

MARINEVIEW HOUSING CO. NO. 1

*2 Marineview Plaza
Hoboken, N.J. 07030*

May 5, 2006

Dear Marineview Plaza residents,

Take notice that we have filed an application for a 39% rental increase for Marineview Plaza with the New Jersey Housing and Mortgage Finance Agency. Marineview Plaza was initially occupied May 1975.

The proposed increase is needed for the following reasons:

1. Bathroom upgrading.
2. Continuing replacement of unit- refrigerators and stoves.
3. Continuing replacement of HVAC units.
4. Increase cash flow in order to meet increasing operating expenses, including but not limited to utilities, insurance, maintenance contracts and elevator costs.
5. Funding reserve for replacement depleted by window and kitchen cabinet replacement, waterproofing, elevator and lobby upgrades. As per NJHMFA's schedule, we are currently deficient in the amount of \$4,002,981.94.
6. 2nd Mortgage- principal and accrued interest accrued at \$10,960,338 as of December 31, 2005.
7. Hoboken Parking Authority- accrued parking charges in the amount of \$1,970,416 as of December 31, 2005.

Copies of the materials that we have submitted to New Jersey Housing & Mortgage Finance Agency in support of our application will be available during normal business hours at 2 Marineview Plaza Management Office for a period of 30 days from the date of this notice for inspection and copying by tenants of Marineview Plaza and if the tenants wish, legal or other representatives acting for them individually or as a group.

During a period of 30 days from the date of this notice, tenants of Marineview Plaza may submit written comments on the proposed rental increase to Marineview Plaza Management Office 2 Marineview Plaza, 3rd & Hudson Streets, Hoboken, New Jersey 07030.

Tenant representatives may assist tenants in preparing those comments. These comments will be transmitted to New Jersey Housing & Mortgage Finance Agency along with our evaluation of

them and our application for an increase. You may also send comments directly to NEW JERSEY HOUSING & MORTGAGE FINANCE AGENCY, 637 SOUTH CLINTON AVENUE, POB 18550, TRENTON, NEW JERSEY 08650-2085. ATTENTION: DIRECTOR OF MANAGEMENT DIVISION.

In conformance with amendments made by the NJHMFA to its rent increase regulations, 3% rent increase went into effect on January 1, 2006. N.J.H.M.F.A. will approve or disapprove the additional 39% rental increase based upon review of the application and tenant comments. When N.J.H.M.F.A advises us in writing of their decision on our application for the additional 39% increase, you will be notified in accordance with the terms of existing leases.

We wish to assure all our residents of Marineview Plaza that prudence and care were exercised in the formulation of the new rental schedule.

Very truly yours,
MARINEVIEW HOUSING CO. NO. 1



Ephraim Fruchthandler

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