

RESOLUTION #2018-15

RESOLUTION OF THE HOUSING AUTHORITY OF THE BOROUGH OF HIGHLAND PARK REAPPROVING THE TERMS OF A PROPERTY LEASING AND MANAGEMENT AGREEMENT WITH THE HIGHLAND PARK AFFORDABLE HOUSING CORPORATION

WHEREAS, the Housing Authority of the Borough of Highland Park (the "Authority"), a public housing agency as defined in the United States Housing Act of 1937, 42 U.S.C. 1437a(b)(6) ("PHA") with a Section 8 Annual contributions contract with the United States Department of Housing and Urban Development ("HUD"), is the fee simple owner of an affordable residential rental public housing project known as Park Terrace and located at the following addresses: 205 - 219, South 6th Avenue, Highland Park, New Jersey 08904; 602 - 616 Benner Street, Highland Park, New Jersey 08904; and 206 - 220, South 7th Avenue, Highland Park, NJ 08904 (the "Project"); and

WHEREAS, the Authority received a RAD Conversion Commitment ("RCC"), dated May 26, 2017, and as amended and extended to the date hereof, from HUD to convert the Project to Authority-owned and operated multifamily housing under the Rental Assistance Demonstration Program, P.L. 112-55 (2012) ("RAD"; implemented through Notice PIH 2012- 32), administered by HUD; and

WHEREAS, the Authority proposes to convert funding to project-based voucher ("PBV") assistance under the RAD Program (codified at 42 U.S.C. 1437f(o)(13) and implemented at 24 CFR Part 983), and in connection therewith is required to enter into a PBV Housing Assistance Payment ("HAP") contract and Rental Assistance Demonstration Use Agreement ("RAD Use Agreement") with respect to the Project; and

WHEREAS, the "Rental Assistance Demonstration Project (RAD) Quick Reference Guide for Public Housing Projects converting to Project-Based Voucher (PBV) Assistance, Department of Housing and Urban Development (HUD), October 2014", at Sections 2 and 3, provides that (i) the RAD PBV HAP contract must be signed by the owner of the project and the PHA administering the PBV assistance, acting as a contract administrator, (ii) the contract administrator and the owner cannot be the same legal entity, and (iii) the PHA must hire an independent entity, approved by I{EJD, to perform the housing quality standards inspections and render reasonableness determinations (24 CFR Sec. 983.59); and

WHEREAS, where a PHA is the fee owner of a project, HUD allows the PHA to contract with an affiliated entity to lease and manage project and to assume the obligations of the "owner" ("HAP Owner") under the RAD PBV HAP contract, and also requires that such affiliated entity execute a RAD Use Agreement in the capacity as an owner; and

WHEREAS, the Highland Park Affordable Housing Corporation ("HPAHC") is an organization exempt from taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended, as an organization described in Section 501(c)(3) of the Code; and

WHEREAS, per Authority Resolution no. 2017-36, adopted by the Authority's Board of Commissioners on July 12, 2017, the Authority appointed the HPAHC as its agent for the leasing and management of the Project, to assume the obligations as HAP Owner under the RAD PBV HAP contract with respect to the Project, and to enter into the RAD Use Agreement, and per HPAHC Resolution no. 12, adopted by the HPAHC's Board of Trustees on August 23, 2017, the HPAHC accepted such appointment and assumed such obligations; and

WHEREAS, since said appointment, Special Counsel has recommended certain revisions to the form of Property Leasing and Management Agreement as between the Authority and the HPAHC, setting forth the terms and conditions of the leasing and management services of the Projects; and

WHEREAS, the Authority now desires to approve the terms and conditions of a revised Property Leasing and Management Agreement with the HPAHC (the "Agreement"), in substantially the form attached hereto as Exhibit A.

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the Borough of Highland Park, New Jersey, as follows:

1. The Authority hereby reappoints HPAHC as its agent for the leasing and management of the Project, to assume the obligations as HAP Owner under the RAD PBV HAP contract, and to enter into the RAD Use Agreement, in accordance with the terms of the Agreement.
2. The Authority hereby reapproves the terms of the Agreement, as revised, in substantially the form attached hereto as Exhibit A, with such revisions as approved by Special Counsel, and authorizes the execution and delivery of such Agreement by the Chairman, Executive Director and Secretary of the Authority, as applicable.
3. This Resolution shall take effect immediately.

Motion to adopt Resolution 2018-15 moved by Commissioner Reh and seconded by Commissioner Rainwater and upon roll call, the vote was as follows:

ROLL CALL: Chudnick Martinez Methven Monk Rainwater Reh Sedehi

AYES: Chudnick Martinez Rainwater Reh Sedehi

NAYS: None

ABSTAIN: None

ABSENT: Methven Monk

CERTIFICATION

I hereby certify that the within resolution entitled, "RESOLUTION OF THE HOUSING AUTHORITY OF THE BOROUGH OF HIGHLAND PARK REAPPROVING THE TERMS OF A PROPERTY LEASING AND MANAGEMENT AGREEMENT WITH THE HIGHLAND PARK AFFORDABLE HOUSING CORPORATION," was adopted by the Board of Commissioners of the Borough of Highland Park Housing Authority at their Regular Meeting held on March 14, 2018.

Donna Brightman, Secretary

Approved as to legal form by
Terrence Corrison, Esq.

PROPERTY LEASING AND MANAGEMENT AGREEMENT

This **PROPERTY LEASING AND MANAGEMENT AGREEMENT** (this "Agreement") is made as of March 14, 2018 by and between the HOUSING AUTHORITY OF THE BOROUGH OF HIGHLAND PARK (the "Authority"), a public body corporate and politic of the State of New Jersey (the "State"), constituting an agency and instrumentality of and created by the Borough of Highland Park pursuant to the provisions of the Housing Authorities Law, Chapter 67 of the Pamphlet Laws of 1950, codified at N.J.S.A. 55:14A-1 *et seq.*, repealed and replaced by the Local Redevelopment and Housing Law, under Chapter 79 of the Pamphlet Laws of 1992, as amended and supplemented, and codified at N.J.S.A. 40A:12A-1 *et seq.* (the "Act") and the HIGHLAND PARK AFFORDABLE HOUSING CORPORATION, a New Jersey not-for-profit corporation ("HPAHC").

RECITALS

WHEREAS, the Authority, a public housing agency as defined in the United States Housing Act of 1937 (the "1937 Act"), 42 U.S.C. 1437a(b)(6) ("PHA") with a Section 8 Annual Contributions Contract ("ACC") with the United States Department of Housing and Urban Development ("HUD"), is the fee simple owner of an affordable residential rental public housing project known as Park Terrace and located at the following addresses: 205 — 219 South 6th Avenue, Highland Park, New Jersey 08904; 602 — 616 Benner Street, Highland Park, New Jersey 08904; and 206 — 220, South 7th Avenue, Highland Park, NJ 08904 (collectively, the "Housing Project"); and

WHEREAS, the Authority received a RAD Conversion Commitment ("RCC"), dated May 26, 2017, and as amended and as extended to the date hereof, from HUD to convert the Housing Project to Authority owned and operated multifamily housing under the Rental Assistance Demonstration Program, P.L. 112-55 (2012) ("RAD"; implemented through Notice PIE 2012-32), administered by HUD; and

WHEREAS, the Authority proposes to convert funding to project-based voucher ("PBV") assistance under the RAD Program (codified at 42 U.S.C. 1437f(o)(13) and implemented at 24 CFR Part 983), and in connection therewith is required to enter into PBV Housing Assistance Payment ("HAP") contract and Rental Assistance Demonstration Use Agreement ("RAD Use Agreement") with respect to the Housing Project, dated the date hereof; and

WHEREAS, the "Rental Assistance Demonstration Project (RAD) Quick Reference Guide for Public Housing Projects Converting to Project-Based Voucher (PBV) Assistance, Department of Housing and Urban Development (HUD), October 2014", at Sections 2 and 3, provides that (i) the RAD PBV HAP contract must be signed by the owner of the housing project and the PHA administering the PBV assistance, acting as a contract administrator, (ii) the contract administrator and the owner cannot be the same legal entity, and (iii) the PHA must hire an independent entity, approved by HUD, to perform the housing quality standards ("HOS")

inspections and render reasonableness determinations pertaining to each housing project (24 CFR Sec. 983.59); and

WHEREAS, where a PHA is the fee owner of a project, HUD allows the PHA to contract with an affiliated entity to lease and manage the housing project and to assume the obligations of the "owner" ("HAP Owner") under the RAD PBV HAP contract, and also requires that such affiliated entity execute a RAD Use Agreement in the capacity as an owner; and

WHEREAS, HPAHC is an affiliated entity of the Authority and is an organization exempt from taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), as an organization described in Section 501(c)(3) of the Code; and

WHEREAS, the Authority is hereby appointing HPAHC as its agent for the leasing and management of the Housing Project, to execute and to assume the obligations as HAP Owner under the RAD PBV HAP contract with respect to the Housing Project, and to enter into the RAD Use Agreement; and

WHEREAS, HPAHC desires to accept such appointment and assume such obligations; and

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Engagement. The Authority hereby engages and appoints HPAHC as its agent to lease and manage the units in the Housing Project, to enter into and assume the obligations of owner under the RAD PBV HAP contract (including Parts I, II and contract exhibits to both HAP contract and RAD Use Agreement, as the same may be amended and supplemented), dated the date hereof, between the Authority and HPAHC, and to enter into and perform the obligations of owner under the RAD Use Agreement, entered into among HUD, the Authority, and HPAHC, dated the date hereof, with respect to the Project, all on the terms and conditions contained in this Agreement, and HPAHC accepts such engagement and agrees to perform such services as contained in this Agreement. Each party agrees to fully cooperate with the other with respect to such person's duties hereunder, under the RAD PBV HAP contract (including Parts I, II and contract exhibits to both HAP Contract and RAD Use Agreement, as the same may be amended and supplemented), and under the RAD Use Agreement. Each party further agrees to furnish the other such information concerning the Housing Project as it may reasonably request from time to time.

2. Term. The initial term of this Agreement shall commence on the date hereof and shall continue in full force and effect with respect to the Housing Project for so long as the Housing Project is subject to the RAD PBV HAP contract. HPAHC shall accept all offers of renewal of the RAD PBV HAP contract, subject to any limitations as to term as maybe imposed by the Code and Revenue Procedure 2017-13, and its successor ("Rev. Proc. 2017-13").

3. HPAHC Covenants.

3.1. HPAHC Duties.

(a) Enter into the RAD PBV HAP Contract and RAD Use Agreement. HPAHC shall enter into the RAD PBV HAP contract as "owner", with the Authority, as the PHA, with respect to the Housing Project, and shall perform all obligations of the owner thereunder and in accordance therewith. HPAHC shall enter into the RAD Use Agreement as an "owner", with the Authority and HUD, with respect to the Housing Project, and shall, jointly with the Authority, perform all obligations of the owner thereunder and in accordance therewith. It is the intent of the parties hereto that the Authority hereby grants to HPAHC, and HPAHC hereby accepts, such rights and interests in and to the Housing Project (but expressly excluding fee ownership) as may be necessary to perform its obligations under the RAD PBV HAP contract and RAD Use Agreement. HPAHC shall execute any and all RAD-required documents, including but not limited to the RAD PBV HAP contract and RAD Use Agreement, abide by all RAD requirements, and accept all offers of renewal of the RAD PBV HAP contract, subject to the provisions of Rev. Proc. 2017-13 as hereinafter defined. The Authority shall make its employees available to the HPAHC to perform the required services set forth in Section 3, herein. Notwithstanding the above, the Authority shall remain "fee" owner of the Housing Project.

(b) Authority Directions; Elections. HPAHC shall be directed by the Authority in connection with its performance of its obligations hereunder, under the RAD PBV HAP contract and RAD Use Agreement. Any elections to be made with respect to the Housing Project, its ownership or operation shall be made at the direction of the Authority.

(c) Standard of Care. HPAHC shall at all times act in good faith and shall devote its commercially reasonable efforts to performing its duties hereunder in a diligent, careful and professional manner.

3.2. Power of Attorney. The Authority hereby appoints HPAHC as its true and lawful attorney in fact, with full power of substitution, with authority to sign and acknowledge in the Authority's name and on the Authority's behalf any lease of the units in the Housing Project and to take any action necessary to enforce compliance with such tenant lease (the "Lease"). This is a special power of attorney coupled with an interest and is irrevocable during the term of this Agreement.

3.3. Tenants. During the term of this Agreement, HPAHC shall use its best efforts to investigate carefully all applications and information provided by prospective tenants and to let units in the Housing Project to qualified tenants. Each Lease shall be in the form and on the terms approved by the Authority. HPAHC shall comply with the RAD PBV HAP contract and RAD Use Agreement in connection with, among other things, the selection of tenants and rental of units.

3.4. Rentals and Collections. HPAHC shall use its best efforts to collect on behalf of the Authority, and for the Authority's account, all rents, housing assistance payments, and other amounts due to the Authority or HPAHC with respect to the Housing Project. Such amounts shall be held in a separate segregated trust account with respect to the Housing Project, in the name of the Authority, with a federally insured banking institution in accordance with New Jersey law.

3.5. Security Deposits. HPAHC shall collect security deposits on tenants' behalf, to be used in accordance with the terms of each Lease. Deposits shall be held in a separate segregated trust account with respect to the Housing Project, in the name of the Authority, with a federally insured banking institution in accordance with New Jersey law.

3.6. Payment of Expenses. HPAHC shall pay, upon the prior approval of the Authority and from the Authority's account with respect to the Housing Project, all ordinary and necessary expenses incurred in connection with the operation of the Housing Project, including amounts due for services, repairs and improvements. HPAHC shall not be liable for any losses or penalties due to nonpayment or late payment of expenses.

3.7. Accounting. HPAHC shall coordinate with the Authority in the preparation by the Authority of statements showing cash flows, income and expenses on a cash basis each quarter. A year-end statement with a twelve-month breakdown of income and expense shall also be prepared by the Authority with the assistance of the HPAHC.

3.8. Unit Inspections. HPAHC shall coordinate and oversee the activities of an independent third-party to be contracted by the Authority, which independent third-party shall perform periodic inspections of each unit. The HPAHC shall notify the Authority of the independent third-party recommendations pertaining to maintenance items or corrective action at the Housing Project. Unit inspections by the independent third-party shall be paid on a per-unit reimbursable basis.

3.9. Legal Action. HPAHC shall inform the Authority of any default by a tenant under a Lease, and shall advise the Authority of the need to proceed with legal action against a tenant. The Authority shall be responsible for all legal expenses, court costs and costs of collection.

3.10. Additional Services. HPAHC shall perform such additional services not listed herein, on a direct, reimbursable basis, as may be reasonably requested by the Authority in connection with the management and operation of the Housing Project and compliance with the RAD PBV HAP contract and RAD Use Agreement.

3.11. Compliance with Law. HPAHC shall perform duties and take actions under this agreement in accordance with New Jersey law, deed restrictions or other agreements encumbering the Housing Project and applicable HUD requirements, including those that apply to the project-based voucher program (HUD requirements are issued by HUD headquarters, as regulations, Federal Register notices or other binding program directives). HPAHC acknowledges and agrees that it will be subject to, and must adhere to, all HUD requirements

concerning the payment of administrative fees, administrative fee reserve accounts, and all other Section 8 Program requirements.

3.12. Limitation on Authority. Except as expressly set forth herein, HPAHC has no authority to incur liabilities on behalf of the Authority or to enter into, execute, make or acknowledge any contract, covenant, agreement, lease or representation pertaining to the Housing Project without the express prior written approval of the Authority. Any action taken by HPAHC which is not expressly permitted by this Agreement shall not bind the Authority.

4. Compensation. As compensation for their respective services hereunder, HPAHC and the Authority shall receive compensation as indicated, below:

(a) To HPAHC. The Authority shall pay HPAHC an annual management fee in an amount not-to-exceed \$2,400.00 (the "Management Fee"), subject to an annual increase equal to the increase in the Consumer Price Index for the Northeast Region ("CPI") year-over-year. (For example, if the yearly CPI increase is 2%, the Management Fee due and owing to HPAHC shall likewise increase 2% for that year.) The Management Fee shall be payable in equal monthly installments and shall be prorated to the extent that this Agreement is in effect for less than a full 12 months during the first and last calendar years of the Agreement. HPAHC also shall be reimbursed by the Authority for documented actual and direct expenses and costs incurred for services in connection with the performance of this Agreement. HPAHC shall submit to the Authority evidence of costs incurred and sought to be reimbursed on a monthly basis.

With respect to compensation paid to HPAHC, it is the intention of the parties hereto that this Agreement complies with the provisions of Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the "Code"), including Revenue Procedure 2017-13 and its successors ("Rev. Proc. 2017-13"). If the compensation paid to HPAHC causes this Agreement to violate Rev. Proc. 2017-13 or its applicable successor, the parties hereto will agree to adjust such compensation paid to HPAHC to comply with Rev. Proc. 2017-13 (See, also Section 9.7, Revenue Procedure 2017-13 Compliance).

(b) To the Authority. HPAHC shall pay to the Authority the actual value of direct and indirect costs and expenses incurred for any services performed by the employees of the Authority pursuant to this Agreement in accordance with the schedule of charges, as set forth in Exhibit A, attached hereto. The Authority shall submit invoices for services performed on behalf of HPAHC on a monthly basis. The charges for services shall be calculated in accordance with the schedule of charges, set forth in Exhibit A.

5. Representations and Warranties of the Authority. To induce HPAHC to enter into this Agreement, the Authority makes the following representations and warranties:

5.1. Organization. The Authority is duly organized, validly existing and in good standing under the laws of the state of New Jersey. The Authority has all power and authority required to execute, deliver and perform this Agreement.

5.2. Authorization. The execution, delivery and performance of this Agreement has been duly authorized by all necessary action on the part of the Authority.

5.3. Validity. This Agreement constitutes a legal, valid and binding agreement of the Authority enforceable against the Authority in accordance with its terms except as limited by bankruptcy, insolvency, receivership and similar laws of general application.

5.4. Ownership. The Authority is the sole fee simple title owner of the Housing Project.

6. Representations and Warranties of HPAHC. To induce the Authority to enter into this Agreement, HPAHC makes the following representations and warranties, which shall survive the execution and termination of this Agreement:

6.1. Organization. HPAHC is duly organized, validly existing and in good standing as a not-for-profit corporation under the laws of the State of New Jersey. HPAHC has all power and authority required to execute, deliver and perform this Agreement. HPAHC has been determined to be a 501(c)(3) tax-exempt organization under the Code.

6.2. Authorization. The execution, delivery and performance of this Agreement have been duly authorized by all necessary action on the part of HPAHC.

6.3. Validity. This Agreement constitutes a legal, valid and binding agreement of HPAHC enforceable against HPAHC in accordance with its terms except as limited by bankruptcy, insolvency, receivership and similar laws of general application.

6.4. Licenses. During the entire term of this Agreement, HPAHC shall cause all persons performing licensable activities to have and to maintain in full force and effect all licenses, including, without limitation, any real estate broker's license, which the real estate licensing law requires and all permits necessary to perform its obligations under this Agreement and shall pay all taxes, fees or charges imposed on the business engaged in by HPAHC hereunder. HPAHC shall provide copies of any and all such licenses to the Authority on an annual basis.

7. Indemnity.

7.1. By the Authority. To the extent permitted by law, the Authority shall indemnify, hold harmless and defend HPAHC and its respective affiliates and officers, directors, employees, agents and representatives from all losses, damages, costs, claims and liabilities (including, without limitation, court costs and reasonable attorneys' fees relating thereto) arising out of or related to any act or omission by the Authority or any of its agents or representatives (other than HPAHC) constituting negligence, willful misconduct or a material breach or default under this Agreement by the Authority. The indemnities herein contained shall not apply to any claim with respect to which and to the extent the indemnified party is covered by insurance; provided, that the foregoing exclusion does not invalidate the indemnified party's insurance coverage.

7.2 By HPAHC. To the extent permitted by law, HPAHC shall indemnify, hold harmless and defend the Authority from all losses, damages, costs, claims and liabilities (including, without limitation, court costs and reasonable attorney's fees relating thereto) arising out of or related to any act or omission by HPAHC or any of its agents or representatives constituting negligence, willful misconduct or a material breach or default under this Agreement by HPAHC any acts of HPAHC or its agents or representatives taken outside of the scope of this Agreement. The indemnities herein contained shall not apply to any claim with respect to which and to the extent the indemnified party is covered by insurance; provided, that the foregoing exclusion does not invalidate the indemnified party's insurance coverage.

7.3. Waiver of Subrogation. Each party will procure a waiver of subrogation with respect to claims against the other party under policies in which the other party is not a named insured, and shall promptly notify the other party in the event that any such waiver is unobtainable or is obtainable only upon payment of an additional premium. If such waiver is obtainable only upon payment of an additional premium, the other party shall have the right at its option to pay such additional premium.

8. Termination.

8.1. Termination for Cause.

(a) The Authority may terminate this Agreement at any time, upon written notice to HPAHC, if (i) HPAHC has materially breached this Agreement; provided, that (a) HPAHC does not cure any such material breach within thirty (30) days of receiving notice of such material breach from the Authority, or (b) if such material breach is not of a nature that can be remedied within such period, HPAHC does not diligently take all reasonable steps to cure such breach or does not cure such breach within sixty (60) days; (ii) there is fraud, criminal conduct, or willful misconduct by HPAHC; (iii) a court of competent jurisdiction enters a decree or order for relief in respect of HPAHC in any involuntary case under the applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appoints a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of HPAHC or for any substantial part of any of its property or orders the winding up or liquidation of HPAHC's affairs; or (iv) HPAHC commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, or consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of HPAHC or for any substantial part of any of its property, or makes any general assignment for the benefit of creditors, or fails generally to pay its debts as they become due. HPAHC agrees that if any of the events specified in subsections (iii) or (iv) above occur, it shall give written notice thereof to the Authority within seven (7) days after the occurrence of such event.

(b) HPAHC may terminate this Agreement at any time, upon written notice to the Authority, if (i) the Authority has materially breached this Agreement; provided that (a) the Authority does not cure any such material breach within thirty (30) days of

receiving notice of such material breach from HPAHC, or (b) if such material breach is not of a nature that can be remedied within such period, the Authority does not diligently take all reasonable steps to cure such breach or does not cure such breach within sixty (60) days; (ii) there is fraud, criminal conduct, or willful misconduct by the Authority; (iii) a court of competent jurisdiction enters a decree or order for relief in respect of the Authority in any involuntary case under the applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appoints a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Authority or for any substantial part of any of its property or orders the winding up or liquidation of the Authority's affairs; or (iv) the Authority commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, or consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Authority or for any substantial part of any of its property, or makes any general assignment for the benefit of creditors, or fails generally to pay its debts as they become due. The Authority agrees that if any of the events specified in subsections (iii) or (iv) above occur, it shall give written notice thereof to HPAHC within seven (7) days after the occurrence of such event.

(c) For the avoidance of doubt, a material breach by a party to the RAD PBV HAP contract or RAD Use Agreement which continues beyond the expiration of any applicable grace, notice or cure period, shall be a material breach by such party of this Agreement.

8.2. Effective Time of Termination; Successor. The termination of this Agreement for any reason shall not be effective prior to the time that a suitable successor to such defaulting party is identified and duly qualified to become, and becomes, a party hereto and to the RAD PBV HAP contract and the RAD Use Agreement. Upon termination of this Agreement for any reason, HPAHC will cooperate with the Authority in an effort to achieve an efficient transition of the duties and obligations hereunder to a successor without detriment to the rights of the Authority or to the continued operation of the Housing Project.

8.3. Effect of Termination. The termination of this Agreement for any reason shall not affect any right, obligation or liability which has accrued under this Agreement on or before the effective date of such termination.

9. Miscellaneous.

9.1. Discrimination. The Authority, HPAHC or a third party shall not refuse to display or lease a unit to any person because of race, color, religion, national origin, sex, marital status or physical disability.

9.2. Entire Agreement. This Agreement constitutes the entire agreement between the Authority and HPAHC with respect to the matters set forth herein and supersedes all prior discussions, negotiations and agreements, whether oral or written. No amendment of this

Agreement shall be valid or binding unless made in writing and signed by both the Authority and HPAHC.

9.3. Successors: Assignment. This Agreement shall be binding upon the Authority and HPAHC and their respective successors and assigns and shall inure to the benefit of the Authority, its successors and assigns. HPAHC shall not assign or transfer any of its rights or obligations under this Agreement to a third party without the prior written consent of the Authority and any such assignment without the prior written consent of the Authority shall be void and of no effect. Any assignment or transfer made by HPAHC under the Agreement shall be subject to written approval by HUD.

9.4. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey, without regard to the principles of conflicts of law thereof.

9.5. Headings. The paragraph headings in this Agreement are inserted for convenience only and are not intended to be used in construing the substance of any of the provisions of this Agreement.

9.6. Notices. All notices, demands requests, approvals and other communications required or permitted by this Agreement shall be in writing and shall be deemed to have been given on the earlier of the date when presented personally or otherwise delivered (whether by commercial delivery service, mail or otherwise) or on the third (3rd) day after the date when deposited in a regularly maintained mail receptacle of the United States Postal Service, postage prepaid, registered or certified, return receipt requested, addressed to Authority or HPAHC, as the case may be, at its respective address set forth below, or at such other address as the Authority or HPAHC may from time to time designate by written notice to the other party as herein required.

If mailed or personally
delivered to the Authority:

Housing Authority of the Borough of Highland Park
242 South 6th Avenue
Highland Park, NJ 08904
Attn: Donna Brightman, Executive Director
[Email: donnabrightman@hotmail.com](mailto:donnabrightman@hotmail.com)
Phone: 732-572-4420

If mailed or personally
delivered to HPAHC:

Highland Park Affordable Housing Corp.,
A New Jersey non-profit corporation
242 South Sixth Avenue
Highland Park, NJ 08904
Attn: Ronald Wong, President

9.7 Revenue Procedure 2017-13 Compliance. It is intended by the parties to this Agreement that this Agreement comply with the requirements of Rev. Proc. 2017-13. Toward that end,

(a) In determining compensation paid to HPAHC for services rendered under this Agreement, neither this Agreement, nor any other agreement with the Authority, shall take into account, or make compensation contingent upon, either (a) the Housing Project's net profits or (b) both the Housing Project's revenues and expenses for any fiscal period. HPAHC shall not bear the burden of any share of net losses from the operation of the Housing Project, nor will the timing of the payment of compensation be contingent upon the Housing Project's net losses.

(b) The Authority does currently exercise and shall continue • to exercise a significant degree of control over the Housing Project. HPAHC does not now, and shall not in the future, have any role or relationship with the Authority that, in effect, substantially limits the Authority's ability to exercise its rights under this Agreement.

(c) Notwithstanding any insurance coverage held by the Authority, the Authority does bear, and shall bear, the sole risk of loss upon damage or destruction of the Housing Project. Such risk of loss does not indemnify HPAHC from any loss arising from HPAHC's negligent or intentional damage or destruction of the Housing Project.

(d) HPAHC shall not take any tax position that is inconsistent with being a service provider to the Authority with respect to the Housing Project, including but not limited to taking any depreciation or amortization, investment tax credit, or deduction for any payment as rent.

(e) HPAHC's use, if any, of the Housing Project shall be functionally related and subordinate to the performance of its services under this Agreement.

9.8. Construction. If any of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other provisions hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

9.9. Number; Gender. Whenever used herein, the singular number shall include the plural, and the plural shall include the singular, and the use of any gender shall be applicable to all genders.

[Remainder of page intentionally left blank. Signature page follows on next page.]

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

HOUSING AUTHORITY OF THE BOROUGH
OF HIGHLAND PARK

By: _____
Name: Donna Brightman
Title: Executive Director

HIGHLAND PARK AFFORDABLE
HOUSING CORPORATION

By _____
Name: Ronald Wong
Title: President

EXHIBIT A

SCHEDULE OF CHARGES

Reimbursement to the Authority

Duties	Average Hourly Rate Incl. Benefits
Waiting List Administration	\$30.00
Leasing (Resident Briefing)	\$30.00
Determination of Unit Size	
Lease Requirements	
Vacant Units	
Rent Setting	
Choice Mobility	
Initial Applicant Certifications	\$30.00
Interim Certifications	\$30.00
Annual Resident Certifications	\$30.00
Office Administration	\$30.00
Telephone Services	
Document copying/filing	
Computer Services	
Development of all correspondence	
PBV File Maintenance	
Financial Services/Other	\$30.00