

**AMENDMENT #1 TO CONTRACT (Dated August 1st, 2022 through July 31st, 2023)**

**THIS AMENDMENT** forms a part of the Contract Documents and modifies the original Contract Documents described, and is made between the Borough of Pennington (hereinafter referred to as “Borough”), a Municipal Corporation of the State of New Jersey and CGP&H LLC, 1249 South River Road, Suite 301, Cranbury, NJ 08512 (hereinafter referred to as “CGP&H”); and

**WHEREAS**, both the Borough and CGP&H wish to amend certain terms of the Contract.

**WHEREAS**, the Borough Council hereby desires to approve of this Amendment that was presented for the provision of said services.

**WITNESSETH**, that the parties hereto, for and in consideration of the mutual agreements herein contained, promise and agree as follows:

1. CGP&H shall furnish all equipment and materials and shall perform the services set forth in Schedule A, Scope of Services and Compensation. Compensation will be provided as in this Amendment and as awarded in accordance with Compensation Schedule in strict accordance with the contract as the word “contract” is hereinafter defined and in accordance with all other terms and provisions.
2. CGP&H hereby represents to the Borough that CGP&H is qualified to fulfill the position set forth herein with applicable requirements. CGP&H further represents that CGP&H is familiar with all applicable statutes, laws, regulations, procedures and requirements in connection with this appointment.
3. CGP&H shall not assign this contract or any of its rights or monies due hereunder without the previous written consent of the Borough of Pennington as evidenced by a duly adopted Resolution.
4. CGP&H represents that they currently have professional liability insurance in a minimum amount of \$1,000,000 per occurrence and \$2,000,000 aggregate, and that they shall supply a certificate to the Borough showing said coverage. CGP&H further covenants and agrees to protect, keep and hold the Borough of Pennington harmless against any and all actions, claims or demands for damages, which may be caused by the negligent error, act or omission of CGP&H or by the improper performance of the contract.
5. Payment to CGP&H shall be made in strict accordance with the terms of this Amendment. It is understood and agreed that in the event CGP&H is required to perform services that are not contemplated and are not within the subject matter of this contract and are

extraordinary and are of a kind which would not ordinarily be performed in the normal course of providing services, that CGP&H shall be paid additional sums of money based upon change orders duly approved by Resolution of the Borough of Pennington Council.

6. All of the terms of the original contract shall remain in full force and effect including the term of the contract which shall run from August 1st, 2022 through July 31st, 2023.

**AND IT IS FURTHER UNDERSTOOD AND AGREED** that the covenants, conditions and agreements herein contained are binding of the parties hereto, their successors, assigns and legal representatives.

**IN WITNESS WHEREOF**, the parties hereto have caused their presents to be signed by the respective authorized officers and the proper corporate and/or municipal seals affixed hereto, the date and year first written above.

**WITNESS:**

**Borough of Pennington**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

**WITNESS:**

**CGP&H, LLC**

\_\_\_\_\_

\_\_\_\_\_

NAME: \_\_\_\_\_

NAME: Randall Gottesman, PP

TITLE: \_\_\_\_\_

TITLE: President

DATE: \_\_\_\_\_

## SCHEDULE A: SCOPE OF SERVICES AND COMPENSATION

For services rendered by the Consultant and/or subcontractors, under the terms of this document, the Consultant shall be compensated as follows:

<b>ADMINISTRATIVE AGENT GENERAL SERVICES paid by Pennington</b>	
<b>1. Initial Program Setup (First Year Only)</b>	<p>Estimated not-to-exceed \$2,000 in year one billed hourly at a rate of \$145 per hour for senior staff and \$100 per hour for all other staff.</p> <p>If any of the items below are not provided to CGP&amp;H by the Borough, then CGP&amp;H will be required to bill hourly beyond the above not-to-exceed in order to complete this first-year program setup.</p> <ul style="list-style-type: none"> <li>• Excel spreadsheet of waiting list with emails, when applicable</li> <li>• Excel spreadsheet of its housing portfolio</li> <li>• Complete case files</li> </ul> <p><b>This fee will not reoccur in subsequent years</b></p>
<b>2. Day-to-Day Administrative Agent Services</b>	Not to exceed \$6,000 billed at an hourly rate of \$145 per hour for senior staff and \$100 per hour for all other staff
<b>3. Administrative Agent Resale Fee</b>	<p>\$2,000 flat fee payable by Pennington for each sale unit when home gets listed for sale</p> <p>A fee of 3% of the resale price will be paid from the seller at the closing to CGP&amp;H.</p>
<b>4. Direct Costs</b>	Reimbursement for expenses. Not to exceed \$300 per contract year.
<b>5. Additional Advisory Services as requested by the Borough</b>	<p>Billed hourly at a rate of \$145 per hour for senior Staff and \$100 per hour for all other staff. Budget will depend on the breadth and scope of the services required by the Borough.</p> <p><b>CGP&amp;H will not bill for any time under this line item without written authorization from the Borough.</b></p>
<b>Total Paid by Pennington</b>	<b>Not-to-exceed \$8,000 in the first contract year if no units are listed for sale</b>

1. **Initial Program Setup (First Year Only):** This includes but is not limited to creating an administrative agent operating manual, and creation of or revisions to a municipal Affirmative Marketing Plan, and any other activities related to the transition from the Borough's current Affordable Housing Professional to CGP&H. If CGP&H receives an excel spreadsheet of the Borough's waiting list with email addresses for applicants, an excel spreadsheet of its housing portfolio, and complete case files, then the setup fee can be accomplished at the estimated not-to-exceed amount above. If not, it may

be necessary to bill hourly beyond the estimated not-to-exceed amount to rectify any deficient files during the transition. This is a one-time fee that will not reoccur in subsequent years.

2. **Day-to-Day Administrative Agent Services:** This includes creating and/or updating the Administrative Agent Operating Manual, and Affirmative Marketing Plan, if required. This also includes responding to general affordable housing inquiries, affirmative marketing, foreclosure prevention activities, and annual mailings to homeowners as well as preparing intent-to-sell packages and annual unit monitoring reports. It also includes advising Pennington on affordable housing requirements for new developments. CGP&H will strive to comply with all aspects of S2527 affirmative marketing legislation. However, CGP&H cannot ensure that all other administrative agents administering affordable housing units in the municipality are meeting the regulations until further direction is provided by the State of New Jersey.
3. **Administrative Agent Resale Fee:** CGP&H will facilitate the resale of any affordable sales unit that is put up for sale by its current owner. The fees are all-inclusive of the services required to sell an affordable unit, including: certifying a buying household(s) as eligible, sending potential purchasers to the unit, facilitating an agreement between buyer and seller, and preparing and filing closing documents. The flat fee that is paid by Pennington will be billed once a notice of intent to sell is signed by the seller. In the event that the seller cancels the sale or should the unit not go to closing, this flat fee is still applicable and will not be returned or cancelled.
4. **Direct Costs:** this includes, but is not limited to, reimbursement for direct costs for large scale printing jobs; postage; mailings; poster production; expedited mailings or messenger services, etc.
5. **Additional Advisory Services as requested by the Borough:** These include special projects outside the scope of general administration including, but not limited to trust fund monitoring, mid-point review, and CTM entry of trust fund or unit information, group home research to document creditworthiness, or other special projects such as extension of controls or implementing an affordability assistance program. CGP&H will not bill for any time under these services without written authorization from the Borough.

## AFFORDABILITY ASSISTANCE PROGRAM SERVICES

<b>1. Affordability Assistance Program Services</b>	<p>For all other services related to affordability assistance programs set up or implementation, CGP&amp;H will bill hourly at \$145 per hour for senior staff, and \$100 per hour for all other staff.</p> <p>CGP&amp;H will charge a flat fee of \$275 for each first month's rent program application.</p> <p>CGP&amp;H will charge a flat fee of \$425 for each down payment assistance program application.</p>
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- 1. Affordability Assistance Program Services:** This includes, but is not limited to, working with the Municipality's representatives to review and select affordability assistance programs and then prepare the Affordability Assistance manual which may include different affordability assistance programs. Once programs are selected and manuals written and approved, administration of these affordability assistance programs includes soliciting applications, distributing and processing applications, and income certifying applicants. CGP&H will review and approve applications and track the disbursement of funds for required reporting.

It is our understanding that if appointed administrative agent for the Borough of Pennington, any new developers or landlords of affordable units will be required to use CGP&H as their administrative agent for as long as we remain the Borough's Administrative Agent. It is also our understanding that Pennington will help facilitate getting under contract with developers or landlords if needed. As such, the following are the fees CGP&H will charge to developers, landlords, or homeowners.

<b>RENTAL &amp; OWNERSHIP FEES PAID BY Developer/Landlord/Homeowner</b>		
<b>1. Rental Fees</b>	Flat fee of \$860/rental certification. No charge for applicants found to be ineligible.  <i>No charge to prescreen applicants and referring as many applicants to landlord as needed to fill each vacancy</i>	Developer/Landlord pays fee.  <i>Pennington will help facilitate CGP&amp;H going under contract with developers.</i>  <i>Pennington may pay this fee if Developer will not contract with CGP&amp;H.</i>
<b>2. Waiting List Management Fee</b>	\$32 per deed restricted unit annual fee payable upon commencement of affirmative marketing. Minimum fee of \$300 annually.	Developer/Landlord pays fee
<b>3. Lease Renewal Fee</b>	\$32 per lease renewal	Developer/Landlord pays fee
<b>4. Ownership Fee: Resales</b>	3% of the sale price of the home	Homeowner pays fee.
<b>5. Ownership Fee: Refinance Requests</b>	\$175 flat fee to process request	Homeowner pays fee
<b>6. Ownership Fee: New Development</b>	CGP&H will charge a fee of \$2,150 per sale unit. \$1,075 will be billed at the time each home goes under contract and \$1,075 will be billed at closing. If a buyer goes under contract and does not close, the first \$1,075 payment would not be returned.	Developer/Landlord pays fee
<b>7. Setup of New Projects</b>	\$1,000 flat fee per new development	Developer/Landlord pays fee
<b>Cost to Pennington for these services</b>	\$0.00 anticipated cost to Pennington.	

- 1. Rental Fees:** CGP&H will contact the next applicant on the waiting list to prescreen them for eligibility, refer them to the landlord, and invite them to submit a full application. CGP&H will collect and review documentation from the applicant households to determine their eligibility. Eligibility determination fees do not include credit or background checks, which are generally done by the landlord. The Developer/Landlord may pay rental certification fees.
- 2. Waiting List Management Fee:** The waiting list management fee will allow us to maintain the waiting list on our web-based Affordable Homes New Jersey Profile ([affordablehomesnewjersey.com](http://affordablehomesnewjersey.com)). This unique online system provides around-the-clock, user-friendly and robust online tools for applicants, while also increasing our turnaround times. After initial lease-up, all applicants will be required to update their information annually.

3. **Lease Renewal Fee:** CGP&H will advise the Developer of the maximum rental amount before each new lease is executed and we will review all executed leases and maintain copies in our files, as required by UHAC.
4. **Ownership Fee: Resales:** CGP&H will charge the seller a fee as a percent of the sales price to refer interested buyers, coordinate with both the seller and all interested applicants throughout the duration of the sale process, income certify prospective buyers, prepare the closing documents, attend closings whenever required, and perform other duties related to the closing. This fee is paid by the owner directly to CGP&H at closing. In the unusual event where the sale fee comes in less than the minimum, CGP&H will be paid the difference by the municipality.
5. **Ownership Fee: Refinance Requests:** CGP&H charges existing homeowners a fee per request to process requests for subordination or home equity loans. This fee will be paid by the homeowner requesting the review.
6. **Ownership Fee: New Development:** After random selection is completed, CGP&H will process the pre-applications, screen pre-applicants, and refer eligible households to the developer, income certify all buyers, coordinate with mortgage providers, and prepare affordable housing related closing documents for the project.
7. **Setup of New Projects:** CGP&H will charge new developers a flat fee for project set-up activities. This includes pricing of units, preparation of deed restriction, affirmative marketing, and all other set-up activities.