Record and return to:

Glenn F. Scotland, Esq.
McManimon, Scotland & Baumann, LLC
75 Livingston Avenue
Roseland, NJ 07068

Financial Agreement

By and Between

The Township of West Orange

and

GP 177 Main Urban Renewal, L.L.C.

THIS FINANCIAL AGREEMENT (hereinafter **"Agreement"** or **"Financial Agreement"**), made this 8th day of August, 2014, by and between GP 177 Main Urban Renewal, L.L.C. (referred to herein as **"GP 177"** or **"Urban Renewal Entity"**), an urban renewal entity, qualified to do business under the provisions of the *Long Term Tax Exemption Law of 1992*, as amended and supplemented, *N.J.S.A.* 40A:20-1, *et seq.* (the "***Long Term Tax Exemption Law***"), with offices at 200 Broadacres Drive, Bloomfield, NJ 07003, along with its permitted successors and/or assigns, and the Township of West Orange, a municipal corporation in the County of Essex and the State of New Jersey (the "**Township**", and together with the Urban Renewal Entity, the **"Parties"**).

WITNESSETH:

WHEREAS, the Mayor and Township Council (the **"Governing Body"**) of the Township, acting by Resolution (the **"Designation Resolution"**) designated certain areas within the West Orange downtown area as an "area in need of redevelopment" (the **"Redevelopment Area"**) pursuant to §5 of the *Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq.* (the "***LRHL***" or the **"Act"**); and

WHEREAS, the Redevelopment Area includes all of the lots in Blocks 64, 66, 115, 116, 116.02, and some of the lots in Blocks 89, 114, and 117, all as identified on the Official Tax Maps of the Township and as further described in the Designation Resolution, including among

other sites, the site of the historically significant Edison Storage Battery Building (the **"Edison Battery Building"**), and is generally bounded by the City of Orange to the southeast, Park Avenue to the southwest, Llewellyn Park to the northwest, and Kling Street to the northeast; and

WHEREAS, on February 9, 2003 the Governing Body adopted by ordinance a redevelopment plan superseding the provisions of the Township Zoning Ordinance for the Downtown Redevelopment Area (as adopted, the **"Initial Redevelopment Plan"**); and

WHEREAS, the Governing Body, after adherence to the procedures and standards set out in the *LRHL*, on August 15, 2006, March 6, 2007, and March 8, 2011 adopted amendments to the Initial Redevelopment Plan (the Initial Redevelopment Plan as so modified is hereinafter referred to as the **"Redevelopment Plan"**); and

WHEREAS, the Township entered into a redevelopment agreement with the Prism Green Associates IV, L.L.C. (the **"Redeveloper"**), dated December 20, 2006 (as amended by letter agreements dated May 8, 2007, June 21, 2007, September 11, 2007 and October 27, 2009, the **"Original Redevelopment Agreement"**), governing the redevelopment of the Downtown Redevelopment Area; and

WHEREAS, on Aug. 8, 2014, the Parties entered into a modification agreement (the "**Modification Agreement**") amending and supplementing the Original Redevelopment Agreement with respect to a portion of the Redevelopment Area consisting of Block 66, Lots 1, 5 and 7, as may be further subdivided (the "**Phase 1 Property**"); and

WHEREAS, in accordance with the terms and conditions contained in the Modification Agreement, the Urban Renewal Entity proposes to rehabilitate certain structures, and to construct new improvements on other parcels, resulting in the construction or rehabilitation of approximately 333 residential rental units; together with up to approximately 18,500 square feet of commercial retail space and approximately 31,700 other amenity support space; a parking structure containing approximately 635 spaces (the **"Parking Facility"**) and such other parking areas as may be approved by the Planning Board in accordance with the provisions of the Redevelopment Plan to accommodate parking for residential and retail uses as hereinafter provided; public infrastructure and improvements, including utilities, roadways, pathways, sidewalks and public rights of way (collectively, the **"Phase 1 Redevelopment Project"** or the **"Project"**);

WHEREAS, in order to enhance the economic viability of and opportunity for a successful project, the Township will enter into this Financial Agreement with the Urban Renewal Entity governing payments made to the Township in lieu of real estate taxes on the Project pursuant to the *Long Term Tax Exemption Law*; and

WHEREAS, the Urban Renewal Entity has filed an application, as amended and supplemented (collectively, the **"Application"** as further defined herein), with the Mayor of the Township, which Application has been accepted by the Township Council by resolutions dated March 18, 2008, February 3, 2009 and February 21, 2012, for approval of a long term tax

exemption for the Improvements (as defined herein) to the extent permitted by the *Long Term Tax Exemption Law*; and

WHEREAS, the Township has made the following findings with respect to the Project:

A. Relative benefits of the Project:

i. The Project will provide additional housing and retail space in the Township, along with the renewal and revitalization of the Redevelopment Area.

ii. The Project will ease current parking difficulties in the Redevelopment Area, thereby increasing access to the existing downtown establishments as well as the Improvements associated with the Project.

B. Assessment of the importance of the Tax Exemption in obtaining development of the Project and influencing the locational decisions of probable occupants:

i. Tax Exemption permits better use of the Land through:

a. The completion of certain infrastructure;

b. The remediation of environmentally troubled property; and

c. The rehabilitation of historically significant property which is a local landmark; and

WHEREAS, upon consideration of the Application and the Mayor's recommendations with respect thereto pursuant to *N.J.S.A.* 40A:20-8, the Township Council on March 20, 2012 adopted Ordinance No. 2351-12 authorizing the execution of this Agreement (the **"Ordinance"**); and

WHEREAS, in order to satisfy requirements of the *Long Term Tax Exemption Law* and to set forth the terms and conditions under which the Parties shall carry out their respective obligations with respect to the Annual Service Charge (as such term is defined herein), the Parties have determined to execute this Financial Agreement.

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

ARTICLE I.

GENERAL PROVISIONS

Section 1.01 Governing Law – THIS FINANCIAL AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THIS STATE, INCLUDING THE PROVISIONS OF THE LONG TERM TAX EXEMPTION LAW, THE LRHL AND ALL OTHER APPLICABLE LAWS. IT IS HEREBY EXPRESSLY ACKNOWLEDGED, UNDERSTOOD AND AGREED THAT UPON THE RECORDATION OF THE ORDINANCE AND THIS FINANCIAL AGREEMENT IN ACCORDANCE WITH SECTION 14.05 HEREOF, EACH AND EVERY PARCEL OF LAND, AND ANY IMPROVEMENT RELATED THERETO, INCLUDING WITHOUT LIMITATION, ANY UNIT, AS SUCH TERMS ARE DEFINED HEREIN, SHALL BE SUBJECT TO AND GOVERNED BY THE TERMS OF THE FINANCIAL AGREEMENT AND EACH AND EVERY OWNER, WHETHER IN FEE SIMPLE OR OTHERWISE, OF ANY SUCH PARCEL OF LAND, AND ANY IMPROVEMENT RELATED THERETO, INCLUDING ANY UNIT, REGARDLESS OF WHETHER SUCH OWNER SHALL BE AN URBAN RENEWAL ENTITY, THE REDEVELOPER, A UNIT PURCHASER, AS SUCH TERM IS DEFINED HEREIN, OR ANY OTHER COMPANY, ENTITY OR PERSON (EACH INDIVIDUALLY REFERRED TO HEREIN AS AN **"OWNER"**) SHALL BE BOUND BY THE TERMS HEREOF. IN THE EVENT OF ANY BREACH OR DEFAULT OF THIS FINANCIAL AGREEMENT BY AN OWNER, SUCH BREACH OR DEFAULT SHALL NOT CONSTITUTE A BREACH OR DEFAULT BY ANY OTHER OWNER(S) AND SUCH OTHER OWNER(S), AND ITS RESPECTIVE PARCEL OR PORTION OF LAND, AND ANY IMPROVEMENTS RELATED THERETO, INCLUDING ANY UNIT, SHALL CONTINUE TO BE SUBJECT TO, GOVERNED BY AND BOUND BY THIS FINANCIAL AGREEMENT.

Section 1.02 General Definitions – The following terms shall have the meaning assigned to such term in the preambles hereof:

Act

Agreement/Financial Agreement

Application

Designation Resolution

Edison Battery Building

GP 177

Governing Body

Initial Redevelopment Plan

Land

LRHL

Long Term Tax Exemption Law

Modification Agreement

Ordinance

Original Redevelopment Agreement

Parking Facility

Parties

Redevelopment Area

Phase 1 Redevelopment Project/Project

Redevelopment Plan

Phase 1 Property

Township

Redeveloper

Urban Renewal Entity

Unless specifically provided otherwise or the context otherwise requires, the following terms when used in this Agreement shall mean:

Administrative Fee – shall be as defined in Section 14.08 herein.

Affiliated Entity – shall mean Redeveloper, its successors and assigns, and any other entity affiliated with the Urban Renewal Entity.

Allowable Net Profit – shall mean the amount arrived at by applying the Allowable Profit Rate to the cost of the Project pursuant to the provisions of *N.J.S.A.* 40A:20-3(c).

Allowable Profit Rate – shall mean the greater of (a) twelve percent (12%) or (b) the percentage per annum arrived at by adding one and one-quarter percent (1¼%) to the annual interest percentage rate payable on the Affiliated Entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing, or if the financing is internal or undertaken by a related party, the Allowable Profit Rate shall be the greater of (i) twelve percent (12%) or (ii) the percentage per annum arrived at by adding one and one-quarter percent (1¼%) per annum to the interest rate per annum that the Township determines to be the prevailing rate of mortgage financing on comparable improvements in the County. The provisions of *N.J.S.A.* 40A:20-3(b) are incorporated herein by reference.

Annual Gross Revenue or Gross Revenue – shall have the meaning applied to such term in, and shall be construed in accordance with, the Long Term Tax Exemption Law, specifically *N.J.S.A.* 40A:20-3(a) and Section 6.07 hereof, or in the event that any of the Units shall be converted to for sale, as opposed to rental, then in accordance with *N.J.S.A.* 40A:20-14(a).

Annual Service Charge – shall mean the payment by an Owner pursuant to Article IV herein.

Annual Service Charge Payment Dates – shall mean February 1, May 1, August 1 and November 1 of each year commencing on the first such date following the Annual Service Charge Start Date and continuing in accordance with the term of this Financial Agreement.

Annual Service Charge Start Date – shall mean, with respect to the Project or any portion thereof, including any Unit, the earlier of Substantial Completion or the date that the Project or

any portion thereof, as applicable, including any Unit, receives a Certificate of Occupancy, and shall be the date upon which the Annual Service Charge begins to accrue, *pro rata.*

Applicable Law – shall mean all federal, State and local laws, ordinances, approvals, rules, regulations and requirements applicable thereto including, but not limited to, the Ordinance, the Act, the *Long Term Tax Exemption Law*, relevant construction codes including construction codes governing access for people with disabilities, and such zoning, sanitary, pollution and other environmental safety ordinances, laws and such rules and regulations thereunder, including all applicable environmental laws, applicable federal and State labor standards and all applicable laws or regulations with respect to the payment of prevailing wages.

Application – shall mean collectively, the applications, as supplemented, filed by the Urban Renewal Entity pursuant to *N.J.S.A.* 40A:20-8 with the Mayor of the Township for a long-term tax exemption for the Project, attached hereto as Exhibit 3.

Auditor's Report – shall mean a complete financial statement outlining the financial status of the Project (for a period of time as indicated by context), which shall also include a certification of Total Project Cost and clear computation of Net Profit as provided in *N.J.S.A.* 40A:20-3(c)(2). The contents of the Auditor's Report shall have been prepared in conformity with Generally Accepted Auditing Standards. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant licensed to practice that profession in the State.

Certificate of Occupancy – shall mean a temporary or permanent Certificate of Occupancy, as such term is defined in the New Jersey Administrative Code, as issued by the Township authorizing occupancy of a building, in whole or in part, pursuant to *N.J.S.A.* 52:27D-133.

Change in Law – shall mean the enactment, promulgation, modification or repeal of or with respect to Applicable Law, including without limitation, the *Long Term Tax Exemption Law*, the Act or other similar statute with respect to the matters addressed by the terms of this Financial Agreement and/or the transactions contemplated hereby.

Chief Financial Officer – shall mean the Township's chief financial officer.

Completion, Complete or Completed – shall mean, with respect to the Project, (a) all work related to the Project in its entirety or any other work or actions to which such term is applied has been completed, acquired and/or installed in accordance with the Modification Agreement and in compliance with Applicable Laws so that (i) the Project in its entirety may, in all respects, be used and operated under the applicable provisions of the Modification Agreement, or (ii) with respect to any other work or action to which such term is applied, that the intended purpose of such work or action has been completed; (b) all permits, licenses and approvals that are required can be issued for the Project in its entirety or such other work or action to which such term is applied are in full force and effect; and (c) such "completion" has been evidenced by a written notice provided by the Urban Renewal Entity with respect to the Project, which determination is reasonably acceptable to the Township.

County – shall mean the County of Essex.

County Share – shall mean five percent (5%) of the Annual Service Charge received by the Township, which shall be payable to the County as provided herein.

Default – shall mean a breach of or the failure of any Party to perform any obligation imposed upon such Party by the terms of this Agreement, or under Applicable Law, beyond any applicable grace or cure periods.

Exhibit(s) – shall mean any exhibit attached hereto, which shall be deemed to be a part of this Financial Agreement, as if set forth in full in the text hereof.

Improvements – shall mean any building, structure or fixtures which are permanently affixed to the Land as part of the Project and become incorporated therein, which improvements are recognized and exempted from taxation under this Agreement.

In Rem Tax Foreclosure – shall mean a summary proceeding by which the Township may enforce the lien for taxes due and owing by a tax sale. Said foreclosure is governed by *N.J.S.A.* 54:5-1 *et seq.*

Land – shall mean the real property, but not the Improvements, known as Block 66, Lots 1, 5 and 7, all as set forth on the tax maps of the Township, and more particularly described by the metes and bounds description set forth as Exhibit 1 to this Agreement.

Land Taxes – shall mean the amount of taxes assessed on the value of the Land upon which the Project is located.

Land Tax Payments – shall mean payments made on the quarterly due dates for Land Taxes as determined by the Tax Assessor and the Tax Collector.

Material Conditions – shall be as defined in Section 4.04 herein.

Minimum Annual Service Charge – shall mean in the year following the expiration of the Stabilization Period and each year thereafter, $650,000.00.

Net Profit – shall mean the Gross Revenue of the Urban Renewal Entity pertaining to the Project less all operating and non-operating expenses of the Urban Renewal Entity, all determined in accordance with generally accepted accounting principles and the provisions of *N.J.S.A.* 40A:20-3(c). Without limiting the foregoing, included in expenses shall be payments of principal and interest made by the Urban Renewal Entity in an amount sufficient to amortize (utilizing the straight line method-equal annual amounts) the Total Project Cost over the term of the abatement granted pursuant to this Agreement as well as all other expenses permitted under the provisions of *N.J.S.A.* 40A:20-3(c).

Owner – shall have the meaning set forth in Section 1.01.

Pending Litigation - shall mean *In re: Petition for Referendum to Repeal Ordinance*

2354-12 of the Township of West Orange, pending before the New Jersey Supreme Court as docket number 073069, on appeal from the decision of the Appellate Division in docket number A-006181-11T3, which reviewed the decision of the Law Division in docket number ESX-L-3587-12.

Residential Project – shall mean that component of the Project consisting of the design, development, financing and construction of approximately 333 residential units, and uses attendant and necessary thereto as required, or otherwise permitted, under the Redevelopment Plan, the Modification Agreement and Applicable Law.

Residential Unit – shall mean one of the residential units, regardless of whether such unit shall be for sale or rental, to be built as a part of the Residential Project, the tax exemption upon which shall continue and inure to the benefit of any Owner, and its successors and assigns, in accordance with the terms hereof.

Retail Project – shall mean that component of the Project consisting of the design, development, financing and construction of approximately 18,500 square feet of commercial retail space and uses attendant and necessary thereto as required under the Redevelopment Plan, the Modification Agreement, and Applicable Law.

Retail Unit – shall mean one or more units to be built as part of the Retail Project, the tax exemption upon which shall continue and inure to the benefit of any Owner, and its successors and assigns, in accordance with the terms hereof.

Satisfactory Resolution of the Pending Litigation – shall mean either a) a final and unappealable decision of the New Jersey Supreme Court with respect to the Pending Litigation, finding that 1) Plaintiffs' action challenging Ordinance 2354-12 was time barred, or 2) if it was not time barred, that Ordinance 2354-12 is nonetheless valid as a matter of law, or b) a final and unappealable decision with respect to the Pending Litigation of a lower court on remand from the New Jersey Supreme Court, finding that 1) Plaintiffs' action challenging Ordinance 2354-12 was time barred, or 2) if it was not time barred, that Ordinance 2354-12 is nonetheless valid as a matter of law.

Stabilization Period – shall mean twenty-four (24) months from the date that the Project is Completed.

State – shall mean the State of New Jersey.

Substantial Completion – shall mean the date the work related to the Project, or any portion thereof, including any Unit, is sufficiently complete in accordance with the Redevelopment Plan and the Modification Agreement so that the Project, or any portion thereof, including any Unit, may be occupied or utilized for the use for which it is intended. The issuance of a temporary Certificate of Occupancy shall be conclusive proof that the Project, or any portion thereof, including any Unit, has reached Substantial Completion.

Tax Assessor – shall mean the Township tax assessor.

Tax Collector – shall mean the Township tax collector.

Tax Sale Law – *N.J.S.A.* 54:5-1 *et seq.*, as the same may be amended or supplemented from time to time.

Term – shall be as defined in Section 3.01 of this Agreement.

Termination – shall mean the expiration of the term of this Agreement in accordance with Section 3.01 hereof which by operation of the terms of this Financial Agreement shall cause the relinquishment of the tax exemption applicable to any Improvement, including any Unit.

Unit – shall mean one of the Residential Units or Retail Units to be built as part of the Project, the tax exemption upon which shall continue and inure to the benefit of any Owner, its successors and assigns in accordance with the terms hereof.

Unit Purchaser – shall mean the buyer of a Unit to whom the tax exemption for that Unit will be transferred and who will be responsible pursuant to this Agreement to pay the applicable portion of the Annual Service Charge.

Section 1.02 Interpretation and Construction – In this Financial Agreement, unless the context otherwise requires:

(a) The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms, as used in this Financial Agreement, refer to this Financial Agreement, and the term "hereafter" means after, and the term "heretofore" means before the date of delivery of this Financial Agreement.

(b) Words importing a particular gender mean and include correlative words of every other gender and words importing the singular number mean and include the plural number and vice versa.

(c) Words importing persons mean and include firms, associations, partnerships (including limited partnerships), trusts, corporations, limited liability companies and other legal entities, including public or governmental bodies, as well as natural persons.

(d) Any headings preceding the texts of the several Articles and Sections of this Financial Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Financial Agreement, nor shall they affect its meaning, construction or effect.

(e) Unless otherwise indicated, all approvals, consents and acceptances required to be given or made by any person or party hereunder shall not be unreasonably withheld, conditioned, or delayed.

(f) All notices to be given hereunder and responses thereto shall be given, unless a certain number of days is specified, in writing and within a reasonable time, which shall not be less than fifteen (15) days nor more than thirty (30) days, unless the context dictates otherwise.

(g) This Financial Agreement shall become effective upon its execution and delivery by the parties hereto.

(h) All exhibits referred to in this Financial Agreement and attached hereto are incorporated herein and made part hereof.

ARTICLE II.

BASIS OF AGREEMENT

Section 2.01 Covenant of Tax Exemption - The Township hereby grants its approval for a tax exemption for the Improvements, including, without limitation, any Unit, to be constructed and maintained in accordance with the terms and conditions of this Agreement and the provisions of Applicable Law, which Improvements shall be constructed and/or renovated on the Land.

Section 2.02 Representations of Urban Renewal Entity - The Urban Renewal Entity represents that its Certificate of Formation as attached hereto as Exhibit 4 contains all the requisite provisions of law, has been reviewed and approved by the Commissioner of the State Department of Community Affairs, and has been filed with, as appropriate, the State Department of Treasury, all in accordance with *N.J.S.A.* 40A:20-5.

Section 2.03 Construction of the Project - The Urban Renewal Entity represents that it will construct its applicable portion of the Project in accordance with the Modification Agreement, the Redevelopment Plan and Applicable Law, the use of which is more specifically described in the Application attached hereto as Exhibit 3.

Section 2.04 Construction Schedule – The Urban Renewal Entity agrees to diligently undertake to commence construction and complete the Project in accordance with Schedule 1 attached hereto and by this reference incorporated herein, as such schedule may be tolled pending Satisfactory Resolution of the Pending Litigation in accordance with the Modification Agreement.

Section 2.05 Ownership, Management and Control - (a) The Urban Renewal Entity hereby represents that Prism Green Urban Renewal IV, L.L.C., the sole member of which is Prism Green Associates IV, L.L.C., the signatory party to the Modification Agreement and the Original Redevelopment Agreement, is its sole and managing member.

(b) The Urban Renewal Entity hereby represents that it is the fee title owner of the Phase 1 Property.

Section 2.06 Financial Plan – The Urban Renewal Entity represents that the Improvements shall be financed in accordance with the Financial Plan attached hereto as Exhibit 5. The Plan sets forth estimated Total Project Cost, amortization rate on Total Project Cost, the

source of funds, the interest rates to be paid on construction financing, the source and amount of paid-in capital, and the terms of any mortgage amortization.

Section 2.07 Statement of Rental Schedules - The Urban Renewal Entity represents that its good faith projections of the initial rental schedules are set forth in Exhibit 6 attached hereto.

ARTICLE III.

DURATION OF AGREEMENT

Section 3.01 Term - It is understood and agreed by the Parties that this Agreement, including the obligation to pay the Annual Service Charge required under Article IV hereof and the tax exemption granted and referred to in Section 2.01 hereof, shall, with respect to the Project or any portion thereof, including any Unit, remain in full force and effect for thirty (30) years from the date of issuance of a Certificate of Occupancy for the Project or any portion thereof, including any Unit, but in no event, with respect to Units or otherwise, longer than thirty-five (35) years from the date of execution hereof. Upon Termination, the tax exemption for the Project shall expire and the Improvements shall thereafter be assessed and taxed according to the general law applicable to other non-exempt property in the Township. Upon Termination, all restrictions and limitations upon the Urban Renewal Entity shall terminate upon the Urban Renewal Entity's rendering and the Township's acceptance of its final accounting, pursuant to *N.J.S.A.* 40A:20-13.

Section 3.02 Date of Termination - Upon any Termination of the tax exemption described in Section 2.01 hereof, the date of such Termination shall be deemed to coincide with the end of the fiscal year of the Urban Renewal Entity.

ARTICLE IV.

ANNUAL SERVICE CHARGE

Section 4.01 Commencement of Annual Service Charge - The Urban Renewal Entity shall make payment of the Annual Service Charge commencing on the Annual Service Charge Start Date.

Section 4.02 Payment of Annual Service Charge

(a) The Annual Service Charge shall be due and payable to the Township on the Annual Service Charge Payment Dates, commencing to accrue as of the Annual Service Charge Start Date. In the event that an Owner fails to timely pay any installment of the Annual Service Charge, the amount past due shall bear until paid the highest rate of interest permitted under applicable State law then being assessed against other delinquent taxpayers in the case of unpaid taxes or tax liens.

(b) Each installment payment of the Annual Service Charge is to be made to the Township and shall be clearly identified as "Annual Service Charge Payment for the Phase 1 Project".

Section 4.03 Annual Service Charge In consideration of the exemption from taxation for the Improvements, including the Units, each Owner shall pay the Annual Service Charge to the Township on the Annual Service Charge Payment Dates in the amounts set forth below.

(a) The Annual Service Charge shall be equal to an amount calculated as follows:

(i) For each of the first six (6) years from the Annual Service Charge Start Date, the Annual Service Charge shall be equal to the greater of (A) ten percent (10%) of the Annual Gross Revenue, or (B) the Minimum Annual Service Charge, to the extent applicable;

(ii) For each of the years seven (7) through twelve (12) from the Annual Service Charge Start Date, the Annual Service Charge shall be equal to the greater of (A) ten percent (10%) of the Annual Gross Revenue, (B) twenty percent (20%) of the real property taxes otherwise due on the value of the Land and the Improvements, or (C) the Minimum Annual Service Charge;

(iii) For each of the years thirteen (13) through eighteen (18) from the Annual Service Charge Start Date, the Annual Service Charge shall be equal to the greater of (A) ten percent (10%) of the Annual Gross Revenue, (B) forty percent (40%) of the real property taxes otherwise due on the value of the Land and the Improvements, or (C) the Minimum Annual Service Charge;

(iv) For each of the years nineteen (19) through twenty-four (24) from the Annual Service Charge Start Date, the Annual Service Charge shall be equal to the greater of (A) ten percent (10%) of the Annual Gross Revenue, (B) sixty percent (60%) of the real property taxes otherwise due on the value of the Land and the Improvements, or (C) the Minimum Annual Service Charge; and

(v) For each of the years twenty-five (25) from the Annual Service Charge Start Date through the term of this Financial Agreement, the Annual Service Charge shall be equal to the greater of (A) ten percent (10%) of the Annual Gross Revenue, (B) eighty percent (80%) of the real property taxes otherwise due on the value of the Land and the Improvements, or (C) or the Minimum Annual Service Charge.

(b) In accordance with the Tax Exemption Law, including without limitation, N.J.S.A. 40A:20-12, the Owner shall be entitled to a credit against the Annual Service Charge equal to the amount, without interest, of the Land Taxes paid by it in the last four preceding quarterly installments.

Section 4.04 Material Conditions - It is expressly agreed and understood that all payments of Land Taxes, Annual Service Charges and any interest payments, penalties or costs of collection due thereon, are material conditions of this Financial Agreement. If any other term,

covenant or condition of this Financial Agreement or the Application, as to any person or circumstance shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Financial Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term, covenant or condition of this Financial Agreement shall be valid and enforced to the fullest extent permitted by Applicable Law.

ARTICLE V.

CERTIFICATE OF OCCUPANCY

Section 5.01 Certificate of Occupancy - It is understood and agreed that it shall be the obligation of the Urban Renewal Entity to obtain all Certificates of Occupancy in a reasonably timely manner after the Urban Renewal Entity has satisfied all requirements to secure such Certificate of Occupancy.

Section 5.02 Filing of Certificate of Occupancy - It shall be the primary responsibility of the Urban Renewal Entity to forthwith file with both the Tax Assessor and the Tax Collector a copy of each Certificate of Occupancy.

Notwithstanding the foregoing, the filing of any Certificate of Occupancy shall not be a prerequisite for any action taken by the Township, including, if appropriate, retroactive billing with interest to collect any charges hereunder to be due.

ARTICLE VI.

ACCOUNTING, REPORTS, CALCULATIONS

Section 6.01 Unit Purchasers - Notwithstanding anything herein to the contrary, it is hereby expressly acknowledged, understood and agreed that no section or provision of this Article VI shall be applicable to, or otherwise enforceable against, any Unit Purchaser that in accordance with Applicable Law is not otherwise required to be an Urban Renewal Entity. This Article VI shall only be applicable to, and enforceable against, an Urban Renewal Entity.

Section 6.02 Accounting System - The Urban Renewal Entity agrees to calculate its "Net Profit" pursuant to *N.J.S.A.* 40A:20-3(c).

Section 6.03 Periodic Reports -

(a) Auditor's Report: if the Urban Renewal Entity is still responsible to pay the Annual Service Charge (*e.g.* if the Urban Renewal Entity is the Owner of one or more Units), within ninety (90) days after the close of each fiscal or calendar year (depending on the Urban Renewal Entity's accounting basis) that this Agreement shall continue in effect, the Urban

Renewal Entity shall submit to the Township Council, the Tax Collector and the Township Clerk, who shall advise those municipal officials required to be advised, and the Division of Local Government Services in the State Department of Community Affairs, its Auditor's Report for the preceding fiscal or calendar year. The report shall clearly identify and calculate the Net Profit for the Urban Renewal Entity during the previous year. The Urban Renewal Entity assumes all costs associated with preparation of the periodic reports.

(b) Disclosure Statement: if the Urban Renewal Entity is still responsible to pay the Annual Service Charge (*e.g.* if the Urban Renewal Entity is the Owner of one or more Units), on each anniversary date of the execution of this Agreement, if there has been a change in ownership or interest in the Project from the prior year's filing, the Urban Renewal Entity shall submit to the Township Council, the Tax Collector and the Township Clerk, who shall advise those municipal officials required to be advised, a Disclosure Statement listing the persons having an ownership interest in the Project, and the extent of the ownership interest of each and such additional information as the Township may request from time to time.

Section 6.04 Inspection - The Urban Renewal Entity shall, upon reasonable request and notice, permit inspection of its property, equipment, buildings and other facilities of the Project and also permit examination of audit of its books, contracts, records, documents and papers with respect to the Project, by authorized officers of the Township, and the Division of Local Government Services in the State Department of Community Affairs pursuant to *N.J.S.A.* 40A:20-9(e). To the extent reasonably possible, the inspection will not materially interfere with the construction or operation of the Project.

Section 6.05 Limitation on Profits and Reserves - During the period of tax exemption as provided herein, the Urban Renewal Entity shall be subject to a limitation of its profits pursuant to the provisions of *N.J.S.A.* 40A:20-15. Pursuant to *N.J.S.A.* 40A:20-3(c), this calculation is completed in accordance with generally accepted accounting principles.

The Urban Renewal Entity shall have the right to establish a reserve against vacancies, unpaid rentals, and reasonable contingencies in an amount up to ten percent (10%) of the Annual Gross Revenues of the Urban Renewal Entity for the last full fiscal year preceding the year and may retain such part of the excess Net Profits as is necessary to eliminate a deficiency in that reserve, as provided in *N.J.S.A.* 40A:20-15.

Section 6.06 Payment of Dividend and Excess Profit Charge - In the event the Net Profits of the Urban Renewal Entity, shall exceed the Allowable Net Profits for such period, then the Urban Renewal Entity, within one hundred and twenty (120) days after the end of the accounting period established by the Long Term Tax Exemption Law, shall pay such excess Net Profits to the Township as an additional service charge; provided, however, that the Urban Renewal Entity may maintain a reserve as determined pursuant to aforementioned Section 6.05. The calculation of Net Profit and Allowable Net Profit shall be made in the manner required pursuant to *N.J.S.A.* 40A:20-3(c) and 40A:20-15.

Section 6.07 Calculation of Gross Revenue and Net Profit - There is expressly excluded from calculation of Gross Revenue and from Net Profit as set forth in *N.J.S.A.* 40A:20-3 for the purpose of determining compliance with *N.J.S.A.* 40A:20-15 or *N.J.S.A.* 40A:20-16, any gain

realized by the Urban Renewal Entity on the sale of any Unit, whether or not taxable under federal or State law.

ARTICLE VII.

ASSIGNMENT AND/OR ASSUMPTION

Section 7.01 Approval to Sale of Project by Urban Renewal Entity Formed and Eligible to Operate Under Law - As permitted by *N.J.S.A.* 40A:20-10, it is understood and agreed that the Township, on written application by an Urban Renewal Entity, will consent to a sale of the Project (or a portion thereof) and the transfer of this Agreement (as pertaining to a portion of the Project) to another Urban Renewal Entity provided that (a) in the event that the Project or relevant portion thereof shall not have been completed, the transferee Urban Renewal Entity shall have demonstrated to the reasonable satisfaction of the Township that it possesses the experience and capitalization necessary to complete the Project or relevant portion thereof, which determination shall not be unreasonably withheld; (b) the transferee Urban Renewal Entity does not own any other project subject to long term tax exemption at the time of transfer; (c) the transferee Urban Renewal Entity is formed and eligible to operate under the *Long Term Tax Exemption Law*; (d) the Urban Renewal Entity is not then in Default of this Agreement or in violation of Applicable Law; (e) the Urban Renewal Entity's obligations under this Agreement are fully assumed by the transferee Urban Renewal Entity; and (f) the transferee Urban Renewal Entity abides by all terms and conditions of this Agreement including, without limitation, the filing of an application pursuant to *N.J.S.A.* 40A:20-8.

Section 7.02 Approval for Sale to Purchasers of Units in the Project - As permitted by *N.J.S.A.* 40A:20-10(b) and provided that the Residential Project, or the Retail Project, as the case may be, has been devoted to condominium ownership, it is understood and agreed that the Township hereby consents to a sale of Residential Units, or Retail Units, as the case may be, by the Urban Renewal Entity to Unit Purchasers and their successors and/or assigns, and the tax exemption shall continue and inure to any Improvement, including any Unit owned by a Unit Purchaser and his/her successors and/or assigns. The Township further hereby consents to entry by the aforesaid Unit Purchasers into customary financial instruments for the financing of the acquisition and/or maintenance of the Unit, e.g. mortgage financing, home equity financing.

Section 7.03 Section 14 Tax Exemption - Section 7.02 of this Agreement permits the conveyance of Units pursuant to *N.J.S.A.* 40A:20-10(b). When an Urban Renewal Entity files a master deed pursuant to *N.J.S.A.* 46:8B-1 et seq. as to all or a portion of the Project which has been approved for tax exemption under the Financial Agreement, each Unit shall continue to be subject to the provisions of the Financial Agreement, and the tax exemption previously approved under the Financial Agreement with respect to property converted to condominium ownership shall be unaffected by the recording of the master deed or any subsequent deed conveying the Unit and its appurtenant interest in common elements. The tax exemption herein shall continue as to the Unit and its appurtenant undivided interest in the common elements subject to the Financial Agreement.

Section 7.04 Conveyance of Unit - The conveyance of a Unit which is authorized under this Financial Agreement to a bona fide purchaser shall not require consent or approval of the

Township and the exemption from taxation as to the Unit shall continue unaffected by the transfer.

Section 7.05 Severability - It is an express condition of the granting of this tax exemption that during its duration, an Owner shall not, without the prior consent of the Governing Body of the Township of West Orange by ordinance, convey, mortgage or transfer, all or part of the Project so as to sever, disconnect, or divide the Improvements from the Land which is basic to, embraced in, or underlying the exempted Improvements.

Section 7.06 Subordination of Fee Title - It is expressly understood and agreed that the Urban Renewal Entity has the right to encumber and/or assign the fee title to the Land and/or Improvements for the purpose of financing the design, development and construction of the Project and that any such encumbrance or assignment shall not be deemed to be a violation of this Agreement.

ARTICLE VIII.

RESERVATION OF TOWNSHIP RIGHTS AND REMEDIES

Section 8.01 Reservation of Rights and Remedies. – Except as expressly provided herein, nothing contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by the Township or any Owner of any rights and remedies provided by Applicable Law. Unless otherwise expressly stated, nothing herein shall be deemed to limit any right of recovery that the Township or any Owner has under law, in equity, or under any provision of this Financial Agreement.

ARTICLE IX.

NOTICES

Section 9.01 Notice - Formal notices, demands and communications between and among the Township and an Owner shall be in writing and deemed given if dispatched to the address set forth below by registered or certified mail, postage prepaid, return receipt requested, or by a commercial overnight delivery service with packaging tracking capability and for which proof of delivery is available. In that case such notice is deemed effective upon delivery. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by written notice.

Copies of all notices, demands and communications shall be sent as follows:

If to the Township:

Township of West Orange
Municipal Building
66 Main Street
West Orange, New Jersey 07052-5313
Attn: John K. Sayers, Township Administrator

with copies to:

Township of West Orange
Municipal Building
66 Main Street
West Orange, New Jersey 07052-5313
Attn: John Gross, Chief Financial Officer

Glenn F. Scotland, Esq.
McManimon, Scotland & Baumann, LLC
75 Livingston Avenue
Roseland, New Jersey 07068

Township of West Orange
Municipal Building
66 Main Street
West Orange, New Jersey 07052-5313
Attn: Law Department

If to the Urban Renewal Entity:

GP 177 Main Urban Renewal, L.L.C.
c/o Prism Capital Partners, L.L.C.
200 Broadacres Drive, Suite 180
Bloomfield, New Jersey 07003

Eugene R. Diaz, Principal
Prism Capital Partners, LLC
200 Broadacres Drive, Suite 180
Bloomfield, New Jersey 07003

Barry Marcus
Senior Vice President
Greenfield Partners
50 North Water Street
South Norwalk, Connecticut 06854

With copies to:

Matthew C. Karrenberg, Esq.
DeCotiis, FitzPatrick & Cole, LLP
500 Frank W. Burr Boulevard
Suite 31
Teaneck, New Jersey 07666

If to any other Owner:

The notice shall be directed to the Owner's address as set forth in the property tax records of the Township.

ARTICLE X.

COMPLIANCE BY ENTITY WITH LAW

Section 10.01 Statutes and Ordinances - Each Owner hereby agrees at all times prior to the expiration or other Termination of this Financial Agreement to remain bound by the provisions of Applicable Law, including, but not limited to, the *Long Term Tax Exemption Law*. Any Owner's failure to comply with such statutes or ordinances shall constitute a violation and breach of the Financial Agreement.

ARTICLE XI.

CONSTRUCTION

Section 11.01 Construction - This Financial Agreement shall be construed and enforced in accordance with the laws of the State, and without regard to or aid or any presumption or other rule requiring construction against the party drawing or causing this Agreement to be drawn since counsel for both the Urban Renewal Entity and the Township have combined in their review and approval of same.

ARTICLE XII.

INDEMNIFICATION

Section 12.01 Indemnification - It is understood and agreed that in the event the Township shall be named as party defendant in any action brought against the Township by allegation of any breach, Default or a violation of any of the provisions of this Agreement and/or the provisions of Applicable Law, the Urban Renewal Entity, provided that it is still the fee title owner of all or any portion of the Land, or any Improvements related thereto, shall indemnify and hold the Township harmless from and against all liability, losses, damages, demands, costs, claims, actions or expenses (including reasonable attorneys' fees and expenses) of every kind,

character and nature arising out of or resulting from the action or inaction of the Urban Renewal Entity and/or by reason of any breach, Default or a violation of any of the provisions of this Agreement and/or the provisions of Applicable Law, including without limitation, *N.J.S.A.* 40A:20-1 *et seq.,* except for the willful misconduct by the Township or its officers, officials, employees or agents and the Urban Renewal Entity shall defend the suit at its own expense. However, the Township maintains the right to intervene as a party thereto, to which intervention the Urban Renewal Entity hereby consents, the reasonable expense thereof to be borne by the Urban Renewal Entity. To the extent practical and ethically permissible, the Urban Renewal Entity's attorneys shall jointly defend and represent the interest of the Township and the Urban Renewal Entity as to all claims indemnified in connection with this Agreement.

ARTICLE XIII.

DEFAULT

Section 13.01 Default - Default shall be failure of any party to conform to the terms of this Agreement, and/or the failure of any party to perform any obligation imposed upon such party by Applicable Law beyond any applicable notice, cure or grace period. A default under this Agreement shall also constitute a default under the Modification Agreement, however, a default under the Modification Agreement shall not automatically constitute a default under this Agreement. In addition, a default under this Agreement by any Owner shall only be considered a default against that specific party, without any implication of default against any other Owner.

Section 13.02 Cure Upon Default - Should any party be in Default of any obligation under this Agreement, the other party shall notify the defaulting party and any mortgagee, if applicable, in writing of said Default. If the defaulting party is the Urban Renewal Entity, the Township, shall provide such notice. Said notice shall set forth with particularity the basis of said Default. Except as otherwise limited by law, the defaulting party shall have sixty (60) days to cure any Default, other than a Default in payment of any installment of the Annual Service Charge, in which case there shall be no cure period.

Section 13.03 Remedies for Default - (a) In the event of any uncured Default by the Township, the Urban Renewal Entity may take whatever action at law or in equity, as may be necessary or desirable to enforce the performance or observance of any rights under this Agreement, including an action for specific performance or damages.

(b) In the event of any uncured Default by an Owner, the Township may take whatever action at law or in equity, as may be necessary or desirable to enforce the performance or observance of any rights under this Agreement, including an action for specific performance or damages. No Default hereunder by an Owner shall terminate the long term tax exemption (except as described herein) and its obligation to make Annual Service Charges, which shall continue in effect for the duration set forth in Section 3.01 hereof and subject to Section 13.06 hereinafter.

Section 13.04 Arbitration - In the event of a breach of this Agreement by any party or a dispute arising between any parties in reference to the terms and provisions as set forth herein,

then the parties shall submit the dispute to the American Arbitration Association in the State to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of said laws. Costs for said arbitration shall be paid by the non-prevailing party.

Section 13.05 Default in the Payment of Annual Service Charge - (a) Upon any Default by an Owner in payment of any installment of the Annual Service Charge, the Township, in addition to their other remedies, reserves the right to proceed against the applicable Land, and any Improvements related thereto, including any Unit, in the manner provided by Applicable Law and shall have the right to proceed to In Rem Tax Foreclosure consistent with the provisions and procedures of the In Rem Tax Foreclosure Law.

(b) Whenever the word "Taxes" appears, or is applied, directly or implied, to mean taxes or municipal liens on Land, such statutory provisions shall be read, as far as it is pertinent to this Agreement, as if the Annual Service Charge were taxes or municipal liens on Land. In either case, however, any Owner does not waive any defense it may have to contest the rights of the Township to proceed in the above-mentioned manner.

Section 13.06 Remedies Upon Default Cumulative; No Waiver - Subject to the provisions of this Article XIII and the other terms and conditions of this Agreement, all of the remedies provided in this Agreement to any party, and all rights and remedies granted by law and equity shall be cumulative and concurrent and no determination of the invalidity of any provision of this Agreement shall deprive the Township of any of their remedies or actions against an Owner because of the Owner's failure to pay Land Taxes, the Annual Service Charge and/or any applicable water and sewer charges and interest payments. This right shall only apply to arrearages that are due and owing at the time, and the bringing of any action for Land Taxes, Annual Service Charges or other charges, or for breach of covenant or the resort of any other remedy herein provided for the recovery of Land Taxes, Annual Service Charges or other charges shall not be construed as a waiver of the right to proceed with an In Rem Tax Foreclosure action consistent with the terms and provisions of this Agreement.

Section 13.07 Final Accounting - Within one hundred and twenty (120) days after the date of Termination, the Urban Renewal Entity shall provide a final accounting and pay to the Township any excess Net Profits. For purposes of rendering a final accounting the Termination of the Agreement shall be deemed to coincide with the end of the fiscal year of the Township.

Section 13.08 Conventional Taxes - Upon Termination or expiration of this Agreement, the tax exemption for the Improvements shall expire and the Land and the Improvements thereon shall thereafter be assessed and conventionally taxed according to the general law applicable to other nonexempt taxable property in the Township.

ARTICLE XIV.

MISCELLANEOUS

Section 14.01 Financial Agreement Controlling - The Parties agree that in the event of a conflict between (i) the Application and this Financial Agreement or (ii) the Modification

Agreement and this Financial Agreement, the provisions of this Financial Agreement shall govern and prevail.

Section 14.02 Oral Representations - There have been no oral representations made by either of the Parties hereto which are not contained in this Financial Agreement. This Financial Agreement, the Modification Agreement, the Ordinance and the Application constitute the entire agreement between the Parties with respect to the Phase 1 Redevelopment Project and there shall be no modifications thereto other than by a written instrument executed by the Parties and delivered to each of them.

Section 14.03 Entire Document - All conditions in the Ordinance are incorporated in this Agreement and made a part hereof.

Section 14.04 Good Faith - In their dealings with each other, the Parties agree that they shall act in good faith.

Section 14.05 Recording – Upon the execution and delivery of this Financial Agreement, the entire Financial Agreement and the Ordinance shall be filed and recorded with the Essex County Register by GP 177, at GP 177's expense, such that this Financial Agreement and the Ordinance shall be reflected upon the land records of the County of Essex.

Section 14.06 Municipal Services – Each Owner shall make payments for municipal services, including water and sewer charges and any services, to the extent that such water and sewer charges, and other services, are not otherwise included in the real property taxes generally assessed upon property within the Township, that create a lien on a parity with or superior to the lien for the Land Taxes and Annual Service Charge, as required by law. These charges are not included in the Annual Service Charge and shall be billed separately. Nothing herein is intended to release any Owner from its obligation to make such payments.

Section 14.07 Portion of Annual Service Charge Paid to County - Pursuant to *N.J.S.A.* 40A:20-12, the Township shall remit the County Share to the County upon the receipt thereof.

Section 14.08 Administrative Fee – In accordance with *N.J.S.A.* 40A:20-9(h), the Township shall collect an administrative fee equal to 1% of the Annual Service Charge due in any year. In the event that any building is operated as a condominium, the Administrative Fee shall be collected by the condominium association as a portion of the common area maintenance charges, and shall be payable to the Township by the condominium association on an annual basis. In the event that any building shall not be established as a condominium, the Owner of such building shall pay the Administrative Fee, which shall be payable by the Owner to the Township on an annual basis.

Section 14.09 Financing Matters - The financial information required by the final paragraph of *N.J.S.A.* 40A:20-9 is set forth in the Application.

Section 14.10 Counterparts - This Agreement may be simultaneously executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14.11 Amendments - This Agreement may not be amended, changed, modified, altered or terminated without the written consent of the parties hereto.

Section 14.12 Certification - The Township Clerk shall certify to the Tax Assessor, pursuant to *N.J.S.A.* 40A:20-12, that a Financial Agreement with the Urban Renewal Entity, for the development of the Land, has been entered into and is in effect as required by *N.J.S.A.* 40A:20-1, *et seq.* Delivery by the Township Clerk to the Tax Assessor of a certified copy of the Ordinance shall constitute the required certification. Upon certification as required hereunder and upon the Annual Service Charge Start Date the Tax Assessor shall implement the exemption and continue to enforce that exemption without further certification by the Township Clerk until the expiration of the entitlement to exemption by the terms of this Financial Agreement or until the Tax Assessor has been duly notified by the Township Clerk that the exemption has been terminated.

Further, upon the adoption of this Financial Agreement, a certified copy of the Ordinance shall forthwith be transmitted to the Director of the Division of Local Government Services by the Township Clerk.

Section 14.13 Severability of Invalid Provisions - If any one or more of the covenants, agreements or provisions herein contained shall be held to be illegal or invalid in a final proceeding, then any such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof.

EXHIBITS AND SCHEDULES

The following Exhibits are attached hereto and incorporated herein as if set forth at length herein:

Schedule 1 – Construction Schedule

Exhibit 1 – Metes and Bounds Description of the Project

Exhibit 2 – Ordinance of the Township Authorizing the Execution of this Agreement

Exhibit 3 – The Application

Exhibit 4 – Certificate of Formation for Urban Renewal Entity

Exhibit 5 – The Financial Plan for the Undertaking of the Project

Exhibit 6 – Initial Estimated Rental Schedules

Exhibit 7 – Certification of Estimated Construction Costs

IN WITNESS WHEREOF, the Parties have caused this Financial Agreement to be executed as of the day and year first above written.

ATTEST:

Karen Carnevale, RMC
Township Clerk

TOWNSHIP OF WEST ORANGE

By: _____
Hon. Robert Parisi, Mayor

GP 177 MAIN URBAN RENEWAL, LLC

By: _____
Eugene R. Diaz, Principal

IN WITNESS WHEREOF, the Parties have caused this Financial Agreement to be executed as of the day and year first above written.

ATTEST:

TOWNSHIP OF WEST ORANGE

_____
Karen Carnevale, RMC
Township Clerk

By: _____
Hon. Robert Parisi, Mayor

GP 177 MAIN URBAN RENEWAL, LLC

By: _____
Eugene R. Diaz, Principal

STATE OF NEW JERSEY,
COUNTY OF ESSEX SS:

I CERTIFY that on _____, 2014, Robert Parisi personally came before me and stated to my satisfaction that this person:

(a) was the maker of the attached instrument;
(b) was authorized and did execute this instrument as Mayor of the Township of West Orange; and
(c) executed the instrument as the act of the Township of West Orange.

Notary Public

SHARIANN P. QUIRK
Notary Public of New Jersey
My Commission Expires on 4/13/2015

SCHEDULE 1

Construction Schedule

Certain demolition, remediation and site work originally commenced in 2009. Construction of the Phase 1 Redevelopment Project is scheduled for July 1, 2012 with an anticipated completion date on or before June 30, 2014.

EXHIBIT 1

Legal Description of the Project

CONSULTING ENGINEERS • SURVEYORS • PLANNERS • LANDSCAPE ARCHITECTS

Keller & Kirkpatrick

Robert C. Kirkpatrick, P.E., L.S., P.P., Founder
Matthew L. Martini, P.L.S., P.P., President

Robert E. Bratt, P.E., P.P.
Andrew Cangiano, P.E.
Arthur J. Elias, P.E., P.P.
Edward J. Formichella, P.L.S, P.P.
George P. James, P.E., P.P.

Werner A. Mall, P.L.S.
Michael J. Manning, P.L.S., P.P.
James K. McCormick, P.L.S., P.P.
Jonathan C. Pera, P.E., P.P.

Brian E. Salfelder, P.E.
Donald A. Scott, Jr., P.E., P.P.
Paul M. Szmaida, C.L.A.
William E. Thomas, P.L.S., P.P.

File Number 2006078
March 13, 2008

DESCRIPTION OF A PARCEL OF LAND SITUATED IN THE TOWNSHIP OF WEST ORANGE, COUNTY OF ESSEX, AND STATE OF NEW JERSEY.

BEING known and designated as Lots 1, 5 and 7 in Block 66, as delineated upon the Tax Assessment Map of the Township of West Orange, being more particularly described as follows:

BEGINNING at a point in the northwesterly sideline of Ashland Avenue (fifty foot wide right-of-way per Tax Map), where same is intersected by the southwesterly sideline of Lakeside Avenue (sixty foot wide right-of-way per Tax Map), and running; thence

1.) Along said northwesterly sideline of Ashland Avenue, South forty-one degrees, nine minutes, sixteen seconds West (S 41° 09′ 16″ W), a distance of six hundred thirty-five and seventy-five hundredths feet (635.75′) to a point in the northeasterly sideline of Charles Street (sixty foot wide right-of-way per Tax Map); thence

2.) Along said northeasterly sideline of Charles Street, North forty-eight degrees, fifty minutes, forty-four seconds West (N 48° 50′ 44″ W), a distance of three hundred forty-seven and fifty-eight hundredths feet (347.58′) to a point in the southeasterly sideline of Main Street (fifty-five foot wide right-of-way per Tax Map); thence

3.) Along said southeasterly sideline of Main Street, North forty-seven degrees, forty-one minutes, sixteen seconds East (N 47° 41′ 16″ E), a distance of twenty-two and fifty-nine hundredths feet (22.59′) to an angle point in same; thence

4.) Still along same, North fifty-one degrees, twenty-eight minutes, sixteen seconds East (N 51° 28′ 16″ E), a distance of one hundred sixty-three and seventy-eight hundredths feet (163.78′) to a point of curve in same; thence

5.) Still along same, on a curve to the left having a radius of nine hundred seventy-two and fifty hundredths feet (972.50′), an arc length of three hundred eighty and seventy-eight hundredths feet (380.78′), a central angle of twenty-two degrees, twenty-six minutes, two seconds (22° 26′ 02″), and a chord bearing North forty degrees, fifteen minutes, seventeen seconds East (N 40° 15′ 17″ E), a chord distance of three hundred seventy-eight and thirty-three hundredths feet (378.33′) to a point of tangency in same; thence

6.) Still along same, North twenty-nine degrees, two minutes, sixteen seconds East (N 29° 02′ 16″ E), a distance of thirty-four and thirty-six hundredths feet (34.36′) to a point in the aforesaid southwesterly sideline of Lakeside Avenue; thence

Mailing Address: 301 Gibraltar Drive, Suite 2A, Morris Plains, NJ 07950-3409
Tel: (973) 377-8500 • Fax: (973) 887-0925 • Web: www.kellkirk.com

7.) Along said southwesterly sideline of Lakeside Avenue, South fifty-five degrees, forty-nine minutes, forty-four seconds East (S 55° 49′ 44″ E), a distance of three hundred thirty-one and twenty-nine hundredths feet (331.29′) to the Point and Place of **BEGINNING**.

Said Lots 1, 5 and 7 in Block 66 containing 194,399 square feet or 4.4628 acres of land, more or less.

Subject to all existing easements and restrictions of record.

This description prepared by Keller & Kirkpatrick, Parsippany, New Jersey, in accordance with a certain map entitled "Consolidated Boundary Survey, Block 66 Lots 1, 5 & 7, Township of West Orange, Essex County, New Jersey", prepared by Keller & Kirkpatrick and dated March 12, 2008.

James K. McCormick 3/14/08

James K. McCormick, P.L.S., P.P.
Professional Land Surveyor License No. 33178

JKM:slhc
M:\2006078\Descriptions\Block 66 Lots 1, 5 & 7.jkm.doc

EXHIBIT 2

Ordinance Authorizing the Execution of this Agreement

ORDINANCE AUTHORIZING THE MAYOR AND TOWNSHIP COUNCIL OF THE TOWNSHIP OF WEST ORANGE, IN THE COUNTY OF ESSEX, NEW JERSEY TO ENTER INTO A FINANCIAL AGREEMENT FOR CERTAIN PROPERTY WITHIN THE DOWNTOWN REDEVELOPMENT AREA

WHEREAS, pursuant to the Local Redevelopment and Housing Law (*N.J.S.A.* 40A:12A-1 *et seq.*), the Mayor and Council (the "Township Council") of the Township of West Orange (the "Township"), acting by resolution, determined that the Downtown Redevelopment Area was an "area in need of redevelopment" in accordance with *N.J.S.A.* 40A:12A-6 (b); and

WHEREAS, the Downtown Redevelopment Area as set forth in the Redevelopment Plan described below is an eligible area for the utilization of the provisions of the Long Term Tax Exemption Law (*N.J.S.A.* 40A:20-1 *et seq.*); and

WHEREAS, on February 9, 2003 the Township Council approved an Ordinance adopting a redevelopment plan for the Downtown Redevelopment Area (as thereafter amended on August 15, 2006, March 6, 2007 and March 8, 2011, the "Redevelopment Plan"); and

WHEREAS, the Township and Prism Green Associates IV, L.L.C. ("Prism" or "Redeveloper") have entered into a redevelopment agreement dated as of December 20, 2006 (as thereafter amended and supplemented, the "Redevelopment Agreement") with respect to the Downtown Redevelopment Area; and

WHEREAS, in accordance with the Long Term Tax Exemption Law, Prism has formed Prism Green Urban Renewal Associates IV, L.L.C., having offices at c/o Prism Capital Partners, L.L.C., 50 Grand Avenue, Englewood, New Jersey 07631 ("PG IV U.R.E.") to carry out redevelopment within the Downtown Redevelopment Area; and

WHEREAS, PG IV U.R.E. has created and is the sole member of GP 177 Main Urban Renewal, L.L.C. ("GP 177"), having offices at c/o Prism Capital Partners, L.L.C., 50 Grand Avenue, Englewood, New Jersey 07631; and

WHEREAS, on March 18, 2008, GP 177 made an application (the "Phase 1 Application") for a financial agreement with respect to the development of approximately 333 residential units, approximately 18,500 square feet of retail space, approximately 31,700 square feet of amenity support space, a parking deck containing approximately 635 parking spaces, and certain infrastructure work (collectively, the "Phase 1 Project") upon Block 66, Lots 1, 5, and 7, inclusive (the "Phase 1 Property"), which Phase 1 Application was approved; and

WHEREAS, on January 30, 2009, GP 177 thereafter updated the Phase 1 Application, which updated Phase 1 Application was approved; and

WHEREAS, due to certain changes in market conditions, GP 177 again updated its Phase 1 Application by filing dated January 18, 2012 (the "Updated Phase 1 Application"); and

WHEREAS, after review of the Updated Phase 1 Application together with redevelopment counsel for the Township, the Mayor recommended that the Updated Phase 1 Application be approved; and

WHEREAS, the Township Council has approved the Updated Phase 1 Application; and

WHEREAS, on April 29, 2008, the Township Council finally adopted Ordinance # 2167-08 approving the execution of a financial agreement; and

WHEREAS, on February 24, 2009, the Township Council finally adopted Ordinance # 2197-09 approving the execution of a revised financial agreement; and

WHEREAS, no financial agreement with respect to the Phase 1 Project has been executed; and

WHEREAS, certain further modifications to the agreement are needed in order to reflect changed market conditions; and

WHEREAS, the Mayor, together with redevelopment counsel for the Township, has reviewed the terms of a proposed financial agreement (the "Financial Agreement") and has recommended that the Financial Agreement, a copy of which has been filed with the Township Clerk and which is attached hereto as Exhibit A and by this reference incorporated herein, be executed; and

WHEREAS, the Mayor and Township Council find that the relevant benefits of the Phase 1 Project to the redevelopment of the Downtown Redevelopment Area outweigh the loss, if any, of property tax revenue in granting the Long Term Tax-Exemption; and

WHEREAS, the Mayor and Township Council have determined that the assistance provided to the Phase 1 Project pursuant to the Financial Agreement will be a significant inducement for the Redeveloper to proceed with the Phase 1 Project and that based on information set forth in the Application, the Phase 1 Project would not be feasible without such assistance,

NOW THEREFORE BE IT ORDAINED by the Mayor and Township Council of the Township of West Orange, New Jersey as follows:

I. GENERAL

The aforementioned recitals are incorporated herein as though fully set forth at length.

II. PREVIOUS ORDINANCES SUPERSEDED

Ordinance # 2167-08, finally adopted on April 29, 2008 and Ordinance # 2197-09, finally adopted February 24, 2009 are each hereby superseded. In the event of any conflict between this ordinance and any previously adopted ordinance concerning approval of a financial agreement with respect to the Phase 1 Property, this ordinance shall control.

III. EXECUTION OF FINANCIAL AGREEMENT AUTHORIZED

(a) The Mayor of the Township of West Orange is hereby authorized to execute the Financial Agreement substantially in the form as it has been presented to the Township Council, subject to minor modification or revision deemed necessary and appropriate in consultation with redevelopment counsel.

(b) The Clerk of the Township is hereby authorized and directed, upon the execution of the Financial Agreement in accordance with the terms of Section III (a) hereof, to attest to the signature of the Mayor upon such document and is hereby further authorized and directed thereupon affix the corporate seal of the Township upon such document.

(c) The Township Clerk shall file certified copies of this ordinance and the Financial Agreement with the Tax Assessor of the Township and the Director of the Division of Local Government Services within the Department of Community Affairs in accordance with Section 12 of the Long Term Tax Exemption Law.

IV. SEVERABILITY

If any part of this Ordinance shall be deemed invalid, such parts shall be severed and the invalidity thereby shall not affect the remaining parts of this Ordinance.

V. AVAILABILITY OF THE ORDINANCE

A copy of this Ordinance shall be available for public inspection at the offices of the Township.

VI. EFFECTIVE DATE

This Ordinance shall take effect according to law.

Honorable Patricia Spango
Council President

Honorable Robert Parisi
Mayor

Introduced: February 21, 2012

Adopted: March 20, 2012

I HEREBY CERTIFY the foregoing to be a true copy of an Ordinance finally adopted by the West Orange Township Council, in the County of Essex, at its meeting held on March ~~6~~ 20, 2012.

Karen Carnevale, RMC, Township Clerk

I HEREBY CERTIFY the foregoing to be a true copy of an ordinance adopted by the West Orange Township Council.

Karen J. Carnevale, Municipal Clerk

EXHIBIT 3

Applications with Exhibits

DECOTIIS
DeCotiis, FitzPatrick & Cole, LLP

OFFICE
GLENPOINTE CENTRE WEST
500 FRANK W. BURR BLVD. SUITE 31
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DIRECT
MATTHEW C. KARRENBERG, ESQ
MKARRENBERG@DECOTIISLAW.COM
201.907.5279

January 19, 2012

VIA OVERNIGHT MAIL
Hon. Robert Parisi, Mayor
Township of West Orange
66 Main Street
West Orange, New Jersey 07052

Re: Edison Battery Redevelopment Project

Dear Mayor Parisi:

On behalf of GP 177 Main Urban Renewal, LLC, enclosed please find ten (10) copies of the Supplemental Application For Long Term Tax Exemption for the above referenced project. The Supplemental Application is being submitted pursuant to the provisions of N.J.S.A. 40A:20-1 *et seq.*

Should you have any questions, please feel free to contact me directly at (201) 907-5279. Thank you for your assistance in this matter.

Very truly yours,

DeCotiis, FitzPatrick & Cole, LLP

By: _____
Matthew C. Karrenberg

cc: Eugene R. Diaz
Glenn F. Scotland, Esq.
Jennifer L. Credidio, Esq.

SUPPLEMENTAL APPLICATION FOR LONG TERM TAX EXEMPTION

(COMMERCIAL/RESIDENTIAL/CONDOMINIUM PROJECT)

A Supplement to the Application for Long Term Tax Exemption Initially Filed with the Township of West Orange on March 18, 2008, as supplemented on January 30, 2009

GP 177 Main Urban Renewal, L.L.C.
Name of Applicant

OFFICE OF THE
TOWNSHIP ADMINISTRATOR
MUNICIPAL BUILDING
66 MAIN STREET
WEST ORANGE, NEW JERSEY 07052

c\o Prism Capital Partners, LLC
50 Grand Avenue
Englewood, NJ 07631
Address of Applicant

175 Main Street,
West Orange, NJ 07052
Address of Project Site

THE UNDERSIGNED, ON BEHALF OF AND WITH THE POWER AND INTENT TO BIND THE APPLICANT, HEREBY CERTIFIES TO THE TOWNSHIP AS FOLLOWS, AND HEREBY ACKNOWLEDGES THAT THE STATEMENTS CONTAINED HEREIN ARE MADE IN INDUCEMENT OF A TAX ABATEMENT PURSUANT TO THE LONG TERM TAX EXEMPTION LAW:

This Supplemental application is an amendment and supplement to the Application for Long Term Tax Exemption with respect to the Edison Battery Factory filed with the Township of West Orange on March 18, 2008, as supplemented on January 30, 2009 (collectively, the "Initial Application"). The purpose of this supplemental application is to update the Initial Application based upon modifications to the ownership status of the residential units, as well as to the unit mix and total number of units. These modifications have been necessitated by changes in the housing and capital markets occurring since the submission of the Initial Application.

SECTION A: APPLICANT INFORMATION

1. **Name of Applicant:** GP 177 Main Urban Renewal, L.L.C.

   See Exhibit A for copy of the Certificate of Formation and DCA Approval

2. **Address of Applicant:**

   c/o Prism Capital Partners, LLC
   50 Grand Avenue
   Englewood, NJ 07631

SECTION B: PROPERTY INFORMATION

3. **Identification of Property:**

   a. **State the street address of the proposed project site (the "Project Site"), according to the currently effective tax map of the Township (the "Official Map"):**

      175 Main Street, West Orange, NJ

   b. **State the block(s) and lot number(s) corresponding to the Project Site on the Official Map:**

      Block 66 Lot 1

c. **Identify the designated Redevelopment Area in which the Project Site is located:**

Downtown Redevelopment Area.

See Exhibit B.

d. **Provide a metes and bounds description of the Project Site:**

See Exhibit C

e. **Attach a sealed copy of a survey of the Project Site OR provide a plotting thereof drawn from the Official Map.**

See Exhibit D.

4. **Current Assessment and Tax Status of the Project Site:**

a. **Current Assessment**

Block	Lot	Land	Improvements	Total
66	1	$2,086,000	$9,854,600	$11,940,600

b. **Current Tax Status**

Block	Lot	Real Property Balance	Sewer	SID	Total
66	1	$0	$26,085	$0	$29,170

c. **Merger**

Block 66 Lot 1, Block 66 Lot 5 and Block 66 Lot 7 have been previously merged into Block 66 Lot 1.

SECTION C. MUNICIPAL ASSISTANCE REQUESTED

5. What type of Tax Abatement is the Applicant requesting? (Note: if the proposed project incorporates more than one type of use, identify the type of Tax Abatement requested for each use.)

a.___Long Term Commercial.

Industrial Project with an annual service charge equal to fixed percent of annual gross revenue (*N.J.S.A.* 40A:20-12).

b.____Long Term Commercial.

Industrial Project with an annual service charge equal to 2% of total project cost (*N.J.S.A.* 40A:20-12). (Owner Occupied only).

c. _X__Long Term Residential Project.

Annual service charge based on the formula established pursuant to N.J.S.A. 40A:20-12(b).

d. _ _ Long Term Residential Condominium.

Annual service charge based on the formula established pursuant to *N.J.S.A.* 40A:20-12(b)(1).

6. The requested duration of Tax Abatement is the lesser of 35 years from the execution of the Financial Agreement or 30 years from the issuance of a Certificate of Occupancy.

SECTION D: PROJECT INFORMATION

7. Please describe the purpose of the project. Include a detailed description of the improvements to be made to the Project Site.

The Project represents Phase I of a multi-phase redevelopment of approximately 21 acres of a currently industrialized neighborhood in the Downtown section of West Orange. Phase I is the cornerstone of the Project and consists of the adaptive reuse of a "historically significant" multi-story (4 – 6 stories) industrial building known as the Edison Research and Battery Factory, a structure listed on the National Registrar of Historic Buildings. The building is situated on an approximately 4.5 acre parcel, (194,075 square feet), bounded on all four sides by public roads. The complete Downtown Redevelopment Project consisting of approximately 21 acres will convert a currently underutilized and deteriorating industrial area into a new residential neighborhood with the addition of approximately 620 new residences, 18,500 square feet of new retail space, appurtenant parking for all contemplated uses and new infrastructure consisting of roads, sidewalks, utilities, landscaping, streetscape, signage, traffic control and lighting. The redevelopment of this area, within the currently designated Downtown West Orange Redevelopment Area will serve as both a catalyst and anchor for the continued redevelopment and resurgence of the entire Main Street corridor in Downtown West Orange.

Phase I itself will consist of approximately 333 residential apartment units. The development includes the new construction of approximately 34 residential apartment units, with 285 units being constructed through the renovation and preservation of the existing historical building and 14 units being built through the addition of a partial new penthouse floor a-top a portion of the existing structure.

The Project will consist of approximately 35 Studio Units at an average of 637 square feet, 185 one bedroom units at an average of 914 square feet, 92 two bedroom units at an average of 1,251 square feet, and 6 three bedroom units at an average of 1,480 square feet. 34 units will be located above the retail space (i.e. residential over retail) consisting of 22 1 bedrooms and 12 2 bedrooms.

In addition to residential units, The Project will include the construction of approximately 18,500 square feet of "Main Street" retail as well as a five level parking structure containing approximately 631 parking spaces to service the apartment units and to provide parking for the general benefit of the West Orange Downtown retail area.

The development has been designed as a "Luxury Apartment Develop" and will consist of the complete refurbishment of the existing historic building including; a complete repair and rehabilitation of the concrete façade, new windows, new building entrances with lobbies, elevators and all appurtenant site work including a heavily landscaped "mews" courtyard in an "L" shape connecting Charles Street with Main Street.

A full complement of on-site amenities is being provided including:

5,000 square foot fitness center	Business center	Roof-top Outdoor lounge
Three lane, 40 foot indoor lap pool	Card room	Bicycle storage
	Media/screening room	Resident storage lockers
Hot tub, sauna, and steam room	Game room	

The retail building will be constructed along Main Street and Charles Street and will contain two residential stories providing 34 residential units with 18,845 square feet of retail space on Main Street and serve as the anchor of the southern portion of West Orange's Main Street retail corridor. The building has its own lobby which is accessible by residents from the garage and securely from Main Street.

A fully enclosed parking garage containing approximately 631 parking spaces and providing a 1.6 space per unit ratio for residents of the Apartment Building and Residential over Retail Spaces, in addition to parking for retail shoppers, guests, and invitees, will be constructed and strategically located in the interior of the "L" shape between the Main Street retail building and the Edison residential units

The remaining phases of the development will include construction of a variety of condominium, town-homes and single family residences totaling approximately 300 additional units of housing.

8. Please provide a detailed break down of the total estimated project cost <u>OR</u> the total estimated Annual Gross Revenue pursuant to *N.J.S.A.* 40A:20-3(h). Attach substantiation of the assumptions utilized therein as may be necessary.

a. If providing a break down of total estimated project cost, please attach a signed and sealed architect's certification as to the construction costs. Please also see *N.J.S.A.* 40A:20-8 and comply therewith.

b. If providing a break down of Annual Gross Revenue, please attach a tentative financial plan for the Project, including but not limited to the following information, as appropriate: (i) a schedule of rents; (ii) estimated expenditures for operation and maintenance; (iii) payments for interest, amortization of debt and reserves; (iv) payments to the Township to be made pursuant to a financial agreement to be entered into with the Township; and (v) anticipated rate of return (to demonstrate satisfaction of constitutional but-for test).

See Exhibit E for items (i)-(iv). See #9 herein for item (v).

9. Describe the method of financing the project, including but not limited to a recapitulation of relevant financing terms (to the extent known), and the identification of funding sources.

The Project will be financed through a combination of traditional mortgage construction financing along with private equity contributed from the Applicant's affiliated entities, in addition to approximately $6.3 million in Township Bond proceeds for which Redeveloper is obligated for the debt service on ½ of the Township's bond amount, and approximately $8.5 million from the sale of Historic Tax Credits.

SOURCES		
Equity		$39,839,990
Debt		$57,959,986
Township Bond		$6,300,000
Historic Tax Credit Equity Proceeds		$8,500,000
TOTAL SOURCES		$112,599,976
USES		
Hard Costs	*Total Costs*	
Costs to Date (See Exhibit F for Detail Breakdown)	$	32,530,295
Sitework	$	1,219,208
Infrastructure	$	3,589,130
Courtyard Hardscape & Landscaping	$	1,034,540
Site Environmental	$	450,585
Parking Garage	$	10,097,624
Residential over Retail	$	7,941,301
Building B	$	14,276,883
Building A	$	22,064,466
Building C	$	13,561,003
Total Hard Cost	$	106,765,035
Soft Cost		
Marketing	$	736,879
Lease-Up Costs	$	1,356,972
Lease Legal /Search etc.	$	230,588
Interest Reserve	$	2,319,482
Tax and Opex Carry Costs	$	1,191,020
Total Soft Costs	$	5,834,941
Costs of Land (Included in Costs to Date)	$	-
TOTAL USES	$	112,599,976
Stabilized Income	$	7,300,000
Return on Costs		6.48%

10. Provide the currently estimated project schedule, including the anticipated project completion date.

Redeveloper originally commenced construction of this site in 2009 as a "for sale" condominium development. Redeveloper has already paid for and constructed the concrete panels for the garage and they sit on a lot in Eastern Pennsylvania awaiting delivery to the site. Construction on the existing building is set to begin not later than on 7-01-2012 with a finish date approximately twenty-four (24) months thereafter.

11. Disclosure Statement:

a. Name of Corporation, Partnership or Entity:

GP 177 Main Urban Renewal, L.L.C.

b. Principal place of business:

c/o Prism Capital Partners
50 Grand Avenue
Englewood, NJ 07631

c. Name of statutory agent and address, but if applicant is not a corporation the one with related address upon whom legal process may be served is:

DeCotiis, FitzPatrick & Cole, LLC
500 Frank W. Burr Boulevard
Suite 31
Teaneck, NJ 07666
(201) 928-0588(fax)
ATTN: M. Karrenberg

d. **Incorporated in the State of** New Jersey

The following represents the name and addresses of all stock holders or partners owing a 10% or greater interest in the above corporation o partnership. If one or more of the above named s itself a corporation, partnership, or entity, I have annexed hereto the names and addresses of anyone owing a 10% or greater interest therein.

Name of Owner(s)	Address	Percent Owned
Prism Green Associates IV Urban Renewal, LLC	c/o Prism Capital Partners 50 Grand Street Englewood, NJ 07631	100%

See Exhibit G for a complete Organizational Chart.

e. **Name of Directors**

Name of Owner(s)	Address	Title
Eugene Robert Diaz	c/o Prism Capital Partners 50 Grand Street Englewood, NJ 07631	Sr. Vice President
Barry Marcus	c/o Greenfield Partners, LLC 50 N. Water Street South Norwalk, CT 06854	Sr. Vice President
Eugene A. Gorab	c/o Greenfield Partners, LLC 50 N. Water Street South Norwalk, CT 06854	Sr. Vice President

12. **Please list all parties (persons or entities) affiliated or otherwise connected with the Applicant who have any interest in any agreement concerning tax exemption that is currently in force and effect with the Township of West Orange.**

Name	Name of Urban Renewal Entity
None	

13. **Please list all parties (persons or entities) affiliated or otherwise connected with the Applicant who have any interest in any other contract or agreement that is currently in force and effect with the Township of West Orange.**

Name	Type of Contract or Agreement
None	

14. **Describe the number and manner of temporary jobs (including skill level and any certifications or memberships needed) to be created by the Project during the construction period. Please also describe the number and manner of permanent jobs (including skill level and any certifications or memberships needed) to be created by the Project within one year after completion.**

The Project will create, on average, 150 jobs during the construction period. The exact trade mix, skill level and certifications or, memberships needed, will be determined by the successful general contracting bidder.

Permanent employees at the site are contemplated to consist of eight (8) full-time employees of the Apartment Building including a building manager, assistant manager, leasing coordinator, doorman/concierge, two service technicians, a porter and a house keeper. Additionally, a total of two (2) full and part time security personnel will be employed. Based upon retail space and an estimate of general retail service businesses to be located at the Project, it is estimated that 37 full-time jobs will be created by the development of the retail space.

15. **Please provide any further information that you wish the Township to consider, for example, public benefits that will accrue to the Township, its residents or the surrounding community from construction of the Project. For illustrative purposes only, will the undertaking of the Project include the remediation of any environmental hazards? Will the Project serve to enhance, preserve or reuse any property or building of historic interest? Will the Project provide expanded or rehabilitated open space or recreational facilities?**

The undertaking of the Project has included and will finalize the remediation of various environmental hazards conditions within the redevelopment area. The Project will serve to enhance, preserve and reuse the Thomas Edison Battery Factory, a building of historic interest. The Project will decrease the impervious coverage in the Redevelopment Area and increase the amount of open space. The Project will provide significant increase in sales

tax revenue to the township. The Project is likely to spur additional redevelopment in the Township of West Orange. The Project will provide benefits to overall traffic patterns in the Downtown Area by creating new public street thoroughfares. The Project will create an entirely new and forward thinking downtown area while enhancing green concepts of development.

16. **The proposed Project complies with the** Downtown Redevelopment Plan **as adopted and on file with the Township Planning Board.**

17. **The undertaking conforms to all applicable municipal ordinances; its completion will meet an existing need, and the Project accords with the Master Plan of the Township as it currently exists or as it will be amended.**

18. **The construction of the Project, as redesigned, has not commenced nor will it commence prior to the final approval and execution of a Financial Agreement between the Township and the Applicant.**

19. **No office or employee of the Township has any direct or indirect personal or financial interest in the Project which is the subject of this application.**

20. **Please state any exception(s) to the statements made (#1 to #19 above).**

#9 Other than the amounts spent to date, the project costs set forth in #9 are based upon Redeveloper's preliminary plans and specifications, preliminary quotes from contractors, and the good faith estimates of its consultants based upon standard industry cost assumptions.

I certify that all the foregoing statements made by me are true. I am aware that if of the foregoing statements made by me are willfully false, I am subject to punishment.

Signature

Eugene R. Diaz, Sr. Vice President
Print Name and Title

January 18, 2012
Date

EXHIBIT A

State of New Jersey

DEPARTMENT OF COMMUNITY AFFAIRS

JON S. CORZINE
Governor

JOSEPH V. DORIA, JR.
Commissioner

February 19, 2008

Michael J. Caccavelli, Esq.
DeCotiis, Fitzpatrick, Cole & Wisler, LLP
Glenpointe Centre West
500 Frank W. Burr Boulevard
Suite 31
Teaneck, NJ 07666

Dear Mr. Caccavelli:

Enclosed is the approval of the Certificate of Formation for GP 177 MAIN URBAN RENEWAL, LLC. We request that the marked copy of the approval form and the Certificate be returned to this office once it is filed and stamped by the State Treasurer. Please make sure that our approval form is returned with the copy of the Certificate.

Thank you for your cooperation in this matter. If you have any questions, please call me at 609-633-6606.

Sincerely,

Karen A. Schwacha

Karen A. Schwacha
Administrative Analyst
Bureau of Homeowner Protection

State of New Jersey

DEPARTMENT OF COMMUNITY AFFAIRS

JON S. CORZINE
Governor

JOSEPH V. DORIA, JR.
Commissioner

DEPARTMENT OF COMMUNITY AFFAIRS

TO: State Treasurer
RE: GP 177 MAIN URBAN RENEWAL, LLC
File # 845
An Urban Renewal Entity

This is to certify that the attached CERTIFICATE OF FORMATION OF AN URBAN RENEWAL ENTITY has been examined and approved by the Department of Community Affairs, pursuant to the power vested in it under the "Long Term Tax Exemption Law," P.L. 1991, c.431.

Done this 15TH day of FEBRUARY 20 08 at Trenton, New Jersey.

DEPARTMENT OF COMMUNITY AFFAIRS

BY Cynthia A. Wilk
Cynthia A. Wilk, Director
Division of Codes and Standards

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CERTIFICATE OF FORMATION

OF

GP 177 MAIN URBAN RENEWAL, LLC

THE UNDERSIGNED, of the age of eighteen years or over, for the purpose of forming a limited liability company pursuant to the provisions of Title 42:2B, the New Jersey Limited Liability Company Act, of the New Jersey Statutes, and Title 40A:20, the New Jersey Long Term Tax Exemption Law, of the New Jersey Statutes, does hereby execute the following Certificate of Formation:

FIRST: The name of the Company is "GP 177 MAIN URBAN RENEWAL, LLC" (the "Company").

SECOND: The address of the Company's initial registered agent in the State of New Jersey is c/o DeCotiis, FitzPatrick Cole & Wisler, LLP, Glenpointe Centre West, 500 Frank W. Burr Boulevard, Suite 31, Teaneck, New Jersey 07666, Attention: Michael J. Caccavelli. The name of its initial registered agent at such address is Michael J. Caccavelli.

THIRD: (a) The purposes for which this Company is formed shall be to operate under P.L.1991, c.431 (C.40A:20-1 et seq.) and to initiate and conduct projects for the redevelopment of a redevelopment area pursuant to a redevelopment plan, or projects necessary, useful, or convenient for the relocation of residents displaced or to be displaced by the redevelopment of all or part of one or more redevelopment areas, and, when authorized by financial agreement with the TOWNSHIP OF WEST ORANGE (the "Municipality"), to acquire, plan, develop, construct, alter, maintain or operate housing, senior citizen housing, business, industrial, commercial, administrative, community, health, recreational, educational or welfare projects, or any combination of two or more of these types of improvement in a single project, under such conditions as to use, ownership, management and control as regulated pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.).

(b) So long as the Company is obligated under financial agreement with the Municipality made pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.), it shall engage in no business other than the ownership, operation and management of the project.

(c) The Company has been organized to serve a public purpose. Its operations shall be directed toward: (1) the redevelopment of redevelopment areas, the facilitation of the relocation of residents displaced, or to be displaced, by redevelopment, or the conduct of low and moderate income housing projects; (2) the acquisition, management and operation of a project, redevelopment relocation housing project, or low and moderate income housing project under P.L.1991, c.431 (C.40A:20-1 et seq.). The Company shall be subject to regulation by the municipality, and to a

limitation or prohibition, as appropriate, on profits or dividends for so long as the Company remains the owner of a project subject to the terms of P.L.1991, c.431 (C.40A:20-1 et seq.).

(d) The Company shall not voluntarily transfer more than ten percent (10%) of the ownership of the project, or any portion of a project undertaken by it under P.L.1991, c.431 (C.40A:20-1 et seq.), until it has first removed both itself and the project from all restrictions of P.L.1991, c.431 (C.40A:20-1 et seq.) in the manner required by P.L.1991, c.431 (C.40A:20-1 et seq.) and, if the project includes housing units, has obtained the consent of the Commissioner of Community Affairs to such transfer; with the exception of transfer to another urban renewal entity, as approved by the Municipality, which other urban renewal entity shall assume all contractual obligations of the transferor entity under the financial agreement with the municipality. The Company shall file annually with the governing body of the municipality a disclosure of the persons having an ownership interest in the project, and of the extent of the ownership interest of each. Nothing herein shall prohibit any transfer of the ownership interest in the Company itself provided that the transfer, if greater than 10% (ten percent), is disclosed to the municipal governing body in the annual disclosure statement or in correspondence sent to the Municipality in advance of the annual disclosure statement referred to above.

(e) The Company shall be subject to the provisions of Section 18 of P.L.1991, c.431 (C.40A:20-18) respecting the powers of the municipality to alleviate financial difficulties of the Company or to perform actions on behalf of the Company upon a determination of financial emergency.

(f) Any housing units constructed or acquired by the Company shall be managed subject to the supervision of, and rules adopted by, the Commissioner of Community Affairs.

FOURTH: The Company shall have perpetual existence.

FIFTH: The effective date of this Certificate of Formation shall be the date of filing with the State of New Jersey Department of Treasury.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation on this 5th day of November, 2007.

Michael J. Caccavelli, Esq.

EXHIBIT B

GP 177 Main Urban Renewal, LLC

Schedule B

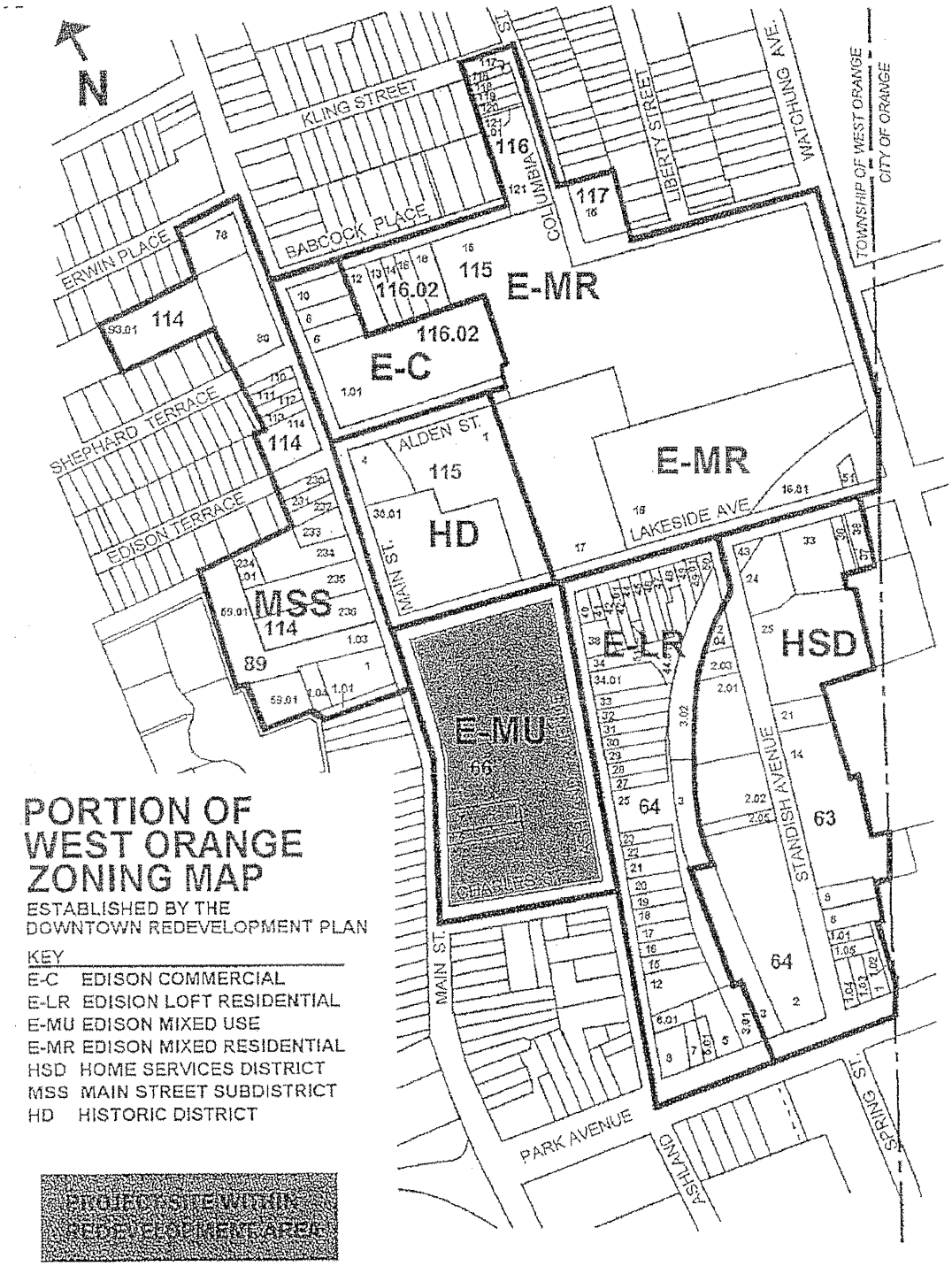


EXHIBIT C

CONSULTING ENGINEERS • SURVEYORS • PLANNERS • LANDSCAPE ARCHITECTS

Keller & Kirkpatrick

Robert C. Kirkpatrick, P.E., L.S., P.P., Founder
Matthew L. Martini, P.L.S., P.P., President

Robert E. Bratt, P.E., P.P.
Andrew Cangiano, P.E.
Arthur J. Elias, P.E., P.P.
Edward J. Formichella, P.L.S, P.P.
George P. James, P.E., P.P.

Werner A. Mall, P.L.S.
Michael J. Manning, P.L.S., P.P.
James K. McCormick, P.L.S., P.P.
Jonathan C. Pera, P.E., P.P.

Brian E. Salfelder, P.E.
Donald A. Scott, Jr., P.E., P.P.
Paul M. Szmaida, C.L.A.
William E. Thomas, P.L.S., P.P.

File Number 2006078
March 13, 2008

DESCRIPTION OF A PARCEL OF LAND SITUATED IN THE TOWNSHIP OF WEST ORANGE, COUNTY OF ESSEX, AND STATE OF NEW JERSEY.

BEING known and designated as Lots 1, 5 and 7 in Block 66, as delineated upon the Tax Assessment Map of the Township of West Orange, being more particularly described as follows:

BEGINNING at a point in the northwesterly sideline of Ashland Avenue (fifty foot wide right-of-way per Tax Map), where same is intersected by the southwesterly sideline of Lakeside Avenue (sixty foot wide right-of-way per Tax Map), and running; thence

1.) Along said northwesterly sideline of Ashland Avenue, South forty-one degrees, nine minutes, sixteen seconds West (S 41° 09′ 16″ W), a distance of six hundred thirty-five and seventy-five hundredths feet (635.75′) to a point in the northeasterly sideline of Charles Street (sixty foot wide right-of-way per Tax Map); thence

2.) Along said northeasterly sideline of Charles Street, North forty-eight degrees, fifty minutes, forty-four seconds West (N 48° 50′ 44″ W), a distance of three hundred forty-seven and fifty-eight hundredths feet (347.58′) to a point in the southeasterly sideline of Main Street (fifty-five foot wide right-of-way per Tax Map); thence

3.) Along said southeasterly sideline of Main Street, North forty-seven degrees, forty-one minutes, sixteen seconds East (N 47° 41′ 16″ E), a distance of twenty-two and fifty-nine hundredths feet (22.59′) to an angle point in same; thence

4.) Still along same, North fifty-one degrees, twenty-eight minutes, sixteen seconds East (N 51° 28′ 16″ E), a distance of one hundred sixty-three and seventy-eight hundredths feet (163.78′) to a point of curve in same; thence

5.) Still along same, on a curve to the left having a radius of nine hundred seventy-two and fifty hundredths feet (972.50′), an arc length of three hundred eighty and seventy-eight hundredths feet (380.78′), a central angle of twenty-two degrees, twenty-six minutes, two seconds (22° 26′ 02″), and a chord bearing North forty degrees, fifteen minutes, seventeen seconds East (N 40° 15′ 17″ E), a chord distance of three hundred seventy-eight and thirty-three hundredths feet (378.33′) to a point of tangency in same; thence

6.) Still along same, North twenty-nine degrees, two minutes, sixteen seconds East (N 29° 02′ 16″ E), a distance of thirty-four and thirty-six hundredths feet (34.36′) to a point in the aforesaid southwesterly sideline of Lakeside Avenue; thence

Mailing Address: 301 Gibraltar Drive, Suite 2A, Morris Plains, NJ 07950-3409
Tel: (973) 377-8500 • Fax: (973) 887-0925 • Web: www.kelikirk.com

7.) Along said southwesterly sideline of Lakeside Avenue, South fifty-five degrees, forty-nine minutes, forty-four seconds East (S 55° 49′ 44″ E), a distance of three hundred thirty-one and twenty-nine hundredths feet (331.29′) to the Point and Place of **BEGINNING**.

Said Lots 1, 5 and 7 in Block 66 containing 194,399 square feet or 4.4628 acres of land, more or less.

Subject to all existing easements and restrictions of record.

This description prepared by Keller & Kirkpatrick, Parsippany, New Jersey, in accordance with a certain map entitled "Consolidated Boundary Survey, Block 66 Lots 1, 5 & 7, Township of West Orange, Essex County, New Jersey", prepared by Keller & Kirkpatrick and dated March 12, 2008.

James K. McCormick 3/14/08

James K. McCormick, P.L.S., P.P.
Professional Land Surveyor License No. 33178

JKM:slhc
M:\2006078\Descriptions\Block 66 Lots 1, 5 & 7.jkm.doc

EXHIBIT D

GROSS LAND AREA

LEGEND

FLOOD ZONE DESIGNATION:

ZONING REQUIREMENTS

PARKING SCHEDULE

SURVEY NOTES:

SURVEY CERTIFIED TO:

MAIN STREET

CHARLES STREET

LAKESIDE AVENUE

ASHLAND AVENUE

BLOCK 66

BLOCK 64

ALTA/ACSM LAND TITLE SURVEY

BLOCK 64
LOTS 22, 23, 28, 29, 30, 32, 33, 34 & 34.01
BLOCK 66 LOTS 1 & 7

TOWNSHIP OF WEST ORANGE, ESSEX COUNTY, NEW JERSEY

Keller & Kirkpatrick

SHEET NO. 1 / 1

EXHIBIT E

PRISM

Edison Lofts
177 Main Street
West Orange, NJ
RENT SCHEDULE

	Units		Sq. Footage		2012 Market Rents				2013 Market Rents (Annual Rent Growth 0.00%)				2014 Market Rents (Annual Rent Growth 2.00%)				2015 Market Rents (Annual Rent Growth 2.50%)				2016 Market Rents (Annual Rent Growth 3.00%)			
Unit Type	#	% of Total Units	Per Unit	Total	Monthly per Unit	Monthly Total	Annual Total	Monthly per SF	Monthly per Unit	Monthly Total	Annual Total	Monthly per SF	Monthly per Unit	Monthly Total	Annual Total	Monthly per SF	Monthly per Unit	Monthly Total	Annual Total	Monthly per SF	Monthly per Unit	Monthly Total	Annual Total	Monthly per SF
Market Rate Units																								
Studio	31	9%	613	19,013	$ 1,761	$ 54,591	$ 655,092	$ 2.87	$ 1,761	$ 54,591	$ 655,092	$ 2.87	$ 1,796	$ 55,683	$ 668,194	$ 2.93	$ 1,841	$ 57,075	$ 684,899	$ 3.00	$ 1,896	$ 58,787	$ 705,446	$ 3.09
Studio + Den	4	1%	820	3,280	$ 2,000	$ 8,000	$ 96,000	$ 2.44	$ 2,000	$ 8,000	$ 96,000	$ 2.44	$ 2,000	$ 8,000	$ 96,000	$ 2.44	$ 2,000	$ 8,000	$ 96,000	$ 2.44	$ 2,060	$ 8,000	$ 96,000	$ 2.44
1BR | 1BA	122	37%	822	100,305	$ 2,000	$ 243,967	$ 2,927,604	$ 2.43	$ 2,000	$ 243,967	$ 2,927,604	$ 2.43	$ 2,040	$ 248,846	$ 2,986,156	$ 2.48	$ 2,091	$ 255,067	$ 3,060,810	$ 2.54	$ 2,153	$ 262,720	$ 3,152,634	$ 2.62
1BR | 1BA + Den	61	18%	1,096	66,856	$ 2,909	$ 148,844	$ 1,690,128	$ 2.13	$ 2,909	$ 148,844	$ 1,690,128	$ 2.13	$ 2,355	$ 143,931	$ 1,727,931	$ 2.15	$ 2,414	$ 147,252	$ 1,767,028	$ 2.20	$ 2,486	$ 151,670	$ 1,820,046	$ 2.27
1BR | 1BA + Loft	2	1%	970	1,940	$ 2,174	$ 4,348	$ 52,176	$ 2.24	$ 2,174	$ 4,348	$ 52,176	$ 2.24	$ 2,174	$ 4,348	$ 52,176	$ 2.24	$ 2,174	$ 4,348	$ 52,176	$ 2.24	$ 2,174	$ 4,348	$ 52,176	$ 2.24
2BR | 2BA	92	28%	1,252	115,178	$ 2,499	$ 229,951	$ 2,759,412	$ 2.00	$ 2,499	$ 229,951	$ 2,759,412	$ 2.00	$ 2,549	$ 234,550	$ 2,814,600	$ 2.04	$ 2,613	$ 240,414	$ 2,884,965	$ 2.09	$ 2,692	$ 247,626	$ 2,971,514	$ 2.15
2BR | 2BA + Loft	15	5%	1,381	20,720	$ 2,649	$ 39,738	$ 476,856	$ 1.92	$ 2,649	$ 39,738	$ 476,856	$ 1.92	$ 2,649	$ 39,738	$ 476,856	$ 1.92	$ 2,649	$ 39,738	$ 476,856	$ 1.92	$ 2,649	$ 39,738	$ 476,856	$ 1.92
3BR | 2BA	6	2%	1,480	8,880	$ 3,256	$ 19,536	$ 234,432	$ 2.20	$ 3,256	$ 19,536	$ 234,432	$ 2.20	$ 3,256	$ 19,536	$ 234,432	$ 2.20	$ 3,256	$ 19,536	$ 234,432	$ 2.20	$ 3,256	$ 19,536	$ 234,432	$ 2.20
Total Market Rate Units	333	100%	1,009	336,142	$ 2,225	$ 740,975	$ 8,891,700	$ 2.20	$ 2,225	$ 740,975	$ 8,891,700	$ 2.20	$ 2,265	$ 754,362	$ 9,052,345	$ 2.24	$ 2,317	$ 771,431	$ 9,257,167	$ 2.29	$ 2,380	$ 792,425	$ 9,509,098	$ 2.36

PRISM
CAPITAL PARTNERS, LLC
Edison Lofts
177 Main Street
West Orange, NJ
DETAILED UNIT MIX

Values				
Row Labels	**Sum of SF**	**# of Units**	**Avg. Monthly**	**Avg. Monthly Rent PSF**
Studio	19,013	31	$1,761	$2.87
US-01	2,360	4	$1,734	$2.94
US-02	7,128	12	$1,739	$2.93
US-03	5,445	9	$1,751	$2.89
US-04	4,080	6	$1,838	$2.70
Studio + Den	3,280	4	$2,000	$2.44
US-05	3,280	4	$2,000	$2.44
1BR | 1BA	100,305	122	$1,997	$2.43
UA-01	21,060	26	$1,988	$2.45
UA-02	35,860	44	$1,993	$2.45
UA-03	23,925	29	$2,006	$2.43
UA-04	840	1	$2,023	$2.41
UA-05	5,220	6	$2,006	$2.31
UA-16	1,610	2	$1,925	$2.39
UA-17	1,670	2	$1,958	$2.34
UA-18	6,472	8	$1,980	$2.45
UA-19	1,782	2	$2,082	$2.34
UA-20	1,866	2	$2,126	$2.28
1BR | 1BA + Loft	1,940	2	$2,174	$2.24
UA-15	1,940	2	$2,174	$2.24
1BR | 1BA + Den	66,836	61	$2,310	$2.11
UA-06	960	1	$2,208	$2.19
UA-07	18,000	18	$2,208	$2.18
UA-08	3,060	3	$2,231	$2.16
UA-09	6,150	6	$2,237	$2.14
UA-10	5,225	5	$2,260	$2.11
UA-11	3,195	3	$2,283	$1.95
UA-12	12,100	11	$2,324	$1.93
UA-13	2,660	2	$2,590	$1.93
UA-14	8,160	6	$2,625	$1.92
UA-21	2,408	2	$2,318	$1.96
UA-22	2,482	2	$2,382	$1.92
UA-23	2,436	2	$2,390	$1.96
2BR | 2BA	115,178	92	$2,499	$2.00
UB-01	44,770	37	$2,451	$2.03
UB-02	27,060	22	$2,474	$2.01
UB-03	3,960	3	$2,578	$1.95
UB-04	5,320	4	$2,590	$1.95
UB-05	8,220	6	$2,636	$1.92
UB-06	5,560	4	$2,659	$1.91
UB-07	3,080	2	$2,833	$1.84
UB-08	3,100	2	$2,844	$1.83
UB-11	2,012	2	$2,215	$2.20
UB-12	2,206	2	$2,327	$2.11
UB-13	2,370	2	$2,422	$2.04
UB-14	2,408	2	$2,444	$2.03
UB-15	2,492	2	$2,493	$2.00
UB-16	2,620	2	$2,567	$1.96
2BR | 2BA + Loft	20,720	15	$2,649	$1.92
UB-09	18,900	14	$2,613	$1.94
UB-10	1,820	1	$3,156	$1.73
3BR | 2BA	8,880	6	$3,256	$2.20
UC-1	8,880	6	$3,256	$2.20
Grand Total	**338,152**	**333**	**$2,224**	**$2.20**

PRISM
CAPITAL PARTNERS, LLC

Edison Lofts
177 Main Street
West Orange, NJ
5 Year Annual Budget

	Year				
	2012	2013	2014	2015	2016
BUDGET SUMMARY					
INCOME					
Gross Potential Rent - Residential	$ 8,891,700	$ 8,891,700	$ 9,052,345	$ 9,257,167	$ 9,509,098
Rent Loss - Residential	(8,891,700)	(8,348,763)	(2,801,198)	(253,778)	(398,531)
Net Rental Revenue - Residential	-	542,937	6,251,147	9,003,388	9,110,567
Other Income	-	152,082	916,456	1,113,695	1,120,619
Total Operating Revenue	**$ -**	**$ 695,019**	**$ 7,167,602**	**$ 10,117,084**	**$ 10,231,186**
EXPENSE					
Rental Expense	$ -	$ 78,237	$ 97,599	$ 91,165	$ 40,381
Salary Expense	-	533,879	803,103	767,954	787,868
Administrative Expense	-	48,676	88,653	84,413	86,648
Management Fees	-	57,136	227,352	202,342	204,624
Maintenance Expense	-	119,118	345,664	381,866	382,674
Total Controllable Expense	-	837,046	1,562,372	1,527,740	1,502,195
Utility Expense	-	129,955	277,708	246,803	251,454
Taxes and Insurance	510,000	661,063	1,138,666	1,433,614	1,271,534
Total Non-Controllable Expense	510,000	791,017	1,416,373	1,680,417	1,522,988
Total Operating Expense	**$ 510,000**	**$ 1,628,063**	**$ 2,978,745**	**$ 3,208,157**	**$ 3,025,184**
NOI Before Replacement Reserve	**$ (510,000)**	**$ (933,044)**	**$ 4,188,857**	**$ 6,908,927**	**$ 7,206,002**
Replacement Reserve	-	-	35,838	101,171	102,312
NOI Before Debt	**$ (510,000)**	**$ (933,044)**	**$ 4,153,019**	**$ 6,807,756**	**$ 7,103,691**
Ground Lease Payment	-	-	-	-	-
Cash Available for Debt Service	**$ (510,000)**	**$ (933,044)**	**$ 4,153,019**	**$ 6,807,756**	**$ 7,103,691**
Debt Service - First Mortgage	$ 4,274,049	$ 4,274,049	$ 4,274,049	$ 4,274,049	$ 4,274,049
Cash Flow After Debt Service	**$ (4,784,049)**	**$ (5,207,093)**	**$ (121,030)**	**$ 2,533,707**	**$ 2,829,642**

PRISM
CAPITAL PARTNERS, LLC

Edison Lofts
177 Main Street
West Orange, NJ
5 Year Annual Budget

	Year				
	2012	2013	2014	2015	2016
BUDGET DETAIL					
INCOME					
Gross Potential Rent - Residential	$ 8,891,700	$ 8,891,700	$ 9,052,345	$ 9,257,167	$ 9,509,098
Rent Loss - Residential					
Vacancy Loss	(8,891,700)	(8,119,573)	(2,326,516)	(164,479)	(306,975)
Concessions	-	(229,190)	(449,763)	(61,500)	(63,000)
Bad Debt	-	-	(24,919)	(27,799)	(28,556)
Total Rent Loss - Residential	(8,891,700)	(8,348,763)	(2,801,198)	(253,778)	(398,531)
Net Rental Revenue - Residential	-	542,937	6,251,147	9,003,388	9,110,567
Other Income					
Parking Income - Residential	-	36,181	326,869	445,335	451,885
Parking Income - Non-Residential	-	-	-	-	-
Storage Income	-	13,286	113,678	150,282	148,061
Retail Income	-	38,667	259,840	352,640	352,640
Restaurant Income	-	-	-	-	-
Misc. Income	-	521	4,454	5,888	5,801
Interest Income	-	90	180	180	180
Late Charges	-	1,853	16,142	21,822	22,085
Bad Check Charges	-	-	2,200	2,400	2,400
Lease Breakage Fees	-	-	20,388	27,799	28,556
Damage Charges	-	-	1,850	6,250	6,600
Application Fees	-	11,250	28,725	13,575	13,950
Facilities Charges	-	1,125	3,375	4,500	4,500
Vending Income	-	-	-	-	-
Forfeited Deposits	-	1,500	3,000	3,000	3,000
Trash Removal Income	-	-	-	-	-
Pet Fees	-	19,285	63,155	46,200	46,312
Amenities Fees	-	28,325	72,600	33,825	34,650
Guest Suite Income	-	-	-	-	-
Corporate Apartment Income	-	-	-	-	-
Total Other Income	-	152,082	916,456	1,113,695	1,120,619
Total Operating Revenue	$ -	$ 695,019	$ 7,167,602	$ 10,117,084	$ 10,231,186
EXPENSE					
Rental Expense					
Collateral Materials	$ -	$ -	$ 2,200	$ 4,400	$ 4,400
Signs/Billboards	-	-	2,000	4,000	4,000
Newsletters/Flyers	-	750	900	900	900
Apt. Guides/Magazines	-	250	150	150	150
Internet Advertising	-	48,449	45,299	43,049	-
Resident Referrals	-	1,500	1,500	1,500	1,500
Realtors/Locators	-	14,000	11,000	3,000	3,000
Resident Gifts/Surveys	-	3,219	10,197	9,813	10,031
Hospitality	-	-	-	-	-
Resident Activities	-	6,100	11,900	11,900	11,900
Model Apartment Expense	-	800	900	900	900
Lead Pricing/Management	-	469	7,953	7,953	-
Clubhouse/Fitness Expense	-	1,100	1,200	1,200	1,200
Misc. Rental Expense	-	1,600	2,400	2,400	2,400
Total Rental Expense	-	78,237	97,599	91,165	40,381
Salary Expense					
Property Manager	-	75,088	77,340	79,661	82,050
Assistant Property Manager	-	52,286	53,855	55,470	57,135
Leasing Manager	-	-	-	-	-
Sales & Service Associate	-	93,696	105,280	54,219	55,846
Concierge	-	83,278	140,362	144,573	148,910
Service Manager	-	-	-	-	-
Assistant Service Manager	-	-	-	-	-
Service Technician	-	54,055	121,477	125,121	128,875
Porter/Groundskeeper	-	36,262	36,806	37,358	37,919
Housekeeper	-	-	29,972	30,871	31,798
Commissions/Bonuses	-	12,875	47,963	58,950	58,894
Floating Staff	-	-	-	-	-
Benefit Charge	-	126,338	190,047	181,730	186,442
Total Salary Expense	-	533,879	803,103	767,954	787,868

PRISM
CAPITAL PARTNERS, LLC

Edison Lofts
177 Main Street
West Orange, NJ
5 Year Annual Budget

	Year				
	2012	2013	2014	2015	2016
Administrative Expense					
Employee Search	-	-	-	-	-
Credit Checks	-	3,000	7,660	3,620	3,720
Employee Relations	-	4,200	7,500	6,860	8,960
Education/Training	-	-	-	-	-
Office Supplies	-	1,464	2,196	2,196	2,196
Travel	-	2,000	3,000	3,000	3,000
Dues/Subscriptions	-	-	-	-	-
Postage	-	2,200	3,300	3,300	3,300
IT Expense	-	3,554	5,331	5,331	5,331
Office Forms	-	-	-	-	-
Legal Fees	-	9,000	12,000	12,000	12,000
Appraisal Expense	-	-	-	-	-
Telephone - Office	-	2,162	3,243	3,243	3,243
Cable and Wireless - Service	-	4,800	7,200	7,200	7,200
Telephone - Dedicated Lines	-	240	360	360	360
Data Processing Expense	-	-	6,704	6,704	6,704
Bank Charges	-	3,360	5,760	5,760	5,760
Credit Card Charges	-	-	-	-	-
Uniforms	-	900	1,200	1,200	1,200
Security Guard Service	-	-	-	-	-
Licenses/Fees	-	10,196	11,123	11,123	11,123
Interest Expense on Security Deposits	-	-	185	625	660
Misc. Administrative	-	1,600	11,892	11,892	11,892
Total Administrative Expense	-	**48,676**	**88,653**	**84,413**	**86,648**
Management Fees					
Management Fee	-	21,086	143,352	202,342	204,624
Lease-Up Fees	-	36,050	84,000	-	-
Total Management Fees	-	**57,136**	**227,352**	**202,342**	**204,624**
Maintenance Expense					
Carpet Repair	-	1,400	2,400	2,400	2,400
Carpet Cleaning	-	-	1,110	3,750	3,960
Apartment Cleaning - Contract	-	-	-	-	-
Cleaning Supplies	-	2,100	3,600	3,600	3,600
Interior Painting	-	-	19,550	32,750	33,800
Exterminating	-	3,000	6,000	6,000	6,000
Trash Removal	-	3,847	32,918	43,517	42,874
Landscaping Contract	-	12,600	25,200	25,200	25,200
Grounds Supplies	-	6,500	9,800	9,800	9,800
Snow Removal	-	8,000	22,000	22,000	22,000
Electrical/Lighting	-	-	6,180	6,365	6,556
Carpentry	-	-	-	-	-
Heating/Air Conditioning	-	5,501	35,287	37,664	37,664
Appliance Repair	-	-	-	-	-
Locks/Keys	-	450	900	900	900
General Building	-	5,000	25,200	25,200	25,200
Exterior Window Cleaning	-	10,000	10,000	10,000	10,000
Garage Door Repair	-	-	-	-	-
Tile/Vinyl Repair	-	-	-	-	-
Fire Prevention/Security	-	5,420	8,720	8,720	8,720
Elevator Contract	-	-	32,400	32,400	32,400
Pool Contract	-	31,500	63,000	63,000	63,000
Plumbing	-	3,500	6,000	12,600	12,600
General Maintenance	-	18,900	32,400	32,400	32,400
Window Coverings	-	-	600	1,200	1,200
Common Area Cleaning	-	-	-	-	-
Misc. Maintenance	-	1,400	2,400	2,400	2,400
Total Maintenance Expense	-	**119,118**	**345,664**	**381,866**	**382,674**
Total Controllable Expense	-	**837,046**	**1,562,372**	**1,527,740**	**1,502,195**

PRISM
CAPITAL PARTNERS, LLC

Edison Lofts
177 Main Street
West Orange, NJ
5 Year Annual Budget

	Year				
	2012	2013	2014	2015	2016
Utility Expense					
Electric - House	-	90,750	181,500	181,500	181,500
Electric - Models	-	383	766	766	766
Electric - Vacants	-	6,380	21,627	2,265	4,115
Gas - House	-	20,400	40,800	40,800	40,800
Gas - Models	-	630	1,260	1,260	1,260
Gas - Vacants	-	9,955	19,285	3,728	6,773
Water/Sewer	-	7,287	62,349	82,425	81,207
Water/Sewer Reimbursement	-	(5,830)	(49,879)	(65,940)	(64,966)
Total Utility Expense	-	129,955	277,708	246,803	251,454
Taxes and Insurance					
Property Taxes	450,000	500,000	890,251	1,185,199	1,023,119
Special Assessment	60,000	123,600	173,490	173,490	173,490
Property Insurance	-	37,463	74,925	74,925	74,925
Total Taxes and Insurance	510,000	661,063	1,138,666	1,433,614	1,271,534
Total Non-Controllable Expense	510,000	791,017	1,416,373	1,680,417	1,522,988
Total Operating Expense	$ 510,000	$ 1,628,063	$ 2,978,745	$ 3,208,157	$ 3,025,184
NOI Before Replacement Reserve	$ (510,000)	$ (933,044)	$ 4,188,857	$ 6,908,927	$ 7,206,002
Replacement Reserve @ 80% Occupancy)	-	-	35,838	101,171	102,312
NOI Before Debt	$ (510,000)	$ (933,044)	$ 4,153,019	$ 6,807,756	$ 7,103,691
Ground Lease Payment					
Cash Available for Debt Service	$ (510,000)	$ (933,044)	$ 4,153,019	$ 6,807,756	$ 7,103,691
Debt Service - First Mortgage	4,274,049	4,274,049	4,274,049	4,274,049	4,274,049
Cash Flow After Debt Service	$ (4,784,049)	$ (5,207,093)	$ (121,030)	$ 2,533,707	$ 2,829,642

PRISM CAPITAL PARTNERS, LLC

Edison Lofts
177 Main Street
West Orange, NJ
BUDGET - Stabilized 2016

	Stabilized 2016													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Total per Unit
BUDGET SUMMARY														
INCOME														
Gross Potential Rent - Residential	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 9,509,098	$ 28,556
Rent Loss - Residential	(19,658)	(22,037)	(25,417)	(28,297)	(31,176)	(32,176)	(45,074)	(40,436)	(46,454)	(39,315)	(35,436)	(33,056)	(398,531)	(1,197)
Net Rental Revenue - Residential	772,767	770,388	767,008	764,128	761,249	760,249	747,350	751,989	745,971	753,110	756,989	759,369	9,110,567	27,359
Other Income	91,270	91,601	92,137	93,033	93,004	94,659	94,694	98,351	93,345	94,002	91,926	92,595	1,120,619	3,365
Total Operating Revenue	$ 864,037	$ 861,989	$ 859,145	$ 857,161	$ 854,253	$ 854,908	$ 842,045	$ 850,341	$ 839,316	$ 847,112	$ 848,916	$ 851,964	$ 10,231,186	$ 30,724
EXPENSE														
Rental Expense	$ 1,345	$ 1,525	$ 2,164	$ 4,754	$ 1,583	$ 4,857	$ 1,910	$ 6,916	$ 2,275	$ 5,397	$ 1,492	$ 6,163	$ 40,381	$ 121
Salary Expense	62,567	62,960	66,407	64,630	64,794	68,437	68,200	68,429	66,890	64,532	63,844	66,178	787,868	2,366
Administrative Expense	4,949	14,566	14,388	5,169	5,689	6,719	5,229	6,024	6,414	5,864	5,034	6,599	86,648	260
Management Fees	17,281	17,240	17,183	17,143	17,085	17,098	16,841	17,007	16,786	16,942	16,978	17,039	204,624	614
Maintenance Expense	26,300	28,289	37,388	26,057	28,792	35,772	41,577	29,670	35,159	27,232	26,413	38,025	382,674	1,149
Total Controllable Expense	112,442	124,580	137,530	119,753	117,944	132,864	133,757	128,046	127,525	119,967	113,763	134,004	1,502,195	4,511
Utility Expense	20,574	20,654	20,734	20,814	20,894	20,894	21,295	21,055	21,376	21,135	21,055	20,975	251,454	755
Taxes and Insurance	105,961	105,961	105,961	105,961	105,961	105,961	105,961	105,961	105,961	105,961	105,961	105,961	1,271,534	3,818
Total Non-Controllable Expense	126,535	126,615	126,695	126,775	126,856	126,856	127,257	127,016	127,337	127,096	127,016	126,936	1,522,988	4,574
Total Operating Expense	$ 238,977	$ 251,195	$ 264,225	$ 246,529	$ 244,799	$ 259,739	$ 261,014	$ 255,062	$ 254,862	$ 247,064	$ 240,779	$ 260,939	$ 3,025,184	$ 9,085
NOI Before Replacement Reserve	$ 625,060	$ 610,794	$ 594,920	$ 610,633	$ 609,454	$ 595,168	$ 581,031	$ 595,278	$ 584,454	$ 600,048	$ 608,137	$ 591,025	$ 7,206,002	$ 21,640
Replacement Reserve	8,526	8,526	8,526	8,526	8,526	8,526	8,526	8,526	8,526	8,526	8,526	8,526	102,312	307
NOI Before Debt	$ 616,534	$ 602,268	$ 586,394	$ 602,107	$ 600,928	$ 586,642	$ 572,505	$ 586,752	$ 575,928	$ 591,522	$ 599,611	$ 582,499	$ 7,103,691	$ 21,332
Ground Lease Payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Available for Debt Service	$ 616,534	$ 602,268	$ 586,394	$ 602,107	$ 600,928	$ 586,642	$ 572,505	$ 586,752	$ 575,928	$ 591,522	$ 599,611	$ 582,499	$ 7,103,691	$ 21,332
Debt Service - First Mortgage	$ 356,171	$ 356,171	$ 356,171	$ 356,171	$ 356,171	$ 356,171	$ 356,171	$ 356,171	$ 356,171	$ 356,171	$ 356,171	$ 356,171	$ 4,274,049	
Cash Flow After Debt Service	$ 260,363	$ 246,097	$ 230,223	$ 245,936	$ 244,757	$ 230,472	$ 216,334	$ 230,582	$ 219,758	$ 235,352	$ 243,440	$ 226,328	$ 2,829,642	$ 21,332

PRISM
CAPITAL PARTNERS, LLC

Edison Lofts
177 Main Street
West Orange, NJ
BUDGET - Stabilized 2016

	Stabilized 2016													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Total per Unit
BUDGET DETAIL														
INCOME														
Gross Potential Rent - Residential	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 9,509,098	$ 28,556
Rent Loss - Residential														
Vacancy Loss	(14,278)	(16,658)	(19,037)	(21,417)	(23,797)	(23,797)	(35,695)	(28,556)	(38,074)	(30,936)	(28,556)	(26,175)	(306,975)	(922)
Concessions	(3,000)	(3,000)	(4,000)	(4,500)	(5,000)	(6,000)	(7,000)	(9,500)	(6,000)	(6,000)	(4,500)	(4,500)	(63,000)	(189)
Bad Debt	(2,380)	(2,380)	(2,380)	(2,380)	(2,380)	(2,380)	(2,380)	(2,380)	(2,380)	(2,380)	(2,380)	(2,380)	(28,556)	(86)
Total Rent Loss - Residential	(19,658)	(22,037)	(25,417)	(28,297)	(31,176)	(32,176)	(45,074)	(40,436)	(46,454)	(39,315)	(35,436)	(33,056)	(398,531)	(1,197)
Net Rental Revenue - Residential	772,767	770,388	767,008	764,128	761,249	760,249	747,350	751,989	745,971	753,110	756,989	759,369	9,110,567	27,359
Other Income														
Parking Income - Residential	38,212	38,095	37,978	37,862	37,745	37,745	37,160	37,511	37,044	37,394	37,511	37,628	451,885	1,357
Parking Income - Non-Residential	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Storage Income	12,520	12,482	12,444	12,405	12,367	12,367	12,176	12,291	12,137	12,252	12,291	12,329	148,061	445
Retail Income	29,387	29,387	29,387	29,387	29,387	29,387	29,387	29,387	29,387	29,387	29,387	29,387	352,640	1,059
Restaurant Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc. Income	491	489	488	486	485	485	477	482	476	480	482	483	5,801	17
Interest Income	15	15	15	15	15	15	15	15	15	15	15	15	180	1
Late Charges	1,868	1,862	1,856	1,850	1,845	1,845	1,816	1,833	1,810	1,828	1,833	1,839	22,085	66
Bad Check Charges	200	200	200	200	200	200	200	200	200	200	200	200	2,400	7
Lease Breakage Fees	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	28,556	86
Damage Charges	350	350	450	500	550	600	950	800	800	450	400	400	6,600	20
Application Fees	875	875	900	975	1,125	1,350	1,500	2,100	1,350	1,350	975	975	13,950	42
Facilities Charges	375	375	375	375	375	375	375	375	375	375	375	375	4,500	14
Vending Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forfeited Deposits	-	500	-	500	-	500	-	500	-	500	-	500	3,000	9
Trash Removal Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pet Fees	3,148	3,142	3,465	3,623	3,782	4,112	4,409	5,254	4,072	4,092	3,604	3,610	46,312	139
Amenities Fees	1,650	1,650	2,200	2,475	2,750	3,300	3,850	5,225	3,300	3,300	2,475	2,475	34,650	104
Guest Suite Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Apartment Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Income	91,270	91,601	92,137	93,033	93,004	94,659	94,694	98,351	93,345	94,002	91,926	92,595	1,120,619	3,355
Total Operating Revenue	$ 864,037	$ 861,989	$ 859,145	$ 857,161	$ 854,253	$ 854,908	$ 842,045	$ 850,341	$ 839,316	$ 847,112	$ 848,916	$ 851,964	$ 10,231,186	$ 30,724

PRISM CAPITAL PARTNERS, LLC

Edison Lofts
177 Main Street
West Orange, NJ
BUDGET - Stabilized 2016

EXPENSE	Stabilized 2016 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Total per Unit
Rental Expense														
Collateral Materials	$ -	$ -	$ -	$ 1,100	$ -	$ 1,100	$ -	$ 1,100	$ -	$ 1,100	$ -	$ -	$ 4,400	$ 13
Signs/Billboards	-	-	-	1,000	-	1,000	-	1,000	-	1,000	-	-	4,000	12
Newsletters/Flyers	150	-	150	-	150	-	150	-	150	-	150	-	900	3
Apt. Guides/Magazines	-	150	-	-	-	-	-	-	-	-	-	-	150	0
Internet Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Resident Referrals	-	250	-	250	-	250	-	250	-	250	-	250	1,500	5
Realtors/Locators	-	-	-	1,000	-	-	-	1,000	-	-	-	1,000	3,000	9
Resident Gifts/Surveys	495	525	614	704	733	1,807	1,060	1,166	925	747	642	613	10,031	30
Hospitality	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Resident Activities	300	300	1,000	300	300	300	300	2,000	800	2,000	300	4,000	11,900	36
Model Apartment Expense	100	-	100	100	100	100	100	100	100	-	100	-	900	3
Lead Pricing/Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Clubhouse/Fitness Expense	100	100	100	100	100	100	100	100	100	100	100	100	1,200	4
Misc. Rental Expense	200	200	200	200	200	200	200	200	200	200	200	200	2,400	7
Total Rental Expense	1,345	1,525	2,164	4,754	1,583	4,857	1,910	6,916	2,275	5,397	1,492	6,163	40,381	121
Salary Expense														
Property Manager	6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	82,050	246
Assistant Property Manager	4,761	4,761	4,761	4,761	4,761	4,761	4,761	4,761	4,761	4,761	4,761	4,761	57,135	172
Leasing Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales & Service Associate	4,654	4,654	4,654	4,654	4,654	4,654	4,654	4,654	4,654	4,654	4,654	4,654	55,846	168
Concierge	12,409	12,409	12,409	12,409	12,409	12,409	12,409	12,409	12,409	12,409	12,409	12,409	148,910	447
Service Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assistant Service Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service Technician	10,740	10,740	10,740	10,740	10,740	10,740	10,740	10,740	10,740	10,740	10,740	10,740	128,875	387
Porter/Groundskeeper	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	37,919	114
Housekeeper	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	31,798	95
Commissions/Bonuses	2,550	2,850	5,481	4,125	4,250	7,031	6,850	7,025	5,850	4,050	3,525	5,306	58,894	177
Floating Staff	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefit Charge	14,806	14,899	15,715	15,294	15,333	16,195	16,139	16,193	15,829	15,271	15,108	15,680	186,442	560
Total Salary Expense	62,567	62,960	66,407	64,530	64,794	68,437	68,200	68,429	66,890	64,532	63,844	66,178	787,868	2,366
Administrative Expense														
Employee Search	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit Checks	180	180	240	260	300	360	400	560	380	360	260	260	3,720	11
Employee Relations	75	200	2,740	200	75	1,640	75	725	1,315	200	75	1,640	8,960	27
Education/Training	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Supplies	183	183	183	183	183	183	183	183	183	183	183	183	2,196	7
Travel	250	250	250	250	250	250	250	250	250	250	250	250	3,000	9
Dues/Subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Postage	275	275	275	275	275	275	275	275	275	275	275	275	3,300	10
IT Expense	444	444	444	444	444	444	444	444	444	444	444	444	5,331	16
Office Forms	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal Fees	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	36
Appraisal Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone - Office	270	270	270	270	270	270	270	270	270	270	270	270	3,243	10
Cable and Wireless - Service	600	600	600	600	600	600	600	600	600	600	600	600	7,200	22
Telephone - Dedicated Lines	30	30	30	30	30	30	30	30	30	30	30	30	360	1
Data Processing Expense	-	-	6,704	-	-	-	-	-	-	-	-	-	6,704	20
Bank Charges	480	480	480	480	480	480	480	480	480	480	480	480	5,760	17
Credit Card Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Uniforms	-	-	-	-	600	-	-	-	-	600	-	-	1,200	4
Security Guard Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses/Fees	927	927	927	927	927	927	927	927	927	927	927	927	11,123	33
Interest Expense on Security Deposits	35	35	45	50	55	60	95	90	80	45	40	40	660	2
Misc. Administrative	200	9,692	200	200	200	200	200	200	200	200	200	200	11,892	36
Total Administrative Expense	4,949	14,566	14,388	5,169	5,689	6,719	5,229	6,024	6,414	5,864	5,034	6,599	86,648	260
Management Fees														
Management Fee	17,281	17,240	17,183	17,143	17,085	17,098	16,841	17,007	16,786	16,942	16,978	17,039	204,624	614
Lease-Up Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Management Fees	17,281	17,240	17,183	17,143	17,085	17,098	16,841	17,007	16,786	16,942	16,978	17,039	204,624	614

PRISM CAPITAL PARTNERS, LLC

Edison Lofts
177 Main Street
West Orange, NJ
BUDGET - Stabilized 2016

	Stabilized 2016													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Total per Unit
Maintenance Expense														
Carpet Repair	200	200	200	200	200	200	200	200	200	200	200	200	2,400	7
Carpet Cleaning	210	210	270	300	330	360	570	480	480	270	240	240	3,960	12
Apartment Cleaning - Contract	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cleaning Supplies	300	300	300	300	300	300	300	300	300	300	300	300	3,600	11
Interior Painting	2,217	2,217	2,517	2,667	2,817	2,967	4,017	3,567	3,567	2,517	2,367	2,367	33,800	102
Exterminating	500	500	500	500	500	500	500	500	500	500	500	500	6,000	18
Trash Removal	3,625	3,614	3,603	3,592	3,581	3,581	3,526	3,559	3,515	3,548	3,559	3,570	42,874	129
Landscaping Contract	-	-	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	-	-	25,200	76
Grounds Supplies	-	-	-	3,100	-	200	3,400	-	600	2,500	-	-	9,800	29
Snow Removal	5,000	5,000	4,000	-	-	-	-	-	-	-	3,000	5,000	22,000	66
Electrical/Lighting	546	546	546	546	546	546	546	546	546	546	546	546	6,556	20
Carpentry	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heating/Air Conditioning	1,667	3,667	1,667	1,667	5,333	3,333	3,333	5,333	1,667	1,667	3,667	4,667	37,664	113
Appliance Repair	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Locks/Keys	75	75	75	75	75	75	75	75	75	75	75	75	900	3
General Building	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	25,200	76
Exterior Window Cleaning	-	-	-	-	-	-	10,000	-	-	-	-	-	10,000	30
Garage Door Repair	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tile/Vinyl Repair	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire Prevention/Security	560	560	1,060	560	560	1,060	560	560	1,060	560	560	1,060	8,720	26
Elevator Contract	-	-	8,100	-	-	8,100	-	-	8,100	-	-	8,100	32,400	97
Pool Contract	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	63,000	189
Plumbing	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	12,600	38
General Maintenance	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	32,400	97
Window Coverings	100	100	100	100	100	100	100	100	100	100	100	100	1,200	4
Common Area Cleaning	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc. Maintenance	200	200	200	200	200	200	200	200	200	200	200	200	2,400	7
Total Maintenance Expense	26,300	28,289	37,388	28,057	28,792	35,772	41,577	29,670	35,159	27,232	26,413	38,025	382,674	1,149
Total Controllable Expense	112,442	124,580	137,530	119,753	117,944	132,884	133,757	128,046	127,525	119,967	113,763	134,004	1,502,195	4,511
Utility Expense														
Electric - House	15,125	15,125	15,125	15,125	15,125	15,125	15,125	15,125	15,125	15,125	15,125	15,125	181,500	545
Electric - Models	64	64	64	64	64	64	64	64	64	64	64	64	766	2
Electric - Vacants	191	223	255	287	319	319	478	383	510	415	383	351	4,115	12
Gas - House	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	40,800	123
Gas - Models	105	105	105	105	105	105	105	105	105	105	105	105	1,260	4
Gas - Vacants	315	368	420	473	525	525	788	630	840	683	630	578	6,773	20
Water/Sewer	6,867	6,846	6,825	6,804	6,783	6,783	6,678	6,741	6,657	6,720	6,741	6,762	81,207	244
Water/Sewer Reimbursement	(5,494)	(5,477)	(5,460)	(5,443)	(5,426)	(5,426)	(5,342)	(5,393)	(5,326)	(5,376)	(5,393)	(5,410)	(64,968)	(195)
Total Utility Expense	20,574	20,654	20,734	20,814	20,894	20,894	21,295	21,055	21,376	21,135	21,055	20,975	251,454	755
Taxes and Insurance														
Property Taxes	85,260	85,260	85,260	85,260	85,260	85,260	85,260	85,260	85,260	85,260	85,260	85,260	1,023,119	3,072
Special Assessment	14,458	14,458	14,458	14,458	14,458	14,458	14,458	14,458	14,458	14,458	14,458	14,458	173,490	521
Property Insurance	6,244	6,244	6,244	6,244	6,244	6,244	6,244	6,244	6,244	6,244	6,244	6,244	74,925	225
Total Taxes and Insurance	105,961	105,961	105,961	105,961	105,961	105,961	105,961	105,961	105,961	105,961	105,961	105,961	1,271,534	3,818
Total Non-Controllable Expense	126,535	126,615	126,695	126,775	126,856	126,856	127,257	127,016	127,337	127,096	127,016	126,936	1,522,988	4,574
Total Operating Expense	$ 238,977	$ 251,195	$ 264,225	$ 246,529	$ 244,799	$ 259,739	$ 261,014	$ 255,062	$ 254,862	$ 247,064	$ 240,779	$ 260,939	$ 3,025,184	$ 9,085
NOI Before Replacement Reserve	$ 625,060	$ 610,794	$ 594,920	$ 610,633	$ 609,454	$ 595,168	$ 581,031	$ 595,278	$ 584,454	$ 600,048	$ 608,137	$ 591,025	$ 7,206,002	$ 21,640
Replacement Reserve @ 80% Occupancy)	8,526	8,526	8,526	8,526	8,526	8,526	8,526	8,526	8,526	8,526	8,526	8,526	102,312	307
NOI Before Debt	$ 616,534	$ 602,268	$ 586,394	$ 602,107	$ 600,928	$ 586,642	$ 572,505	$ 586,752	$ 575,928	$ 591,522	$ 599,611	$ 582,499	$ 7,103,691	$ 21,332
Ground Lease Payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Available for Debt Service	$ 616,534	$ 602,268	$ 586,394	$ 602,107	$ 600,928	$ 586,642	$ 572,505	$ 586,752	$ 575,928	$ 591,522	$ 599,611	$ 582,499	$ 7,103,691	$ 21,332
Debt Service - First Mortgage	356,171	356,171	356,171	356,171	356,171	356,171	356,171	356,171	356,171	356,171	356,171	356,171	4,274,049	12,835
Cash Flow After Debt Service	$ 260,363	$ 246,097	$ 230,223	$ 245,936	$ 244,757	$ 230,472	$ 216,334	$ 230,582	$ 219,758	$ 235,352	$ 243,440	$ 226,328	$ 2,829,642	$ 8,497

EXHIBIT F

West Orange Redevelopment
Detailed Cost Summary
As of September 30, 2011

Code	Description	Total 177 URE
1	Purchase Price - Edison & Edison Related Parcels	14,480,329
1	Purchase Price - Other Redevelopment Zone	450,000
10	Legal Fees - Acquisition	151,920
30	Easements	16
45	Fees - Title Recording & Escrow	1,332
46	Title Insurance	46,420
48	Other Closing Costs	350,561
1910	Architectural Design Development	442,772
1950	Structural Engineer - Due Dilligence	21,822
1960	MEP Engineering - Due Dilligence	15,400
1970	ALTA Survey	31,851
1980	Site Plan Engineering - DD	40,800
2010	Environmental Consultant - DD	191,285
2204	Legal - Environmental	97,803
49	**TOTAL LAND BASIS**	**16,322,310**
	SITE PLAN APPROVAL COSTS (Phase I)	
50	Legal - Approvals	48,540
51	Legal - Redevelopment Agreement	125,173
52	Legal - Financial Agreement	267,778
54	Legal - Township RDA Costs	608,970
70	Application Fees (Municipal)	693
71	Affordable Housing Fees	75
72	Parcel Review Fee	2,194
75	Planning Board Fees	39
80	Application Fees (County)	3,418
90	Application Fees (State)	47
92	DOT Application & Review Fee - Project	48
99	Total Site Plan Approval	52
1904	Preliminary Arch Design	4,225
1906	Arch - Master Plan	33,657
1908	Other Arch. - Site Plan	72,165
1916	Architectural Renderings/Models	11,447
1951	Structural Eng - Site Plan	30,505
1971	Topographical Survey	13,981
2001	Geotechnical Eng - Investigation	2,598
2002	Geology/Soils Engineering	44,679
2017	Traffic Consultant	17,112
2033	Professional Planner	13,184
99	**TOTAL SITE PLAN APPROVALS**	**1,300,580**
	DEMOLITION & SITE COSTS	
	Temporary Construction	-
200	Environmental Allowance	5,090
201	Environmental Remediation	13,847
202	Asbestos Removal	421,707
205	Contaminated Soil Removal	652,215
207	Ground Water Clean Up	261,799
210	Demolition Allowance	221
211	Demolition, Wrecking	446,403
212	Demolition Interiors	11,874
213	Plumbing Demo	4,409
214	HVAC Demo	112
215	Electrical Demo	16,511
216	Fire Protection Demo	3,409
219	Demolition	115
223	Soil Erosion	3,000
225	Mass Earthwork	27,901
243	Water Meter Pit	128
250	Streets And Accessories	131
280	Other Offsite Improvements	147
150	Site Surveying (Layout)	315
299	**TOTAL DEMOLITION AND SITE COSTS**	**1,869,333**
	CONSTRUCTION HARD COSTS	
101	Supervision	365,001
103	Administrative	97,068
112	Blueprints	12,798
115	Accounting	60
118	Safety	4,740
120	Field Office	40,198
122	Office Supplies	235
124	Office Computers	13,478
131	Temporary Phone/Beeper	11,777
132	Temporary Portable Toilets	6,070
133	Temporary Water	14,139
134	Temporary Heat & Winter Cond.	831
136	Temporary Electric Equipment & Wiring	89,117
137	Temporary Electric Power Consumption	154,366
139	Temporary Fences and Gates	75,641
143	Temporary Material Lifts	10
144	Temporary Man Lifts	604
145	Field Equipment	2,361
146	Other Temporary	19,188
160	Site Security	14,004
162	Street Sweeping	642
170	Clean Up (Labor) During Construction	140,937
174	Dumpsters	4,262
175	Exterminating & Pest Control	107
185	Project Signs	1,321
186	Travel & Entertainment	5,622

Code	Description	Total 177 URE
300	Concrete Allowence	315
301	Exterior Concrete And Construction	7,000
341	Structural Precast Concrete	2,804,406
350	Sandwich Panels Load Bearing	184
370	Concrete Façade Restoration	583
390	Parking Deck	19,405
400	Masonry Allowance	210
410	Masonry (Brick)	215
420	Masonry Block	441
450	Stone Allowance	236
500	Steel Allowance	120
510	Metal Decking	268
540	Structural Steel Stud Framing	284
600	Carpentry & Millwork Allowance	315
700	Waterproofong & Insulation Allowance	735
750	Roofing Allowance	1,182
800	Door, Frame & Hdw Allowance	420
840	Aluminum Store Front	882
880	Curtain Wall	462
900	Interior Finish Allowance	473
1000	Specialty Allowance	525
1020	Louver & Vents	536
1250	Blinds	38,950
1400	Elevators Allowance	735
1499	Elevators	14,386
1500	Fire Protection Allowance	3,152
1549	Plumbing	16,227
1600	Electrical Allowance	840
1650	Voice & Data Wiring	867
1799	TOTAL HARD CONSTRUCTION COSTS	3,976,362

CONSTRUCTION SOFT COSTS

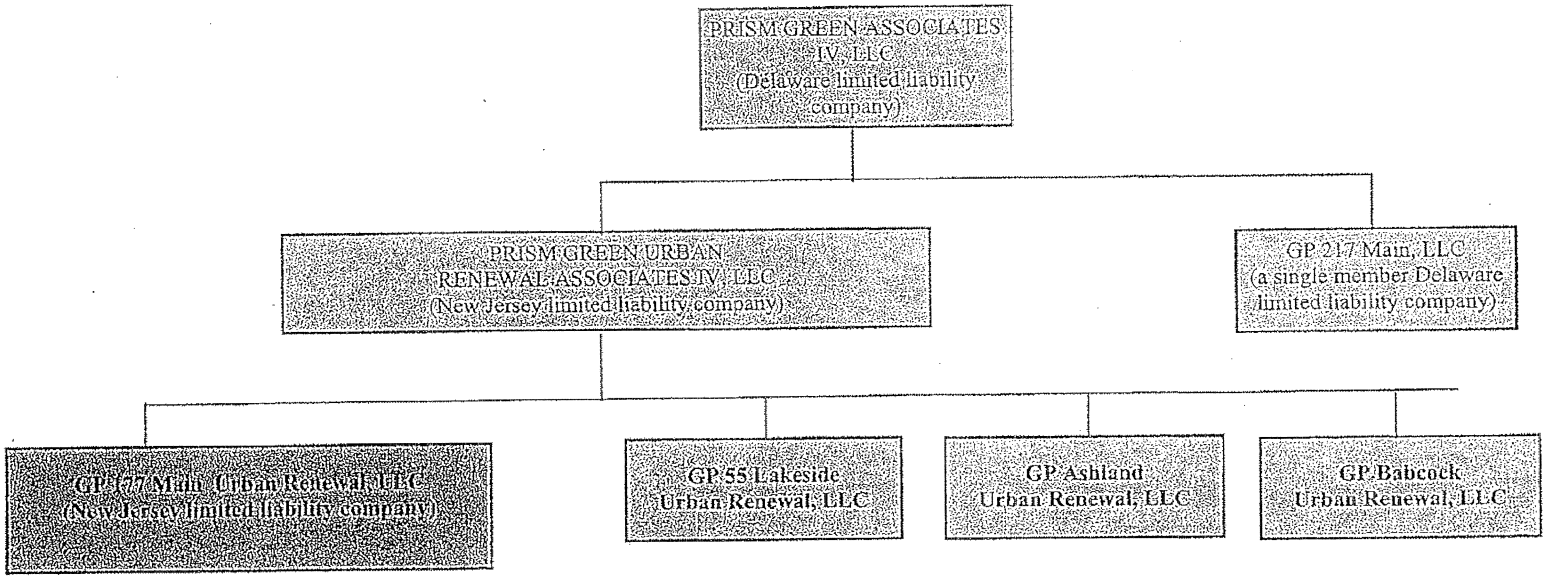
1900	Arch / Structural / MEP Allowance	125,994
1912	Arch - Leeds	50,402
1918	Arch - Schematic	280,600
1922	Arch - CD	826,558
1944	Arch - General	10,278
1946	Arch - Reimbursables	44,115
1954	Structural Engineering	13,769
1961	MEP Engineering CD's	69,500
1962	MEP Engineering-Reimbursables	478
1966	Low Voltage Design	46,687
1972	Surveying - Construction	1,575
1981	Site Plan Engineering - CD's	215,786
1982	Site Plan Engineering Reimbursables	11,068
1983	Infrastructure Engineering	38,757
1984	Infrastructure Reimbursables	108
1990	Landscape Architect-Design	3,090
2003	Geotechnical Eng-Testing Construction Phase	39,278
2011	Environmental Testing - Phase 1	80,867
2012	Environmental Consultant - Phase 1	384,707
2014	Environmental Consultant - Phase 2	56,672
2015	Asbestos Consultant	33,717
2018	Parking Consultant	10,440
2020	Testing & Inspection	54,791
2028	Parking Deck Consultant	136,890
2029	Security Consultant	12,283
2030	Acoustical Consultant	10,266
2031	Historical Consultant	74,484
2042	Estimating / Qty Surveyer Consultant	70,023
2202	Legal (Other)	1,184
2205	Condemnation Legal Contingency	43,957
2208	COAH	106,431
2211	Building Permits	32,521
2212	Sewer Permits	2,802
2213	Water Permits	5,000
2215	Soil Conservation Review Fees	2,750
2225	Agency Inspection Fees	6,782
2226	Other Permits & Fees	4,521
2250	LOC/Surety Bond Fees (See Financing)	1,182
2300	Tenant Buy-Outs and Relocations	1,268,039
2320	Office Expense / G&A	47,235
2999	TOTAL CONSTRUCTION SOFT COSTS	4,225,546

MARKETING

3000	Ground Breaking	56,473
3030	Marketing Costs/Materials	13,132
3100	Market Studies	9,192
3110	Marketing Stacking Plans	1,634
3120	Marketing Promotional Cost	3,677
3150	Marketing Public Relations	1,655
3160	Marketing Charitable Contributions	8,536
3170	Other Marketing	44,981
3499	TOTAL MARKETING	139,279

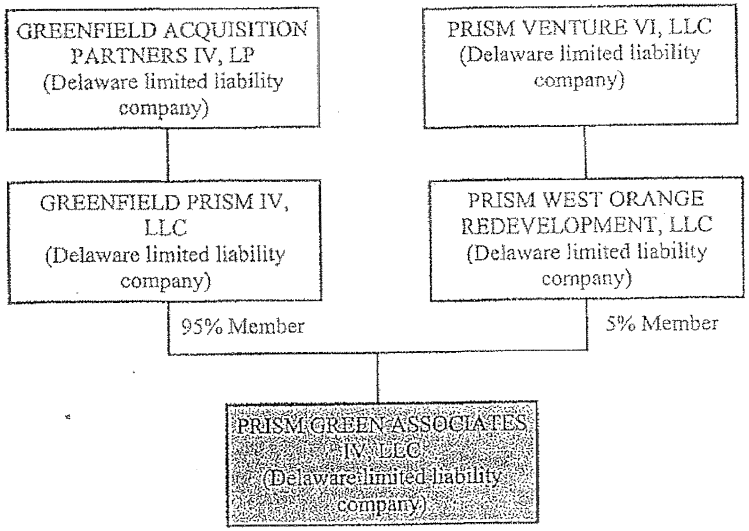
Code	Description	Total 177 URE
	PROJECT CARRYING COSTS	
3500	Insurance - Owner's Liability	470,270
3540	Tax Return Preparation	2,101
3550	PILOT Service Charge / Re. Tax Carry	1,271,915
3560	Association Fees	25,903
3590	Accounting and Auditing	106,494
3600	Capital / Repair Fund	3,762
3610	Other Operating Exp.	32,808
3620	Project Overhead & Developer Fee	1,204,550
3630	Administrative Expenses	2,765
3640	Partnership Costs	400
3999	**TOTAL PROJECT CARRYING COSTS**	**3,120,988**
	LEASING COSTS	
4050	Lease Commissions - Landlord	2,127
4499	**TOTAL LEASING COSTS**	**2,127**
	Total Project BEFORE Financing Charges	30,956,526
	PROJECT FINANCING COSTS	
2250	Bonds - LOC / Surity Bond Fee	1,182
4500	Lenders Legal	46,132
4510	Borrowers Legal Costs	4,161
4525	Loan Fees	177,595
4550	Acquisition Bridge Loan Interest	1,204,504
4570	Lenders Inspections	7,697
4580	Appraisals/Market Study	19,319
4590	Option Costs	105,000
4610	Appraisal Fees for Financing	8,178
4999	**TOTAL PROJECT FINANCING COSTS**	**1,573,768**
9999	**Total Project Costs after Financing Charges**	**32,530,295**

EXHIBIT G


PRISM GREEN ASSOCIATES IV, LLC
(Delaware limited liability company)
PRISM GREEN URBAN RENEWAL ASSOCIATES IV, LLC
(New Jersey limited liability company)
GP 217 Main, LLC
(a single member Delaware limited liability company)
GP 177 Main Urban Renewal, LLC
(New Jersey limited liability company)
GP 55 Lakeside Urban Renewal, LLC
GP Ashland Urban Renewal, LLC
GP Babcock Urban Renewal, LLC

PRISM GREEN ASSOCIATES IV, LLC

WEST ORANGE, NJ



GP 177 Main Urban Renewal, LLC
EXHIBIT 8

Certification of Estimated Construction Costs

TOTAL PROJECT COST - N.J.S.A. 40A:20-3h

A.	Land	$16,290,459
B.	Architects, engineers and attorneys fees paid or payable in connection with the planning, construction and financing of the project	$8,190,693
C.	Surveying and testing	$88,217
D.	Construction cost (to be certified by the architect)	$73,785,410
E.	Insurance, interest and finance costs during construction	$4,285,982
F.	Cost of obtaining initial permanent financing	$1,072,489
G.	Commissions and other expenses payable in connection with initial leasing/sale	$2,324,439
H.	Real estate taxes and assessments during the construction period	$1,191,020
I.	Developer's overhead based on a percentage of (d) above, to be computed in accordance with percentage given in law (N.J.S.A. 40A:20-3h) (for projects over $10,000,000 - 5%)	$5,361,435
	Total	**$112,590,144**

The architect hereby certifies that based upon the preliminary construction cost estimate and the level of documentation currently available, the foregoing is the projected total construction cost as set forth in D above in regard to the Project referenced in this Financial Agreement.

Date: January 11, 2012 By: _____
Minno & Wasko, LLC

The developer hereby certifies that the foregoing is the projected total project cost in regard to the Project referenced in this Financial Agreement.

Date: _____ By: _____
GP 177 Main Urban Renewal, LLC

EXHIBIT 4

Certificate of Formation of Urban Renewal Entity

State of New Jersey

DEPARTMENT OF COMMUNITY AFFAIRS

JON S. CORZINE
Governor

JOSEPH V. DORIA, JR.
Commissioner

February 19, 2008

Michael J. Caccavelli, Esq.
DeCotiis, Fitzpatrick, Cole & Wisler, LLP
Glenpointe Centre West
500 Frank W. Burr Boulevard
Suite 31
Teaneck, NJ 07666

Dear Mr. Caccavelli:

Enclosed is the approval of the Certificate of Formation for GP 177 MAIN URBAN RENEWAL, LLC. We request that the marked copy of the approval form and the Certificate be returned to this office once it is filed and stamped by the State Treasurer. Please make sure that our approval form is returned with the copy of the Certificate.

Thank you for your cooperation in this matter. If you have any questions, please call me at 609-633-6606.

Sincerely,

Karen A. Schwacha

Karen A. Schwacha
Administrative Analyst
Bureau of Homeowner Protection

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State of New Jersey

DEPARTMENT OF COMMUNITY AFFAIRS

JON S. CORZINE
Governor

JOSEPH V. DORIA, JR.
Commissioner

DEPARTMENT OF COMMUNITY AFFAIRS

TO: State Treasurer
RE: GP 177 MAIN URBAN RENEWAL, LLC
File # 845
An Urban Renewal Entity

This is to certify that the attached CERTIFICATE OF FORMATION OF AN URBAN RENEWAL ENTITY has been examined and approved by the Department of Community Affairs, pursuant to the power vested in it under the "Long Term Tax Exemption Law," P.L. 1991, c.431.

Done this 15TH day of FEBRUARY 20 08 at Trenton, New Jersey.

DEPARTMENT OF COMMUNITY AFFAIRS

BY Cynthia A. Wilk

Cynthia A. Wilk, Director
Division of Codes and Standards

CERTIFICATE OF FORMATION

OF

GP 177 MAIN URBAN RENEWAL, LLC

THE UNDERSIGNED, of the age of eighteen years or over, for the purpose of forming a limited liability company pursuant to the provisions of Title 42:2B, the New Jersey Limited Liability Company Act, of the New Jersey Statutes, and Title 40A:20, the New Jersey Long Term Tax Exemption Law, of the New Jersey Statutes, does hereby execute the following Certificate of Formation:

FIRST: The name of the Company is "GP 177 MAIN URBAN RENEWAL, LLC" (the "Company").

SECOND: The address of the Company's initial registered agent in the State of New Jersey is c/o DeCotiis, FitzPatrick Cole & Wisler, LLP, Glenpointe Centre West, 500 Frank W. Burr Boulevard, Suite 31, Teaneck, New Jersey 07666, Attention: Michael J. Caccavelli. The name of its initial registered agent at such address is Michael J. Caccavelli.

THIRD: (a) The purposes for which this Company is formed shall be to operate under P.L.1991, c.431 (C.40A:20-1 et seq.) and to initiate and conduct projects for the redevelopment of a redevelopment area pursuant to a redevelopment plan, or projects necessary, useful, or convenient for the relocation of residents displaced or to be displaced by the redevelopment of all or part of one or more redevelopment areas, and, when authorized by financial agreement with the TOWNSHIP OF WEST ORANGE (the "Municipality"), to acquire, plan, develop, construct, alter, maintain or operate housing, senior citizen housing, business, industrial, commercial, administrative, community, health, recreational, educational or welfare projects, or any combination of two or more of these types of improvement in a single project, under such conditions as to use, ownership, management and control as regulated pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.).

(b) So long as the Company is obligated under financial agreement with the Municipality made pursuant to P.L.1991, c.431 (C.40A:20-1 et seq.), it shall engage in no business other than the ownership, operation and management of the project.

(c) The Company has been organized to serve a public purpose. Its operations shall be directed toward: (1) the redevelopment of redevelopment areas, the facilitation of the relocation of residents displaced, or to be displaced, by redevelopment, or the conduct of low and moderate income housing projects; (2) the acquisition, management and operation of a project, redevelopment relocation housing project, or low and moderate income housing project under P.L.1991, c.431 (C.40A:20-1 et seq.). The Company shall be subject to regulation by the municipality, and to a

limitation or prohibition, as appropriate, on profits or dividends for so long as the Company remains the owner of a project subject to the terms of P.L.1991, c.431 (C.40A:20-1 et seq.).

(d) The Company shall not voluntarily transfer more than ten percent (10%) of the ownership of the project, or any portion of a project undertaken by it under P.L.1991, c.431 (C.40A:20-1 et seq.), until it has first removed both itself and the project from all restrictions of P.L.1991, c.431 (C.40A:20-1 et seq.) in the manner required by P.L.1991, c.431 (C.40A:20-1 et seq.) and, if the project includes housing units, has obtained the consent of the Commissioner of Community Affairs to such transfer; with the exception of transfer to another urban renewal entity, as approved by the Municipality, which other urban renewal entity shall assume all contractual obligations of the transferor entity under the financial agreement with the municipality. The Company shall file annually with the governing body of the municipality a disclosure of the persons having an ownership interest in the project, and of the extent of the ownership interest of each. Nothing herein shall prohibit any transfer of the ownership interest in the Company itself provided that the transfer, if greater than 10% (ten percent), is disclosed to the municipal governing body in the annual disclosure statement or in correspondence sent to the Municipality in advance of the annual disclosure statement referred to above.

(e) The Company shall be subject to the provisions of Section 18 of P.L.1991, c.431 (C.40A:20-18) respecting the powers of the municipality to alleviate financial difficulties of the Company or to perform actions on behalf of the Company upon a determination of financial emergency.

(f) Any housing units constructed or acquired by the Company shall be managed subject to the supervision of, and rules adopted by, the Commissioner of Community Affairs.

FOURTH: The Company shall have perpetual existence.

FIFTH: The effective date of this Certificate of Formation shall be the date of filing with the State of New Jersey Department of Treasury.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation on this 5th day of November, 2007.

Michael J. Caccavelli, Esq.

EXHIBIT 5

The Financial Plan for the Undertaking of the Project

PRISM
CAPITAL PARTNERS, LLC

Edison Lofts
177 Main Street
West Orange, NJ
5 Year Annual Budget

	Year				
	2012	2013	2014	2015	2016
BUDGET DETAIL					
INCOME					
Gross Potential Rent - Residential	$ 8,891,700	$ 8,891,700	$ 9,052,345	$ 9,257,167	$ 9,509,098
Rent Loss - Residential					
Vacancy Loss	(8,891,700)	(8,119,573)	(2,326,516)	(164,479)	(306,975)
Concessions	-	(229,190)	(449,763)	(61,500)	(63,000)
Bad Debt	-	-	(24,919)	(27,799)	(28,556)
Total Rent Loss - Residential	(8,891,700)	(8,348,763)	(2,801,198)	(253,778)	(398,531)
Net Rental Revenue - Residential	-	542,937	6,251,147	9,003,388	9,110,567
Other Income					
Parking Income - Residential	-	36,181	326,869	445,335	451,885
Parking Income - Non-Residential	-	-	-	-	-
Storage Income	-	13,286	113,678	150,282	148,061
Retail Income	-	38,667	259,840	352,640	352,640
Restaurant Income	-	-	-	-	-
Misc. Income	-	521	4,454	5,888	5,801
Interest Income	-	90	180	180	180
Late Charges	-	1,853	16,142	21,822	22,085
Bad Check Charges	-	-	2,200	2,400	2,400
Lease Breakage Fees	-	-	20,388	27,799	28,556
Damage Charges	-	-	1,850	6,250	6,600
Application Fees	-	11,250	28,725	13,575	13,950
Facilities Charges	-	1,125	3,375	4,500	4,500
Vending Income	-	-	-	-	-
Forfeited Deposits	-	1,500	3,000	3,000	3,000
Trash Removal Income	-	-	-	-	-
Pet Fees	-	19,285	63,155	46,200	46,312
Amenities Fees	-	28,325	72,600	33,825	34,650
Guest Suite Income	-	-	-	-	-
Corporate Apartment Income	-	-	-	-	-
Total Other Income	-	152,082	916,456	1,113,695	1,120,619
Total Operating Revenue	$ -	$ 695,019	$ 7,167,602	$ 10,117,084	$ 10,231,186
EXPENSE					
Rental Expense					
Collateral Materials	$ -	$ -	$ 2,200	$ 4,400	$ 4,400
Signs/Billboards	-	-	2,000	4,000	4,000
Newsletters/Flyers	-	750	900	900	900
Apt. Guides/Magazines	-	250	150	150	150
Internet Advertising	-	48,449	45,299	43,049	-
Resident Referrals	-	1,500	1,500	1,500	1,500
Realtors/Locators	-	14,000	11,000	3,000	3,000
Resident Gifts/Surveys	-	3,219	10,197	9,813	10,031
Hospitality	-	-	-	-	-
Resident Activities	-	6,100	11,900	11,900	11,900
Model Apartment Expense	-	800	900	900	900
Lead Pricing/Management	-	469	7,953	7,953	-
Clubhouse/Fitness Expense	-	1,100	1,200	1,200	1,200
Misc. Rental Expense	-	1,600	2,400	2,400	2,400
Total Rental Expense	-	78,237	97,599	91,165	40,381
Salary Expense					
Property Manager	-	75,088	77,340	79,661	82,050
Assistant Property Manager	-	52,286	53,855	55,470	57,135
Leasing Manager	-	-	-	-	-
Sales & Service Associate	-	93,696	105,280	54,219	55,846
Concierge	-	83,278	140,362	144,573	148,910
Service Manager	-	-	-	-	-
Assistant Service Manager	-	-	-	-	-
Service Technician	-	54,055	121,477	125,121	128,875
Porter/Groundskeeper	-	36,262	36,806	37,358	37,919
Housekeeper	-	-	29,972	30,871	31,798
Commissions/Bonuses	-	12,875	47,963	58,950	58,894
Floating Staff	-	-	-	-	-
Benefit Charge	-	126,338	190,047	181,730	186,442
Total Salary Expense	-	533,879	803,103	767,954	787,868

PRISM
CAPITAL PARTNERS, LLC

Edison Lofts
177 Main Street
West Orange, NJ
5 Year Annual Budget

	Year				
	2012	2013	2014	2015	2016
Administrative Expense					
Employee Search	-	-	-	-	-
Credit Checks	-	3,000	7,660	3,620	3,720
Employee Relations	-	4,200	7,500	6,860	8,960
Education/Training	-	-	-	-	-
Office Supplies	-	1,464	2,196	2,196	2,196
Travel	-	2,000	3,000	3,000	3,000
Dues/Subscriptions	-	-	-	-	-
Postage	-	2,200	3,300	3,300	3,300
IT Expense	-	3,554	5,331	5,331	5,331
Office Forms	-	-	-	-	-
Legal Fees	-	9,000	12,000	12,000	12,000
Appraisal Expense	-	-	-	-	-
Telephone - Office	-	2,162	3,243	3,243	3,243
Cable and Wireless - Service	-	4,800	7,200	7,200	7,200
Telephone - Dedicated Lines	-	240	360	360	360
Data Processing Expense	-	-	6,704	6,704	6,704
Bank Charges	-	3,360	5,760	5,760	5,760
Credit Card Charges	-	-	-	-	-
Uniforms	-	900	1,200	1,200	1,200
Security Guard Service	-	-	-	-	-
Licenses/Fees	-	10,196	11,123	11,123	11,123
Interest Expense on Security Deposits	-	-	185	625	660
Misc. Administrative	-	1,600	11,892	11,892	11,892
Total Administrative Expense	-	**48,676**	**88,653**	**84,413**	**86,648**
Management Fees					
Management Fee	-	21,086	143,352	202,342	204,624
Lease-Up Fees	-	36,050	84,000	-	-
Total Management Fees	-	**57,136**	**227,352**	**202,342**	**204,624**
Maintenance Expense					
Carpet Repair	-	1,400	2,400	2,400	2,400
Carpet Cleaning	-	-	1,110	3,750	3,960
Apartment Cleaning - Contract	-	-	-	-	-
Cleaning Supplies	-	2,100	3,600	3,600	3,600
Interior Painting	-	-	19,550	32,750	33,800
Exterminating	-	3,000	6,000	6,000	6,000
Trash Removal	-	3,847	32,918	43,517	42,874
Landscaping Contract	-	12,600	25,200	25,200	25,200
Grounds Supplies	-	6,500	9,800	9,800	9,800
Snow Removal	-	8,000	22,000	22,000	22,000
Electrical/Lighting	-	-	6,180	6,365	6,556
Carpentry	-	-	-	-	-
Heating/Air Conditioning	-	5,501	35,287	37,664	37,664
Appliance Repair	-	-	-	-	-
Locks/Keys	-	450	900	900	900
General Building	-	5,000	25,200	25,200	25,200
Exterior Window Cleaning	-	10,000	10,000	10,000	10,000
Garage Door Repair	-	-	-	-	-
Tile/Vinyl Repair	-	-	-	-	-
Fire Prevention/Security	-	5,420	8,720	8,720	8,720
Elevator Contract	-	-	32,400	32,400	32,400
Pool Contract	-	31,500	63,000	63,000	63,000
Plumbing	-	3,500	6,000	12,600	12,600
General Maintenance	-	18,900	32,400	32,400	32,400
Window Coverings	-	-	600	1,200	1,200
Common Area Cleaning	-	-	-	-	-
Misc. Maintenance	-	1,400	2,400	2,400	2,400
Total Maintenance Expense	-	**119,118**	**345,664**	**381,866**	**382,674**
Total Controllable Expense	-	**837,046**	**1,562,372**	**1,527,740**	**1,502,195**

PRISM
CAPITAL PARTNERS, LLC

Edison Lofts
177 Main Street
West Orange, NJ
5 Year Annual Budget

	Year				
	2012	2013	2014	2015	2016
Utility Expense					
Electric - House	-	90,750	181,500	181,500	181,500
Electric - Models	-	383	766	766	766
Electric - Vacants	-	6,380	21,627	2,265	4,115
Gas - House	-	20,400	40,800	40,800	40,800
Gas - Models	-	630	1,260	1,260	1,260
Gas - Vacants	-	9,955	19,285	3,728	6,773
Water/Sewer	-	7,287	62,349	82,425	81,207
Water/Sewer Reimbursement	-	(5,830)	(49,879)	(65,940)	(64,966)
Total Utility Expense	-	129,955	277,708	246,803	251,454
Taxes and Insurance					
Property Taxes	450,000	500,000	890,251	1,185,199	1,023,119
Special Assessment	60,000	123,600	173,490	173,490	173,490
Property Insurance	-	37,463	74,925	74,925	74,925
Total Taxes and Insurance	510,000	661,063	1,138,666	1,433,614	1,271,534
Total Non-Controllable Expense	510,000	791,017	1,416,373	1,680,417	1,522,988
Total Operating Expense	$ 510,000	$ 1,628,063	$ 2,978,745	$ 3,208,157	$ 3,025,184
NOI Before Replacement Reserve	$ (510,000)	$ (933,044)	$ 4,188,857	$ 6,908,927	$ 7,206,002
Replacement Reserve @ 80% Occupancy)	-	-	35,838	101,171	102,312
NOI Before Debt	$ (510,000)	$ (933,044)	$ 4,153,019	$ 6,807,756	$ 7,103,691
Ground Lease Payment					
Cash Available for Debt Service	$ (510,000)	$ (933,044)	$ 4,153,019	$ 6,807,756	$ 7,103,691
Debt Service - First Mortgage	4,274,049	4,274,049	4,274,049	4,274,049	4,274,049
Cash Flow After Debt Service	$ (4,784,049)	$ (5,207,093)	$ (121,030)	$ 2,533,707	$ 2,829,642

PRISM CAPITAL PARTNERS, LLC

Edison Lofts
177 Main Street
West Orange, NJ
BUDGET - Stabilized 2016

	Stabilized 2016													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Total per Unit
BUDGET SUMMARY														
INCOME														
Gross Potential Rent - Residential	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 9,509,098	$ 28,556
Rent Loss - Residential	(19,658)	(22,037)	(25,417)	(28,297)	(31,176)	(32,176)	(45,074)	(40,436)	(46,454)	(39,315)	(35,436)	(33,056)	(398,531)	(1,197)
Net Rental Revenue - Residential	772,767	770,388	767,008	764,128	761,249	760,249	747,350	751,989	745,971	753,110	756,989	759,369	9,110,567	27,359
Other Income	91,270	91,601	92,137	93,033	93,004	94,659	94,694	98,351	93,345	94,002	91,926	92,595	1,120,619	3,365
Total Operating Revenue	$ 864,037	$ 861,989	$ 859,145	$ 857,161	$ 854,253	$ 854,908	$ 842,045	$ 850,341	$ 839,316	$ 847,112	$ 848,916	$ 851,964	$ 10,231,186	$ 30,724
EXPENSE														
Rental Expense	$ 1,345	$ 1,525	$ 2,164	$ 4,754	$ 1,583	$ 4,857	$ 1,910	$ 6,916	$ 2,275	$ 5,397	$ 1,492	$ 6,163	$ 40,381	$ 121
Salary Expense	62,567	62,960	66,407	64,630	64,794	68,437	68,200	68,429	66,890	64,532	63,844	66,178	787,668	2,366
Administrative Expense	4,949	14,566	14,388	5,169	5,689	6,719	5,229	6,024	6,414	5,864	5,034	6,599	86,648	260
Management Fees	17,281	17,240	17,183	17,143	17,085	17,098	16,841	17,007	16,786	16,942	16,978	17,039	204,624	614
Maintenance Expense	26,300	28,289	37,388	28,057	28,792	35,772	41,577	29,670	35,159	27,232	26,413	38,025	382,674	1,149
Total Controllable Expense	112,442	124,580	137,530	119,753	117,944	132,884	133,757	128,046	127,525	119,967	113,763	134,004	1,502,195	4,511
Utility Expense	20,574	20,654	20,734	20,814	20,894	20,894	21,295	21,055	21,376	21,135	21,055	20,975	251,454	755
Taxes and Insurance	105,961	105,961	105,961	105,961	105,961	105,961	105,961	105,961	105,961	105,961	105,961	105,961	1,271,534	3,818
Total Non-Controllable Expense	126,535	126,615	126,695	126,775	126,856	126,856	127,257	127,016	127,337	127,096	127,016	126,936	1,522,988	4,574
Total Operating Expense	$ 238,977	$ 251,195	$ 264,225	$ 246,529	$ 244,799	$ 259,739	$ 261,014	$ 255,062	$ 254,862	$ 247,064	$ 240,779	$ 260,939	$ 3,025,184	$ 9,085
NOI Before Replacement Reserve	$ 625,060	$ 610,794	$ 594,920	$ 610,633	$ 609,454	$ 595,168	$ 581,031	$ 595,278	$ 584,454	$ 600,048	$ 608,137	$ 591,025	$ 7,206,002	$ 21,640
Replacement Reserve	8,526	8,526	8,526	8,526	8,526	8,526	8,526	8,526	8,526	8,526	8,526	8,526	102,312	307
NOI Before Debt	$ 616,534	$ 602,268	$ 586,394	$ 602,107	$ 600,928	$ 586,642	$ 572,505	$ 586,752	$ 575,928	$ 591,522	$ 599,611	$ 582,499	$ 7,103,691	$ 21,332
Ground Lease Payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Available for Debt Service	$ 616,534	$ 602,268	$ 586,394	$ 602,107	$ 600,928	$ 586,642	$ 572,505	$ 586,752	$ 575,928	$ 591,522	$ 599,611	$ 582,499	$ 7,103,691	$ 21,332
Debt Service - First Mortgage	$ 356,171	$ 356,171	$ 356,171	$ 356,171	$ 356,171	$ 356,171	$ 356,171	$ 356,171	$ 356,171	$ 356,171	$ 356,171	$ 356,171	$ 4,274,049	
Cash Flow After Debt Service	$ 260,363	$ 246,097	$ 230,223	$ 245,936	$ 244,757	$ 230,472	$ 216,334	$ 230,582	$ 219,758	$ 235,352	$ 243,440	$ 226,328	$ 2,829,642	$ 21,332

PRISM CAPITAL PARTNERS, LLC

Edison Lofts
177 Main Street
West Orange, NJ
BUDGET - Stabilized 2016

	Stabilized 2016													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Total per Unit
BUDGET DETAIL														
INCOME														
Gross Potential Rent - Residential	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 792,425	$ 9,509,098	$ 28,556
Rent Loss - Residential														
Vacancy Loss	(14,278)	(16,658)	(19,037)	(21,417)	(23,797)	(23,797)	(35,695)	(28,556)	(38,074)	(30,936)	(28,556)	(26,175)	(306,975)	(922)
Concessions	(3,000)	(3,000)	(4,000)	(4,500)	(5,000)	(6,000)	(7,000)	(9,500)	(6,000)	(6,000)	(4,500)	(4,500)	(63,000)	(189)
Bad Debt	(2,380)	(2,380)	(2,380)	(2,380)	(2,380)	(2,380)	(2,380)	(2,380)	(2,380)	(2,380)	(2,380)	(2,380)	(28,556)	(85)
Total Rent Loss - Residential	(19,658)	(22,037)	(25,417)	(28,297)	(31,176)	(32,176)	(45,074)	(40,436)	(46,454)	(39,315)	(35,436)	(33,055)	(398,531)	(1,197)
Net Rental Revenue - Residential	772,767	770,388	767,008	764,128	761,249	760,249	747,350	751,989	745,971	753,110	756,989	759,369	9,110,567	27,359
Other Income														
Parking Income - Residential	38,212	38,095	37,978	37,862	37,745	37,745	37,160	37,511	37,044	37,394	37,511	37,628	451,885	1,357
Parking Income - Non-Residential	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Storage Income	12,520	12,482	12,444	12,405	12,367	12,367	12,176	12,291	12,137	12,252	12,291	12,329	148,061	445
Retail Income	29,387	29,387	29,387	29,387	29,387	29,387	29,387	29,387	29,387	29,387	29,387	29,387	352,640	1,059
Restaurant Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc. Income	491	489	488	486	485	485	477	482	476	480	482	483	5,801	17
Interest Income	15	15	15	15	15	15	15	15	15	15	15	15	180	1
Late Charges	1,868	1,862	1,856	1,850	1,845	1,845	1,816	1,833	1,810	1,828	1,833	1,839	22,085	66
Bad Check Charges	200	200	200	200	200	200	200	200	200	200	200	200	2,400	7
Lease Breakage Fees	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	28,556	86
Damage Charges	350	350	450	500	550	600	950	800	800	450	400	400	6,600	20
Application Fees	875	875	900	975	1,125	1,350	1,500	2,100	1,350	1,350	975	975	13,950	42
Facilities Charges	375	375	375	375	375	375	375	375	375	375	375	375	4,500	14
Vending Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forfeited Deposits	-	500	-	500	-	500	-	500	-	500	-	500	3,000	9
Trash Removal Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pet Fees	3,148	3,142	3,465	3,623	3,782	4,112	4,409	5,254	4,072	4,092	3,604	3,610	46,312	139
Amenities Fees	1,650	1,650	2,200	2,475	2,750	3,300	3,850	5,225	3,300	3,300	2,475	2,475	34,650	104
Guest Suite Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Apartment Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Income	91,270	91,601	92,137	93,033	93,004	94,659	94,694	98,351	93,345	94,002	91,926	92,595	1,120,619	3,365
Total Operating Revenue	$ 864,037	$ 861,989	$ 859,145	$ 857,161	$ 854,253	$ 854,908	$ 842,045	$ 850,341	$ 839,316	$ 847,112	$ 848,916	$ 851,964	$ 10,231,186	$ 30,724

PRISM CAPITAL PARTNERS, LLC

Edison Lofts
177 Main Street
West Orange, NJ
BUDGET - Stabilized 2016

EXPENSE	Stabilized 2016 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Total per Unit
Rental Expense														
Collateral Materials	$ -	$ -	$ -	$ 1,100	$ -	$ 1,100	$ -	$ 1,100	$ -	$ 1,100	$ -	$ -	$ 4,400	$ 13
Signs/Billboards	-	-	-	1,000	-	1,000	-	1,000	-	1,000	-	-	4,000	12
Newsletters/Flyers	150	-	150	-	150	-	150	-	150	-	150	-	900	3
Apt. Guides/Magazines	-	150	-	-	-	-	-	-	-	-	-	-	150	0
Internet Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Resident Referrals	-	250	-	250	-	250	-	250	-	250	-	250	1,500	5
Realtors/Locators	-	-	-	1,000	-	-	-	1,000	-	-	-	1,000	3,000	9
Resident Gifts/Surveys	495	525	614	704	733	1,807	1,060	1,166	925	747	642	613	10,031	30
Hospitality	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Resident Activities	300	300	1,000	300	300	300	300	2,000	800	2,000	300	4,000	11,900	36
Model Apartment Expense	100	-	100	100	100	100	100	100	100	-	100	-	900	3
Lead Pricing/Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Clubhouse/Fitness Expense	100	100	100	100	100	100	100	100	100	100	100	100	1,200	4
Misc. Rental Expense	200	200	200	200	200	200	200	200	200	200	200	200	2,400	7
Total Rental Expense	1,345	1,525	2,164	4,754	1,583	4,857	1,910	6,916	2,275	5,397	1,492	6,163	40,381	121
Salary Expense														
Property Manager	6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	6,838	82,050	246
Assistant Property Manager	4,761	4,761	4,761	4,761	4,761	4,761	4,761	4,761	4,761	4,761	4,761	4,761	57,135	172
Leasing Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales & Service Associate	4,654	4,654	4,654	4,654	4,654	4,654	4,654	4,654	4,654	4,654	4,654	4,654	55,846	168
Concierge	12,409	12,409	12,409	12,409	12,409	12,409	12,409	12,409	12,409	12,409	12,409	12,409	148,910	447
Service Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assistant Service Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service Technician	10,740	10,740	10,740	10,740	10,740	10,740	10,740	10,740	10,740	10,740	10,740	10,740	128,875	387
Porter/Groundskeeper	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	37,919	114
Housekeeper	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	31,798	95
Commissions/Bonuses	2,550	2,850	5,481	4,125	4,250	7,031	6,850	7,025	5,850	4,050	3,525	5,306	58,894	177
Floating Staff	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefit Charge	14,806	14,899	15,715	15,294	15,333	16,195	16,139	16,193	15,829	15,271	15,108	15,660	186,442	560
Total Salary Expense	62,567	62,960	66,407	64,630	64,794	68,437	68,200	68,429	66,890	64,532	63,844	66,178	787,868	2,366
Administrative Expense														
Employee Search	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit Checks	180	180	240	260	300	360	400	560	380	360	260	260	3,720	11
Employee Relations	75	200	2,740	200	75	1,640	75	725	1,315	200	75	1,640	8,960	27
Education/Training	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Supplies	183	183	183	183	183	183	183	183	183	183	183	183	2,196	7
Travel	250	250	250	250	250	250	250	250	250	250	250	250	3,000	9
Dues/Subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Postage	275	275	275	275	275	275	275	275	275	275	275	275	3,300	10
IT Expense	444	444	444	444	444	444	444	444	444	444	444	444	5,331	16
Office Forms	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal Fees	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	36
Appraisal Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone - Office	270	270	270	270	270	270	270	270	270	270	270	270	3,243	10
Cable and Wireless - Service	600	600	600	600	600	600	600	600	600	600	600	600	7,200	22
Telephone - Dedicated Lines	30	30	30	30	30	30	30	30	30	30	30	30	360	1
Data Processing Expense	-	-	6,704	-	-	-	-	-	-	-	-	-	6,704	20
Bank Charges	480	480	480	480	480	480	480	480	480	480	480	480	5,760	17
Credit Card Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Uniforms	-	-	-	-	600	-	-	-	-	600	-	-	1,200	4
Security Guard Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses/Fees	927	927	927	927	927	927	927	927	927	927	927	927	11,123	33
Interest Expense on Security Deposits	35	35	45	50	55	60	95	80	80	45	40	40	660	2
Misc. Administrative	200	9,692	200	200	200	200	200	200	200	200	200	200	11,892	36
Total Administrative Expense	4,949	14,566	14,388	5,169	5,689	6,719	5,229	6,024	6,414	5,864	5,034	6,595	66,648	200
Management Fees														
Management Fee	17,281	17,240	17,183	17,143	17,085	17,098	16,841	17,007	16,786	16,942	16,978	17,039	204,624	614
Lease-Up Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Management Fees	17,281	17,240	17,183	17,143	17,085	17,098	16,841	17,007	16,786	16,942	16,978	17,039	204,624	614

PRISM CAPITAL PARTNERS, LLC

Edison Lofts
177 Main Street
West Orange, NJ
BUDGET - Stabilized 2016

	Stabilized 2016													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Total per Unit
Maintenance Expense														
Carpet Repair	200	200	200	200	200	200	200	200	200	200	200	200	2,400	7
Carpet Cleaning	210	210	270	300	330	360	570	480	480	270	240	240	3,960	12
Apartment Cleaning - Contract	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cleaning Supplies	300	300	300	300	300	300	300	300	300	300	300	300	3,600	11
Interior Painting	2,217	2,217	2,517	2,667	2,817	2,967	4,017	3,567	3,567	2,517	2,367	2,367	33,800	102
Exterminating	500	500	500	500	500	500	500	500	500	500	500	500	6,000	18
Trash Removal	3,625	3,614	3,603	3,592	3,581	3,581	3,526	3,559	3,515	3,548	3,559	3,570	42,874	129
Landscaping Contract	-	-	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	-	-	25,200	76
Grounds Supplies	-	-	-	3,100	-	200	3,400	-	600	2,500	-	-	9,800	29
Snow Removal	5,000	5,000	4,000	-	-	-	-	-	-	-	3,000	5,000	22,000	66
Electrical/Lighting	546	546	546	546	546	546	546	546	546	546	546	546	6,556	20
Carpentry	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heating/Air Conditioning	1,667	3,667	1,667	1,667	5,333	3,333	3,333	5,333	1,667	1,667	3,667	4,667	37,664	113
Appliance Repair	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Locks/Keys	75	75	75	75	75	75	75	75	75	75	75	75	900	3
General Building	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	25,200	76
Exterior Window Cleaning	-	-	-	-	-	-	10,000	-	-	-	-	-	10,000	30
Garage Door Repair	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tile/Vinyl Repair	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire Prevention/Security	560	560	1,060	560	560	1,060	560	560	1,060	560	560	1,060	8,720	26
Elevator Contract	-	-	8,100	-	-	8,100	-	-	8,100	-	-	8,100	32,400	97
Pool Contract	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	63,000	189
Plumbing	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	12,600	38
General Maintenance	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	32,400	97
Window Coverings	100	100	100	100	100	100	100	100	100	100	100	100	1,200	4
Common Area Cleaning	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc. Maintenance	200	200	200	200	200	200	200	200	200	200	200	200	2,400	7
Total Maintenance Expense	26,300	28,289	37,388	28,057	28,792	35,772	41,577	29,670	35,159	27,232	26,413	38,025	382,674	1,149
Total Controllable Expense	112,442	124,580	137,530	119,753	117,944	132,884	133,757	128,046	127,525	119,967	113,763	134,004	1,502,195	4,511
Utility Expense														
Electric - House	15,125	15,125	15,125	15,125	15,125	15,125	15,125	15,125	15,125	15,125	15,125	15,125	181,500	545
Electric - Models	64	64	64	64	64	64	64	64	64	64	64	64	766	2
Electric - Vacants	191	223	255	287	319	319	478	383	510	415	383	351	4,115	12
Gas - House	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	40,800	123
Gas - Models	105	105	105	105	105	105	105	105	105	105	105	105	1,260	4
Gas - Vacants	315	368	420	473	525	525	788	630	840	683	630	578	6,773	20
Water/Sewer	6,867	6,846	6,825	6,804	6,783	6,783	6,678	6,741	6,657	6,720	6,741	6,762	81,207	244
Water/Sewer Reimbursement	(5,494)	(5,477)	(5,460)	(5,443)	(5,426)	(5,426)	(5,342)	(5,393)	(5,326)	(5,376)	(5,393)	(5,410)	(64,966)	(195)
Total Utility Expense	20,574	20,654	20,734	20,814	20,894	20,894	21,295	21,055	21,376	21,135	21,055	20,975	251,454	755
Taxes and Insurance														
Property Taxes	85,260	85,260	85,260	85,260	85,260	85,260	85,260	85,260	85,260	85,260	85,260	85,260	1,023,119	3,072
Special Assessment	14,458	14,458	14,458	14,458	14,458	14,458	14,458	14,458	14,458	14,458	14,458	14,458	173,490	521
Property Insurance	6,244	6,244	6,244	6,244	6,244	6,244	6,244	6,244	6,244	6,244	6,244	6,244	74,925	225
Total Taxes and Insurance	105,961	105,961	105,961	105,961	105,961	105,961	105,961	105,961	105,961	105,961	105,961	105,961	1,271,534	3,818
Total Non-Controllable Expense	126,535	126,615	126,695	126,775	126,856	126,856	127,257	127,016	127,337	127,096	127,016	126,936	1,522,988	4,574
Total Operating Expense	$ 238,977	$ 251,195	$ 264,225	$ 246,529	$ 244,799	$ 259,739	$ 261,014	$ 255,062	$ 254,862	$ 247,064	$ 240,779	$ 260,939	$ 3,025,184	$ 9,085
NOI Before Replacement Reserve	$ 625,060	$ 610,794	$ 594,920	$ 610,633	$ 609,454	$ 595,168	$ 581,031	$ 595,278	$ 584,454	$ 600,048	$ 608,137	$ 591,025	$ 7,206,002	$ 21,640
Replacement Reserve @ 80% Occupancy)	8,526	8,526	8,526	8,526	8,526	8,526	8,526	8,526	8,526	8,526	8,526	8,526	102,312	307
NOI Before Debt	$ 616,534	$ 602,268	$ 586,394	$ 602,107	$ 600,928	$ 586,642	$ 572,505	$ 586,752	$ 575,928	$ 591,522	$ 599,611	$ 582,499	$ 7,103,691	$ 21,332
Ground Lease Payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Available for Debt Service	$ 616,534	$ 602,268	$ 586,394	$ 602,107	$ 600,928	$ 586,642	$ 572,505	$ 586,752	$ 575,928	$ 591,522	$ 599,611	$ 582,499	$ 7,103,691	$ 21,332
Debt Service - First Mortgage	356,171	356,171	356,171	356,171	356,171	356,171	356,171	356,171	356,171	356,171	356,171	356,171	4,274,049	12,835
Cash Flow After Debt Service	$ 260,363	$ 246,097	$ 230,223	$ 245,936	$ 244,757	$ 230,472	$ 216,334	$ 230,582	$ 219,758	$ 235,352	$ 243,440	$ 226,328	$ 2,829,642	$ 8,497

West Orange Redevelopment
Detailed Cost Summary
As of September 30, 2011

Code	Description	Total 177 URE
1	Purchase Price - Edison & Edison Related Parcels	14,480,329
1	Purchase Price - Other Redevelopment Zone	450,000
10	Legal Fees - Acquisition	151,920
30	Easements	16
45	Fees - Title Recording & Escrow	1,332
46	Title Insurance	46,420
48	Other Closing Costs	350,561
1910	Architectural Design Development	442,772
1950	Structural Engineer - Due Dilligence	21,822
1960	MEP Engineering - Due Dilligence	15,400
1970	ALTA Survey	31,851
1980	Site Plan Engineering - DD	40,800
2010	Environmental Consultant - DD	191,285
2204	Legal - Environmental	97,803
49	**TOTAL LAND BASIS**	**16,322,310**
	SITE PLAN APPROVAL COSTS (Phase I)	
50	Legal - Approvals	48,540
51	Legal - Redevelopment Agreement	125,173
52	Legal - Financial Agreement	267,778
54	Legal - Township RDA Costs	608,970
70	Application Fees (Municipal)	693
71	Affordable Housing Fees	75
72	Parcel Review Fee	2,194
75	Planning Board Fees	39
80	Application Fees (County)	3,418
90	Application Fees (State)	47
92	DOT Application & Review Fee - Project	48
99	Total Site Plan Approval	52
1904	Preliminary Arch Design	4,225
1906	Arch - Master Plan	33,657
1908	Other Arch. - Site Plan	72,165
1916	Architectural Renderings/Models	11,447
1951	Structural Eng - Site Plan	30,505
1971	Topographical Survey	13,981
2001	Geotechnical Eng - Investigation	2,598
2002	Geology/Soils Engineering	44,679
2017	Traffic Consultant	17,112
2033	Professional Planner	13,184
99	**TOTAL SITE PLAN APPROVALS**	**1,300,580**
	DEMOLITION & SITE COSTS	
	Temporary Construction	-
200	Environmental Allowance	5,090
201	Environmental Remediation	13,847
202	Asbestos Removal	421,707
205	Contaminated Soil Removal	652,215
207	Ground Water Clean Up	261,799
210	Demolition Allowance	221
211	Demolition, Wrecking	446,403
212	Demolition Interiors	11,874
213	Plumbing Demo	4,409
214	HVAC Demo	112
215	Electrical Demo	16,511
216	Fire Protection Demo	3,409
219	Demolition	115
223	Soil Erosion	3,000
225	Mass Earthwork	27,901
243	Water Meter Pit	128
250	Streets And Accessories	131
280	Other Offsite Improvements	147
150	Site Surveying (Layout)	315
299	**TOTAL DEMOLITION AND SITE COSTS**	**1,869,333**
	CONSTRUCTION HARD COSTS	
101	Supervision	365,001
103	Administrative	97,068
112	Blueprints	12,798
115	Accounting	60
118	Safety	4,740
120	Field Office	40,198
122	Office Supplies	235
124	Office Computers	13,478
131	Temporary Phone/Beeper	11,777
132	Temporary Portable Toilets	6,070
133	Temporary Water	14,139
134	Temporary Heat & Winter Cond.	831
136	Temporary Electric Equipment & Wiring	89,117
137	Temporary Electric Power Consumption	154,366
139	Temporary Fences and Gates	75,641
143	Temporary Material Lifts	10
144	Temporary Man Lifts	604
145	Field Equipment	2,361
146	Other Temporary	19,188
160	Site Security	14,004
162	Street Sweeping	642
170	Clean Up (Labor) During Construction	140,937
174	Dumpsters	4,262
175	Exterminating & Pest Control	107
185	Project Signs	1,321
186	Travel & Entertainment	5,622

Code	Description	Total 177 URE
300	Concrete Allowence	315
301	Exterior Concrete And Construction	7,000
341	Structural Precast Concrete	2,804,406
350	Sandwich Panels Load Bearing	184
370	Concrete Façade Restoration	583
390	Parking Deck	19,405
400	Masonry Allowance	210
410	Masonry (Brick)	215
420	Masonry Block	441
450	Stone Allowance	236
500	Steel Allowance	120
510	Metal Decking	268
540	Structural Steel Stud Framing	284
600	Carpentry & Millwork Allowance	315
700	Waterproofong & Insulation Allowance	735
750	Roofing Allowance	1,182
800	Door, Frame & Hdw Allowance	420
840	Aluminum Store Front	882
880	Curtain Wall	462
900	Interior Finish Allowance	473
1000	Specialty Allowance	525
1020	Louver & Vents	536
1250	Blinds	38,950
1400	Elevators Allowance	735
1499	Elevators	14,386
1500	Fire Protection Allowance	3,152
1549	Plumbing	16,227
1600	Electrical Allowance	840
1650	Voice & Data Wiring	867
1799	**TOTAL HARD CONSTRUCTION COSTS**	**3,976,362**

	CONSTRUCTION SOFT COSTS	
1900	Arch / Structural / MEP Allowance	125,994
1912	Arch - Leeds	50,402
1918	Arch - Schematic	280,600
1922	Arch - CD	826,558
1944	Arch - General	10,278
1946	Arch - Reimbursables	44,115
1954	Structural Engineering	13,769
1961	MEP Engineering CD's	69,500
1962	MEP Engineering-Reimbursables	478
1966	Low Voltage Design	46,667
1972	Surveying - Construction	1,575
1981	Site Plan Engineering - CD's	215,766
1982	Site Plan Engineering Reimbursables	11,068
1983	Infrastructure Engineering	38,757
1984	Infrastructure Reimbursables	108
1990	Landscape Architect-Design	3,090
2003	Geotechnical Eng-Testing Construction Phase	39,278
2011	Environmental Testing - Phase 1	80,867
2012	Environmental Consultant - Phase 1	384,707
2014	Environmental Consultant - Phase 2	56,672
2015	Asbestos Consultant	33,717
2018	Parking Consultant	10,440
2020	Testing & Inspection	54,791
2028	Parking Deck Consultant	136,690
2029	Security Consultant	12,283
2030	Acoustical Consultant	10,266
2031	Historical Consultant	74,484
2042	Estimating / Qty Surveyer Consultant	70,023
2202	Legal (Other)	1,184
2205	Condemnation Legal Contingency	43,957
2208	COAH	106,431
2211	Building Permits	32,521
2212	Sewer Permits	2,802
2213	Water Permits	5,000
2215	Soil Conservation Review Fees	2,750
2225	Agency Inspection Fees	6,782
2226	Other Permits & Fees	4,521
2250	LOC/Surety Bond Fees (See Financing)	1,182
2300	Tenant Buy-Outs and Relocations	1,268,039
2320	Office Expense / G&A	47,235
2999	**TOTAL CONSTRUCTION SOFT COSTS**	**4,225,546**

	MARKETING	
3000	Ground Breaking	56,473
3030	Marketing Costs/Materials	13,132
3100	Market Studies	9,192
3110	Marketing Stacking Plans	1,634
3120	Marketing Promotional Cost	3,677
3150	Marketing Public Relations	1,655
3160	Marketing Charitable Contributions	8,536
3170	Other Marketing	44,981
3499	**TOTAL MARKETING**	**139,279**

Code	Description	Total 177 URE
	PROJECT CARRYING COSTS	
3500	Insurance - Owner's Liability	470,270
3540	Tax Return Preparation	2,101
3550	PILOT Service Charge / Re. Tax Carry	1,271,915
3560	Association Fees	25,903
3590	Accounting and Auditing	106,494
3600	Capital / Repair Fund	3,762
3610	Other Operating Exp.	32,808
3620	Project Overhead & Developer Fee	1,204,550
3630	Administrative Expenses	2,765
3640	Partnership Costs	400
3999	**TOTAL PROJECT CARRYING COSTS**	**3,120,988**
	LEASING COSTS	
4050	Lease Commissions - Landlord	2,127
4499	**TOTAL LEASING COSTS**	**2,127**
	Total Project BEFORE Financing Charges	30,956,526
	PROJECT FINANCING COSTS	
2250	Bonds - LOC / Surity Bond Fee	1,182
4500	Lenders Legal	46,132
4510	Borrowers Legal Costs	4,161
4525	Loan Fees	177,595
4550	Acquisition Bridge Loan Interest	1,204,504
4570	Lenders Inspections	7,697
4580	Appraisals/Market Study	19,319
4590	Option Costs	105,000
4610	Appraisal Fees for Financing	8,178
4999	**TOTAL PROJECT FINANCING COSTS**	**1,573,768**
9999	**Total Project Costs after Financing Charges**	**32,530,295**

EXHIBIT 6

Initial Rental Schedules

PRISM

Edison Lofts
177 Main Street
West Orange, NJ
RENT SCHEDULE

	Unit Mix				2012 Market Rents				2013 Market Rents (Annual Rent Growth: 0.00%)				2014 Market Rents (Annual Rent Growth: 2.00%)				2015 Market Rents (Annual Rent Growth: 2.50%)				2016 Market Rents (Annual Rent Growth: 3.00%)			
Unit Type	#	% of Total Units	Per Unit	Total	Monthly per Unit	Monthly Total	Annual Total	Monthly per SF	Monthly per Unit	Monthly Total	Annual Total	Monthly per SF	Monthly per Unit	Monthly Total	Annual Total	Monthly per SF	Monthly per Unit	Monthly Total	Annual Total	Monthly per SF	Monthly per Unit	Monthly Total	Annual Total	Monthly per SF
Market Rate Units																								
Studio	31	9%	613	19,013	$ 1,761	$ 54,591	$ 655,092	$ 2.87	$ 1,761	$ 54,591	$ 655,092	$ 2.87	$ 1,796	$ 55,683	$ 668,194	$ 2.93	$ 1,841	$ 57,075	$ 684,899	$ 3.00	$ 1,896	$ 58,787	$ 705,446	$ 3.09
Studio + Den	4	1%	820	3,280	$ 2,000	$ 8,000	$ 96,000	$ 2.44	$ 2,000	$ 8,000	$ 96,000	$ 2.44	$ 2,000	$ 8,000	$ 96,000	$ 2.44	$ 2,000	$ 8,000	$ 96,000	$ 2.44	$ 2,000	$ 8,000	$ 96,000	$ 2.44
1BR | 1BA	122	37%	822	100,305	$ 2,000	243,967	$ 2,927,604	$ 2.43	$ 2,000	$ 243,967	$ 2,927,604	$ 2.43	$ 2,040	$ 248,846	$ 2,986,156	$ 2.48	$ 2,091	$ 255,067	$ 3,060,810	$ 2.54	$ 2,153	$ 262,720	$ 3,152,634	$ 2.62
1BR | 1BA + Den	61	18%	1,096	66,836	$ 2,909	$ 140,844	$ 1,690,128	$ 2.11	$ 2,909	$ 140,844	$ 1,690,128	$ 2.11	$ 2,965	$ 143,611	$ 1,723,931	$ 2.15	$ 2,414	$ 147,252	$ 1,767,023	$ 2.20	$ 2,486	$ 151,670	$ 1,820,040	$ 2.27
1BR | 1BA + Loft	2	1%	970	1,940	$ 2,174	$ 4,348	$ 52,176	$ 2.24	$ 2,174	$ 4,348	$ 52,176	$ 2.24	$ 2,174	$ 4,348	$ 52,176	$ 2.24	$ 2,174	$ 4,348	$ 52,176	$ 2.24	$ 2,174	$ 4,348	$ 52,176	$ 2.24
2BR | 2BA	92	28%	1,252	115,178	$ 2,499	$ 229,951	$ 2,759,412	$ 2.00	$ 2,499	$ 229,951	$ 2,759,412	$ 2.00	$ 2,549	$ 234,550	$ 2,814,600	$ 2.04	$ 2,613	$ 240,414	$ 2,884,965	$ 2.09	$ 2,692	$ 247,626	$ 2,971,514	$ 2.15
2BR | 2BA + Loft	15	5%	1,381	20,720	$ 2,649	$ 39,738	$ 476,856	$ 1.92	$ 2,649	$ 39,738	$ 476,856	$ 1.92	$ 2,649	$ 39,738	$ 476,856	$ 1.92	$ 2,649	$ 39,738	$ 476,856	$ 1.92	$ 2,649	$ 39,738	$ 476,856	$ 1.92
3BR | 2BA	6	2%	1,480	8,880	$ 3,256	$ 19,536	$ 234,432	$ 2.20	$ 3,256	$ 19,536	$ 234,432	$ 2.20	$ 3,256	$ 19,536	$ 234,432	$ 2.20	$ 3,256	$ 19,536	$ 234,432	$ 2.20	$ 3,256	$ 19,536	$ 234,432	$ 2.20
Total Market Rate Units	333	100%	1,009	336,152	$ 2,225	$ 740,975	$ 8,891,700	$ 2.20	$ 2,225	$ 740,975	$ 8,891,700	$ 2.20	$ 2,268	$ 754,362	$ 9,052,345	$ 2.24	$ 2,317	$ 771,431	$ 9,257,167	$ 2.29	$ 2,380	$ 792,425	$ 9,509,099	$ 2.36

PRISM
CAPITAL PARTNERS, LLC
Edison Lofts
177 Main Street
West Orange, NJ
DETAILED UNIT MIX

Values				
Row Labels	**Sum of SF**	**# of Units**	**Avg. Monthly**	**Avg. Monthly Rent PSF**
Studio	19,013	31	$1,761	$2.87
US-01	2,360	4	$1,734	$2.94
US-02	7,128	12	$1,739	$2.93
US-03	5,445	9	$1,751	$2.89
US-04	4,080	6	$1,838	$2.70
Studio + Den	3,280	4	$2,000	$2.44
US-05	3,280	4	$2,000	$2.44
1BR | 1BA	100,305	122	$1,997	$2.43
UA-01	21,060	26	$1,988	$2.45
UA-02	35,860	44	$1,993	$2.45
UA-03	23,925	29	$2,006	$2.43
UA-04	840	1	$2,023	$2.41
UA-05	5,220	6	$2,006	$2.31
UA-16	1,610	2	$1,925	$2.39
UA-17	1,670	2	$1,958	$2.34
UA-18	6,472	8	$1,980	$2.45
UA-19	1,782	2	$2,082	$2.34
UA-20	1,866	2	$2,126	$2.28
1BR | 1BA + Loft	1,940	2	$2,174	$2.24
UA-15	1,940	2	$2,174	$2.24
1BR | 1BA + Den	66,836	81	$2,310	$2.11
UA-06	960	1	$2,208	$2.19
UA-07	18,000	18	$2,208	$2.18
UA-08	3,060	3	$2,231	$2.16
UA-09	6,150	6	$2,237	$2.14
UA-10	5,225	5	$2,260	$2.11
UA-11	3,195	3	$2,283	$1.95
UA-12	12,100	11	$2,324	$1.93
UA-13	2,660	2	$2,590	$1.93
UA-14	8,160	6	$2,625	$1.92
UA-21	2,408	2	$2,318	$1.96
UA-22	2,482	2	$2,382	$1.92
UA-23	2,436	2	$2,390	$1.96
2BR | 2BA	115,178	92	$2,499	$2.00
UB-01	44,770	37	$2,451	$2.03
UB-02	27,060	22	$2,474	$2.01
UB-03	3,960	3	$2,578	$1.95
UB-04	5,320	4	$2,590	$1.95
UB-05	8,220	6	$2,636	$1.92
UB-06	5,560	4	$2,659	$1.91
UB-07	3,080	2	$2,833	$1.84
UB-08	3,100	2	$2,844	$1.83
UB-11	2,012	2	$2,215	$2.20
UB-12	2,206	2	$2,327	$2.11
UB-13	2,370	2	$2,422	$2.04
UB-14	2,408	2	$2,444	$2.03
UB-15	2,492	2	$2,493	$2.00
UB-16	2,620	2	$2,567	$1.96
2BR | 2BA + Loft	20,720	15	$2,649	$1.92
UB-09	18,900	14	$2,613	$1.94
UB-10	1,820	1	$3,156	$1.73
3BR | 2BA	8,880	6	$3,256	$2.20
UC-1	8,880	6	$3,256	$2.20
Grand Total	**336,162**	**353**	**$2,224**	**$2.20**

EXHIBIT 7

Architect's Certification of Estimated Construction Costs

TOTAL PROJECT COST - N.J.S.A. 40A:20-3h

A.	Land	$
B.	Architects, engineers and attorneys fees paid or payable in connection with the planning, construction and financing of the project	$
C.	Surveying and testing	$
D.	Construction cost (to be certified by the architect)	$
E.	Insurance, interest and finance costs during construction	$
F.	Cost of obtaining initial permanent financing	$
G.	Commissions and other expenses payable in connection with initial leasing/sale	$
H.	Real estate taxes and assessments during the construction period	$
I.	Developer's overhead based on a percentage of (d) above, to be computed in accordance with percentage given in law (N.J.S.A. 40A:20-3h) (for projects over $10,000,000 - 5%)	$
	Total	$

The undersigned hereby certifies that the foregoing is the projected total project cost in regard to the Project referenced in this Financial Agreement.

By:_____