

RESOLUTION NO. 06 of 2014

RESOLUTION AUTHORIZING THE RENEWAL OF THE LEASE WITH MARGATE TERRACE CORPORATION FOR A TERM OF TWENTY-FIVE (25) YEARS

WHEREAS, the City of Margate pursuant to Ordinance No. 1987-8 adopted May 11, 1987 is a party to a Lease Agreement with Margate Terrace Corporation dated May 12, 1987, wherein the City has leased municipal property commonly known as 610 North Fredericksburg Avenue, Margate, New Jersey 08402 to Margate Terrace Corporation, a non-profit corporation of the State of New Jersey, to provide elderly and handicapped persons with housing pursuant to N.J.S.A. 40A:12-15; and

WHEREAS, Margate Terrace Corporation is currently seeking to refinance its existing U.S. Housing and Urban Development (HUD) loan for the purpose of reducing its annual debt service payment and providing funds to complete both critical and non-critical repairs to insure that Margate Terrace Apartments is a well maintained and viable housing project for low income seniors into the future; and

WHEREAS, the term of the Lease is fifty (50) years to expire on or about May 11, 2037; and

WHEREAS, the refinance loan with HUD is for a term of thirty-five (35) years and HUD requires that the Lease Agreement be extended; and

WHEREAS, the Margate Terrace Corporation desires to implement an additional lease period for a period of twenty-five (25) years as specified in Section 19 of said Lease Agreement; and

WHEREAS, N.J.S.A. 40A:12A-15 and the Lease Agreement provide that the Board of Commissioners of the City of Margate City have the authority to renew and extend the Lease for an additional twenty-five (25) years extending from May 11, 2037; and

WHEREAS, the Governing Body does so desire to extend the aforesaid lease for an additional twenty-five (25) years.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the City of Margate that it does hereby acknowledge the Renewal of Lease for an additional twenty-five (25) years by the Margate Terrace Corporation as detailed herein and that it does hereby authorize the Mayor on behalf of the City of Margate City, to sign the Lease Option Renewal Agreement, a copy of which is attached hereto and made a part hereof, same to be effective upon Margate Terrace Corporation refinancing its mortgage loan with HUD.

DATE: January 2, 2014

I, **Thomas D. Hiltner**, Clerk of Margate City, Atlantic County, do hereby certify the foregoing to be a true and correct copy of a Resolution adopted by the Commissioners of the City of Margate at a meeting of said Commission held on January 2, 2014 and said Resolution was adopted by not less than a two-thirds vote of the members of the Commission.

THOMAS D. HILTNER, RMC, City Clerk

**LEASE OPTION RENEWAL AGREEMENT BY AND BETWEEN MARGATE
TERRACE CORPORATION AND THE CITY OF MARGATE CITY FOR THE
MARGATE TERRACE APARTMENTS LCOATED AT
610 N. FREDERICKSBURG AVENUE, MARGATE, NJ**

This Lease Option Renewal Agreement is made this ____ day of _____, 2014 between MARGATE TERRACE CORPORATION, a non-profit corporation of the State of the New Jersey, with a housing facility known as Margate Terrace Apartments, located at 610 North Fredericksburg Avenue, Margate, New Jersey 08402, (the "Lessee"); and the CITY OF MARGATE CITY, in the County of Atlantic, a municipal corporation in the State of New Jersey (the "Lessor").

WHEREAS, the Lessor and the Lessee are parties to a Lease Agreement dated May 12, 1987 for the Lease of municipal property to the Lessee, of property commonly known as 610 North Fredericksburg Avenue, Margate, New Jersey 08402; and

WHEREAS, pursuant to Section 19 of the Lease Agreement the Lessor has the option to grant a renewal of the Lease for a period of twenty-five (25) years; and

WHEREAS, the Lessor is hereby exercising its option to extend the Lease for an additional twenty-five (25) years in order for the Lessee to refinance its Mortgage on the property with the United States Department of Housing and Urban Development ("HUD").

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

1. Lessor does exercise its option to renew the Lease Agreement for a term of twenty-five (25) years in accordance with Section 19 of the Lease and in accordance with N.J.S.A. 40A:12-15.
2. The twenty-five (25) year option term shall commence May 12, 2037 and shall continue for a term of twenty-five (25) years in accordance with all of the same terms and conditions as contained in the Lease Agreement.
3. This Lease Option Renewal Agreement shall be effective as of the date of the Lessee's refinance of its mortgage loan with HUD.

4. Lessor and Lessee shall execute any documentation related to the Lease and its extension required by HUD for the refinance of the mortgage loan.

5. In all other respects, all the terms and conditions of the Lease Agreement dated May 12, 1987, a copy of which is attached hereto and made a part hereof, are hereby ratified and confirmed by the parties.

IN WITNESS WHEREOF, the parties have caused this Agreement the date and year first above written.

ATTEST:

MARGATE TERRACE CORPORATION

Secretary

BY: _____
President

ATTEST:

CITY OF MARGATE

Thomas D. Hiltner, Clerk

BY: _____
Michael Becker, Mayor