. The parties acknowledge that the Escrow Agent is acting solely as a stakeholder at their request and for their convenience, that the Escrow Agent shall not be deemed to be the agent of either of the parties, and that the Escrow Agent shall not be liable to either of the parties for any action or omission on its part taken or made in good faith, and not in disregard of this Agreement, but shall be liable for its negligent acts and for any loss, cost or expense incurred by Seller or Purchaser resulting from the Escrow Agent's mistake of law respecting the Escrow Agent's scope or nature of its duties. Seller and Purchaser shall jointly and severally indemnify and hold the Escrow Agent harmless from and against all costs, claims and expenses, including reasonable attorneys' fees, incurred in connection with the performance of the Escrow Agent's duties hereunder, except with respect to actions or omissions taken or made by the Escrow Agent in bad faith, in disregard of this Agreement or involving negligence on the part of the Escrow Agent.

9.6 Escrow Fee. Except as expressly provided herein to the contrary, the escrow fee, if any, charged by the Escrow Agent for holding the Earnest Money or conducting the Closing shall be shared equally by Seller and Purchaser.

#### ARTICLE 10: MISCELLANEOUS

10.1 Parties Bound. Neither party may assign this Agreement without the prior written consent of the other, and any such prohibited assignment shall be void; provided, however, that Purchaser may assign this Agreement without Seller's consent to an Affiliate or to effect an Exchange pursuant to Section 10.21 hereof, provided that no such assignment shall release the assigning party of any liability or obligation hereunder. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the respective legal representatives, successors, assigns, heirs, and devisees of the parties. For the purposes of this Section, the term "Affiliate" means (a) an entity that directly or indirectly controls, is controlled by or is under common control with the Purchaser or (b) an entity at least a majority of whose economic interest is owned by Purchaser or any of its principals; and the term "control" means the power to direct the management of such entity through voting rights, ownership or contractual obligations.

10.2 Commissions. Except for the fees payable to Broker, which shall be the responsibility of Seller, Seller and Purchaser represent and warrant each to the other that they have not dealt with any real estate broker, sales person or finder in connection with this transaction. In the event of any claim for broker's or finder's fees or commissions in connection with the negotiation, execution or consummation of this Agreement or the transactions contemplated hereby, each party shall indemnify and hold harmless the other party from and against any such claim based upon any statement, representation or agreement of such party. This Section 10.2 shall survive Closing.

10.3 Headings. The article and paragraph headings of this Agreement are for convenience only and in no way limit or enlarge the scope or meaning of the language hereof.

10.4 Invalidity and Waiver. If any portion of this Agreement is held invalid or inoperative, then so far as is reasonable and possible the remainder of this Agreement shall be deemed valid and operative, and, to the greatest extent legally possible, effect shall be given to the intent manifested by the portion held invalid or inoperative. The failure by either party to enforce against the other any term or provision of this Agreement shall not be deemed to be a waiver of such party's right to enforce against the other party the same or any other such term or provision in the future.

10.5 Governing Law. This Agreement shall, in all respects, be governed, construed, applied, and enforced in accordance with the laws of the State of New Jersey.

10.6 Survival. Only those provisions of this Agreement that expressly provide for performance or survival after termination of this Agreement or the Closing shall survive termination or the Closing, as the case may be.

10.7 No Third-Party Beneficiary. This Agreement is not intended to give or confer any benefits, rights, privileges, claims, actions, or remedies to any person or entity as a third party beneficiary, decree, or otherwise.

10.8 Entirety and Amendments. This Agreement embodies the entire agreement between the parties and supersedes all prior agreements and understandings relating to the Property. This Agreement may be amended or supplemented only by an instrument in writing executed by the party against whom enforcement is sought.

10.9 Time. Time is of the essence in the performance by Purchaser of its obligations under this Agreement.

10.10 Confidentiality. During the period commencing on the date hereof and ending on the earlier of the Closing Date or one (1) year after termination of this Agreement, Seller and Purchaser agree that the terms of the transaction contemplated by this Agreement (including without limitation, the Purchase Price and the other material economic terms of this transaction) and any information obtained or provided pursuant to the provisions of this Agreement shall be maintained in strict confidence and no disclosure, whether through press releases or any other means of publication (oral or written), of such documentation and information will be made or permitted, except to such brokers, attorneys, lenders, investors, accountants, prospective investors and partners and others as are involved in the negotiation and consummation of this transaction (collectively, the "Representatives"). In furtherance of the foregoing, Seller and Purchaser agree as follows: (i) Seller and Purchaser shall advise each of its Representatives of the confidential nature of any documentation and information disclosed to them and of Seller's and Purchaser's obligations under this Section; (ii) each party shall be liable for its Representative's breach of this Section, each party acknowledging that there may be no adequate remedy at law and that each party shall have the right to seek injunctive relief; and (iii) each party shall defend, indemnify and hold the other harmless from and against any and all claims, damages, liabilities and expenses, including reasonable attorneys' fees, arising out of or resulting from a breach of this Section by such party or any of its Representatives. Notwithstanding any terms or conditions in this Agreement or any related agreement to the contrary, but subject to restrictions reasonably necessary to comply with federal or state securities laws, any person may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transaction and all materials of any kind (including opinions or other tax analyses) that are provided relating to such tax treatment and tax structure. Seller and Purchaser are each also permitted to disclose any information otherwise deemed confidential under this Section in connection with the performance of its obligations hereunder and any litigation relating to the Property or this transaction. Notwithstanding the foregoing, nothing herein shall be intended to, or shall be deemed to, prevent Purchaser from making any disclosure required by any applicable law or regulation, or from and after Closing, making disclosure of any information which is or has become publicly available other than by reason of a breach of the provisions of this Section 10.10. Purchaser shall not record this Agreement or any memorandum of this Agreement; however, Purchaser may file a customary "Notice of Settlement" so long as Purchaser is not in default under this Agreement. The provisions of this Section 10.10 shall survive the Closing and any termination of this Agreement.

10.11 Notices. All notices required or permitted hereunder shall be in writing and shall be served on the parties at the addresses set forth in Section 1.1. Any such notices shall be either (a) sent by overnight delivery using a nationally recognized overnight courier, in which case notice shall be deemed delivered one business day after deposit with such courier, (b) sent by email, in which case notice shall be deemed delivered upon transmission, or (c) sent by personal delivery, in which case notice shall be deemed delivered upon receipt. Rejection or other refusal to accept or inability to deliver because of changed address of which no written notice has been received shall also constitute receipt. A party's address may be changed by written notice to the other party; provided, however, that no notice of a change of address shall be effective until actual receipt of such notice. Copies of notices are for informational purposes only, and a failure to give or receive copies of any notice shall not be deemed a failure to give notice. Notices given by counsel to the

Purchaser shall be deemed given by Purchaser and notices given by counsel to the Seller shall be deemed given by Seller.

10.12 Construction. The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement and agree that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

10.13 Calculation of Time Periods. Unless otherwise specified, in computing any period of time described herein, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is a Saturday, Sunday or legal holiday for national banks in the location where the Property is located, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday, or legal holiday. The last day of any period of time described herein shall be deemed to end at 6:00 p.m. Eastern Standard Time.

10.14 Intentionally Omitted.

10.15 Procedure for Indemnity. The following provisions govern actions for indemnity under this Agreement. Promptly after receipt by an indemnitee of notice of any claim, such indemnitee will, if a claim in respect thereof is to be made against the indemnitor, deliver to the indemnitor written notice thereof and the indemnitor shall have the right to participate in and, if the indemnitor agrees in writing that it will be responsible for any costs, expenses, judgments, damages, and losses incurred by the indemnitee with respect to such claim, to assume the defense thereof, with counsel mutually satisfactory to the parties; provided, however, that an indemnitee shall have the right to retain its own counsel, with the fees and expenses to be paid by the indemnitor, if the indemnitee reasonably believes that representation of such indemnitee by the counsel retained by the indemnitor would be inappropriate due to actual or potential differing interests between such indemnitee and any other party represented by such counsel in such proceeding. The failure of indemnitee to deliver written notice to the indemnitor within a reasonable time after indemnitee receives notice of any such claim shall relieve such indemnitor of any liability to the indemnitee under this indemnity only if and to the extent that such failure is materially prejudicial to its ability to defend such action, and the omission so to deliver written notice to the indemnitor will not relieve it of any liability that it may have to any indemnitee other than under this indemnity. If an indemnitee settles a claim without the prior written consent of the indemnitor, then the indemnitor shall be released from liability with respect to such claim unless the indemnitor has unreasonably withheld such consent.

10.16 Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one Agreement. To facilitate execution of this Agreement, the parties may execute and exchange a "pdf" counterpart of this Agreement signed by the other party with the same effect as if such party had received an original counterpart signed by such other party.

10.17 Limitation of Liability. All persons dealing with Seller shall look exclusively to the assets of Seller (including, without limitation, the proceeds of this transaction) for the enforcement of any claim against Seller, as none of the managers, employees, officers, agents or



partners of Seller assume any personal liability for obligations entered into by or on behalf of Seller, including, without limitation, the general partners of Seller.

10.18 Further Assurances. In addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by either party at Closing, each party agrees to perform, execute and deliver, but without any obligation to incur any additional liability or expense, on or after the Closing any further deliveries and assurances as may be reasonably necessary to consummate the transactions contemplated hereby or to further perfect the conveyance, transfer and assignment of the Property to Purchaser.

10.19 Condition of Property. (a) **Purchaser acknowledges and agrees that it has been afforded full access to the Property for the purpose of inspecting same and, except as expressly stated in this Agreement, Seller has made no representations or warranties, either express or implied, regarding the Property, including, without limitation, its condition, its past use or its suitability for Purchaser's intended use thereof or its current use, and that Purchaser is acquiring the Property on an "as-is, where-is" basis. Purchaser for itself, its successors and assigns, effective as of Closing, hereby releases Seller with respect to the condition of the Property, known or unknown, and covenants it will not sue Seller with respect to the condition of the Property.**

(b) Without limiting the generality of Section 10.19(a) above, by accepting the Deed to the Property, Purchaser releases Seller from and waives any and all claims and causes of actions it may have against Seller for, any and all losses, damages and costs, including, without limitation, any clean-up, remediation or monitoring cost asserted against Purchaser or Purchaser's successors and assigns because of the presence of any Hazardous Substances in, on or under the Property or the migration of any Hazardous Substances from the Property in, on or under any adjacent property, including, without limitation, any liabilities asserted against Purchaser under contract, common law, tort and by any person or entity pursuant to the enforcement of the Environmental Laws, now or hereinafter in existence or any other theory or cause of action. The term "Environmental Laws" includes without limitation the Resource Conservation and Recovery Act, the Comprehensive Environmental Response Compensation and Liability Act, the Spill Compensation and Control Act, Spill Compensation and Control Act, Clean Water Act, and other federal laws governing the environment as in effect on the date of this Agreement together with their implementing regulations and guidelines as of the date of this Agreement, and all state, regional, county, municipal and other local laws, regulations and ordinances that are equivalent or similar to the federal laws recited above or that purport to regulate Hazardous Substances. The term "Hazardous Substances" includes petroleum, including crude oil or any fraction thereof, natural gas, natural gas liquids, liquified natural gas, or synthetic gas usable for fuel (or mixtures of natural gas or such synthetic gas), asbestos and asbestos containing materials and any substance, material waste, pollutant or contaminant listed or defined as hazardous or toxic under any Environmental Law.

(c) This Section 10.19 shall survive Closing.

10.20 No Recording. Neither this Agreement (nor any Memorandum of this Agreement) shall be recorded. Any recording of this Agreement (or Memorandum of this Agreement) by Purchaser shall be deemed a material default of Purchaser under this Agreement; provided, that

Purchaser may record a "Notice of Settlement" so long as Purchaser is not in default under this Agreement.

10.21 1031 Exchange. If requested to do so by Purchaser in writing not less than ten (10) business days prior to Closing, Seller agrees to cooperate with Purchaser in having the transaction contemplated by this Agreement treated as a "like-kind exchange" pursuant to Section 1031 of the Internal Revenue Code, provided that (i) such cooperation shall be at no cost or expense to Seller, (ii) Seller shall not be required to acquire or convey any other property as part of such exchange or to incur any liability or risk of liability on account of such cooperation, (iii) the same shall not delay the Closing hereunder, and (iv) all documents to be executed and delivered by Seller shall be subject to the reasonable approval of Seller's counsel. Seller makes no representations or guarantees to Purchaser that the transaction contemplated under this provision will result in any particular tax treatment or will qualify as an exchange under Section 1031 of the Internal Revenue Code. Purchaser shall indemnify and save Seller harmless from any and all costs, expenses, damages and lost income by Seller in connection with Purchaser's like-kind exchange, and this indemnity shall survive Closing.

10.22 Agreement Following Closing. At Closing, Purchaser shall assume any obligations of Seller levied by any applicable governmental authority related to any regulatory or use agreement or any other agreement directly related to the use and operation of the Property that remains an encumbrance on the Property (collectively, the "Regulatory Agreements") from and after the Closing Date. Purchaser shall indemnify, defend, and hold harmless Seller and its partners for any claims, liabilities, damages, costs, expenses, and reasonable attorneys' fees as a result of Purchaser's failure to comply with the terms and conditions of the Regulatory Agreements on or after Closing. Seller shall remain solely liable for any noncompliance or nonperformance related to the Regulatory Agreements occurring prior to Closing, and shall indemnify, defend, and hold harmless Purchaser and its partners for any claims, liabilities, damages, costs, expenses, and reasonable attorneys' fees as a result of Seller's failure to comply with the terms and conditions of the Regulatory Agreements prior to Closing. The terms and conditions of this Section 10.22 shall survive the Closing.

10.23 Property Signage. Purchaser shall remove any and all references to IRMC from Project signage and documentation, including, without limitation, marketing materials, within sixty (60) days of the Closing.

10.24 Attorneys' Fees. In the event of any litigation or other proceeding brought by either party hereunder, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs of suit. This provision shall survive the termination or Closing of this Agreement.

10.25 Regulatory Agreement. Purchaser acknowledges and agrees that the Property is subject to the requirements of the Regulatory Agreement and Section 42 of the Internal Revenue Code and the regulations thereunder.

10.26 Bulk Sale. To the extent applicable and required of Seller by the State of New Jersey, Seller shall comply with all notice and other requirements of the New Jersey Bulk Sales Law. Seller will cooperate with Purchaser in all matters relating to such notices and will furnish such additional information as Purchaser may require to satisfy the statutory provisions in the regard.

**[SIGNATURE TO APPEAR ON THE FOLLOWING PAGE]**

[SIGNATURE PAGE TO AGREEMENT OF PURCHASE AND SALE]

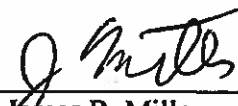
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written below.

Date: 6/29/2022

**SELLER:**

HIGH STREET ASSOCIATES, a limited dividend housing partnership

By: HIGH STREET-MICHAELS CORP., a New Jersey corporation, its General Partner

By:   
Name: James R. Miller  
Title: Vice President

**PURCHASER:**

JERUSALEM TOWERS LLC, a New Jersey limited liability company

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Michael Wieder  
Title: Manager

Escrow Agent has executed this Agreement in order to confirm that the Escrow Agent has received and shall hold the Earnest Money and the interest earned thereon, in escrow, and shall disburse the Earnest Money, and the interest earned thereon, pursuant to the provisions of Article 9 and Escrow Agent further agrees to perform in accordance with the other provisions of this Agreement applicable to Escrow Agent.

TRISTONE LAND SERVICES, LLC

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Howard Wieder, Esq.  
Title:

[SIGNATURE PAGE TO AGREEMENT OF PURCHASE AND SALE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written below.

Date: 6/29/2022

**SELLER:**

HIGH STREET ASSOCIATES, a limited dividend housing partnership

By: HIGH STREET-MICHAELS CORP., a New Jersey corporation, its General Partner

By: \_\_\_\_\_

Name: James R. Miller

Title: Vice President

**PURCHASER:**

JERUSALEM TOWERS LLC, a New Jersey limited liability company

Date: 06/29/22

By: \_\_\_\_\_

Name: Michael Wieder

Title: Manager

Escrow Agent has executed this Agreement in order to confirm that the Escrow Agent has received and shall hold the Earnest Money and the interest earned thereon, in escrow, and shall disburse the Earnest Money, and the interest earned thereon, pursuant to the provisions of Article 9 and Escrow Agent further agrees to perform in accordance with the other provisions of this Agreement applicable to Escrow Agent.

TRISTONE LAND SERVICES, LLC

By: \_\_\_\_\_

Name: Howard Wieder, Esq.

Title:

Date: \_\_\_\_\_

## EXHIBITS

- 1.2(a) Legal Description of Real Property
- 2.1 Due Diligence Items to be Provided by Seller
- 2.3 Existing Service Contracts
- 3.2 Schedule of Permitted Exceptions
- 3.3 Seller's Affidavit of Title
- 5.3(a) Deed
- 5.3(b) Bill of Sale and Assignment and Assumption of Leases and Contracts
- 5.7 Notice to Tenants
- 7.1(b) Green Card (aka Certificate of Inspection)
- 7.1(c) Leasing and Other Commissions
- 7.1(e) Litigation
- 7.1(f) Union Contracts
- 7.1(i) List of Security Deposits

**EXHIBIT 1.2(a)**

**LEGAL DESCRIPTION OF REAL PROPERTY**

All that certain tract of land situated and lying in the City of Orange, the County of Essex, the State of New Jersey being known and designated as Lots 13, 14, 15, 18 and 19 in Block 70 on the tax map of the Township of Orange and which tract of land is bound and more particularly described as follows:

Beginning at point in the southeasterly line of High Street (66 feet wide) said point being 70.00 feet from the intersection of the southeasterly sideline of White Street (65 feet wide) as shown on the Tax Assessment Maps of the City of Orange, Essex County, New Jersey, and running thence:

1. South 53 degrees 07 minutes 30 seconds east 152.96 feet to a point; thence
2. North 37 degrees 15 minutes 00 seconds east 70.00 feet to a point in the southwesterly line of White Street; thence
3. South 53 degrees 08 minutes 00 seconds east 100.00 feet along said line to a point; thence
4. South 37 degrees 15 minutes 00 seconds west 183.76 feet to a point; thence
5. North 57 degrees 45 minutes 00 seconds west 253.93 feet to a point in the southeasterly sideline of High Street; thence
6. North 37 degrees 15 minutes 00 seconds east 134.20 feet along said line to the point or place of beginning.

This survey is in accordance with a survey prepared by Canger, Schoor & Cassera Inc. dated June 25, 1979, as further revised on February 7, 1980.

End Schedule A Description



## EXHIBIT 2.1

### DUE DILIGENCE ITEMS TO BE PROVIDED BY SELLER

To the extent in Seller's, Seller's agent or current property management company's possession or may be reasonable obtained through commercially reasonable diligence:

- a. Current rent roll including names of residents, rental rate, move-in dates, lease expiration dates and security deposit amounts, delinquencies noted.
- b. YTD and previous three (3) years' bills for real estate taxes.
- c. All service contracts and copies of any material assumed contracts.
- d. Standard lease form.
- e. Financial Statements (current monthly YTD and previous 3 years).
- f. Operating Reports (current YTD and year end for previous 3 years).
- g. 2019-2021 Audited Financial statements.
- h. Current operating budget.
- i. Copies of all engineering reports, construction plans, land surveys, property condition reports, site plans and floor plans.
- j. Seller to provide Purchaser the most recent appraisal and physical inspection and Phase 1 environmental report for the Property.
- k. Detail on any insurance claims and loss runs on the Property in the last thirty-six (36) months.
- l. Detail on pending lawsuits.
- m. Copies of permits and licenses.
- n. Copies of all DCA and other open agency violations issued against the Property.
- o. Copy of all current cell tower leases and a rent ledger showing payments received for prior two (2) years.

**EXHIBIT 2.3**

**SCHEDULE OF EXISTING SERVICE CONTRACTS**

**Salem Towers  
Service Contracts**

SERVICE	PROVIDER	ADDRESS	CITY	STATE	ZIP	PHONE	CONTACT	START DATE	END DATE	CANCELLABLE	CANCELLATION TERMS	CANCELLATION COSTS
LAUNDRY	Caleco	PO Box 1239 Airport Road & Wilson Dr.	West Chester	PA	19380	610-692-5600		9/30/2014	9/29/2022	Assuming yes per the original contract. Auto renews		
VENDING	Y	VG Enterprises	Bridge Rd	Norcross	GA	30092		Aja Pascale	4/15/2022	4/14/2025	We can pull any properties from the	
COPERS-	Cannon Solutions America	One Cannon Park	Melville	NY	11747	800-613-2228		9/13/2019	9/12/2022	Y	30 day notice prior	
Answering Service	Cannon Solutions America	14904 Collections Center Drive	Chicago	IL	60693	800-220-0330		Sep-22		Y	30 day notice prior	
Credit Reporting	Real Page									Y	Kamilla will notify	
Fire Monitoring	Metro Fire and Communication Systems, Inc									Y	Kamilla will notify	
Fiber Optics	Verizon New Jersey Inc.	430 Broad St	Bloomfield	NJ	8003	973-429-4846		8/22/2014	8/22/2015	Y	Has been auto renewing (60 day not	
INTERNET / CABLE		540 Broad Street	Newark	NJ	7102			3/1/2017	2/28/2028	No	120 days after year 10	
Cell Towers	Xfinity Communities	3800 Horizon Blvd, Suite 300	Trevoise	PA	19053		Carolyn Hannan	5/1/2021	4/30/1932	No		
	AT&T (Cingular Wireless)	6100 Atlantic Blvd	Norcross	GA	30071			5/16/2005	6/15/2025	No	Needed 90 days notice in 2020 or by	
	NexTel	1 North Broadway	White Plains	NY	10601-2310	914-421-2600		4/16/2001	4/15/2031	No	Needed to provide notice before the	
GAS	T-Mobile (Omnipoint)	4 Sylvan Way	Parisippany	NJ	7054	973-292-8942		12/23/2004	12/22/2029	No	Need to provide 120 day notice befo	
EXTERMINATING	Constellation New Energy	Gas Division LLC, 116 Village Blvd, Suite 200	Princeton	NJ	8540	833-848-6938	Nancy Fischer	Jan. 2022	Jan. 2024	No	30 days prior to expiration	
TRASH REMOVAL	Corbett Exterminating	284 Sheffield Street	Mountainside	NJ	7092	908-709-9777				Yes	30 day notice & if we don't own or manage	
	Waste Industries, LLC	800 E. Grand Street	Elizabeth	NJ	7201			5/1/2019	4/30/2022	Yes		
ELEVATOR	Slade Industries LLC	1101 Bristol Rd	Mountainside	NJ	7092			4/1/2017	3/31/2020	Yes	auto renews for a yr without 30 day	

**EXHIBIT 3.2**

**SCHEDULE OF THE PERMITTED EXCEPTIONS**



or judgments against it or other legal obligations which may be enforced against this property. It does not owe any disability, unemployment, corporate franchise, social security, municipal or alcoholic beverage tax payments. No bankruptcy or insolvency proceedings have been started by or against it, nor has it ever been declared bankrupt.

7. **Gap.** It has not executed or permitted anyone on its behalf to execute any conveyance, mortgage, lien, security agreement, financing statement or encumbrance on the Property other than as disclosed in the Title Commitment. There are no matters arising or occurring between the last effective date of the Title Commitment and the date and time of the recordation of the documents creating the interest(s) to be insured pursuant to the Title Commitment, which would constitute an encumbrance on or affect said title.

8. **Unrecorded Instruments.** To the best of its knowledge, there are no unrecorded easements, or claims of easements, not shown by the public records and it has not entered into any such unrecorded easement or claims of easements, which would affect title to the Property.

9. **Exceptions.** The following is a complete list of exceptions to any of the above statements. This includes all liens or mortgages which are not being paid as a result of this transaction.

a. Those matters contained in the Title Commitment and easements, restrictions and other matters of record affecting the property.

b. Those matters which an accurate ALTA survey or personal inspection of this property would disclose.

10. **Reliance.** The partnership makes this affidavit in order to induce the Purchaser to accept its Deed to the property. It is aware that the Lender and the title company will rely on the statements made in this affidavit and on its truthfulness.

HIGH STREET ASSOCIATES, a limited  
dividend housing partnership  
By: HIGH STREET-MICHAELS CORP.,  
a New Jersey corporation, its General  
Partner

By: \_\_\_\_\_  
Name: James R. Miller  
Title: Vice President

Signed and sworn before me  
on \_\_\_\_\_, 2022.

\_\_\_\_\_  
*Notary Public*

EXHIBIT 5.3(a)

SPECIAL WARRANTY DEED

DEED

Prepared by:

\_\_\_\_\_

THIS DEED is made on \_\_\_\_\_, 2022, BETWEEN High Street Associates, a limited dividend housing partnership, whose address is c/o The Michaels Organization, P.O. Box 90708, Camden, New Jersey 08101, referred to as the "Grantor," AND Jerusalem Towers LLC, a New Jersey limited liability company whose address is ATTN: Michael Wiedner, Manager, 691 Elizabeth Avenue #2, Newark, New Jersey 07112, referred to as the "Grantee." The words "Grantor" and "Grantee" shall mean all Grantors and all Grantees listed above.

**Transfer of Ownership.** The Grantor grants and conveys (transfers ownership of) the property described below to the Grantee. The transfer is made for the sum of Seven Million Seven Hundred Fifty Thousand Dollars (\$7,750,000). The Grantor acknowledges receipt of this money.

**Tax Map Reference.** (N.J.S.A. 46:15-2.1) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Property.** The Property consists of the land and all the buildings and structures on the land in the City of Orange, County of Essex and State of New Jersey. The legal description is:

See Schedule A attached.

Being the same land and premises which \_\_\_\_\_, by deed dated \_\_\_\_\_, recorded \_\_\_\_\_ in the Essex County Clerk's office in Deed Book \_\_\_\_\_, page \_\_\_\_\_, conveyed to Grantor.

**Promises by Grantor.** The Grantor promises that the Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that the Grantor has not allowed anyone else to obtain any legal rights which effect the property (such as by making a mortgage or allowing a judgment to be entered against the Grantor).

Under and subject to easements, restrictions and agreements of record.

**Signatures.** The Grantor signs this Deed as of the date at the top of the first page. If the Grantor is a corporation, this Deed is signed and attested to by its proper corporate officers and its corporate seal is affixed.

**Signatures.** The Grantor signs this Deed as of the date at the top of the first page.

HIGH STREET ASSOCIATES, a limited  
dividend housing partnership  
By: HIGH STREET-MICHAELS CORP.,  
a New Jersey corporation, its General  
Partner

By: \_\_\_\_\_  
Name: James R. Miller  
Title: Vice President

Witnessed by:

\_\_\_\_\_

STATE OF NEW JERSEY,  
COUNTY OF CAMDEN    SS:

I CERTIFY that on \_\_\_\_\_, 2022,

James R. Miller, the Vice President of High Street-Michaels Corp., general partner of High Street Associates, a New Jersey limited dividend housing partnership, personally came before me and acknowledged under oath, to my satisfaction, that this person (or if more than one, each person):

- (a) is named in and personally signed this Deed;
  - (b) signed, sealed and delivered this Deed as general partner on behalf of the Grantor;
- and
- (c) made this Deed for \$7,750,000 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).

\_\_\_\_\_  
(Print name and title below signature)



\_\_\_\_\_  
Deed  
HIGH STREET ASSOCIATES  
Grantor,  
TO  
JERUSALEM TOWERS LLC  
Grantee.  
\_\_\_\_\_

Dated: \_\_\_\_\_, 201\_\_  
Record and return to:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**SCHEDULE A**  
**LEGAL DESCRIPTION**

All that certain tract of land situated and lying in the City of Orange, the County of Essex, the State of New Jersey being known and designated as Lots 13, 14, 15, 18 and 19 in Block 70 on the tax map of the Township of Orange and which tract of land is bound and more particularly described as follows:

Beginning at point in the southeasterly line of High Street (66 feet wide) said point being 70.00 feet from the intersection of the southeasterly sideline of White Street (65 feet wide) as shown on the Tax Assessment Maps of the City of Orange, Essex County, New Jersey, and running thence:

1. South 53 degrees 07 minutes 30 seconds east 152.96 feet to a point; thence
2. North 37 degrees 15 minutes 00 seconds east 70.00 feet to a point in the southwesterly line of White Street; thence
3. South 53 degrees 08 minutes 00 seconds east 100.00 feet along said line to a point; thence
4. South 37 degrees 15 minutes 00 seconds west 183.76 feet to a point; thence
5. North 57 degrees 45 minutes 00 seconds west 253.93 feet to a point in the southeasterly sideline of High Street; thence
6. North 37 degrees 15 minutes 00 seconds east 134.20 feet along said line to the point or place of beginning.

This survey is in accordance with a survey prepared by Canger, Schorr & Cassera Inc. dated June 25, 1979, as further revised on February 7, 1980.

End Schedule A Description

EXHIBIT 5.3(b)

BILL OF SALE AND ASSIGNMENT AND ASSUMPTION OF LEASES AND CONTRACTS

This instrument is executed and delivered as of the \_\_\_\_ day of \_\_\_\_\_, 202\_\_, pursuant to that certain Agreement of Purchase and Sale ("Agreement") dated \_\_\_\_\_, 2022, by and between High Street Associates, a New Jersey limited dividend housing partnership ("Seller"), and Jerusalem Towers LLC ("Purchaser"), covering the real property described in Exhibit A attached hereto ("Real Property").

1. Sale of Personalty. For good and valuable consideration, Seller hereby sells, transfers, sets over and conveys to Purchaser the following:

(a) Tangible Personalty. All of the furniture, fixtures, equipment, interior appliances, machines, apparatus, supplies and personal property of every nature and description and all replacements thereof now owned by Seller (including any interest in such property that is leased by Seller) and located in or on the Real Property, except any such personal property belonging to tenants under the Leases or the management agent and computers and software owned by, or licensed to, Seller.

(b) Intangible Personalty. All the right, title and interest of Seller in and to any and all of the intangible personal property related to the Real Property, including, without limitation, all trade names and trademarks associated with the Real Property including Seller's interest in the name of the Real Property which is commonly known as the Salem Towers, the plans and specifications and other architectural and engineering drawings for the Real Property and improvements located on the Real Property; warranties; contract rights related to the construction, operation, ownership or management of the Real Property (but excluding Seller's obligations under contracts except those expressly assumed in this instrument); governmental permits, approvals and licenses to the extent assignable; and telephone exchange numbers (if assignable). Notwithstanding anything to the contrary, intangible personal property shall not include Seller's accounts receivable, cash and cash equivalents and prepaid items to the extent related to contracts not being assumed by Purchaser.

2. Assignment of Leases and Contracts. For good and valuable consideration, Seller hereby assigns, transfers, sets over and conveys to Purchaser, and Purchaser hereby accepts the following:

(a) Leases. All of the landlord's right, title and interest in and to the tenant leases ("Leases") covering the Real Property, as set forth on the Rent Roll attached hereto as Exhibit B, which Seller certifies is true and correct in all material respects as of the date stated thereon, and Purchaser hereby assumes all of the landlord's obligations under the Leases arising from and after the Closing Date (as defined in the Agreement) but as to the landlord's obligations with regard to security deposits and other deposits only to the extent the security deposits have been transferred or credited to Purchaser;

(b) Service Contracts. The service contracts described in Exhibit C attached hereto (the "Service Contracts"), and Purchaser hereby assumes the obligations of Seller under such Service Contracts arising from and after the Closing Date.

3. Indemnification. Seller hereby indemnifies and holds Purchaser harmless from and against all claims, demands, losses, damages, liabilities, expenses and costs, foreseen and unforeseen, incidental, including, but not limited to, reasonable attorneys' fees and expenses, arising out of or in connection with Seller's failure, prior to the date of this instrument, to observe, perform and discharge each and every one of the covenants, obligations and liabilities assumed by Seller with respect to the Service Contracts and Leases and relating to, arising and occurring prior to the date hereof. Purchaser hereby indemnifies and holds Seller harmless from and against all claims, demands, losses, damages, liabilities, expenses and costs, foreseen and unforeseen, incidental, including, but not limited to, reasonable attorneys' fees and expenses, arising out of or in connection with the Purchaser's failure, following the date of this instrument, to observe, perform and discharge each and every one of the covenants, obligations and liabilities assumed by Purchaser with respect to the Service Contracts and Leases and relating to, arising and occurring following the date hereof.

4. Limitation of Liability. All persons dealing with Seller shall look exclusively to the assets of Seller (including, without limitation, the proceeds of this transaction) for the enforcement of any claim against Seller, as none of the managers, employees or partners of Seller assume any personal liability for obligations entered into by or on behalf of Seller, including, without limitation, the general partners of Seller.

IN WITNESS WHEREOF, the undersigned have caused this Bill of Sale and Assignment of Leases and Contracts to be executed as of the date written above.

Date: \_\_\_\_\_

**SELLER:**

HIGH STREET ASSOCIATES, a limited dividend housing partnership

By: HIGH STREET-MICHAELS CORP., a  
New Jersey corporation, its General  
Partner

By: \_\_\_\_\_

Name: James R. Miller

Title: Vice President

**PURCHASER:**

JERUSALEM TOWERS LLC, a New Jersey limited liability company

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: Michael Wieder

Title: Manager

**EXHIBIT A**  
**PROPERTY DESCRIPTION**

**All that certain tract of land situated and lying in the City of Orange, the County of Essex, the State of New Jersey being known and designated as Lots 13, 14, 15, 18 and 19 in Block 70 on the tax map of the Township of Orange and which tract of land is bound and more particularly described as follows:**

**Beginning at point in the southeasterly line of High Street (66 feet wide) said point being 70.00 feet from the intersection of the southeasterly sideline of White Street (65 feet wide) as shown on the Tax Assessment Maps of the City of Orange, Essex County, New Jersey, and running thence:**

- 1. South 53 degrees 07 minutes 30 seconds east 152.96 feet to a point; thence**
- 2. North 37 degrees 15 minutes 00 seconds east 70.00 feet to a point in the southwesterly line of White Street; thence**
- 3. South 53 degrees 08 minutes 00 seconds east 100.00 feet along said line to a point; thence**
- 4. South 37 degrees 15 minutes 00 seconds west 183.76 feet to a point; thence**
- 5. North 57 degrees 45 minutes 00 seconds west 253.93 feet to a point in the southeasterly sideline of High Street; thence**
- 6. North 37 degrees 15 minutes 00 seconds east 134.20 feet along said line to the point or place of beginning.**

**This survey is in accordance with a survey prepared by Canger, Schoor & Cassera Inc. dated June 25, 1979, as further revised on February 7, 1980.**

**End Schedule A Description**

**EXHIBIT B**  
**RENT ROLL**



**EXHIBIT C**  
**SERVICE CONTRACTS**

EXHIBIT 5.7

NOTICE TO TENANTS

**HIGH STREET ASSOCIATES**  
**2 Cooper Street, 14<sup>th</sup> Floor**  
**PO Box 90708**  
**Camden, NJ 08101**  
**(856) 596-0500**

\_\_\_\_\_, 20\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Re: Your Lease (the "Lease") at Salem Towers, 98 High Street, Orange, New Jersey (the "Property"); Amount of Security Deposit \$ \_\_\_\_\_

Dear Resident:

This is to inform you that on \_\_\_\_\_, 202\_\_, High Street Associates (the "Landlord") conveyed all of its right, title and interest in and to the Property, including its interest as Landlord under the Lease, to Jerusalem Towers LLC (the "New Owner"), and transferred to the New Owner all leases, security deposits (plus interest thereon, if any) and prepaid rents, if any, and other matters relating to your tenancy at the Property.

The New Owner will comply with all of the Landlord's contractual agreements under your Lease. Our records indicate you have a security deposit (with accrued interest) in the amount indicated above, which will be transferred to the New Owner.

\_\_\_\_\_ has been selected to manage the Property, effective \_\_\_\_\_, 202\_\_, and will be corresponding with you regarding property management matters, but the New Owner has asked us to notify you that all future rental payments should be made payable to New Owner at the on-site management office.