

**RESOLUTION 2002-134
OF THE MAYOR AND COUNCIL
OF THE BOROUGH OF PRINCETON**

**APPROVING THE DEVELOPER'S AGREEMENT FOR QUARRY STREET
DEVELOPMENT**

WHEREAS, the J. Robert Hillier (hereinafter "Developer") has received a use variance from the Princeton Borough Zoning Board of Adjustment for the construction of a 34 unit residential development, for its premises, fronting on both Quarry Street and MacLean Street now designated as Block 17.03, Lot 93 on the Princeton Borough Tax Map, by resolution dated February 28, 2002; and

WHEREAS, said approval required the Developer prior to or at the time of a required subsequent application to that Board for residential site plan approval to enter into a Developer's Agreement with the Borough to assure compliance with Section 17A-202.1 of the Princeton Borough Land Use Code, dealing with affordable housing requirements; and

WHEREAS, the Developer's proposed compliance with affordable housing requirements are described in the attached Developers Agreement;

NOW THEREFORE BE IT RESOLVED by the Mayor and Council of the Borough of Princeton that the attached Developer's Agreement with J. Robert Hillier is approved and the Mayor and Clerk are authorized to execute same.

| Councilperson | Absent | Present | 1 st | 2 nd | Yea | Nay | Abstain | Disqualified |
|----------------|--------|---------|-----------------|-----------------|-----|-----|---------|--------------|
| Ms. Trotman | | X | X | | X | | | |
| Mrs. Benchley | | X | | | X | | | |
| Mr. Goldfarb | | X | | X | X | | | |
| Mrs. Karcher | | X | | | X | | | |
| Mr. Martindell | | X | | | X | | | |
| Mr. O'Neill | | X | | | X | | | |
| Mayor Reed | | X | | | | | | |

I, CAROLYN L. KAFKA, Clerk of the Borough of Princeton, do hereby certify that the above is a true and complete copy of a resolution adopted by the Mayor and Council of said Borough at a meeting held April 23, 2002.

IN WITNESS WHEREOF, I hereunto set my hand and affix the corporate seal of said Borough, this 24th day of April, 2002.

CAROLYN L. KAFKA, R.M.C.
Borough Clerk

2002-R137

**BOROUGH OF PRINCETON
MERCER COUNTY, NEW JERSEY**

DEVELOPER'S AGREEMENT

This Agreement, dated this 23rd day of APRIL, 2002, between the BOROUGH OF PRINCETON, a municipal corporation of the State of New Jersey, with offices at One Monument Drive, Princeton, Mercer County, New Jersey 08542 (hereinafter referred to as the "Borough"), and J. ROBERT HILLIER, with an address at 500 Alexander Park, P.O. Box 23, Princeton, Mercer County, New Jersey 085643 (hereinafter referred to as the "Developer").

WITNESSETH

WHEREAS, the Developer received use variances from the Princeton Borough Zoning Board of Adjustment from building height and density requirements in the R-4 Zoning District, together with bulk variances from side yard requirements, for its premises fronting on both Quarry Street and McLean Street, located between John Street and Witherspoon Street, now designated as Block 17.03, Lot 93 of the Princeton Borough Tax Map; and

WHEREAS, the approval was memorialized by a Resolution of the Zoning Board of Adjustment on February 28, 2002; and

WHEREAS, as a condition of such approval, the Zoning Board of Adjustment mandated that prior to or at the time of a required subsequent application to that Board for residential site plan approval, that the developer would have entered into a Developer's Agreement with the Borough to assure compliance with Section 17A-202.1 of the Princeton Borough Land Use Code, dealing with affordable housing requirements.

NOW, THEREFORE, in consideration of the approval and of the mutual understanding set forth below, the parties agree to the following terms and conditions.

1. Affordable Housing Contribution

A. Pursuant to Section 17A-202.1 of the Princeton Borough Land Use Code, the approval requires the developer to satisfy an affordable housing obligation by constructing the required number of affordable housing units on site or by making an “in lieu” payment as determined by the Borough that is sufficient to create the equivalent number of new units of low and moderate income housing.

B. The developer will designate 3 of the 34 proposed condominium units for affordable housing, which will be composed of the following units:

1. The developer will designate three of the 34 proposed condominium units for affordable housing for “low income” and “moderate income” applicants as defined in guidelines established by the Princeton Borough Affordable Program and the income requirements of the Council on Affordable Housing (“COAH”). The developer will sell such units to applicants who have resided in the John Witherspoon neighborhood for at least 10 years, or to direct descendants of such neighborhood residents, who meet the eligibility requirements and maximum income criteria for such units established by the Princeton Borough Affordable Housing Program. In all other respects, the sale and resale of such units shall comply with the requirements of the Princeton Borough Affordable Housing Program. The price at which such units may be sold or resold shall be restricted pursuant to such requirements, and Princeton Borough shall be granted the right of first refusal to purchase such units upon resale.
2. For each of the three units, the developer will provide a direct subsidy equal to the difference between the market price and the price at which such units may be sold to a moderate income applicant pursuant to the Princeton Borough Affordable Housing Program. The developer will sell two of such units to moderate income applicants and one of such units to a low income applicant. For the unit to be sold to a low income applicant, Princeton Borough will provide a direct subsidy equal to the difference between the price at which such unit may be sold to a moderate income applicant and the price at which such unit may be sold to a low income applicant pursuant to the Princeton Borough Affordable Housing Program.

C. The Borough finds that the foregoing arrangement meets the requirements of Section 17A-202.1 of the Borough Land Use Code and the conditions of the Approval relating to affordable

housing.

2. Miscellaneous Provisions

A. In addition to the above 3 affordable housing units, the developer will sell 5 additional units for individuals or families who may not meet the income requirements of COAH, through the use of the "Waxwood Foundation," a non-profit foundation established by the developer to assist residents of the John Witherspoon Neighborhood. That assistance will be provided in the following manner:

- a. The Foundation contribution is contingent on the applicant falling between certain minimum eligibility requirements and maximum income criteria. Applicants must have been residents of the John Witherspoon neighborhood for at least 10 years, or be a direct descendant of such a neighborhood resident.
- b. When a Foundation unit is sold by the first purchaser, the Foundation will have first right of refusal to purchase that unit back at market value for the purposes of reselling the unit to another applicant who meets the Foundation moderate income eligibility requirements.
- c. Interest on the 20% advanced by the Foundation will accrue and compound at a rate of twice the Consumer Price Index, and will be due back to the Foundation from the 80% equity owner at the resale of the unit.
- d. Should the value of the unit at resale be insufficient for the Owner's equity to cover the interest, the shortfall will be forgiven by the developer.
- e. The appreciation in the value of the unit would be shared between the Foundation and the Owner based on the percentage each party owned: 20% and 80% respectively.
- f. The Owner would receive 80% of the resale value when the unit is sold, and the 20% of the value would return to the Foundation for future transactions.

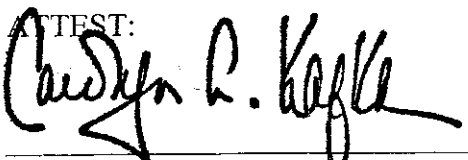
B. This Agreement is preliminary to the consideration of site plan approval by the Zoning Board of Adjustment and only deals with the issue of the affordable housing obligations of

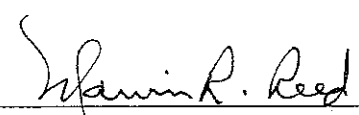
the developer. It is expected that a subsequent developer's agreement will be executed by the parties for any other conditions that relate to on-site or off-site improvements, which will be set forth in a separate Resolution of Memorialization by the Zoning Board of Adjustment upon granting site plan approval.


C. All terms, covenants and conditions contained herein shall be for and shall inure to the benefit of and shall be binding upon the respective parties hereto and their successors and assigns.

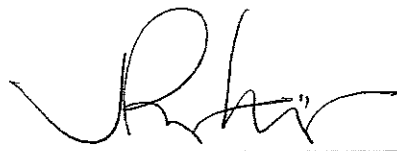
D. All notices hereunder shall be in writing and shall be given by personal delivery or by certified mail, return receipt requested, postage prepared, addressed to the parties at the addresses stated above.

IN WITNESS WHEREOF, the parties have caused this document to be signed as of the date appearing on page 1 of this Agreement

ATTEST:

Carolyn Kafka, Borough Clerk

BOROUGH OF PRINCETON
By: 
Marvin R. Reed, Mayor

WITNESS:



J. Robert Hiller

RESOLUTION #2003-R203

**OF THE MAYOR AND COUNCIL OF THE BOROUGH OF PRINCETON
AMENDING A DEVELOPERS AGREEMENT FOR THE "WAXWOOD"
RESIDENTIAL PROJECT**

WHEREAS, the Borough and Developer previously entered into a Developer's Agreement dated April 23, 2002 with respect to the affordable housing obligations associated with a certain residential development to be located on Block 17.03, Lot 93 of the Princeton Borough Tax Map, fronting on both Quarry Street and Maclean Street, known as the "The Waxwood"; and

WHEREAS, since entering into the Developer's Agreement, the project has received site plan approval by Resolution of the Princeton Borough Zoning Board of Adjustment, dated June 27, 2002; and

WHEREAS, in addition, the Developer has now determined that in order to qualify for tax credits the residential units must be rented rather than sold; and

WHEREAS, the Developer has requested that the Agreement be modified to reflect that the income guidelines and selection of applicants be made in accordance with the Princeton Borough Affordable Housing Board Rules and Regulations, as revised through October 26, 2000 and that the Borough will verify the income eligibility of applicants and will administer their selection; and

WHEREAS, the Developer has requested that a definition be added to the Agreement with respect to the boundaries of the John Witherspoon Street Neighborhood, and that the Agreement be clarified to reflect that eligibility for "Foundation units" will not be based on the applicant's income, but instead upon prior personal or family residence in the John Witherspoon Neighborhood; and

WHEREAS, the Borough seeks to amend the Agreement to reflect the Developer's obligation to post a performance guarantee, inspection fees and ultimately a maintenance guarantee; and

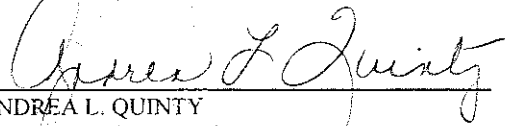
WHEREAS, the Borough also seeks to amend the Agreement to reflect the Developer's obligation to reimburse the Borough for the cost of installation of curbs and sidewalks along the frontage of the property;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Princeton that the Mayor and Clerk are authorized to execute the attached Amended Developer's Agreement for "The Waxwood" residential project, being located on Block 17.03, Lot 93 on the tax map of the Borough of Princeton.

| Councilperson | Absent | Present | 1 st | 2 nd | Yea | Nay | Abstain | Disqualified |
|----------------|--------|---------|-----------------|-----------------|-----|-----|---------|--------------|
| Ms. Trotman | | X | X | | X | | | |
| Mrs. Benchley | X | | | | | | | |
| Mr. Goldfarb | | X | | X | X | | | |
| Mrs. Karcher | | X | | | X | | | |
| Mr. Martindell | | X | | | X | | | |
| Mr. O'Neill | | X | | | X | | | |
| Mayor Reed | | X | | | | | | |

I, ANDREA L. QUINTY, Borough Clerk of the Borough of Princeton, do hereby certify that the above is a true and complete copy of a resolution adopted by the Mayor and Council of said Borough at a meeting held July 1 2003

IN WITNESS WHEREOF, I hereunto set my hand and affix the corporate seal of said Borough, this 2nd day of July 2003


ANDREA L. QUINTY
Borough Clerk

Rev. 7/08/03

**BOROUGH OF PRINCETON
MERCER COUNTY, NEW JERSEY**

AMENDED DEVELOPER'S AGREEMENT

This Agreement, dated this 1 day of July, 2003, between the BOROUGH OF PRINCETON, a municipal corporation of the State of New Jersey, with offices at One Monument Drive, Princeton, Mercer County, New Jersey 08542 (hereinafter referred to as the "Borough"), and J. ROBERT HILLIER, with an address at 500 Alexander Park, P.O. Box 23, Princeton, Mercer County, New Jersey 085643 (hereinafter referred to as the "Developer").

WITNESSETH

WHEREAS, the Borough and Developer previously entered into a Developer's Agreement dated April 23, 2002 with respect to the affordable housing obligations associated with a certain residential development to be located on Block 17.03, Lot 93 of the Princeton Borough Tax Map, fronting on both Quarry Street and Maclean Street; and

WHEREAS, since entering into the Developer's Agreement, the project has received site plan approval by Resolution of the Princeton Borough Zoning Board of Adjustment, dated June 27, 2002 ; and

WHEREAS, in addition, the Developer has now determined that in order to qualify for tax credits the residential units must be rented rather than sold.

NOW, THEREFORE, in consideration of the approvals of the mutual understandings set forth below, the parties agree to the following amendment to the Developer's Agreement:

1. The developer will designate three of the 34 proposed condominium units for affordable housing for "low income" and "moderate income" applicants as defined in guidelines

established by the Princeton Borough Affordable Program. The Borough will certify the income of eligible applicants and will administer the selection of applicants made by the Developer to insure consistency with the Princeton Borough Affordable Housing Board Rules and Regulations, as revised, through October 26, 2000 and to insure a blind selection. The duration of the affordable restrictions on said units shall be consistent with the said Housing Board Rules and Regulations. The developer will rent or sell such units to applicants who have resided in the John Witherspoon neighborhood for at least 10 years, or to direct descendants of such neighborhood residents, who meet the eligibility requirements and income criteria for such units established by the Princeton Borough Affordable Housing Board Rules and Regulations. In all other respects, the rental / sale and resale of such units shall comply with the requirements of the Princeton Borough Affordable Housing Board Rules and Regulations. The price at which such units may be rented, sold or resold shall be restricted pursuant to such requirements, and Princeton Borough shall be granted the right of first refusal to purchase such units upon resale. The rental period for the units shall be limited to a five year term commencing with the initial date of any leases. Following this five year period, the units must be sold in accordance with this Agreement.

2. For each of the three units, the Developer will provide a direct subsidy equal to the difference between the market sale price and/or rental price and the price at which such units may be sold and/or rented to a moderate income applicant pursuant to the Princeton Borough Affordable Housing Board Rules and Regulations, as revised through October 26, 2000. The developer will rent or sell two of such units to moderate income applicants and one of such units

to a low income applicant. For the unit to be rented and/or sold to a low income applicant, Princeton Borough will provide a direct subsidy equal to the difference between the price at which such unit may be rented and/or sold to a moderate income applicant and the price at which such unit may be rented and/or sold to a low income applicant pursuant to the Princeton Borough Affordable Housing Board Rules and Regulations, revised through October 26, 2000.

3. Waxwood Foundation Units

In addition to the above 3 affordable housing units, the developer will sell or rent 5 additional units for individuals or families who exceed the income requirements of COAH, through the use of the "Waxwood Foundation," a non-profit foundation established by the Developer to assist residents of the John Witherspoon Neighborhood. For the purposes of this agreement, the John Witherspoon Neighborhood shall be defined as that area bounded by Witherspoon Street, Paul Robeson Place, and Route 206, excepting out Stanworth Housing. That assistance will be provided in the following manner:

a. In order to be eligible for a Foundation contribution, the applicant must have been a resident of the John Witherspoon neighborhood for at least 10 years, or be a direct descendant of such a neighborhood resident.

b. When a Foundation unit is sold by the first purchaser, the Foundation will have first right of refusal to purchase that unit back at market value for the purposes of reselling the unit to another applicant who meets the Foundation moderate income eligibility requirements.

c. Interest on the 20% advanced by the Foundation will accrue and compound at a rate of twice the Consumer Price Index, and will be due back to the Foundation from the 80% equity

Owner at the resale of the unit.

d. Should the value of the unit at resale be insufficient for the Owner's equity to cover the interest, the shortfall will be forgiven by the Developer.

e. The appreciation in the value of the unit will be shared between the Foundation and the Owner based on the percentage each party owned: 20% and 80% respectively.

f. The Owner will receive 80% of the resale value when the unit is sold, and the 20% of the value will be returned to the Foundation for future transactions.

g. If the unit is rented by the Foundation rather than sold, the Foundation shall subsidize 10% of the market rent.

h. The rental period for the units shall be limited to a five year term commencing with the initial date of any leases. Following this five year period, the units must be sold in accordance with this Agreement.

4. Performance Guarantee and Inspection Fees

a. In order to insure the installation of site plan improvements, on- and/or off-tract, including, but not limited to, the payment for the costs of construction and inspection therefor as estimated by the Borough Engineer and more particularly as shown on the approved plans and as set forth in the memorandum attached hereto and made a part hereof (hereinafter, "the improvements"), the Developer has posted a performance guarantee with the Borough in the amount of \$ ^{562,343.00} ~~525,316.00~~ to be tendered to the Borough. In addition, the Developer shall post with the Borough inspection fees and escrow fees in order to permit plan review and site inspection.

b. The Developer shall construct and install the improvements no later than two (2) years from the date of complete execution of this Agreement.

c. If the improvements are not constructed and installed in any respect (for example, failure to construct, failure to correct an improvement constructed) in accordance with this Agreement or if any claim for damages is made and not settled within the time limit herein, the Borough shall have the right thereafter to undertake itself or through a third party such construction, installation and completion thereof or of any part hereof or to settle any claim for damages and to draw against the performance bond in the amount necessary and apply the proceeds thereof to the cost of the Borough's undertaking and completion is less than the amount of said performance bond, the difference shall not be drawn by the Borough, and the Borough, upon completion of the improvements and settlement of claims, shall authorize the cancellation of the performance bond or reduction therein, whichever is applicable. However, if the Borough's cost of undertaking to complete and correct the improvements required exceeds the amount of the performance bond, the Developer shall cure the deficiency within ten calendar days of written notice of such deficiency. In the event of a default by the Developer, the Borough shall have the right to draw against the performance bond to its fullest extent during the term of this Agreement or any extension thereof notwithstanding that the Borough may not have completed the construction or installation of the improvements or settlement of claims by the time set forth in Paragraph 4(b) herein.

If the improvements are not constructed and installed in all respects in accordance with this Agreement and all claims for damages settled, then, upon the certification of the Borough

Engineer to such facts the Borough, through its attorney, shall authorize whatever actions necessary to use the performance bond.

d. The Borough from time to time may also authorize partial or full cancellation of the performance bond as portions of the improvements are completed when (1) the Developer requests a reduction or release; (2) the Borough Engineer approves it; and (3) a resolution is adopted by the Borough Council authorizing said reduction and/or release. However, the Borough shall be entitled to draw and retain all amounts necessary to pay for the cost of inspections incurred by the Borough Engineering Department and consultants authorized by said Department. It is further provided that the performance bond shall not be canceled by authority of the Borough Council prior to its termination date unless and until the Developer shall have submitted to the Borough, upon completion of the improvements, a maintenance guarantee with respect thereto as required by Section 17A-136 of the Princeton Borough Land Use Code.

e. The Developer, by the execution of this Agreement, hereby authorizes the Borough to deposit any funds drawn under the performance bond in a trust account of the Borough in any bank or trust company authorized to do business in the State of New Jersey pending the completion of the improvements. The Borough may retain that portion of interest permitted by N.J.S.A. 40:55D-53.1 for administrative expenses and the remaining amount of interest shall belong to the applicant.

5. Reimbursement for Curbs and Sidewalks

Developer will reimburse the Borough for the cost of installation of curbs and sidewalks along the street frontage of the property on Quarry Street and Maclean Street, based

upon the unit price charged by the Borough's contractor, within 30 days of receipt of such billing by the Borough.

6. Binding Agreement

This Agreement shall bind and inure to the benefit of each party hereto and their respective heirs, executors, administrators, successors, and assigns. This Agreement shall become effective upon the execution of this Agreement by the Developer and the authorization by and the execution by the Mayor and Borough Clerk.

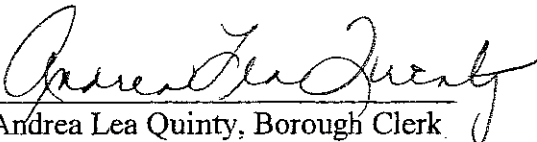
7. Notices.

All notices hereunder shall be in writing and shall be given by personal delivery or by certified mail, return receipt requested, postage prepared, addressed to the parties at the addresses stated above.


IN WITNESS WHEREOF, the parties have caused this document to be signed as of the date appearing on the first page of this Agreement

ATTEST:


BOROUGH OF PRINCETON

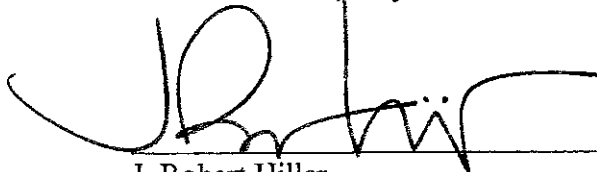

Andrea Lea Quinty, Borough Clerk

By:


Marvin R. Reed, Mayor

WITNESS:




J. Robert Hiller

**RESOLUTION 2009-R97
OF MAYOR AND COUNCIL
OF THE BOROUGH OF PRINCETON
APPROVING SECOND AMENDED DEVELOPER'S AGREEMENT
FOR THE WAXWOOD PROJECT**

WHEREAS, the Borough and J. Robert Hillier (" the Developer") entered into a certain Developer's Agreement, dated April 23, 2002, with respect to affordable housing obligations and certain "Foundation Units", all associated with a certain residential development called "The Waxwood" located on Block 17.03, Lot 93 of the Princeton Borough Tax Map, fronting on both Quarry Street and Maclean Street; and

WHEREAS, the Borough and the Developer entered into a certain Amended Developer's Agreement, dated July 1, 2003, whereby among other things the Developer was permitted to rent both the affordable housing units and the "Foundation Units" in The Waxwood for a five year term, commencing on the date of each lease, and following such five year tem the units were required to be sold; and

WHEREAS, the Developer has completed the construction of the Waxwood and has rented all of the units, including the affordable units and the Foundation Units, for approximately five years, with the five year periods for the affordable units and the Foundation Units referred to in the Amended Developer's Agreement to expire in the fall of 2009; and

WHEREAS, in September, 2008, the New Jersey Legislature declared that there exists a state of national recession, which has drastically affected various segments of the New Jersey economy, specifically including the State's banking, real estate and construction sectors; and

WHEREAS, the Developer has requested that, in light of the current distressed economy, the aforementioned five year period for rental of the affordable housing units and the Foundation Units be extended for an additional two years; and

WHEREAS, the Mayor and Council are amenable to an extension of the rental period for the affordable housing units and Foundation Units for an additional two years;

NOW THEREFORE BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE BOROUGH OF PRINCETON, that the Mayor and Clerk are authorized to execute the attached Second Amended Developer's Agreement with J. Robert Hillier for The Waxwood project to allow a two year extension of the period for rental of the affordable housing units and Foundation Units referred to in the Agreement.

| Councilperson | Absent | Present | 1 st | 2 nd | Yea | Nay | Abstain | Disqualified |
|----------------|--------|---------|-----------------|-----------------|-----|-----|---------|--------------|
| Mr. Koontz | | X | X | | X | | | |
| Mr. Goldfarb | | X | | | X | | | |
| Mrs. Karcher | X | | | | | | | |
| Mr. Martindell | | X | | X | X | | | |
| Mrs. Treistad | | X | | | X | | | |
| Mr. Wilkes | | X | | | X | | | |
| Mayor Trotman | | X | | | | | | |

I, ANDREA LEA QUINTY, Borough Clerk of the Borough of Princeton, do hereby certify that the above is a true and complete copy of a resolution adopted by the Mayor and Council of said Borough at a meeting held March 3, 2009

IN WITNESS WHEREOF, I hereunto set my hand and affix the corporate seal of said Borough, this 4th day of March 2009

ANDREA LEA QUINTY
Borough Clerk

**BOROUGH OF PRINCETON
MERCER COUNTY, NEW JERSEY**

SECOND AMENDED DEVELOPER'S AGREEMENT

THIS SECOND AMENDED DEVELOPER'S AGREEMENT, dated the 3rd day of March, 2009, by and between the **BOROUGH OF PRINCETON**, a municipal corporation of the State of New Jersey, with offices at One Monument Drive, Princeton, Mercer County, New Jersey 08542 (the "Borough"), and **J. ROBERT HILLIER**, with an address at 500 Alexander Park, P.O. Box 23, Princeton, Mercer County, New Jersey 08543 (the "Developer").

WITNESSETH:

WHEREAS, the Borough and the Developer entered into a certain Developer's Agreement, dated April 23, 2002, with respect to affordable housing obligations and certain "Foundation Units", all associated with a certain residential development called "The Waxwood" located on Block 17.03, Lot 93 of the Princeton Borough Tax Map, fronting on both Quarry Street and Maclean Street; and

WHEREAS, the Borough and the Developer entered into a certain Amended Developer's Agreement, dated July 1, 2003, whereby among other things the Developer was permitted to rent both the affordable housing units and the "Foundation Units" in The Waxwood for a five year term, commencing on the date of each lease, and following such five year tem the units were required to be sold; and

WHEREAS, the Developer has completed the construction of the Waxwood and has rented all of the units, including the affordable units and the Foundation Units, for approximately five years, with the five year periods for the affordable units and the Foundation Units referred to in the Amended Developer's Agreement to expire in the fall of 2009; and

WHEREAS, in September, 2008, the New Jersey Legislature declared that there exists a state of national recession, which has drastically affected various segments of the New Jersey economy, specifically including the State's banking, real estate and construction sectors; and

WHEREAS, the parties agree that, under these circumstances, it would not be advisable to require the sale of units within the Waxwood; and

WHEREAS, the parties have agreed to extend the five-year right to rent those units for an additional two years.

NOW, THEREFORE, in consideration of the previously-granted land use approvals and the mutual understandings set forth below the Borough and the Developer agree to the following further amendment of the Developer's Agreement and Amended Developer's Agreement:

1. The last two sentences of Paragraph 1 of the Amended Developer's Agreement shall be deleted and replaced with the following:

" The rental period for the units shall be limited to a seven year term, ending October 31, 2011. Following this seven year period, the units must be sold in accordance with this Agreement".

2. Subparagraph 3. h. of the Amended Developer's Agreement shall be deleted and replaced with the following:

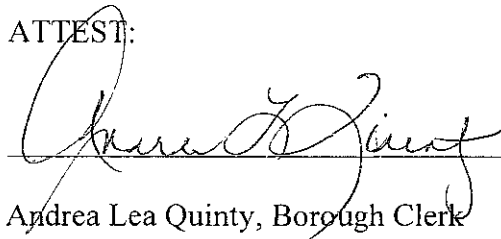
"h. The rental period for the units shall be limited to a seven year term, ending October 31, 2011. Following this seven year period, the units must be sold in accordance with this Agreement".

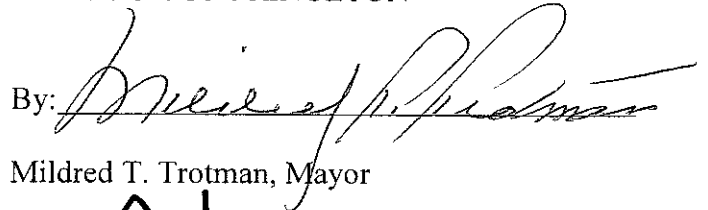
3. In all other respects, the Developer's Agreement and the Amended Developer's Agreement are ratified and confirmed.

IN WITNESS WHEREOF, the Borough and the Developer have signed or caused this document to be signed as of the date appearing on the first page of this Agreement.

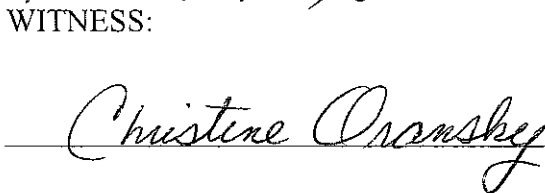
ATTEST:

BOROUGH OF PRINCETON


Andrea Lea Quinty, Borough Clerk

By: 
Mildred T. Trotman, Mayor

WITNESS:


Christine Oranskey


J. Robert Hillier

**RESOLUTION 2010-R201
OF MAYOR AND COUNCIL
OF THE BOROUGH OF PRINCETON
APPROVING REQUEST FOR AMENDMENT DEVELOPER'S AGREEMENT
FOR THE WAXWOOD PROJECT**

WHEREAS, the Borough and J. Robert Hillier ("the Developer") entered into a certain Developer's Agreement, dated April 23, 2002, with respect to affordable housing obligations and certain "Foundation Units", all associated with a certain residential development called "The Waxwood" located on Block 17.03, Lot 93 of the Princeton Borough Tax Map, fronting on both Quarry Street and Maclean Street; and

WHEREAS, the Borough and the Developer entered into a certain Amended Developer's Agreement, dated July 1, 2003, whereby among other things the Developer was permitted to rent both the affordable housing units and the "Foundation Units" in The Waxwood for a five year term, commencing on the date of each lease, and following such five year term the units were required to be sold; and

WHEREAS, the Developer has completed the construction of the Waxwood and has rented all of the units, including the affordable units and the Foundation Units, with the five year periods for the affordable units and the Foundation Units referred to in the Amended Developer's Agreement expiring in the fall of 2009; and

WHEREAS, in September, 2008, the New Jersey Legislature declared that there exists a state of national recession, which has drastically affected various segments of the New Jersey economy, specifically including the State's banking, real estate and construction sectors; and

WHEREAS, in March of 2009 the Developer requested that, in light of the current distressed economy, the aforementioned five year period for rental of the affordable housing units and the Foundation Units be extended for an additional two years to October 2011, which was approved by Borough Council; and

WHEREAS, on June 22, 2010 the Developer appeared before Borough Council requesting that the sale requirement be postponed an additional 5 years since there has been little improvement in the economy. The Mayor and Council are amenable to an extension of the rental period for the affordable housing units and Foundation Units for an additional five years to October 2016;

NOW THEREFORE BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE BOROUGH OF PRINCETON, that the Mayor and Council do hereby approve an extension of the rental period.

| Councilperson | Absent | Present | 1 st | 2 nd | Yea | Nay | Abstain | Disqualified |
|----------------|--------|---------|-----------------|-----------------|-----|-----|---------|--------------|
| Ms. Crumiller | | X | | | | X | | |
| Mr. Goldfarb | | X | | | X | | | |
| Mr. Koontz | | X | X | | X | | | |
| Mr. Martindell | | X | | | X | | | |
| Mrs. Trelstad | | X | | X | X | | | |
| Mr. Wilkes | | X | | | X | | | |
| Mayor Trotman | | X | | | | | | |

I, ANDREA LEA QUINTY, Borough Clerk of the Borough of Princeton, do hereby certify that the above is a true and complete copy of a resolution adopted by the Mayor and Council of said Borough at a meeting held June 22, 2010.

IN WITNESS WHEREOF, I hereunto set my hand and affix the corporate seal of said Borough, this 23rd day of June 2010.

ANDREA LEA QUINTY
Borough Clerk

May 25, 2010

J. ROBERT HILLIER, FAIA, PP
PRINCIPAL AND FOUNDER
BOB@JROBERTHILLIER.COM

The Honorable Mayor Mildred Trotman and Princeton Borough Council
Borough Hall
One Monument Drive
Princeton, New Jersey 08542

REFERENCE: **The Waxwood**
 35 Quarry Street
 Sale of Affordable and Foundation Units

Ladies and Gentlemen:

In March 2009, The Borough and I entered into an amended Developer's Agreement that extended the period of time after which I must begin to sell the Waxwood's three affordable and five Waxwood Foundation units. This extension changed the rental period from five years to seven years, or to October 2011.

I am writing to you now to request that this sale requirement be postponed further. Since I last discussed this issue with you in early 2009, there has been little improvement in the real estate market that prompted the extension in the first place; the recession is still very much with us, local real estate transactions are at perhaps the lowest ebb ever, and with the banking industry still restructuring, home loan funding is difficult to obtain, if at all. Princeton tends to weather the fickleness of the real estate market better than most towns, but local activity is still moribund; in our other one-bedroom condominium property on Moore Street, we have managed to sell only one unit since September of 2007. Six units still remain unsold.

It is not financially feasible to offer the Affordable and Foundation units for sale without simultaneously making the market-rate units available for purchase. Because the current economic climate will not allow the market-rate units to sell at a reasonable sales pace, the sale of the Affordable and Foundation units could not receive the required subsidization that the market-rate sales would otherwise provide. In summary, the institution of a sales program before the real estate economy has recovered would cause irreparable financial damage to a project which is now a stable, self-supporting property.

Another factor now coming into play in this matter is that the Waxwood's current financing arrangement with PNC Bank terminates at the end of June 2010, and to extend this \$4,050,000 loan, the bank is requiring an extension of the rental period for a minimum of five years, and preferably ten years. I have attached correspondence which confirms PNC's position regarding this loan.

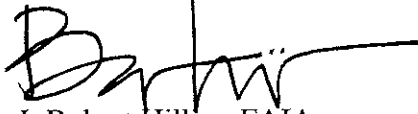
Given the above, I respectfully request an extension of our Waxwood rental period for an additional ten years. If we are granted a ten-year extension, it would certainly not be my wish to wait the full ten years before starting sales at the Waxwood. On the contrary, we would start a sales program once market circumstances improve to the point where sales have a likelihood of occurring at a pace that would ensure a smooth transition from a rental property to a condominium property.

While the current real estate market is not bright, the Waxwood continues to be a successful rental property. Our eight Affordable and Foundation units are all rented to income-appropriate tenants, as they have been since the Waxwood was put into service, and these tenants are all either long-term residents of the John Witherspoon neighborhood, or descendants of same, as required by the terms of the Developer's Agreement. Many of these tenants have been with the Waxwood since it opened, which we like to believe is a testament to the property.

I very much hope that you find this request deserving of approval, given the economic circumstances we are all trying to manage and accommodate. I am certainly available to answer any questions you may have when this issue comes before you for discussion and decision.

Thank you for your kind consideration of our request.

Very truly yours,

A handwritten signature in black ink, appearing to read "J. Robert Hillier", with a long horizontal flourish extending to the right.

J. Robert Hillier, FAIA
Founder and Principal

cc: Derek Bridger, Borough of Princeton Zoning Board of Adjustment

April 19, 2010



Mr. Jim Banks
J Robert Hillier Co.
190 Witherspoon Street
Princeton, NJ 08542

RE: The Waxwood, LLC
35 Quarry Street
Princeton, NJ

Dear Mr. Banks,

As you know, the Term Loan in the amount of \$4,050,000 from PNC Bank to The Waxwood LLC. will mature June 30, 2010. PNC will consider extending the loan upon receipt and review of current financial information related to the project and the Sponsor (See Attachment A). Additionally, a modification to the municipal use approval that will allow the subject property to continue to be operated as a rental apartment project for at least 5 – 10 years is required for the Bank to consider an extension.

A Summary of Terms & Conditions outlining PNC's proposal will follow. This letter does not constitute a commitment to extend by PNC and does not create an obligation on the part of PNC.

We look forward to working with you on this transaction.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory W. Seidler", written in a cursive style.

Gregory W. Seidler
Senior Vice President