

8-15
15-32



Township Council
1 Municipal Plaza
Bloomfield, NJ 07003

Louise M. Palagano
Municipal Clerk

<http://www.bloomfieldtwpnj.com>

Meeting: 04/13/15 07:00 PM

2015 ORDINANCE AMENDMENT

AN ORDINANCE TO AMEND CHAPTER 520 "TAXATION" OF THE TOWNSHIP CODE

WHEREAS, Chapter 520 of the Code of the Township of Bloomfield Code titled "Taxation" authorizes five year exemptions and abatements from taxation for projects located in the Bloomfield Center Vision Plan Boundary, the CBD zone, B-2 zone, CORD zone and M-1 zone that would qualify for exemption or abatement from taxation pursuant to B.O. 520-10; and

WHEREAS, AR North Developers, LLC, has indicated a desire to construct a project which is eligible for exemption or abatement from taxation under the Chapter 520; and

WHEREAS, the applicant has filed an application for exemption or abatement from taxation with the Township in a timely manner setting forth the information required by the Chapter 520, and the Review Committee has determined that the application is complete; and

WHEREAS, the governing body of the municipality has reviewed and evaluated the application, and it has made the following findings and determinations in connection with the application.

- A. The project is eligible for exemption or abatement from taxation pursuant to the aforesaid Article.
- B. The project will maintain or provide gainful employment within the municipality.
- C. The project will assist in the economic development of the municipality.
- D. The project will maintain or increase the tax ratable base of the municipality.
- E. The project will maintain or diversify and expand commerce within the municipality.
- F. The economic benefits derived from the project outweigh any negative effects associated with granting the exemption or abatement from taxation.

NOW THEREFORE, BE IT ORDAINED, by the Mayor and Council of the Township of

APPROVED AS TO FORM AND PROCEDURE
ON BASIS OF FACTS SET FORTH

Bin J. Asia
Director of Law-Township Attorney

Bloomfield, County of Essex, State of New Jersey:

1. The application submitted by the AR North Developers, LLC, for the exemption from taxation for the development of a self-storage facility project located at 192-196 and 200 Bloomfield Avenue, Block 64, Lot 1, is hereby approved.
2. The form of Five Year Tax Agreement setting forth the terms and conditions for the exemption from taxation including the formula for the computation of payments in lieu of full property taxation is hereby approved.
3. The Mayor is authorized to execute and the Township Clerk to attest the Five Year Tax Agreement.
4. The Township Clerk shall forward a copy of the Five Year Tax Agreement to the Director of the Division of Local Government Services in the Department of Community Affairs within 30 days after the execution of the Agreement.
5. A copy of the Tax Agreement shall be maintained in the office of the Tax Assessor and in the office of the Tax Collector to insure compliance with all of the terms and conditions set forth in the Tax Agreement. Furthermore, the Township Clerk shall maintain a copy of all documents, including the Tax Agreement as public records.

......*...*

I hereby certify that the above ordinance was duly adopted by the Mayor and Council of the Township of Bloomfield at a meeting of said Township Council held on *MAY 4, 2015*.

Louise K. Gallegano

 Municipal Clerk of the Township of Bloomfield

Michael J. Venezia

 Mayor of the Township of Bloomfield

✓ Vote Record - Ordinance					
		Yes/Aye	No/Nay	Abstain	Absent
<input type="checkbox"/> Adopt	Elias N. Chalet	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Deny	Nicholas Joanow	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Withdrawn	Carlos Bernard	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Table	Wartyna Davis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Not Discussed	Joseph Lopez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> First Reading	Carlos Pomares	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Table with no Vote	Michael J. Venezia	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Approve					
<input type="checkbox"/> Veto by Mayor					
<input type="checkbox"/> Discussion					
<input type="checkbox"/> Defeated					
<input type="checkbox"/> Discussion No Vote					

✓ Vote Record - Ordinance					
		Yes/Aye	No/Nay	Abstain	Absent
<input type="checkbox"/> Adopt					
<input type="checkbox"/> Deny					
<input type="checkbox"/> Withdrawn					
<input type="checkbox"/> Table					
<input type="checkbox"/> Not Discussed					
<input type="checkbox"/> First Reading					
<input type="checkbox"/> Table with no Vote					
<input type="checkbox"/> Approve					
<input type="checkbox"/> Veto by Mayor					
<input type="checkbox"/> Discussion					
<input type="checkbox"/> Defeated					
<input type="checkbox"/> Discussion No Vote					
	Elias N. Chalet	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nicholas Joanow	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Carlos Bernard	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Wartyna Davis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Joseph Lopez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Carlos Pomares	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Michael J. Venezia	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

64-1
RESIDENTIAL

WATERS, MCPHERSON, MCNEILL

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

SECAUCUS - TRENTON - NEW YORK

MEADOWLANDS OFFICE

300 LIGHTING WAY

P.O. BOX 1560

SECAUCUS, NEW JERSEY 07096

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201-330-7465

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jragno@lawwmm.com
FAX
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March 6, 2015

Via Hand Delivery

Honorable Michael J. Venezia, Mayor
1 Municipal Plaza, 2nd Fl., Rm. 209
Bloomfield, New Jersey 07003

Re: **AR NORTH DEVELOPERS, LLC;**
Amended Application for Short Term Tax Exemption
Our File No.: 10581-013

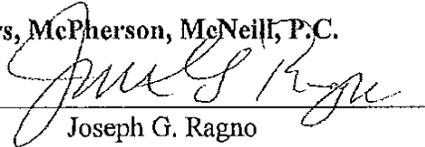
Dear Mayor Venezia:

Enclosed please find ten (10) copies of the Amended Application for a Short Term Tax Exemption on behalf of AR NORTH DEVELOPERS, LLC, for the redevelopment project known as Bloomfield Terrace.

Thank you for your assistance in this matter.

Very truly yours,

Waters, McPherson, McNeill, P.C.

By: 
Joseph G. Ragno

JGR/tw

Enclosures

cc: Ted Ehrenberg, Township Administrator
Robert Renna, Chief Financial Officer
Steven Martino, Esq., Assistant Township Attorney
Joseph J. Pisauro, Township Assessor
William K. Hayes II, AR NORTH DEVELOPERS, LLC.

836099.1

64-1

**AMENDED APPLICATION FOR APPROVAL OF A
FIVE-YEAR TAX AGREEMENT FOR
A 336 UNIT RESIDENTIAL RENTAL PROJECT
KNOWN AS BLOOMFIELD TERRACE**

Applicant

AR NORTH DEVELOPERS, LLC
90 Woodbridge Center Drive
Woodbridge, N.J. 07075

Prepared By:

Joseph G. Ragno, Esq.
Waters, McPherson, McNeill, P.C.
300 Lighting Way
Secaucus, N.J. 07096
(201) 863-4400
Attorney for Applicant

Date: March 6, 2015

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EXHIBIT B	Estimated Cost of Project
EXHIBIT C	Construction Schedule
EXHIBIT D	Estimated Annual Payment-In-Lieu-of-Tax on Improvements
EXHIBIT E	Ownership Disclosure
EXHIBIT F	Estimated Project Rental Revenue, Operating Expenses and Net Operating Income

I. Introduction: General Description

A. Applicant

The Applicant, **AR NORTH DEVELOPERS, LLC** ("Applicant"), a New Jersey limited liability company, proposes to construct a 336 unit residential rental project (the "Project"). The Project, which will consist of eight (8) residential buildings and a recreation building, will be developed in three (3) phases. Applicant is fully authorized to own and develop the Project and to enter into tax agreements to implement the requested tax exemptions. Applicant will manage and operate the Project upon completion.

B. Nature of Application

Applicant is seeking approval of three (3) separate five-year tax agreements, one for each phase of the Project pursuant to the "Five-Year Exemption and Abatement Law," N.J.S.A. 40A:21-1 *et seq.* and Chapter 520 of the Code of the Township of Bloomfield (the "Law"). The agreements would provide for the exemption of the Project Improvements from conventional taxation for each phase of the Project for a period of five years and a payment-in-lieu-of-taxes based on the five-year phase-in of "taxes otherwise due" pursuant to N.J.S.A. 40A:21-10c and Chapter 520, Section 12(C) of the Code of the Township of Bloomfield.

II. Identification of Property

A. Legal Description

The Project Site is an 11.49 acre site described as Block 64, Lot 1 on the official Tax Map of the Township of Bloomfield ("Project Site"), which lot constitutes portions of the tax lots formerly known as Block 64, Lots 1 and 4. See Project Site Plan, Exhibit A. The site is currently improved with a vacant and dilapidated industrial building which will be demolished before construction of the Project.

B. Zoning

The Project site is located in an "M-1" zone and is one of the properties identified in the "Hartz Mountain Site Redevelopment Plan," which was adopted by ordinance by the Bloomfield Township Mayor and Council on August 13, 2012 as an overlay. This Ordinance was amended by the Township Mayor and Council on July 2, 2014 pursuant to the Local Redevelopment and Housing Law.

C. Current Real Estate Taxes

The newly-created tax lot which is the Project Site was not separately assessed in 2014. The tax lots from which it was created, Block 64, Lots 1 and 4, totaling 14.736 acres, bore a total land assessment for tax year 2014 of \$5,159,000 which generated real estate taxes of \$193,720.45. Therefore, the taxes attributable to the 11.49 acre Project Site in 2014 are approximately \$151,100.

III. Description of Project and Operations

A. Description of Project

The proposed Project consists of a 336 residential unit residential development configured in eight (8) separate mid-rise buildings with a 4,000 +/- square foot accessory recreation building. See Project Site Plan, Exhibit A. The Project will be constructed in three (3) phases over a period of 5-6 years, as follows:

- **Phase 1:** Buildings A (40 units), B (40 units), and C (48 units), for a total of 128 units; together with the Recreation Building and Great Lawn Complex.
- **Phase 2:** Buildings D (40 units), E (40 units), and F (40 units), for a total of 120 units.
- **Phase 3:** Buildings G (48 units) and H (40 units) for a total of 88 units.

In total, the Project will reflect the following unit mix:

	Phase 1	Phase 2	Phase 3
1 Bedroom	48	36	36
2 Bedroom	80	84	52
Total	128	120	88

An estimate of the rental revenue, operating expenses and net operating income which the Project is expected to generate, broken down by phase, is attached as Exhibit F.

B. Estimated Cost of the Project

The estimated "cost of the project" for all three phases, as such term is defined in N.J.S.A. 40A:21-10(a), is approximately \$ 62,071,500. See Estimated Cost of the Project, Exhibit B.

C. Construction Schedule

It is anticipated that construction of Phase 1 of the Project would begin within 60 days of the final non-appealable approval of the Tax Agreements and Final Site Plan Approval and issuance of a Building Permit. It is expected that total build-out from the commencement of construction on Phase 1 to the issuance of Final Certificate of Occupancy for Phase 3 will take 60-72 months. The construction schedule is subject to modification depending on the time required to obtain necessary governmental approvals and permits and other factors beyond the control of Applicant. See Construction Schedule, Exhibit C.

IV. Terms of Proposed Tax Agreements

A. Tax Agreement Terms

The tax agreements for each phase of the Project shall have a term of five (5) full years as measured from the date of its substantial completion, understood by the parties to mean, for each phase, issuance of Final Certificate of Occupancy. Based on the Construction Schedule (Exhibit C), it will be necessary to provide for a separate tax agreement for each phase of the Project to ensure that each phase receives five full years of tax benefit.

B. Estimated Annual Payment-In-Lieu-of-Tax on Improvements

If the Application is approved, the Project Improvements for each phase of the Project will be exempt from local real estate taxation for term of five years and, in lieu of full taxation on the Project Improvements, Applicant will agree to make a payment-in-lieu-of-tax during the term of the exemption which, consistent with N.J.S.A. 40A:21-10(c) and Chapter 520 of the Code of the Township of Bloomfield, shall be based upon a five-year phase-in of "taxes otherwise due" as defined in the Law, estimated to be equal to the amounts specified on the Schedule of Estimated Annual Payment-in-Lieu-of-Tax on Improvements, attached as Exhibit D. For purposes of the tax agreements which are the subject of this application, the proposed fair assessable value of the Project Improvements for each phase would be as follows:

Phase 1	\$ 14,610,000
Phase 2	\$ 13,765,000
Phase 3	\$ 10,020,000

It is projected that, over the term of the abatement, the Project will generate approximately \$2,883,066 in payments-in-lieu-of-tax in addition to the land taxes which will continue to be assessed conventionally during the term of the tax agreements.

C. Estimated Taxes Upon Expiration of Abatement

In the first full year following the expiration of all three tax agreements, it is projected that conventional taxes on the total Project, land and buildings included, will exceed \$ 1,665,155.

V. Description of Current and Prospective Employees

A. Current Employees

Not Applicable.

B. Job Creation/Prospective Employees

The construction of the Project will result in the creation of 175 – 200 construction jobs and, on completion 13-15 permanent full-time jobs. In addition, the construction of the Project will result in the creation of secondary employment opportunities and other economic impacts in the immediate vicinity of the Project Site due to the fact that both construction and post-construction employees are expected to patronize local businesses. Finally, the Project will not result in the loss or displacement of existing jobs.

C. Rules and Regulations

Applicant agrees to comply with all Federal, State, County and City laws, rules, regulations and ordinances as they relate to employment practices.

VI. Statement of Reasons for the Tax Agreement

The proposed Tax Agreement is necessary to ensure the economic viability of the Project and to keep it on a competitive footing with other residential projects in the Township and neighboring communities.

Benefits flowing to the Township from the Tax Agreement include \$ 1,665,155. in taxes which would be generated from the completed Project upon expiration of the exemption. In contrast, in 2014 the Project Site only generated \$ 151,100 in taxes. In addition, the Project will result in the creation of 175 – 200 construction jobs and 13-15 permanent full-time positions on completion. In turn, the jobs generation will result in secondary economic benefits to the community.

VII. Certification as to Compliance with State and Local Redevelopment Laws

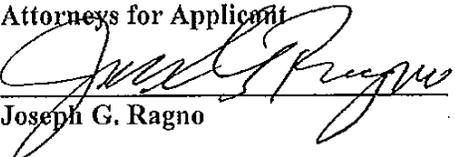
Applicant certifies that the Project is located in Hartz Mountain Site Redevelopment Plan Area and that the Project and its owner will comply in all aspects with the laws, regulations and ordinances of the State of New Jersey and the Township of Bloomfield, specifically, without limitation, the "Five-Year Exemption and Abatement Law," and Chapter 520 of the Code of the Township of Bloomfield implementing the "Five-Year Exemption and Abatement Law, and applicable zoning.

VII. Attorney Certification

I hereby certify to the best of my knowledge and belief, that all of the information contained in this Application is true and correct and that I have made a diligent inquiry to confirm the accuracy of all such information.

WATERS, MCPHERSON, MCNEILL, P.C.

Attorneys for Applicant


Joseph G. Ragno

Dated: 3/6/15

844239.1

EXHIBIT A

PROJECT SITE PLAN

EXHIBIT B

ESTIMATED COST OF PROJECT

It is estimated that the cost of construction on the Project will be approximately \$62,071,500 as defined in N.J.S.A. 40A:21-10a, including cost of land acquisition.

PHASE 1

Demo & Asbestos Abatement:	\$ 1,170,000
Site Improvements:	\$ 7,000,000
Unit Hard Cost:	\$ 18,280,000
Community Recreation Building:	\$ 500,000
Soft Cost:	\$ 3,892,000
TOTAL	\$29,842,000

PHASE 2

Unit Hard Cost:	\$ 16,200,000
Soft Cost:	\$ 2,430,000
TOTAL	\$18,630,000

PHASE 3

Unit Hard Cost:	\$ 11,880,000
Soft Cost:	\$ 1,782,000
TOTAL	\$13,662,000

EXHIBIT C

CONSTRUCTION SCHEDULE

PHASE 1

(Buildings A, B and C- 128 units and Recreation Building)

Construction to commence approximately 60 days after the last to occur of the final non-appealable approval of the Tax Agreements and Final Site Plan Approval or issuance of building permits.

PHASE 2

(Buildings D, E and F- 120 units)

Construction to commence approximately 60 days following issuance of Final Certificate of Occupancy for Phase 1.

PHASE 3

(Buildings G and H- 88 units)

Construction to commence approximately 60 days following issuance of Final Certificate of Occupancy for Phase 2.

EXHIBIT D

**SCHEDULE OF ESTIMATED
ANNUAL PAYMENTS-IN-LIEU-OF-TAX ON IMPROVEMENTS**

During the term of the tax abatement, the Applicant shall make payments-in-lieu-of-taxes otherwise due on the Project Improvements for each phase based on the assessed values stated below and the prevailing tax rate for each tax year. For purposes of this estimate, the 2014 Tax Rate of 3.755% has been utilized.

PHASE 1

Assessed Value - Improvements Only \$ 14,610,000

Year	Estimated Taxes Otherwise Due	Percentage of Taxes Otherwise Due	Estimated PILOT Due
1	\$ 548,606	0%	\$ 0
2	\$ 548,606	20%	\$ 109,721
3	\$ 548,606	40%	\$ 219,442
4	\$ 548,606	60%	\$ 329,164
5	\$ 548,606	80%	\$ 438,485
Total	\$ 2,743,030		\$ 1,096,812

PHASE 2

Assessed Value - Improvements Only \$ 13,765,000

Year	Estimated Taxes Otherwise Due	Percentage of Taxes Otherwise Due	Estimated PILOT Due
1	\$ 516,876	0%	\$ 0
2	\$ 516,876	20%	\$ 103,375
3	\$ 516,876	40%	\$ 206,750
4	\$ 516,876	60%	\$ 310,126
5	\$ 516,876	80%	\$ 413,500
Total	\$ 2,584,380		\$ 1,033,752

PHASE 3
Assessed Value - Improvements Only \$10,020,000

Year	Estimated Taxes Otherwise Due	Percentage of Taxes Otherwise Due	Estimated PILOT Due
1	\$ 376,251	0%	\$ 0
2	\$ 376,251	20%	\$ 75,250
3	\$ 376,251	40%	\$ 150,500
4	\$ 376,251	60%	\$ 225,751
5	\$ 376,251	80%	\$ 301,001
Total	\$ 1,881,255		\$ 752,502

EXHIBIT E

OWNERSHIP DISCLOSURE

The Applicant **AR NORTH DEVELOPERS, LLC**, is a New Jersey limited liability company, with offices at 90 Woodbridge Center Drive, Woodbridge, NJ 07075.

The owners of ten (10%) percent or more of **AR NORTH DEVELOPERS, LLC** are:

<u>NAME</u>	<u>ADDRESS</u>	<u>PCT. OWNED</u>
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NONE		
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EXHIBIT F

**ESTIMATE OF PROJECT RENTAL REVENUE,
OPERATING EXPENSES AND NET OPERATING INCOME**

PROPERTY	
NAME	ELOOMFIELD
LOCATION	ELOCK 65, LOTS 184
TYPE	PRO-FERALLA
UNITS	335

PHASE 1			
UNIT	DATE	PRICE	TOTAL PRICE
1 BR	48	1,650	950,400
2 BR	83	1,750	1,452,500
GROSS INCOME			2,650,000
LESS VACANCY			(31,820)
TOTAL INCOME			2,618,180

TOTAL EXPENSES		
EXPENSE	AMOUNT	TOTAL
TOTAL UTILITIES	900	(115,200)
TOTAL SERVICES	550	(10,400)
TOTAL REPAIRS AND MAINTENANCE	300	(18,600)
TOTAL ADVERTISING AND LEASING COSTS	375	(43,000)
TOTAL SUPPLY AND MERCHANDISE	100	(12,800)
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	250	(32,000)
TOTAL PERMITS AND FEES	25	(3,200)
TOTAL INSURANCE	400	(51,200)
TOTAL BUILDING AGENCY EXPENSE	800	(102,400)
TOTAL PROFESSIONAL FEES	100	(12,800)
TOTAL OTHER CORPORATE EXPENSES	25	(3,200)
TOTAL PAYROLL EXPENSES	1,000	(128,000)
TOTAL MANAGEMENT FEE	781	(99,551)
TOTAL REAL ESTATE TAXES	-	-
TOTAL OPERATING EXPENSES	5,806	(773,551)
NET OPERATING INCOME	-	1,744,629

PHASE 2			
UNIT	DATE	PRICE	TOTAL PRICE
16	1,650	712,000	
84	1,750	1,764,000	
GROSS INCOME			2,476,000
LESS VACANCY			(32,800)
TOTAL INCOME			2,352,800

TOTAL EXPENSES		
EXPENSE	AMOUNT	TOTAL
TOTAL UTILITIES	900	(108,000)
TOTAL SERVICES	550	(14,000)
TOTAL REPAIRS AND MAINTENANCE	300	(18,600)
TOTAL ADVERTISING AND LEASING COSTS	375	(45,000)
TOTAL SUPPLY AND MERCHANDISE	100	(12,800)
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	250	(32,000)
TOTAL PERMITS AND FEES	25	(3,200)
TOTAL INSURANCE	400	(48,000)
TOTAL BUILDING AGENCY EXPENSE	800	(96,000)
TOTAL PROFESSIONAL FEES	100	(12,800)
TOTAL OTHER CORPORATE EXPENSES	25	(3,200)
TOTAL PAYROLL EXPENSES	1,000	(128,000)
TOTAL MANAGEMENT FEE	781	(94,111)
TOTAL REAL ESTATE TAXES	-	-
TOTAL OPERATING EXPENSES	5,609	(673,111)
NET OPERATING INCOME	-	1,679,689

PHASE 3			
UNIT	DATE	PRICE	TOTAL PRICE
36	1,650	712,000	
52	1,750	1,091,000	
GROSS INCOME			1,604,000
LESS VACANCY			(30,200)
TOTAL INCOME			1,314,500

TOTAL EXPENSES		
EXPENSE	AMOUNT	TOTAL
TOTAL UTILITIES	500	(19,200)
TOTAL SERVICES	550	(14,400)
TOTAL REPAIRS AND MAINTENANCE	300	(18,600)
TOTAL ADVERTISING AND LEASING COSTS	375	(43,000)
TOTAL SUPPLY AND MERCHANDISE	100	(12,800)
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	250	(32,000)
TOTAL PERMITS AND FEES	25	(3,200)
TOTAL INSURANCE	400	(51,200)
TOTAL BUILDING AGENCY EXPENSE	600	(76,800)
TOTAL PROFESSIONAL FEES	100	(12,800)
TOTAL OTHER CORPORATE EXPENSES	25	(3,200)
TOTAL PAYROLL EXPENSES	1,000	(128,000)
TOTAL MANAGEMENT FEE	779	(94,541)
TOTAL REAL ESTATE TAXES	-	-
TOTAL OPERATING EXPENSES	5,604	(453,141)
NET OPERATING INCOME	-	861,359

BLOOMFIELD TERRACE
PHASE 1

TAX AGREEMENT
FIVE YEAR/NEW CONSTRUCTION/MULTIPLE DWELLING

THIS AGREEMENT made on this _____ day of _____, 2015, by and between the TOWNSHIP OF BLOOMFIELD [Township], a municipal corporation organized under the Laws of the State of New Jersey and having its principal place of business at 1 Municipal Plaza, Bloomfield, New Jersey 07003, and, AR North Developers, LLC [Applicant], whose principal place of business is 90 Woodbridge Center Drive, Woodbridge, New Jersey 07075.

WITNESSETH:

WHEREAS, the Township Council has indicated its intention to utilize the five year tax exemption provisions authorized by Article VIII, Section I, paragraph VI of the NJ State Constitution and the Five Year Exemption Law, N.J.S.A. 40A:21-1 et seq. for improvements and projects by the adoption of Ordinance 8-51, as amended by Ordinance 14-11; and

WHEREAS, the Applicant is owner of certain property located at 192-196 and 200 Bloomfield Avenue, in the Township of Bloomfield, County of Essex and State of New Jersey designated as Block 64, Lot 1.02 on the Tax Assessor's Map, and more particularly described in the metes and bounds description attached hereto as Exhibit A [Property];

WHEREAS, on or about January _____, 2015, the Applicant applied for a five year tax exemption to construct a new Multiple Dwelling on the Property consisting of 336 rental units to be developed in three (3) phases [Project] pursuant to N.J.S.A. 40A:21-1 et seq. and Chapter 520 of the Code of the Township of Bloomfield [Law]; and

WHEREAS, the Township has reviewed the application, approved the construction of the Project and authorized the execution of a Tax Exemption Agreement for Phase 1 of the Project consisting of 128 residential units and an accessory recreation building and "Great Lawn Complex" (Project Improvements) by the adoption of Ordinance _____ on _____, 2015.

NOW, THEREFORE, IN CONSIDERATION of the mutual promises and covenants hereinafter contained, the parties hereto agree as follows:

ARTICLE I: APPROVAL OF TAX EXEMPTION

The Township hereby agrees to a tax exemption for the Project Improvements constituting Phase 1 of the Project on the Property, as further described in the Application, attached hereto as Exhibit B, consisting of Buildings, A, B, and C comprising of 128 rental units, and the recreation building and "Great Lawn Complex," pursuant to the provisions of N.J.S.A. 40A:21-1 et seq. and Ordinance _____ which authorized the execution of this Tax Agreement [Law], subject to the terms and conditions hereof.

ARTICLE II: IN LIEU OF TAX PAYMENTS

The Applicant agrees to make payments on Phase 1 of the Project in lieu of full property tax payments on Project Improvements according to the schedule of Estimated Annual Payments in Lieu of Tax -- Phase 1, attached as Exhibit C. During the term of this Tax Agreement, the Applicant will continue to pay land taxes as assessed and shall not be entitled to a credit against the payments-in-lieu-of-tax.

ARTICLES III: FEDERAL, STATE AND LOCAL LAW

The construction of the Project is subject to all applicable federal, State and local laws and regulations on pollution control, worker safety, discrimination in employment, housing provision, zoning, planning and building code requirements.

ARTICLE IV: TERM OF EXEMPTION

The Tax Exemption granted shall be valid and effective for a period of five (5) full calendar years from the date of Substantial Completion of Phase 1 of the Project, which shall ordinarily mean the date on which the Township issues, or Phase 1 is eligible to receive, a Final Certificate of Occupancy. During the term of the tax exemption, the Applicant shall make an in lieu of tax payment to the Township in accordance with the schedule set forth above. Prior to the commencement of the tax exemption, and upon expiration thereof, the Applicant shall pay full conventional taxes on the land and improvements constituting to the Property.

ARTICLE V: COUNTY EQUALIZATION AND SCHOOL AID

Pursuant to N.J.S.A. 40A:21-11(c), the percentage, which the payment in lieu of taxes for the tax exempt property bears to the property tax which would have been paid had an exemption not been granted for the property under this Agreement, shall be applied to the valuation of the property to determine the reduced valuation of the property to be included in the valuation of the Township for determining equalization for county tax apportionment and school aid, during the term of the tax exemption agreement covering this property. At the expiration or termination of this Agreement, the reduced valuation procedure required under the Law shall no longer apply.

ARTICLE VI: OPERATION OR DISPOSITION OF PROPERTY

If during any year prior to the termination of this Agreement, the Applicant ceases to operate or disposes of the Project, or fails to meet the conditions for qualifying for tax exemption under this Agreement or pursuant to Law, then the tax which would have otherwise been payable for each and every year, shall become due and payable from the Applicant as if no exemption had been granted. The Tax Collector shall, within 15 days thereof, notify the owner of the Property of the amount of taxes due.

However, with respect to the disposal of the property, if it is determined that the new owner will continue to use the property pursuant to the conditions which qualify the property for exemption, the tax exemption shall continue and this Agreement shall remain in full force and effect.

ARTICLE VIII: TERMINATION/ELIGIBILITY FOR ADDITIONAL TAX EXEMPTION

Upon the termination of this Agreement for tax exemption, the Project shall be subject to all applicable real property taxes as provided by State Laws and Regulations and Township Ordinances. However, nothing herein shall be deemed to prohibit the Project, at the termination of this Agreement, from qualifying for and receiving the full benefits of any other tax preferences allowed by law. Furthermore, nothing herein shall prohibit the Applicant from exercising any rights under any other tax provisions of State law or Township Ordinances.

ARTICLE IX: NOTICES

All notices to be given with respect to this Agreement shall be in writing. Each notice shall be sent by registered or certified mail, postage prepaid, return receipt requested, to the party to be notified at the addresses set forth below or at such other address as either party may from time to time designate in writing:

Notice to Township:

Business Administrator
Township of Bloomfield
1 Municipal Plaza
Bloomfield, New Jersey 07003

Notice to Applicant:

AR North Developers, LLC
90 Woodbridge Center Drive
Woodbridge, New Jersey 07075

and

Joseph G. Ragno, Esq.
Waters, McPherson, McNeill, P.C.
300 Lighting Way, P.O. Box 1560
Secaucus, New Jersey 07096

ARTICLE X: GENERAL PROVISIONS

This Agreement contains the entire Agreement between the parties and cannot be amended, changed or modified except by written instrument executed by the parties hereto.

In the event that any provisions or term of this Agreement shall be held invalid or unenforceable by an Court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof; provided, however, that the Township continues to receive the full benefit of any economic term hereunder.

This Agreement shall be governed by and construed in accordance with the Laws of the State of New Jersey.

This agreement may be executed in several counterparts, each of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Township and the Applicant have caused this Agreement to be executed on the date and year first above written.

WITNESS:

AR North Developers, LLC

BY: _____

By: _____

ATTEST:

TOWNSHIP OF BLOOMFIELD

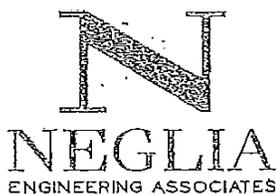
BY: _____

Township Clerk

Business Administrator

EXHIBIT A

METES AND BOUNDS DESCRIPTION



DEED DESCRIPTION

Joseph E. Neglia, PE, PP, PLS
CEO, Chairman of the Board

Michael J. Neglia, PE, PP, PLS
President

Gregory Polyniak, PE, PP

Michael F. Bertiner

Thomas R. Sulfaro, PE, CME

Daniel Kaufman, PE, PP

Brian Intindola, PE

Joanna Signa

Civil Engineering

Municipal Engineering

Landscape Architecture

Traffic Engineering

Planning

Land Surveying

Construction Management

34 Park Avenue

PO Box 426

Lyndhurst, NJ 07071

Tel: 201.939.8805

Fax: 201.939.0846

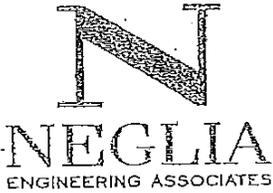
www.negliaengineering.com

Of a parcel of land situate in the Township of Bloomfield, Essex County, New Jersey, being known and designated as a portion of Lots 1 & 4, Block 64 as delineated on the Township of Bloomfield Tax Assessment Map, and being more particularly described as follows:

Beginning in the southerly sideline of Watsessing Avenue (50' ROW as per Tax Map), distant 342.00' westerly along same from the southwesterly sideline of Bloomfield Avenue (80' ROW as per Tax Map) and running thence; the following three courses by a new line through said Lot 1

1. South Fifteen Degrees, Twenty-five Minutes, Thirty Seconds East (S 15° 25' 30" E) Two Hundred Fifty-five and Sixty-eight Hundredths feet (255.68'), thence;
2. South Seventy-four Degrees, Fifty-nine Minutes, Thirty Seconds East (S 74° 59' 30" E), One Hundred Ninety-five and Three Hundredths feet (195.03'), thence;
3. South Twenty-seven Degrees, Thirty Minutes, Zero Seconds East (S 27° 30' 00" E), Four Hundred Twenty-one and Forty Hundredths feet (421.40'), thence;
4. Still by a new line through said Lot 1 and continuing by a new line through said Lot 4 North Sixty-two Degrees, Thirty Minutes, Zero Seconds East (N 62° 30' 00" E), One Hundred Sixty-one and Eighty-three Hundredths feet (161.83') to the aforementioned southwesterly sideline of Bloomfield Avenue, thence;
5. Along said southwesterly sideline, South Twenty-seven Degrees, Thirty Minutes, Zero Seconds East (S 27°30'00" E), Forty-four and Twenty-nine Hundredths feet (44.29') to the northwesterly line of Lot 2, thence;
6. Along said northwesterly line, South Thirty-seven Degrees, Thirty Minutes, Zero Seconds West (S 37°30'00" W), Two Hundred Forty-nine and Nine Hundredths feet (249.09') to the northerly sideline of Conrail (width varies as per Tax Map), thence;
7. Along said northerly sideline, North Eighty-nine Degrees, Thirty-seven Minutes, Thirty Seconds West (N 89°37'30" W), Nine Hundred Thirty-eight and Sixty-two Hundredths feet (938.62') to the easterly line of Lot 8, thence;
8. Along the easterly line of said Lot 8 and continuing along the easterly line of Lot 5, North Zero Degrees, Twenty-two Minutes, Thirty Seconds East (N 0°22'30" E), Three Hundred Ninety-one and Fifty-six Hundredths feet (391.56') to the southerly line of Lot 6, thence;





9. Along said southerly line, North Eighty-five Degrees, Fifty-six Minutes, Zero Seconds East (N 85°56'00" E), One Hundred Sixty-six and Sixty-four Hundredths feet (166.64') to an angle point in same, thence;

10. Still along said southerly line, South Four Degrees, Four Minutes, Zero Seconds East (S 4°04'00" E), Thirty-eight and Seventy-nine Hundredths feet (38.79') to an angle point in same, thence;

11. Still along said southerly line, North Fifty-one Degrees, Thirty-seven Minutes, Zero Seconds East (N 51°37'00" E), Two Hundred Eighty-five and Thirteen Hundredths feet (285.13') to the easterly line of said Lot 6, thence;

12. Along said easterly line, North Twenty-seven Degrees, Thirty Minutes, Zero Seconds West (N 27°30'00" W), Two Hundred Fifty-six and Sixty-seven Hundredths feet (256.67') to an angle point in same, thence;

13. Still along said easterly line, North One Degree, Thirty-one Minutes, Thirty Seconds East (N 1°31'30" E), One Hundred and Zero Hundredths feet (100.00') to the aforementioned southerly sideline of Watsessing Avenue, thence;

14. Along said southerly sideline, South Eighty-eight Degrees, Twenty-eight Minutes, Thirty Seconds East (S 88°28'30" E), Forty-one and Forty-six Hundredths feet (41.46') to an angle point in same, thence;

15. Still along said southerly sideline, South Seventy-four Degrees, Fifty-nine Minutes, Thirty Seconds East (S 74°59'30" E), One Hundred Sixty and Eleven Hundredths feet (160.11') to the Point and Place of Beginning.

Containing: 500,531 s.f. or 11.49 acres of land more or less.

This description was prepared in accordance with a certain map entitled: "Minor Subdivision Plan Lots 1 & 4 Block .64, Township of Bloomfield, Essex County, New Jersey", prepared by Neglia Engineering Associates on June 5, 2013.

Prepared by:

Jerzy Baraniewicz, P.L.S.

NJ license number 43282

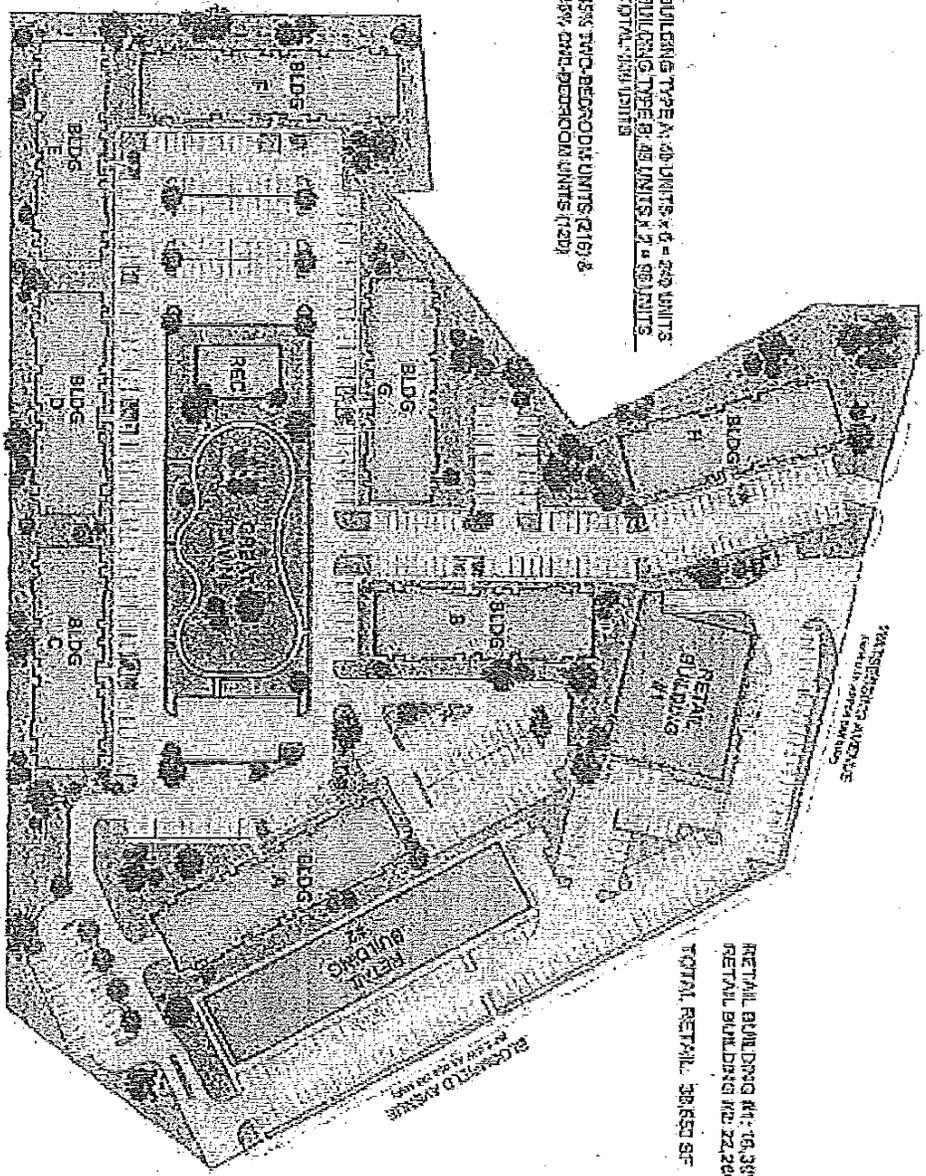
EXHIBIT B

PROJECT IMPROVEMENTS

Phase 1: A, B, C and Rec. Building
 Phase 2: D, E, F
 Phase 3: G, H

BUILDING TYPE A: 20 UNITS x 0 = 0 UNITS
 BUILDING TYPE B: 43 UNITS x 1.7 = 73 UNITS
 TOTAL UNITS UNITS

45% TWO-BEDROOM UNITS (216) &
 25% ONE-BEDROOM UNITS (120)



RETAIL BUILDING #1: 16,300 SF
 RETAIL BUILDING #2: 22,200 SF
 TOTAL RETAIL: 38,500 SF

Perkins Eastman

EXHIBIT C

ESTIMATED ANNUAL PAYMENTS IN LIEU OF TAX

PHASE 1

Assessed Value - *Improvements Only*: \$14,610,000

Year	Estimated Taxes Otherwise Due	Percentage of Taxes Otherwise Due	Estimated PILOT Due
1	\$ 548,606	0%	\$ 0
2	\$ 548,606	20%	\$ 109,721
3	\$ 548,606	40%	\$ 219,442
4	\$ 548,606	60%	\$ 329,164
5	\$ 548,606	80%	\$ 438,485
Total	\$ 2,743,030		\$ 1,096,812

BLOOMFIELD TERRACE
PHASE 2

TAX AGREEMENT
FIVE YEAR/NEW CONSTRUCTION/MULTIPLE DWELLING

THIS AGREEMENT made on this ____ day of _____, 2015, by and between the TOWNSHIP OF BLOOMFIELD [Township], a municipal corporation organized under the Laws of the State of New Jersey and having its principal place of business at 1 Municipal Plaza, Bloomfield, New Jersey 07003, and, AR North Developers, LLC [Applicant], whose principal place of business is 90 Woodbridge Center Drive, Woodbridge, New Jersey 07075.

WITNESSETH:

WHEREAS, the Township Council has indicated its intention to utilize the five year tax exemption provisions authorized by Article VIII, Section I, paragraph VI of the NJ State Constitution and the Five Year Exemption Law, N.J.S.A. 40A:21-1 et seq. for improvements and projects by the adoption of Ordinance ____, as amended by Ordinance ____; and

WHEREAS, the Applicant is owner of certain property located at 192-196 and 200 Bloomfield Avenue, in the Township of Bloomfield, County of Essex and State of New Jersey designated as Block 64, Lot 1.02 on the Tax Assessor's Map, and more particularly described in the metes and bounds description attached hereto as Exhibit A [Property];

WHEREAS, on or about January _____, 2015, the Applicant applied for a five year tax exemption to construct a new Multiple Dwelling on the Property consisting of 336 rental units to be developed in three (3) phases [Project] pursuant to N.J.S.A. 40A:21-1 et seq. and Chapter 520 of the Code of the Township of Bloomfield [Law]; and

WHEREAS, the Township has reviewed the application, approved the construction of the Project and authorized the execution of a Tax Exemption Agreement for Phase 2 of the Project consisting of 120 residential units (Project Improvements) by the adoption of Ordinance ____ on _____, 2015.

NOW, THEREFORE, IN CONSIDERATION of the mutual promises and covenants hereinafter contained, the parties hereto agree as follows:

ARTICLE I: APPROVAL OF TAX EXEMPTION

The Township hereby agrees to a tax exemption for Project improvements constituting Phase 2 of the Project on the Property, as further described in the Application, attached hereto as Exhibit B, consisting of Buildings, D, E and F comprising of 120 rental units, pursuant to the provisions of N.J.S.A. 40A:21-1 et seq. and Ordinance _____ which authorized the execution of this Tax Agreement [Law], subject to the terms and conditions hereof.

ARTICLE II: IN LIEU OF TAX PAYMENTS

The Applicant agrees to make payments on Phase 2 of the Project in lieu of full property tax payments on the Project Improvements according to the schedule of Estimated Annual Payments in lieu of Tax – Phase 2, attached as Exhibit C. During the term of this Tax Agreement, the Applicant will continue to pay land taxes as assessed and shall not be entitled to a credit against the payments-in-lieu-of-tax.

ARTICLES III: FEDERAL, STATE AND LOCAL LAW

The construction of the Project is subject to all applicable federal, State and local laws and regulations on pollution control, worker safety, discrimination in employment, housing provision, zoning, planning and building code requirements.

ARTICLE IV: TERM OF EXEMPTION

The Tax Exemption granted shall be valid and effective for a period of five (5) full calendar years from the date of Substantial Completion of Phase 2 of the Project, which shall ordinarily mean the date on which the Township issues, or Phase 2 is eligible to receive, a Certificate of Occupancy, whether temporary or final. During the term of the tax exemption, the Applicant shall make an in lieu of tax payment to the Township in accordance with the schedule set forth above. Prior to the commencement of the tax exemption, and upon expiration thereof, the Applicant shall pay full conventional taxes on the land and improvements constituting to the Property.

ARTICLE V: COUNTY EQUALIZATION AND SCHOOL AID

Pursuant to N.J.S.A. 40A:21-11(c), the percentage, which the payment in lieu of taxes for the tax exempt property bears to the property tax which would have been paid had an exemption not been granted for the property under this Agreement, shall be applied to the valuation of the property to determine the reduced valuation of the property to be included in the valuation of the Township for determining equalization for county tax apportionment and school aid, during the term of the tax exemption agreement covering this property. At the expiration or termination of this Agreement, the reduced valuation procedure required under the Law shall no longer apply.

ARTICLE VI: OPERATION OR DISPOSITION OF PROPERTY

If during any year prior to the termination of this Agreement, the Applicant ceases to operate or disposes of the Project, or fails to meet the conditions for qualifying for tax exemption under this Agreement or pursuant to Law, then the tax which would have otherwise been payable for each and every year, shall become due and payable from the Applicant as if no exemption had been granted. The Tax Collector shall, within 15 days thereof, notify the owner of the Property of the amount of taxes due.

However, with respect to the disposal of the property, if it is determined that the new owner will continue to use the property pursuant to the conditions which qualify the property for exemption, the tax exemption shall continue and this Agreement shall remain in full force and effect.

ARTICLE VIII: TERMINATION/ELIGIBILITY
FOR ADDITIONAL TAX EXEMPTION

Upon the termination of this Agreement for tax exemption, the Project shall be subject to all applicable real property taxes as provided by State Laws and Regulations and Township Ordinances. However, nothing herein shall be deemed to prohibit the Project, at the termination of this Agreement, from qualifying for and receiving the full benefits of any other tax preferences allowed by law. Furthermore, nothing herein shall prohibit the Applicant from exercising any rights under any other tax provisions of State law or Township Ordinances.

ARTICLE IX: NOTICES

All notices to be given with respect to this Agreement shall be in writing. Each notice shall be sent by registered or certified mail, postage prepaid, return receipt requested, to the party to be notified at the addresses set forth below or at such other address as either party may from time to time designate in writing:

Notice to Township:

Business Administrator
Township of Bloomfield
1 Municipal Plaza
Bloomfield, New Jersey 07003

Notice to Applicant:

AR North Developers, LLC
90 Woodbridge Center Drive
Woodbridge, New Jersey 07075

and

Joseph G. Ragno, Esq.
Waters, McPherson, McNeill, P.C.
300 Lighting Way, P.O. Box 1560
Secaucus, New Jersey 07096

ARTICLE X: GENERAL PROVISIONS

This Agreement contains the entire Agreement between the parties and cannot be amended, changed or modified except by written instrument executed by the parties hereto.

In the event that any provisions or term of this Agreement shall be held invalid or unenforceable by an Court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof; provided, however, that the Township continues to receive the full benefit of any economic term hereunder.

This Agreement shall be governed by and construed in accordance with the Laws of the State of New Jersey.

This agreement may be executed in several counterparts, each of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Township and the Applicant have caused this Agreement to be executed on the date and year first above written.

WITNESS:

AR North Developers, LLC

BY: _____

By: _____

ATTEST:

TOWNSHIP OF BLOOMFIELD

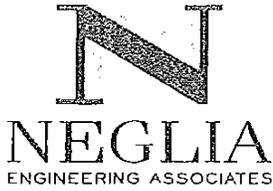
BY: _____

Township Clerk

Business Administrator

EXHIBIT A

METES AND BOUNDS DESCRIPTION



Joseph E. Neglia, PE, PP, PLS
CEO, Chairman of the Board

Michael J. Neglia, PE, PP, PLS
President

Gregory Polyniak, PL, PP

Michael F. Berliner

Thomas R. Solfaro, PE, CME

Daniel Kaufman, PE, PP

Brian Intindola, PE

Joann Signa

Civil Engineering

Municipal Engineering

Landscape Architecture

Traffic Engineering

Planning

Land Surveying

Construction Management

34 Park Avenue

PO Box 426

Lyndhurst, NJ 07071

Tel: 201.939.8805

Fax: 201.939.0846

www.negliaengineering.com

DEED DESCRIPTION

Of a parcel of land situate in the Township of Bloomfield, Essex County, New Jersey, being known and designated as a portion of Lots 1 & 4, Block 64 as delineated on the Township of Bloomfield Tax Assessment Map, and being more particularly described as follows:

Beginning in the southerly sideline of Watsessing Avenue (50' ROW as per Tax Map), distant 342.00' westerly along same from the southwesterly sideline of Bloomfield Avenue (80' ROW as per Tax Map) and running thence; the following three courses by a new line through said Lot 1

1. South Fifteen Degrees, Twenty-five Minutes, Thirty Seconds East (S 15° 25' 30" E) Two Hundred Fifty-five and Sixty-eight Hundredths feet (255.68'), thence;
2. South Seventy-four Degrees, Fifty-nine Minutes, Thirty Seconds East (S 74° 59' 30" E), One Hundred Ninety-five and Three Hundredths feet (195.03'), thence;
3. South Twenty-seven Degrees, Thirty Minutes, Zero Seconds East (S 27° 30' 00" E), Four Hundred Twenty-one and Forty Hundredths feet (421.40'), thence;
4. Still by a new line through said Lot 1 and continuing by a new line through said Lot 4 North Sixty-two Degrees, Thirty Minutes, Zero Seconds East (N 62° 30' 00" E), One Hundred Sixty-one and Eighty-three Hundredths feet (161.83') to the aforementioned southwesterly sideline of Bloomfield Avenue, thence;
5. Along said southwesterly sideline, South Twenty-seven Degrees, Thirty Minutes, Zero Seconds East (S 27°30'00" E), Forty-four and Twenty-nine Hundredths feet (44.29') to the northwesterly line of Lot 2, thence;
6. Along said northwesterly line, South Thirty-seven Degrees, Thirty Minutes, Zero Seconds West (S 37°30'00" W), Two Hundred Forty-nine and Nine Hundredths feet (249.09') to the northerly sideline of Conrail (width varies as per Tax Map), thence;
7. Along said northerly sideline, North Eighty-nine Degrees, Thirty-seven Minutes, Thirty Seconds West (N 89°37'30" W), Nine Hundred Thirty-eight and Sixty-two Hundredths feet (938.62') to the easterly line of Lot 8, thence;
8. Along the easterly line of said Lot 8 and continuing along the easterly line of Lot 5, North Zero Degrees, Twenty-two Minutes, Thirty Seconds East (N 0°22'30" E), Three Hundred Ninety-one and Fifty-six Hundredths feet (391.56') to the southerly line of Lot 6, thence;





9. Along said southerly line, North Eighty-five Degrees, Fifty-six Minutes, Zero Seconds East (N 85°56'00" E), One Hundred Sixty-six and Sixty-four Hundredths feet (166.64') to an angle point in same, thence;

10. Still along said southerly line, South Four Degrees, Four Minutes, Zero Seconds East (S 4°04'00" E), Thirty-eight and Seventy-nine Hundredths feet (38.79') to an angle point in same, thence;

11. Still along said southerly line, North Fifty-one Degrees, Thirty-seven Minutes, Zero Seconds East (N 51°37'00" E), Two Hundred Eighty-five and Thirteen Hundredths feet (285.13') to the easterly line of said Lot 6, thence;

12. Along said easterly line, North Twenty-seven Degrees, Thirty Minutes, Zero Seconds West (N 27°30'00" W), Two Hundred Fifty-six and Sixty-seven Hundredths feet (256.67') to an angle point in same, thence;

13. Still along said easterly line, North One Degree, Thirty-one Minutes, Thirty Seconds East (N 1°31'30" E), One Hundred and Zero Hundredths feet (100.00') to the aforementioned southerly sideline of Watsessing Avenue, thence;

14. Along said southerly sideline, South Eighty-eight Degrees, Twenty-eight Minutes, Thirty Seconds East (S 88°28'30" E), Forty-one and Forty-six Hundredths feet (41.46') to an angle point in same, thence;

15. Still along said southerly sideline, South Seventy-four Degrees, Fifty-nine Minutes, Thirty Seconds East (S 74°59'30" E), One Hundred Sixty and Eleven Hundredths feet (160.11') to the Point and Place of Beginning.

Containing: 500,531 s.f. or 11.49 acres of land more or less.

This description was prepared in accordance with a certain map entitled: "Minor Subdivision Plan Lots 1 & 4 Block 64, Township of Bloomfield, Essex County, New Jersey", prepared by Neglia Engineering Associates on June 5, 2013.

Prepared by:

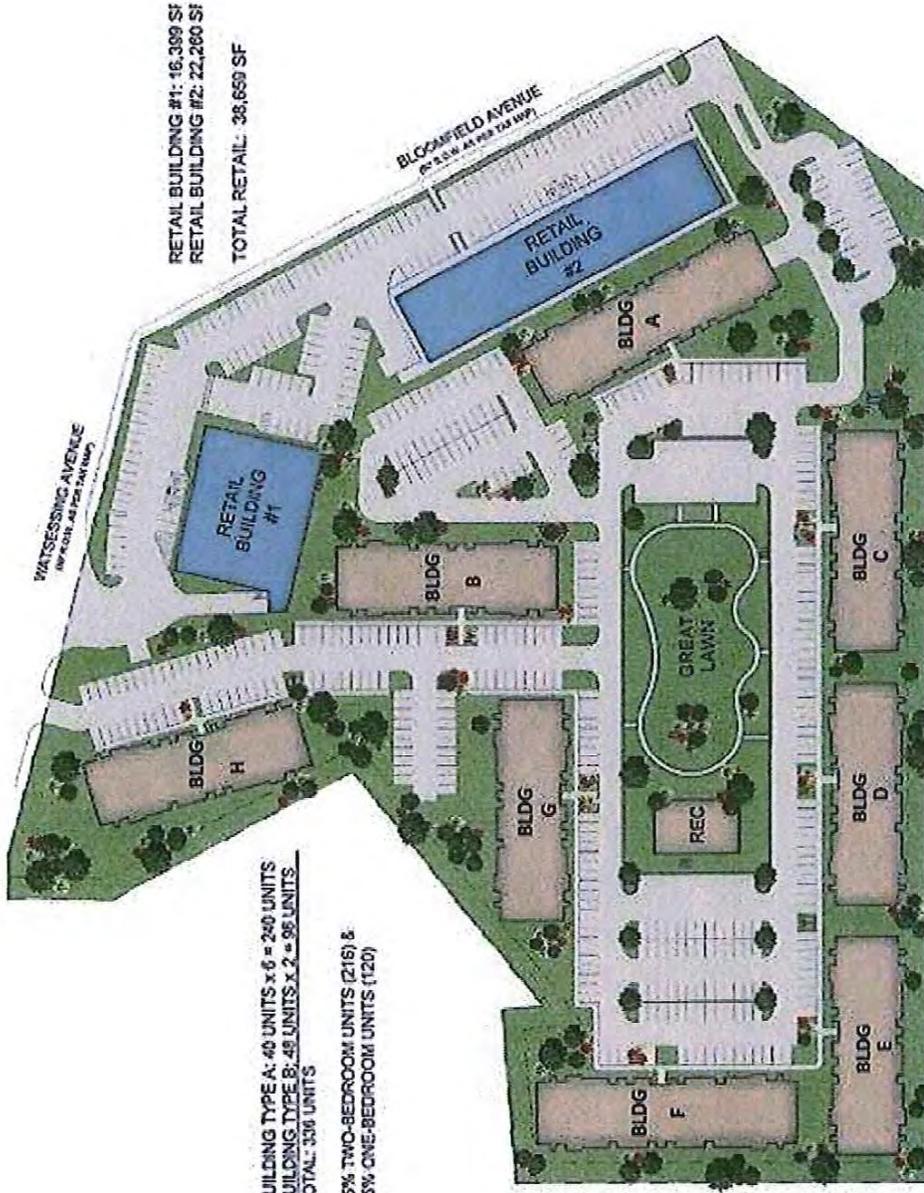
Jerzy Baraniewicz, P.L.S.

NJ license number 43282

EXHIBIT B

PROJECT IMPROVEMENTS

Phase 1: A,B,C and Rec. Building
 Phase 2: D,E,F
 Phase 3: G,H



BUILDING TYPE A: 40 UNITS x 6 = 240 UNITS
 BUILDING TYPE B: 48 UNITS x 2 = 96 UNITS
 TOTAL: 336 UNITS

65% TWO-BEDROOM UNITS (216) &
 35% ONE-BEDROOM UNITS (120)

BLOOMFIELD, NJ
 192 BLOOMFIELD LLC

SITE PLAN

Perkins Eastman

EXHIBIT C

ESTIMATED ANNUAL PAYMENTS IN LIEU OF TAX

PHASE 2

Assessed Value - *Improvements Only* \$13,765,000

Year	Estimated Taxes Otherwise Due	Percentage of Taxes Otherwise Due	Estimated PILOT Due
1	\$ 516,876	0%	\$ 0
2	\$ 516,876	20%	\$ 103,375
3	\$ 516,876	40%	\$ 206,750
4	\$ 516,876	60%	\$ 310,126
5	\$ 516,876	80%	\$ 413,500
Total	\$ 2,584,380		\$ 1,033,752

BLOOMFIELD TERRACE
PHASE 3

TAX AGREEMENT
FIVE YEAR/NEW CONSTRUCTION/MULTIPLE DWELLING

THIS AGREEMENT made on this ____ day of _____, 2015, by and between the TOWNSHIP OF BLOOMFIELD [Township], a municipal corporation organized under the Laws of the State of New Jersey and having its principal place of business at 1 Municipal Plaza, Bloomfield, New Jersey 07003, and, AR North Developers, LLC [Applicant], whose principal place of business is 90 Woodbridge Center Drive, Woodbridge, New Jersey 07075.

WITNESSETH:

WHEREAS, the Township Council has indicated its intention to utilize the five year tax exemption provisions authorized by Article VIII, Section I, paragraph VI of the NJ State Constitution and the Five Year Exemption Law, N.J.S.A. 40A:21-1 et seq. for improvements and projects by the adoption of Ordinance _____, as amended by Ordinance _____; and

WHEREAS, the Applicant is owner of certain property located at 192-196 and 200 Bloomfield Avenue, in the Township of Bloomfield, County of Essex and State of New Jersey designated as Block 64, Lot 1.02 on the Tax Assessor's Map, and more particularly described in the metes and bounds description attached hereto as Exhibit A [Property];

WHEREAS, on or about January _____, 2015, the Applicant applied for a five year tax exemption to construct a new Multiple Dwelling on the Property consisting of 336 rental units to be developed in three (3) phases [Project] pursuant to N.J.S.A. 40A:21-1 et seq. and Chapter 520 of the Code of the Township of Bloomfield [Law]; and

WHEREAS, the Township has reviewed the application, approved the construction of the Project and authorized the execution of a Tax Exemption Agreement for Phase 3 of the Project consisting of 88 residential units (Project Improvements) by the adoption of Ordinance _____ on _____, 2015.

NOW, THEREFORE, IN CONSIDERATION of the mutual promises and covenants hereinafter contained, the parties hereto agree as follows:

ARTICLE I: APPROVAL OF TAX EXEMPTION

The Township hereby agrees to a tax exemption for Project Improvements constituting Phase 3 of the Project on the Property, as further described in the Application, attached hereto as Exhibit B, consisting of Buildings G and H comprising of 88 rental units, pursuant to the provisions of N.J.S.A. 40A:21-1 et seq. and Ordinance _____ which authorized the execution of this Tax Agreement [Law], subject to the terms and conditions hereof.

ARTICLE II: IN LIEU OF TAX PAYMENTS

The Applicant agrees to make payments on Phase 3 of the Project in lieu of full property tax payments on the Project Improvements according to the Schedule of Estimated Annual Payments in Lieu of Tax – Phase 3, Attached as Exhibit C. During the term of this Tax Agreement, the Applicant will continue to pay land taxes as assessed and shall not be entitled to a credit against the payments-in-lieu-of-tax.

ARTICLES III: FEDERAL, STATE AND LOCAL LAW

The construction of the Project is subject to all applicable federal, State and local laws and regulations on pollution control, worker safety, discrimination in employment, housing provision, zoning, planning and building code requirements.

ARTICLE IV: TERM OF EXEMPTION

The Tax Exemption granted shall be valid and effective for a period of five (5) full calendar years from the date of Substantial Completion of Phase 3 of the Project, which shall ordinarily mean the date on which the Township issues, or Phase 3 is eligible to receive, a Certificate of Occupancy, whether temporary or final. During the term of the tax exemption, the Applicant shall make an in lieu of tax payment to the Township in accordance with the schedule set forth above. Prior to the commencement of the tax exemption, and upon expiration thereof, the Applicant shall pay full conventional taxes on the land and improvements constituting to the Property.

ARTICLE V: COUNTY EQUALIZATION AND SCHOOL AID

Pursuant to N.J.S.A. 40A:21-11(c), the percentage, which the payment in lieu of taxes for the tax exempt property bears to the property tax which would have been paid had an exemption not been granted for the property under this Agreement, shall be applied to the valuation of the property to determine the reduced valuation of the property to be included in the valuation of the Township for determining equalization for county tax apportionment and school aid, during the term of the tax exemption agreement covering this property. At the expiration or termination of this Agreement, the reduced valuation procedure required under the Law shall no longer apply.

ARTICLE VI: OPERATION OR DISPOSITION OF PROPERTY

If during any year prior to the termination of this Agreement, the Applicant ceases to operate or disposes of the Project, or fails to meet the conditions for qualifying for tax exemption under this Agreement or pursuant to Law, then the tax which would have otherwise been payable for each and every year, shall become due and payable from the Applicant as if no exemption had been granted. The Tax Collector shall, within 15 days thereof, notify the owner of the Property of the amount of taxes due.

However, with respect to the disposal of the property, if it is determined that the new owner will continue to use the property pursuant to the conditions which qualify the property for exemption, the tax exemption shall continue and this Agreement shall remain in full force and effect.

ARTICLE VIII: TERMINATION/ELIGIBILITY
FOR ADDITIONAL TAX EXEMPTION

Upon the termination of this Agreement for tax exemption, the Project shall be subject to all applicable real property taxes as provided by State Laws and Regulations and Township Ordinances. However, nothing herein shall be deemed to prohibit the Project, at the termination of this Agreement, from qualifying for and receiving the full benefits of any other tax preferences allowed by law. Furthermore, nothing herein shall prohibit the Applicant from exercising any rights under any other tax provisions of State law or Township Ordinances.

ARTICLE IX: NOTICES

All notices to be given with respect to this Agreement shall be in writing. Each notice shall be sent by registered or certified mail, postage prepaid, return receipt requested, to the party to be notified at the addresses set forth below or at such other address as either party may from time to time designate in writing:

Notice to Township: Business Administrator
Township of Bloomfield
1 Municipal Plaza
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Notice to Applicant: AR North Developers, LLC
90 Woodbridge Center Drive
Woodbridge, New Jersey 07075

and

Joseph G. Ragno, Esq.
Waters, McPherson, McNeill, P.C.
300 Lighting Way, P.O. Box 1560
Secaucus, New Jersey 07096

ARTICLE X: GENERAL PROVISIONS

This Agreement contains the entire Agreement between the parties and cannot be amended, changed or modified except by written instrument executed by the parties hereto.

In the event that any provisions or term of this Agreement shall be held invalid or unenforceable by an Court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof; provided, however, that the Township continues to receive the full benefit of any economic term hereunder.

This Agreement shall be governed by and construed in accordance with the Laws of the State of New Jersey.

This agreement may be executed in several counterparts, each of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Township and the Applicant have caused this Agreement to be executed on the date and year first above written.

WITNESS:

AR North Developers, LLC

BY: _____

By: _____

ATTEST:

TOWNSHIP OF BLOOMFIELD

BY: _____

Township Clerk

Business Administrator

EXHIBIT A

METES AND BOUNDS DESCRIPTION



DEED DESCRIPTION

Of a parcel of land situate in the Township of Bloomfield, Essex County, New Jersey, being known and designated as a portion of Lots 1 & 4, Block 64 as delineated on the Township of Bloomfield Tax Assessment Map, and being more particularly described as follows:

Beginning in the southerly sideline of Watsessing Avenue (50' ROW as per Tax Map), distant 342.00' westerly along same from the southwesterly sideline of Bloomfield Avenue (80' ROW as per Tax Map) and running thence; the following three courses by a new line through said Lot 1

1. South Fifteen Degrees, Twenty-five Minutes, Thirty Seconds East (S 15° 25' 30" E) Two Hundred Fifty-five and Sixty-eight Hundredths feet (255.68'), thence;
2. South Seventy-four Degrees, Fifty-nine Minutes, Thirty Seconds East (S 74° 59' 30" E), One Hundred Ninety-five and Three Hundredths feet (195.03'), thence;
3. South Twenty-seven Degrees, Thirty Minutes, Zero Seconds East (S 27° 30' 00" E), Four Hundred Twenty-one and Forty Hundredths feet (421.40'), thence;
4. Still by a new line through said Lot 1 and continuing by a new line through said Lot 4 North Sixty-two Degrees, Thirty Minutes, Zero Seconds East (N 62° 30' 00" E), One Hundred Sixty-one and Eighty-three Hundredths feet (161.83') to the aforementioned southwesterly sideline of Bloomfield Avenue, thence;
5. Along said southwesterly sideline, South Twenty-seven Degrees, Thirty Minutes, Zero Seconds East (S 27°30'00" E), Forty-four and Twenty-nine Hundredths feet (44.29') to the northwesterly line of Lot 2, thence;
6. Along said northwesterly line, South Thirty-seven Degrees, Thirty Minutes, Zero Seconds West (S 37°30'00" W), Two Hundred Forty-nine and Nine Hundredths feet (249.09') to the northerly sideline of Conrail (width varies as per Tax Map), thence;
7. Along said northerly sideline, North Eighty-nine Degrees, Thirty-seven Minutes, Thirty Seconds West (N 89°37'30" W), Nine Hundred Thirty-eight and Sixty-two Hundredths feet (938.62') to the easterly line of Lot 8, thence;
8. Along the easterly line of said Lot 8 and continuing along the easterly line of Lot 5, North Zero Degrees, Twenty-two Minutes, Thirty Seconds East (N 0°22'30" E), Three Hundred Ninety-one and Fifty-six Hundredths feet (391.56') to the southerly line of Lot 6, thence;

Joseph E. Neglia, PE, PP, PLS
CEO, Chairman of the Board

Michael J. Neglia, PE, PP, PLS
President

Gregory Polyniak, PE, PP

Michael F. Berliner

Thomas R. Sulfaro, PE, CME

Daniel Kaufman, PE, PP

Brian Intindola, PE

Joanni Signa

Civil Engineering

Municipal Engineering

Landscape Architecture

Traffic Engineering

Planning

Land Surveying

Construction Management

34 Park Avenue

PO Box 426

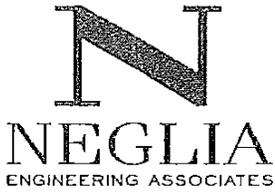
Lyndhurst, NJ 07071

Tel: 201.939.8805

Fax: 201.939.0846

www.negliaengineering.com





9. Along said southerly line, North Eighty-five Degrees, Fifty-six Minutes, Zero Seconds East (N 85°56'00" E), One Hundred Sixty-six and Sixty-four Hundredths feet (166.64') to an angle point in same, thence;

10. Still along said southerly line, South Four Degrees, Four Minutes, Zero Seconds East (S 4°04'00" E), Thirty-eight and Seventy-nine Hundredths feet (38.79') to an angle point in same, thence;

11. Still along said southerly line, North Fifty-one Degrees, Thirty-seven Minutes, Zero Seconds East (N 51°37'00" E), Two Hundred Eighty-five and Thirteen Hundredths feet (285.13') to the easterly line of said Lot 6, thence;

12. Along said easterly line, North Twenty-seven Degrees, Thirty Minutes, Zero Seconds West (N 27°30'00" W), Two Hundred Fifty-six and Sixty-seven Hundredths feet (256.67') to an angle point in same, thence;

13. Still along said easterly line, North One Degree, Thirty-one Minutes, Thirty Seconds East (N 1°31'30" E), One Hundred and Zero Hundredths feet (100.00') to the aforementioned southerly sideline of Watsessing Avenue, thence;

14. Along said southerly sideline, South Eighty-eight Degrees, Twenty-eight Minutes, Thirty Seconds East (S 88°28'30" E), Forty-one and Forty-six Hundredths feet (41.46') to an angle point in same, thence;

15. Still along said southerly sideline, South Seventy-four Degrees, Fifty-nine Minutes, Thirty Seconds East (S 74°59'30" E), One Hundred Sixty and Eleven Hundredths feet (160.11') to the Point and Place of Beginning.

Containing: 500,531 s.f. or 11.49 acres of land more or less.

This description was prepared in accordance with a certain map entitled: "Minor Subdivision Plan Lots 1 & 4 Block 64, Township of Bloomfield, Essex County, New Jersey", prepared by Neglia Engineering Associates on June 5, 2013.

Prepared by:

Jerzy Baraniewicz, P.L.S.

NJ license number 43282

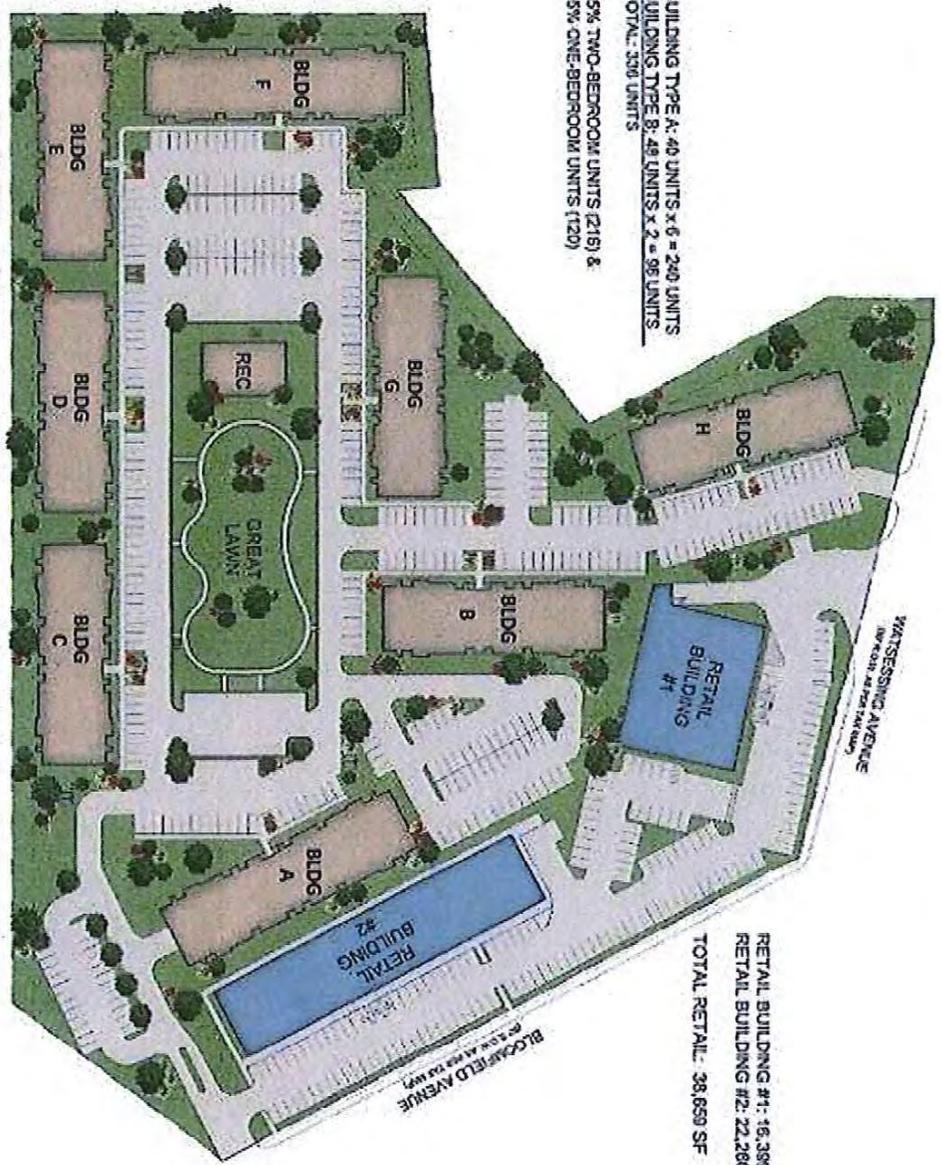
EXHIBIT B

PROJECT IMPROVEMENTS

Phase 1: A,B,C and Rec. Building
 Phase 2: D,E,F
 Phase 3: G,H

RETAIL BUILDING #1: 16,369 SF
 RETAIL BUILDING #2: 22,280 SF
 TOTAL RETAIL: 38,659 SF

BUILDING TYPE A: 40 UNITS x 6 = 240 UNITS
 BUILDING TYPE B: 48 UNITS x 2 = 96 UNITS
 TOTAL: 336 UNITS
 65% TWO-BEDROOM UNITS (216) &
 35% ONE-BEDROOM UNITS (120)



BLOOMFIELD, NJ
 192 BLOOMFIELD LLC

SITE PLAN

Perkins Eastman

EXHIBIT C

ESTIMATED ANNUAL PAYMENTS IN LIEU OF TAX

PHASE 3

Assessed Value - *Improvements Only* \$10,020,000

Year	Estimated Taxes Otherwise Due	Percentage of Taxes Otherwise Due	Estimated PILOT Due
1	\$ 376,251	0%	\$ 0
2	\$ 376,251	20%	\$ 75,250
3	\$ 376,251	40%	\$ 150,500
4	\$ 376,251	60%	\$ 225,751
5	\$ 376,251	80%	\$ 301,001
Total	\$ 1,881,255		\$ 752,502