

**RESOLUTION OF THE ATLANTIC
COUNTY IMPROVEMENT AUTHORITY
APPROVING THE EXPENDITURES CONTAINED IN THE
FINANCIAL REPORT FOR MAY 2013**

WHEREAS, the Atlantic County Improvement Authority, hereafter, the "Authority", is a political subdivision of the State of New Jersey and an instrumentality of Atlantic County, established pursuant to N.J.S.A. 40:37A-44 et seq.; and

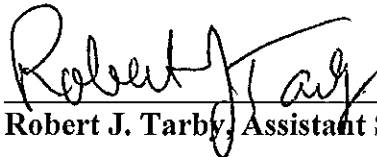
WHEREAS, the Authority is subject to rules and regulations promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, including N.J.A.C. 5:31-4.1(c) regarding the approval and payment of claims which requires the "governing body (of the Authority) shall approve or disapprove all claims in accordance with Regulations adopted by the Authority;" and

WHEREAS, such claims and the expenditures thereto for the month of May 2013, are contained in the Financial Report submitted hereto for approval by the Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Atlantic County Improvement Authority, that the expenditures contained in the Financial Report for the month of May 2013, are approved pursuant to N.J.A.C. 5:31-4.1(c).



Edwin G. Blake, Secretary



Robert J. Tarby, Assistant Secretary

ADOPTED: August 7, 2013

ATLANTIC COUNTY IMPROVEMENT AUTHORITY

I, _____, Assistant Secretary of the Atlantic County Improvement Authority, State of New Jersey, do hereby certify that the foregoing is a correct and true copy of a resolution adopted by the Board at a meeting duly held on the 7th day of August 2013.

**RESOLUTION OF THE ATLANTIC
COUNTY IMPROVEMENT AUTHORITY
APPROVING THE EXPENDITURES CONTAINED IN THE
FINANCIAL REPORT FOR JUNE 2013**

WHEREAS, the Atlantic County Improvement Authority, hereafter, the "Authority", is a political subdivision of the State of New Jersey and an instrumentality of Atlantic County, established pursuant to N.J.S.A. 40:37A-44 et seq.; and

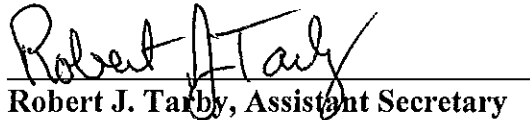
WHEREAS, the Authority is subject to rules and regulations promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, including N.J.A.C. 5:31-4.1(c) regarding the approval and payment of claims which requires the "governing body (of the Authority) shall approve or disapprove all claims in accordance with Regulations adopted by the Authority;" and

WHEREAS, such claims and the expenditures thereto for the month of June 2013, are contained in the Financial Report submitted hereto for approval by the Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Atlantic County Improvement Authority, that the expenditures contained in the Financial Report for the month of June 2013, are approved pursuant to N.J.A.C. 5:31-4.1(c).



Edwin G. Blake, Secretary



Robert J. Tarby, Assistant Secretary

ADOPTED: August 7, 2013

ATLANTIC COUNTY IMPROVEMENT AUTHORITY

I, _____, Assistant Secretary of the Atlantic County Improvement Authority, State of New Jersey, do hereby certify that the foregoing is a correct and true copy of a resolution adopted by the Board at a meeting duly held on the 7th day of August 2013.

**RESOLUTION OF THE ATLANTIC COUNTY IMPROVEMENT AUTHORITY
AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A SHARED SERVICE
AGREEMENT WITH BUENA BOROUGH TO ADMINISTER THE
2013 DISASTER RECOVERY COMMUNITY DEVELOPMENT BLOCK GRANT**

WHEREAS, the Atlantic County Improvement Authority, hereafter, the "Authority", is a political subdivision of the State of New Jersey and an instrumentality of the County of Atlantic established pursuant to N.J.S.A. 40:37A-44, et seq.; and

WHEREAS, pursuant to N.J.S.A. 40:37A-54 (a) the Atlantic County Improvement Authority is empowered to provide public facilities for use by any municipality in the County; and

WHEREAS, Buena Borough, hereafter the "Municipality," was awarded and has entered into a grant agreement with the N.J. Department of Community Affairs for an allocation of \$218,810.00 in FY 2013 Community Development Block Grant Disaster Recovery Funds (CDBG-DR) funds for the Acquisition and Demolition of Flood Prone Property to provide additional Storm Water Drainage Capacity for the Municipality; and

WHEREAS, it is anticipated that the governing Body of the Municipality with Authorize the agreement with the Authority to administer the program at their August 12, 2013 Council meeting for an amount not to exceed \$16,207.00; and

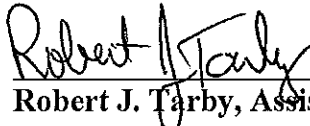
WHEREAS, the Authority desires to enter into the agreement for the Authority to administer the program; and

WHEREAS, the Authority's Office of Community Development has the knowledge and training to provide these services; and

WHEREAS, this contract is classified as services provided between governmental agencies pursuant to N.J.S.A. 40A:11-5(2) and as such is exempt from the public bidding requirements of the New Jersey Local Public Contracts Law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Atlantic County Improvement Authority that the Executive Director contingent upon approval by the Municipality's Governing Body is hereby authorized to enter into an agreement with the Municipality to administer its 2013 Community Development Block Grant Disaster Recovery Funds for which services the Municipality will reimburse the Authority in the amount of \$16,207.00.


Edwin G. Blake, Secretary


Robert J. Tarby, Assistant Secretary

ADOPTED: August 7, 2013

ATLANTIC COUNTY IMPROVEMENT AUTHORITY

I, _____, Assistant Secretary of the Atlantic County Improvement Authority, State of New Jersey, do hereby certify that the foregoing is a correct and true copy of a resolution adopted by the Board at a meeting duly held on the seventh day of August 2013.

**RESOLUTION OF THE ATLANTIC COUNTY IMPROVEMENT AUTHORITY
AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AMENDMENT #3
TO THE CONTRACT WITH THE PLEASANTVILLE HOUSING AND REDEVELOPMENT
CORPORATION, FOR THE MIDTOWN PRESERVATION AREA NEIGHBORHOOD
STABILIZATION PROJECT IN PLEASANTVILLE**

WHEREAS, the Atlantic County Improvement Authority, hereafter, the "Authority", is a political subdivision of the State of New Jersey and an instrumentality of the County of Atlantic, hereafter, the "County", established pursuant to N.J.S.A. 40:37A-44, et seq.; and

WHEREAS, pursuant to N.J.S.A. 40:37A-54, the Authority is empowered to provide financial and/or technical assistance for the construction of low and moderate income housing in the County; and

WHEREAS, on February 16th, 2011 the Authority entered into an agreement with the Pleasantville Housing and Redevelopment Corporation (hereafter "PHRC") to provide HOME CHDO funds in an amount not to exceed \$150,000 in financial assistance to the Midtown Area Preservation Neighborhood Stabilization Project, of which \$120,000.00 of those funds were allocated for the rehabilitation of three single family homes to be rented to income qualified households; and

WHEREAS, on August 12, 2011 the Authority executed Amendment # 1 adding two additional rental homes to the agreement and reallocating the funds from \$40,000 for each for three homes to \$24,000 to each of the five homes; and

WHEREAS, on December 14, 2011 the Authority executed Amendment # 2 providing for \$120,000 of the funds to be utilized for the rehabilitation of four rental homes; and

WHEREAS, the PHRC has been awarded an additional \$120,000 for the project from the New Jersey Department of Community Affairs Neighborhood Stabilization Program for eligible costs incurred in the project; and

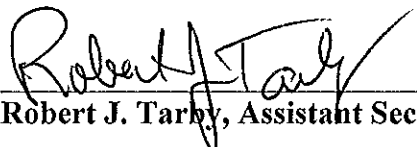
WHEREAS, the PHRC has requested that they utilize those funds in the amount to reimburse the Authority the \$120,000 for the costs of rehabilitating the rental homes in accordance with the amended agreement and that we redirect those funds allowing them to be utilized for the acquisition and rehabilitation of another rental unit; and

WHEREAS, staff has determined that accommodating this request will facilitate additional funds that will help to meet the housing goals in the Atlantic County 5 Year Consolidated Plan, we will be assisting in the creation of an additional unit for the same \$120,000.00 of initial investment, the previously funded units that we are being reimbursed for will still have in place the deed restrictions to ensure the affordability requirements of the HOME program remain in effect, and based upon review of the regulations by our consultant this action would be permitted under the program.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Atlantic County Improvement Authority that the Executive Director is authorized to execute Amendment #3, accepting reimbursement for costs incurred for the rehabilitation of the previously funded four rental units in the amount of \$120,000.00 and redirecting those funds to a new project consisting of the acquisition and rehabilitation of a new rental unit subject to the requirements and regulations of the HOME Investment Partnership Program.



Edwin G. Blake, Secretary



Robert J. Tarby, Assistant Secretary

ADOPTED: August 7, 2013

ATLANTIC COUNTY IMPROVEMENT AUTHORITY

I, _____, Assistant Secretary of the Atlantic County Improvement Authority, State of New Jersey, do hereby certify that the foregoing is a correct and true copy of a resolution adopted by the Board at a meeting duly held on the 7th day of August, 2013

**RESOLUTION
ATLANTIC COUNTY IMPROVEMENT AUTHORITY**

AUTHORIZING THE EXECUTIVE DIRECTOR WITH THE ADVICE AND ASSISTANCE OF COUNSEL TO 1) PROCEED WITH NEGOTIATING A SETTLEMENT OF THE FORECLOSURE ACTION AGAINST BARLINVIS ASSOCIATES, A LIMITED DIVIDEND PARTNERSHIP PENDING IN THE NEW JERSEY SUPERIOR COURT; 2) ARRANGE WITH THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY FOR THE TRANSITION OF OWNERSHIP OF THE BARLINVIS APARTMENT COMPLEX AND APPROVAL FOR THE ASSIGNMENT OF THE HOUSING ASSISTANCE PAYMENTS CONTRACT; AND 3) NEGOTIATE THE TERMS AND CONDITIONS OF A MANAGEMENT AGREEMENT BETWEEN THE AUTHORITY AND THE PLEASANTVILLE HOUSING AUTHORITY TO BE EXECUTED AND DELIVERED UPON APPROVAL OF A SETTLEMENT AGREEMENT BY THIS BOARD AND BARLINVIS AND APPROVAL FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

WHEREAS, the Atlantic County Improvement Authority was formed by the Atlantic County Board of Freeholders pursuant to the New Jersey County Improvement Authorities Law; and

WHEREAS, The Atlantic County Improvement Authority (hereinafter "ACIA") is a body politic created by the County of Atlantic on February 8, 1961 by the Atlantic County Board of Chosen Freeholders under the authority of N.J.S.A. 40:37A - 44, the New Jersey County Improvement Authorities Law; and

WHEREAS, Barlinvis Associates (hereinafter "Barlinvis") is a single purpose Limited Dividend Partnership comprised of five (5) general and twenty (20) limited partners created under the authority of the New Jersey Limited Dividend Associations Law, N.J.S.A. 40A:20-1 et seq.; and

WHEREAS, the principal asset of Barlinvis is the Barlinvis Apartment complex with an address of 2006 Beach Avenue and situated on Block 716, Lot 1 in the City of Atlantic City, Atlantic County, New Jersey (the "Property"); and

WHEREAS, the Property was secured by a First Mortgage and Promissory Note dated March 17, 1970 in favor of the United States Department of Housing and Urban Development (hereinafter "HUD") in the principal amount of One Million Four Thousand Nine Hundred Dollars (\$1,004,900.00) which was satisfied and discharged in February 22, 2012; and

WHEREAS, the Property is secured by a Second Mortgage and Promissory Note dated October 1, 1984 in favor of the Plaintiff in the principal amount of One Million Six Hundred Thousand Dollars (\$1,600,000.00) with an interest rate of Eleven percent (11%) annual simple interest (the "Second Mortgage"); and

WHEREAS, by its terms, the Second Mortgage payments are to be made based upon "net cash flow" defined as "gross revenues derived from the operation from all sources, less (i) operating expenses, (ii) administrative expenses and management fees, (iii) debt service on the first mortgage note, \$16,572 (a 6% return on investment), and v) allocation for reserves to replacement, escrows and required capital expenditures with no deduction for depreciation."; and

WHEREAS, the outstanding principal balance together with accrued interest was due and payable on or before June 1, 2011; and

WHEREAS, with the exception of a single payment made from Defendant to the Plaintiff on June 21, 2013, no other payment of interest or principal has been made to ACIA by Barlinvis since May 20, 2012; and

WHEREAS, as of August 25, 2011 the Property had an appraised value of One Million Nine Hundred Thousand Dollars (\$1,900,000.00) with required capital improvements identified at that time by the Management of the Property in the approximate aggregate amount of One Million Five Hundred Thousand Dollars (\$1,500,000.00); and

WHEREAS, the Property is subject to a Project-based Section 8 Housing Assistance Payments Basic renewal Contract Multi-Year Term Agreement (the "HAP Contract") between Barlinvis and HUD which commenced on March 1, 2009 and expires on February 28, 2014 unless extended; and

WHEREAS, the Property is also subject to a Management Agreement dated January 1, 1992 between Barlinvis and Interstate Realty Management Company (hereinafter referred to as "IRM"); and

WHEREAS, as of January 31, 2013 Barlinvis reported that IRM was holding the sum of One Hundred Nineteen Thousand Dollars (\$119,000.00) net of Accounts Payable and Accrued Expenses derived from the operation of the Property and the additional sum of Three Hundred Ninety Nine Thousand Seven Hundred Ninety Nine Dollars (\$399,799.00) in a reserve replacement account (together, "Operating Cash"); and

WHEREAS, as of March 31, 2013 the following accounts and account balances were reported as being held and maintained by IRM:

. the operating account had \$405,580 with approximately \$30,000 in accounts payable, prepaid rent, and accrued expenses that would reduce the cash balance to approximately +/- \$370,000; and

. the capital reserve had \$408,344 with no currently planned withdrawals; and

WHEREAS, the 2012 Audit also identified an additional account titled "Mortgage Escrow Deposits" which contains funds reserved for real estate taxes and property insurance; and

WHEREAS, the operating report through June, 2013 reveals additional deposits of \$36,516.00 in the provision for real estate taxes and \$36,018.00 in the Provision for property insurance added to the Mortgage Escrow Deposits account; and

WHEREAS, Barlinvis had taken the position that Operating Cash and the funds in the reserve accounts are not collateral secured by the Second Mortgage and not subject to transfer to the ACIA upon Foreclosure; and

WHEREAS, by letter dated July 29, 2011 to Michael J. Levitt, Managing General Partner, the ACIA provided Barlinvis with a Notice of Default on the ACIA Mortgage and Promissory Note; and

WHEREAS, notwithstanding such Notice of Default, Barlinvis has failed to pay the amounts due, and an action in Foreclosure was commenced by the ACIA against Barlinvis on September 12, 2011 and on October 7, 2011 a Notice of Lis Pendens was filed in the Office of the Atlantic County Clerk; and

WHEREAS, the current amount due from Barlinvis to the ACIA is Six Million Two Hundred Thirty Six Thousand Seven Hundred Fifty Three Dollars and Thirty Seven Cents (\$6,236,753.37) based upon the unpaid principal amount of One Million Six Hundred Thousand Dollars (\$1,600,000.00) and accrued but unpaid interest in the amount of Four Million Six Hundred Thirty Six Thousand Seven Hundred Fifty Three Dollars and Thirty Seven Cents. (\$4,636,753.37); and

WHEREAS, Barlinvis is a Limited Dividend Limited Partnership for which General and Limited Partners have no personal liability for the debts and obligations of the partnership; and

WHEREAS, the Mortgage and Promissory Note are secured against the Property; and

WHEREAS, the appraised value of the Property in August, 2011 was One Million Nine Hundred Thousand Dollars (\$1,900,000.00); and

WHEREAS, until July 26, 2013 Barlinvis had not come forward with any proposal acceptable to ACIA; and

WHEREAS, a Title Search on the Property indicates that the ACIA is the only secured creditor; and

WHEREAS, the Executive Director and Counsel were proceeding to obtain a final Judgment of Foreclosure and the appointment of a Receiver pending the listing of the Property for Sheriff's Sale; and

WHEREAS, on July 26, 2013 a meeting was held between the Executive Director, two members of the ACIA Board of Directors and representatives of Barlinvis; and

WHEREAS, a settlement proposal has been submitted on behalf of Barlinvis as set forth in a Term Sheet attached hereto dated July 30, 2013 (the "Proposal"); and

WHEREAS, the Executive Director with the assistance and advice of Counsel has had conference calls with HUD, the New Jersey Housing and Mortgage Finance Agency (hereinafter "NJHMFA") regarding the transfer of ownership of the Property and the assignment of the HAP Contract to ACIA; and

WHEREAS, the Executive Director has prepared a Pro Forma financial analysis based upon the transfer of the Property to ACIA with operation and management of the Property to be undertaken by the ACIA and a Management / Agency Agreement between ACIA and Pleasantville Housing Authority (hereinafter "PHA"); and

WHEREAS, upon a full and thorough review of the Proposal it is hereby **RESOLVED**:

Subject to Approval by HUD and NJHMFA of the transfer of ownership of the Property from Barlinvis to the ACIA and approval of the assignment of the HAP Contract from Barlinvis to the ACIA, and further subject to approval of the Proposal by the required vote of the Barlinvis partners, the Executive Director is authorized to

- 1) defer the applications to the New Jersey Superior Court and the Mortgage Foreclosure Unit for the appointment of a Receiver and for entry of Final Judgment of Foreclosure;
- 2) consummate the terms of the transfer of the Property and the Barlinvis / IRM account funds to the ACIA and assignment of the HAP Contract to the ACIA / PHA subject to the advice and assistance of counsel;
- 3) execute and deliver a Management Agreement / Agency Contract with PHA substantially in the form presented to this Board subject to such modifications as may be deemed by the Executive Director, HUD, NJHMFA, or Counsel to be necessary or desirable, which Agreement / Contract shall become effective upon transfer of the Property;
- 4) Dismiss with Prejudice the Foreclosure Complaint upon final consummation of the terms of the transfer of the Property, accounts, HAP Contract and PHA Agreement /Contract;
- 5) take such further action as the Executive Director and Counsel shall deem to be necessary or desirable to effectuate the approvals herein granted; and

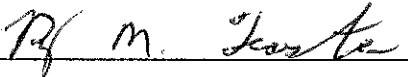
It is further, RESOLVED, that if

i) the Proposal is not accepted and approved by the Barlinvis partners within thirty (30) days of this meeting; or


ii) the transfer of ownership from Barlinvis to the ACIA, and / or the assignment of the HAP contract are not approved by HUD and the NJHMFA with conditions acceptable to the Executive Director or Counsel; or

iii) HUD and NJHMFA do not approve PHA as the Manager / Agent for the Property,

In such event, this authorization shall become null and void and of no further effect and the Executive Director and Counsel shall promptly proceed with the application to appoint a Receiver and enter the final judgment of Foreclosure.



Roy M. Foster, Chairperson



Edwin Blake, Secretary

ADOPTED: August 7, 2013

ATLANTIC COUNTY IMPROVEMENT AUTHORITY

I, _____, Assistant Secretary of the Atlantic County Improvement Authority, State of New Jersey, do hereby certify that the foregoing is a correct and true copy of a resolution adopted by the Board at a meeting duly held on the 7th day of August, 2013