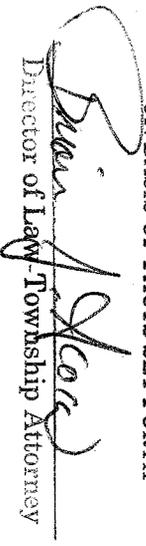


(11-29)  
5/2/11

**ORDINANCE OF THE TOWNSHIP OF BLOOMFIELD, COUNTY OF ESSEX, NEW JERSEY APPROVING THE APPLICATION AND FINANCIAL AGREEMENT FOR TAX EXEMPTION OF BLOOMFIELD CENTER URBAN RENEWAL, L.L.C. FOR THE CONSTRUCTION OF A REDEVELOPMENT PROJECT LOCATED IN THE BLOCK 228 REDEVELOPMENT AREA**

**WHEREAS**, pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the "Redevelopment Law"), the Township of Bloomfield (the "Township") designated the properties identified on the Township's tax maps as Block 228, Lots 1, 4, 5, 7, 8, 10, 11, 13, 14, 15, 16, 17, 18, 19, 21, 24, 27, 28, 29, 30, 31, 33 & 35, and Block 220, Lot 40 (the "Redevelopment Area") as an "area in need of redevelopment" and adopted a redevelopment plan, entitled the "Redevelopment Plan for Block 228 and Block 220, Lot 40 Redevelopment Plan Area" (as the same may be amended and supplemented, the "Redevelopment Plan"), for the Redevelopment Area [and for certain adjacent, Township-owned parcels (the "Additional Parcels") which the Township designated as an area in need of rehabilitation pursuant to the Redevelopment Law]; and

**WHEREAS**, on February 22, 2011, the Township Council of the Township (the "Township Council") adopted a resolution (i) designating Bloomfield Center Urban Renewal, LLC (the "Entity"), a limited-dividend, urban renewal entity created under the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. (the "Long Term Tax Exemption Law), as the redeveloper of the portion of the Redevelopment Area constituting all of the lots on Block 228 and the Additional Parcels (collectively, the "Project Site") and (ii) authorizing the execution of a redevelopment agreement with the Entity in connection with the redevelopment of the Project Site; and

APPROVED AS TO FORM AND PROCEDURE  
ON BASIS OF FACTS SET FORTH  
  
Director of Law - Township Attorney

**WHEREAS**, the Township and the Entity entered into a Redevelopment Agreement (the “Redevelopment Agreement”) in order to implement the development, design, financing and construction of the Redevelopment Project (defined below); and

**WHEREAS**, the Redevelopment Agreement provides for, among other things, the construction on the Project Site of a project consisting of: (i) (A) approximately 60,000 square feet of retail space, including approximately 10,000 square feet of restaurant space (the “Retail Project”) and (B) approximately 224 residential units (the “Residential Project” and together with the Retail Project, the “BCUR Project”) on the portion of the Project Site depicted in **Exhibit A** hereto (the “BCUR Project Site”); and (ii) an approximately 450 space parking garage (the “Parking Garage” and, together with the BCUR Project, the “Redevelopment Project”) on the portion of the Project Site depicted in **Exhibit B** hereto (the “Parking Garage Site”); and

**WHEREAS**, the Entity submitted to the Mayor of the Township (the “Mayor”) an application for tax exemption, which is on file with the Township Clerk (the “Application”), requesting an exemption of the improvements constituting the BCUR Project and a portion of the land upon which the BCUR Project will be constructed (representing the portion of said land upon which the Residential Project will be constructed, which portion shall be known as the “Residential Land”), pursuant to the Long Term Tax Exemption Law; and

**WHEREAS**, the Entity also submitted to the Mayor a form of financial agreement (the “Financial Agreement”, a copy of which is attached hereto as **Exhibit C**) establishing the rights, responsibilities and obligations of the Entity; and

**WHEREAS**, the Mayor submitted the Application and Financial Agreement to the Township Council with his recommendation for approval, a copy of which recommendation is on file with the Township Clerk; and

**WHEREAS**, the Township Council has determined that the BCUR Project represents an undertaking permitted by the Long Term Tax Exemption Law, and has further determined that the BCUR Project constitutes improvements made for the purposes of clearance, re-planning, development or redevelopment of an area in need of redevelopment within the Township, as authorized by the Redevelopment Law and the Long Term Tax Exemption Law.

**NOW, THEREFORE, BE IT ORDAINED**, by the Mayor and Council of the Township of Bloomfield, New Jersey as follows:

**Section 1.** The Application and Financial Agreement are hereby approved.

**Section 2.** The Mayor is hereby authorized to execute the Financial Agreement substantially in the form attached hereto as **Exhibit C**, subject to minor modification or revision, as deemed necessary and appropriate after consultation with counsel.

**Section 3.** The Clerk of the Township is hereby authorized and directed, upon execution of the Financial Agreement by the Mayor, to attest to the signature of the Mayor and to affix the corporate seal of the Township upon such document.

**Section 4.** The executed copy of the Financial Agreement shall be certified by and be filed with the Office of the Township Clerk. Further, the Clerk of the Township shall file certified copies of this ordinance and the Financial Agreement with the Tax Assessor of the Township and the Director of the Division of Local Government Services with the Department of Community Affairs, in accordance with Section 12 of the Long Term Tax Exemption Law.

**Section 5.** If any part(s) of this ordinance shall be deemed invalid, such part(s) shall be severed and the invalidity thereby shall not affect the remaining parts of this ordinance.

**Section 6.** All ordinances and resolutions or parts thereof inconsistent with this Ordinance are hereby rescinded.

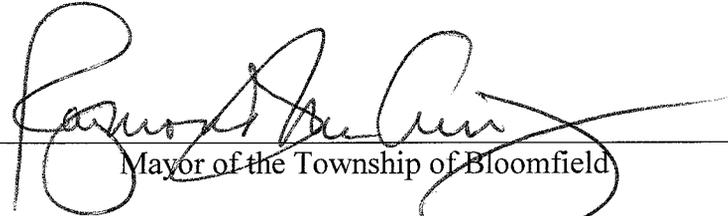
**Section 7.** This ordinance shall take effect in accordance with applicable law.

\* \* \*

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 2, 2011*

  
\_\_\_\_\_  
Municipal Clerk of the Township of Bloomfield

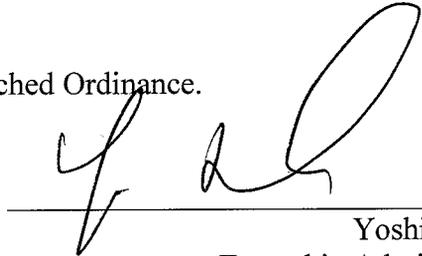
I hereby approve the above ordinance.

  
\_\_\_\_\_  
Mayor of the Township of Bloomfield

**ROLL CALL VOTE**

MAYOR & COUNCIL	Y	N	ABSTAIN	ABSENT	Y	N	ABSTAIN	ABSENT
<b>MALY</b>	✓				✓			
<b>JOANOW</b>	✓				✓			
<b>RUANE</b>	✓				✓			
<b>VENEZIA</b>	✓				✓			
<b>DUNIGAN</b>	✓				✓			
<b>HAMILTON</b>	✓				✓			
<b>McCARTHY</b>	✓				✓			

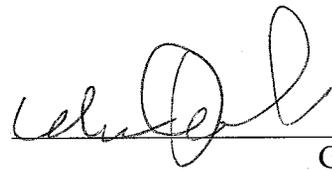
I hereby ~~approve~~ / disapprove of the passage of the attached Ordinance.

  
\_\_\_\_\_  
Yoshi Manale  
Township Administrator

If the Township Administrator disapproves of the attached Ordinance the reasons are as follows:

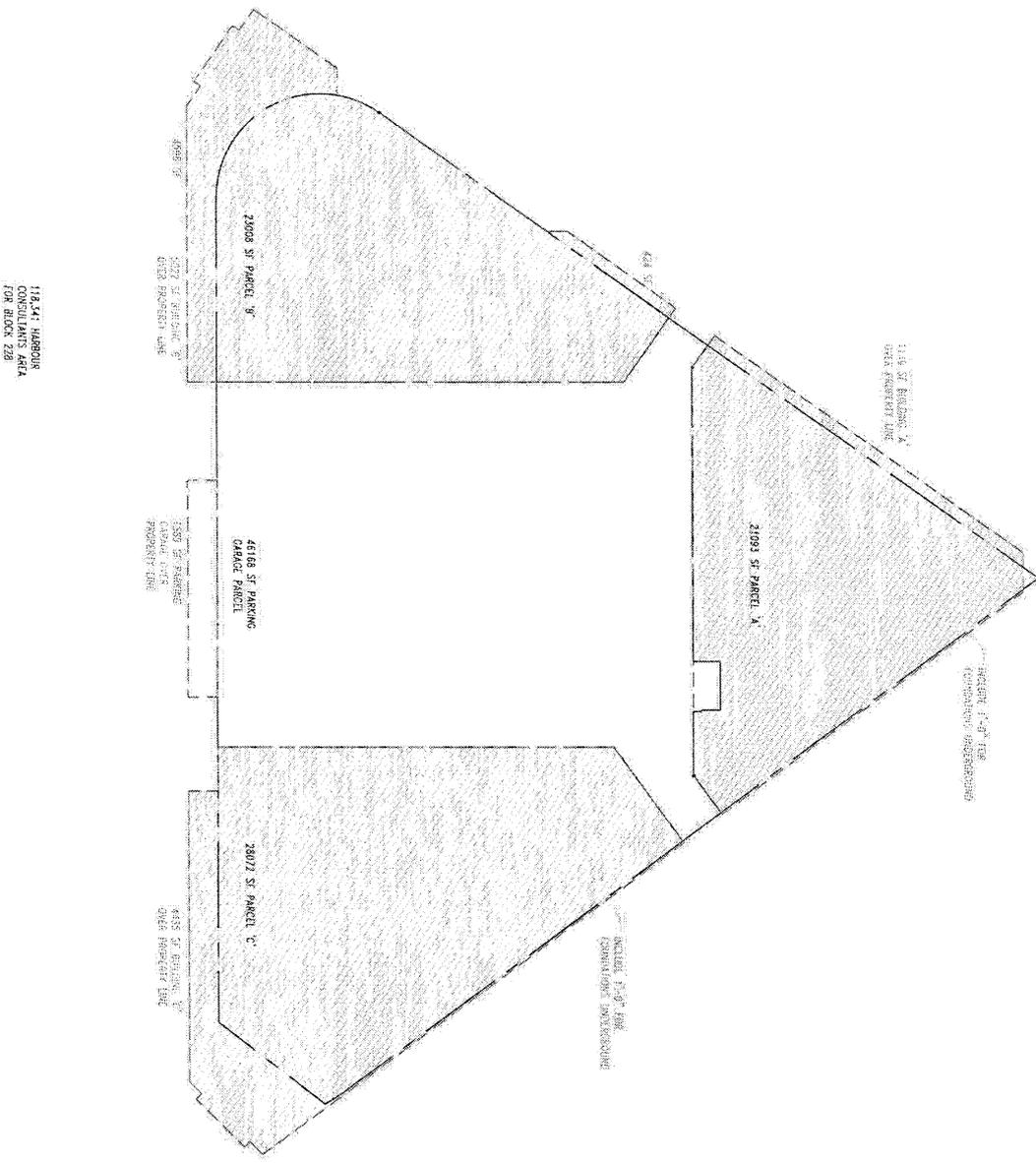
\*\*\*\*\*

I hereby approve / disapprove of the passage of the attached Ordinance.

 4/15/12  
\_\_\_\_\_  
Glenn Domenick  
Director

If the Department Head disapproves of the attached Ordinance the reasons are as follows:

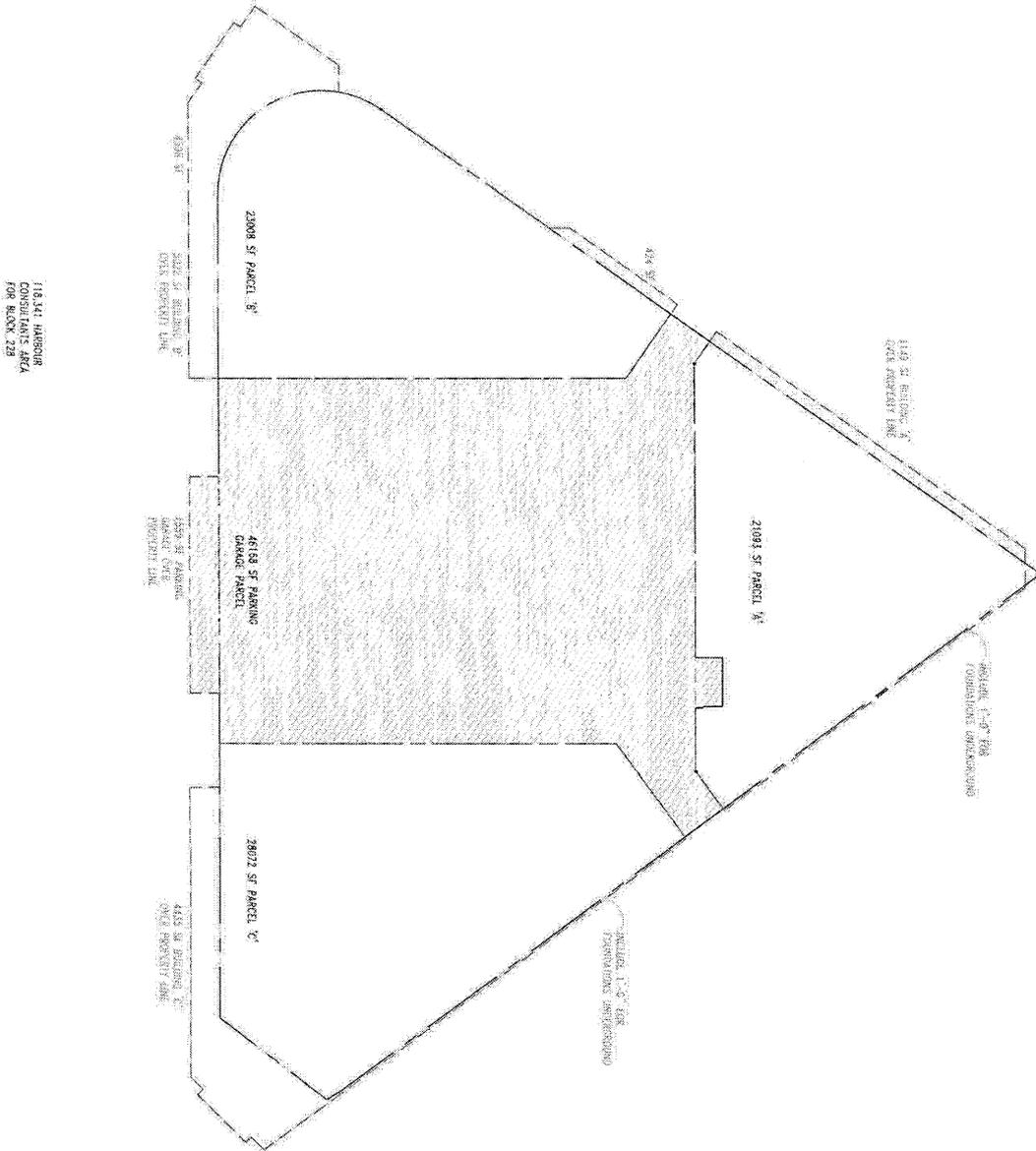
**EXHIBIT A**  
**BCUR Project Site**



118,341 HARBOR  
CONSULTANTS AREA  
FOR BLOCK 228

<p><b>SP-D</b></p> <p>1-6-11</p> <p>07-51 C</p>	DATE	9/23/10	TITLE	GROUND FLOOR PLAN	
	SCALE	1:60	CLIENT/ PROJECT	GLENWOOD VILLAGE REDEVELOPMENT	
	DRAWN	DLS		BLOCK 228	
	CHECKED	KM		BLOOMFIELD, NEW JERSEY	
<p><b>MICHELS &amp; WALDRON ASSOCIATES, LLC</b></p> <p>ARCHITECTS • PLANNERS</p> <p>645 WESTWOOD AVE. RIVER VALE, NJ 07675</p> <p>TEL: 201-664-6064 FAX: 201-664-6062</p> <p>E-MAIL: ARCHITECTS@MICHELSWALDRON.COM</p>					

**EXHIBIT B**  
**Parking Garage Site**



116.341 HARBOR  
 COASTAL ZONING  
 FOR BLOCK 228

<b>SP-C</b> 1-6-11 07-51 C	DATE	9/23/10	TITLE	GROUND FLOOR PLAN		<b>MICHELS &amp; WALDRON                  ASSOCIATES, LLC</b> ARCHITECTS - PLANNERS 645 WESTWOOD AVE., RIVER VALE, NJ 07675 TEL: 201-664-6064 FAX: 201-664-6062 E-MAIL: ARCHITECTS@MICHELSWALDRON.COM
	SCALE	1:60	CLIENT/ PROJECT	GLENWOOD VILLAGE REDEVELOPMENT		
	DRAWN	DLS	BLOCK 228			
	CHECKED	KM	BLOOMFIELD, NEW JERSEY			

**EXHIBIT C**

**Form of Financial Agreement**

**THIS AGREEMENT AND THE ORDINANCE ATTACHED HERETO AS EXHIBIT F SECURES BONDS OR OTHER OBLIGATIONS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF THE "REDEVELOPMENT AREA BOND FINANCING LAW" AND THE LIEN HEREOF IN FAVOR OF THE OWNERS OF SUCH BONDS OR OTHER OBLIGATIONS IS A MUNICIPAL LIEN SUPERIOR TO ALL OTHER NON-MUNICIPAL LIENS HEREAFTER RECORDED**

Record and Return to:

---

Kevin P. McManimon, Esq.  
McManimon & Scotland, L.L.C.  
1037 Raymond Boulevard, Suite 400  
Newark, New Jersey 07102

**AGREEMENT**

**THIS AGREEMENT** (as the same may be amended, modified or supplemented from time to time, hereinafter this "**Agreement**"), made this \_\_\_ day of \_\_\_\_\_, 2011, by and between **BLOOMFIELD CENTER URBAN RENEWAL, LLC**, an urban renewal entity qualified to do business under the provisions of the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., as amended and supplemented (the "**Long Term Tax Exemption Law**"), with offices at 2 Broad Street, Suite 202, Bloomfield, New Jersey 07003 (together with its permitted successors and assigns, the "**Entity**") and the **TOWNSHIP OF BLOOMFIELD**, a municipal corporation in the County of Essex and the State of New Jersey (together with its permitted successors and assigns, the "**Township**", and together with the Entity, the "**Parties**" or "**Party**"),

**WITNESSETH:**

**WHEREAS**, on October 12, 2010, the Township adopted a resolution designating the properties then commonly known as Block 228, Lots 1, 4, 5, 7, 8, 10, 11, 13, 14, 15, 16, 17, 18, 19, 21, 24, 27, 28, 29, 30, 31, 33 & 35, and Block 220, Lot 40 on the tax map of the Township as an area in need of redevelopment (the "**Redevelopment Area**") in accordance with the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., as amended and supplemented (the "**Local Redevelopment and Housing Law**"); and

**WHEREAS**, pursuant to N.J.S.A. 40A:12A-7, on February 7, 2011, the Township duly adopted an ordinance approving and adopting a Redevelopment Plan for the Redevelopment Area dated December 23, 2010 (the "**Redevelopment Plan**"); and

**WHEREAS**, on February 22, 2011, the Township duly adopted a resolution designating the Entity as the sole and exclusive redeveloper of the properties consisting of all of the tax lots on Block 228, as well as portions of the Lackawanna Place and Washington Street Rights of

Way, which portions are depicted in **Exhibit A** hereto (the “**Additional Parcels**” and, together with the lots on Block 228, the “**Project Site**”, which is depicted in **Exhibit B** hereto); and

**WHEREAS**, the Entity proposes to redevelop the Project Site by constructing thereon a project consisting of: (i) (A) approximately 60,000 square feet of retail space, including approximately 10,000 square feet of restaurant space (the “**Retail Project**”) and (B) approximately 224 residential units (the “**Residential Project**” and together with the Retail Project, the “**BCUR Project**”) on the portion of the Project Site depicted in **Exhibit C** hereto (the “**BCUR Project Site**”); and (ii) an approximately 450 space parking garage (the “**Parking Garage**” and, together with the BCUR Project, the “**Redevelopment Project**”) on the portion of the Project Site depicted in **Exhibit D** hereto (the “**Parking Garage Site**”); and

**WHEREAS**, on March 8, 2011, the Township and the Entity entered into a Redevelopment Agreement (the “**Redevelopment Agreement**”) in order to implement the development, design, financing and construction of the Redevelopment Project pursuant to the Redevelopment Plan; and

**WHEREAS**, the Parking Authority of the Township of Bloomfield (the “**Parking Authority**”) currently owns the portion of the Project Site consisting of all of the tax lots on Block 228 and the Township currently owns the portion of the Project Site consisting of the Additional Parcels; and

**WHEREAS**, pursuant to the Redevelopment Agreement, the Township has agreed to take such steps as are necessary to vacate its right, title and interest in the Additional Parcels and, pursuant to Applicable Law (as defined herein), to convey such interest to the Parking Authority as the owner of the parcels adjacent thereto; and

**WHEREAS**, the Entity shall, pursuant to that certain Land Swap Agreement, dated January 5, 2011 by and between the Entity and the Parking Authority (the “**Land Swap Agreement**”), acquire the BCUR Project Site from the Parking Authority; and

**WHEREAS**, the Entity has invested, and will invest, substantial amounts of “at-risk” equity and traditional borrowed funds for the acquisition, development and construction of the BCUR Project; and

**WHEREAS**, pursuant to and in accordance with the provisions of the Long Term Tax Exemption Law and the New Jersey Redevelopment Area Bond Financing Law, N.J.S.A. 40A:12A-64 et seq., as amended and supplemented (the “**Bond Financing Law**”), the Township is authorized to provide for and accept, in lieu of real property taxes, an annual service charge paid by the Entity to the Township; and

**WHEREAS**, the Entity submitted an application to the Township for the approval of an urban renewal project, all in accordance with N.J.S.A. 40A:20-8, which application, as amended, is attached hereto as **Exhibit E** (the “**Exemption Application**”); and

**WHEREAS**, the Exemption Application and the BCUR Project were approved with respect to the BCUR Project Site pursuant to an ordinance of the Municipal Council duly adopted on \_\_\_\_\_, 2011; and

**WHEREAS**, on \_\_\_\_\_, 2011, the Municipal Council finally adopted an ordinance entitled, “Ordinance of the Township of Bloomfield, County of Essex, New Jersey Approving the Application and Financial Agreement for Tax Exemption of Bloomfield Center Urban Renewal, L.L.C. for the Construction of a Redevelopment Project Located in Block 228 Redevelopment Area”, a copy of which is attached hereto as *Exhibit F* (the “**Ordinance**”); and

**WHEREAS**, the Parties have determined that the BCUR Project Site and the BCUR Project shall be subject to the terms of the Ordinance, in accordance with this Agreement; and

**WHEREAS**, pursuant to the Bond Financing Law, specifically N.J.S.A. 40A:12A-68, the Annual Service Charge (as such term is defined herein) shall, upon the recordation of this Agreement and the Ordinance, constitute a municipal lien on the BCUR Project Site and the BCUR Project within the meaning of Applicable Law; and

**WHEREAS**, pursuant to and in accordance with the provisions of the Bond Financing Law, specifically N.J.S.A. 40A:12A-65 and 67(a), the Township may issue bonds or an entity acting on behalf of the Township such as a parking authority may issue bonds in order to finance a portion of a redevelopment project, which bonds may be secured by the Annual Service Charge; and

**WHEREAS**, in order to assist in financing a portion of the costs of the Redevelopment Project, the Parking Authority is designated to issue, or reissue, bonds, on behalf of the Township, to finance a portion of the costs of the Redevelopment Project (the “**Redevelopment Bonds**”) in accordance with the terms and provisions of an Indenture of Trust(s) and/or a General Bond Resolution(s) of the Parking Authority (the “**Indenture(s)**”) authorizing the issuance of such Redevelopment Bonds; and

**WHEREAS**, in exchange for the Parking Authority’s assistance in financing such portion of the Redevelopment Project, the Township has agreed to assign certain of its rights, title and interest in this Agreement to the Parking Authority; and

**WHEREAS**, pursuant to the terms of this Agreement and the Indenture(s) and in accordance with the terms of the Bond Financing Law, specifically N.J.S.A. 40A:12A-67(a), the Annual Service Charge (net of the County Share (as defined herein)) shall be pledged to the payment of the principal or redemption premium of, and interest on, the Redevelopment Bonds; and

**WHEREAS**, the Township has made the following findings with respect to the BCUR Project:

A. Relative Benefits of the BCUR Project:

- i. The revitalization of the Redevelopment Area, which has long been characterized by significant amounts of vacant or underutilized properties, depends in large part on the ability of the Township to provide adequate parking for commuters utilizing the Bloomfield Train Station, and

shoppers and other visitors to commercial and office uses in the downtown area of the Township.

- ii. The BCUR Project will accelerate the revitalization of the Redevelopment Area through the redevelopment of longstanding vacant and/or underutilized properties by providing: (a) new retail and commercial goods, services and jobs, (b) new residential units, the occupants of which are expected to patronize existing and future retail and commercial establishments in the Redevelopment Area; and (c) parking and traffic management.

B. Assessment of the importance of the tax exemption in obtaining development of the BCUR Project and influencing the locational decisions of probable occupants:

- i. The tax exemption is required for (a) the Entity to finance and construct the BCUR Project in a manner that will allow it to establish rents that are consistent with the market and (b) the Parking Garage to be constructed. As a result, without the exemption probable occupants of the Project would not choose to locate in the BCUR Project. The exemption permits the Entity to charge rents and makes parking available consistent with new mixed use, multifamily, rental and retail projects in the Bloomfield area thus influencing the locational decisions of the probable occupants of the BCUR Project.

**WHEREAS**, in order to set forth the terms and conditions under which the Parties shall carry out their respective obligations with respect to (a) the payment of the Annual Service Charge by the Entity and (b) the issuance of the Redevelopment Bonds and provision for repayment thereof through the Annual Service Charge, the Parties have determined to execute this Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, it is mutually covenanted and agreed as follows:

## ARTICLE I

### GENERAL PROVISIONS

**SECTION 1.01 Governing Law.** This Agreement shall be governed by and construed by the laws of the State (as defined herein), including (a) the Long Term Tax Exemption Law, the Local Redevelopment and Housing Law, the Bond Financing Law and such other State statutes as may be the sources of relevant authority, and (b) the Ordinance, and (c) all other Applicable Law, without regard to conflict of law principles.

**SECTION 1.02 General Definitions.** The following terms shall have the meanings assigned to such term in the preambles hereof:

<u>Additional Parcels</u>	<u>Parking Garage</u>
<u>Agreement</u>	<u>Parking Garage Site</u>
<u>BCUR Project</u>	<u>Party or Parties</u>
<u>BCUR Project Site</u>	<u>Project Site</u>
<u>Bond Financing Law</u>	<u>Redevelopment Agreement</u>
<u>Entity</u>	<u>Redevelopment Area</u>
<u>Exemption Application</u>	<u>Redevelopment Bonds</u>
<u>Indenture(s)</u>	<u>Redevelopment Plan</u>
<u>Land Swap Agreement</u>	<u>Redevelopment Project</u>
<u>Local Redevelopment and Housing Law</u>	<u>Residential Project</u>
<u>Long Term Tax Exemption Law</u>	<u>Retail Project</u>
<u>Ordinance</u>	<u>Township</u>
<u>Parking Authority</u>	

Unless specifically provided otherwise or the context otherwise requires, the following terms when used in this Agreement shall mean:

Allowable Net Profit – The amount arrived at by applying the Allowable Profit Rate to Total BCUR Project Cost pursuant to the provisions of N.J.S.A. 40A:20-3(c).

Allowable Profit Rate – The allowable profit rate as defined in N.J.S.A. 40A:20-3(b).

Annual Gross Revenue – The annual gross revenue of the Entity as defined as Gross Revenue in N.J.S.A. 40A:20-3(a).

Annual Service Charge – The Residential Annual Service Charge plus the Retail Annual Service Charge.

Annual Service Charge Start Date – The date of Substantial Completion of the BCUR Project or, as applicable, any Phase thereof.

Applicable Law – All federal, State and local laws, ordinances, approvals, rules, regulations, resolutions and requirements applicable hereto including, but not limited to, the Local Redevelopment and Housing Law, the Bond Financing Law, the Long Term Tax Exemption Law, as applicable, relevant construction codes including construction codes governing access for people with disabilities, and such zoning, sanitary and safety ordinances, laws and such rules and regulations thereunder, including all applicable federal and State labor standards and all Environmental Laws.

Auditor's Report – A financial statement outlining the financial status of the BCUR Project (for a period of time as indicated by context), which shall include a certification of Total BCUR Project Cost and computation of Net Profit as provided in N.J.S.A. 40A:20-3(c)(2). The contents of the Auditor's Report shall have been prepared in conformity with generally accepted accounting principles. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant.

Bondholder – Any person who is the registered owner of any outstanding Redevelopment Bonds pursuant to the Indenture(s).

Certificate of Occupancy – A temporary (if temporary or conditional for the limited reasons of grading, seeding, landscaping and/or surface pavement course) or permanent Certificate of Occupancy, as such term is defined in the New Jersey Administrative Code issued by the Township authorizing the occupancy of a building, in whole or in part, pursuant to N.J.S.A. 52:27D-133.

County – The County of Essex.

County Share – The first five percent (5%) of the Annual Service Charge, which shall be payable to the County in accordance with the provisions of N.J.S.A. 40A:20-12.

Debt Service – The scheduled amount of interest and amortization of principal payable on the Redevelopment Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

Default - A breach or the failure of the Entity to perform any obligation imposed upon the Entity by the terms of this Agreement, or under Applicable Law, and the continuance of such breach or failure beyond any applicable grace or cure periods after written notice of such failure.

Default Notice - As defined in Section 14.02.

Director's Ratio of Market to Assessed Value – The “average ratio” of assessed to true value of real property for a taxing district promulgated by the Director of the Division of Taxation in the Table of Equalized Valuations promulgated annually pursuant to N.J.S.A. 54:1-35.1.

Disclosure Statement – As defined in Section 7.01(C).

Effective Date – The date on which this Agreement is executed and delivered by the last of the Parties so executing and delivering this Agreement.

Effective Tax Rate – For any year, shall equal the product (rounded to the nearest ten thousandth) of the Rounded Tax Rate for the then current year multiplied by Director's Ratio of Market to Assessed Value for the then current year, as certified by the Tax Assessor.

Environmental Conditions – As defined in the Redevelopment Agreement.

Environmental Laws - Any and all Applicable Laws relating to a discharge of an environmental contaminant, damage to or protection of the environment, health and/or safety protection, Environmental Conditions, or the use, handling, processing, distribution, generation, treatment, storage, disposal, manufacture, or transport of Hazardous Substances, presently in effect or hereafter amended, modified, or adopted including, but not limited to: (A) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et seq.; (B) the Resource Conservation and Recovery Act of 1976, 42 U.S.C. 6901 et seq.; (C) the Clean Water Act, 33 U.S.C. 1344 et seq.; (D) the New Jersey Spill Compensation and Control Act, N.J.S.A. 58:10-23.11 et seq.; (E) the New Jersey Underground Storage Tank Act, N.J.S.A. 58:10A-21 et seq.; (F) the New Jersey Freshwater Wetlands Protection Act, N.J.S.A. 13:9B-1 et seq.; (G) the New Jersey Hazardous Substances Discharge Reports and Notices Act, N.J.S.A. 13:1K-15 et seq.; (H) the New Jersey Water Pollution Control Act, N.J.S.A. 58:10A-1 et seq.; (I) the New Jersey Environmental Rights Act N.J.S.A. 2A:35A-1, et seq.; (J) the New Jersey Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq. (“ISRA”); and (K) the New Jersey Solid Waste Management Act, N.J.S.A. 13:1E et seq. together with, in each case, the accompanying regulations, and all as may be amended from time to time.

Fiscal Plan – the plan prepared pursuant to N.J.S.A. 40A:20-8(e) and attached hereto as **Exhibit H**.

Hazardous Substances - Any substance, material or waste, whether solid, liquid or gaseous, and any pollutant or contaminant, that is toxic, hazardous, explosive, corrosive or radioactive, or that is defined, listed or regulated under any Environmental Laws, including lead, acids, petroleum, chromium and chromium related contamination, polychlorinated biphenyls and urea formaldehyde, excluding, however, customary construction, maintenance, janitorial and cleaning supplies in reasonable quantities to be used in the ordinary course of construction and operation of the BCUR Project and which are used and disposed of in accordance with all applicable Environmental Laws.

In Rem Tax Foreclosure - A summary proceeding by which the Township may enforce the lien for taxes due and owing by a tax sale in accordance with the provisions of the Tax Sale Law.

Land – The Residential Land and the Retail Land.

Land Taxes – The Residential Land Taxes, if any, plus the Retail Land Taxes.

Material Conditions – As defined in Section 4.05.

Net Profit – The Annual Gross Revenue of the Entity, less all operating and non-operating expenses of the Entity, all determined in accordance with generally accepted Parking Authority accounting principles and the provisions of N.J.S.A. 40A:20-3(c).

Phase – As defined in the Redevelopment Agreement.

PILOT Administrator – Initially, the Tax Collector and, thereafter, anyone so designated by the Township to oversee the collection and administration of the Annual Service Charge.

Redevelopment Bond Amount - The aggregate principal amount of Redevelopment Bonds to be issued and outstanding at any time.

Residential Annual Service Charge – The Residential Applicable Tax multiplied by the number of residential units for each unit that is Substantially Complete as of the applicable Annual Service Charge Start Date and for each calendar year thereafter, the Residential Applicable Tax for such calendar year multiplied by the number of residential units for each unit that is Substantially Complete as of the end of the immediately preceding calendar year.

Residential Applicable Tax - \$1,400.00 per residential unit as of the Annual Service Charge Start Date and shall equal the immediately prior calendar year's Residential Applicable Tax multiplied by 1.02%.

Residential Land – 80% of the Project Site.

Residential Land Taxes - The amount of taxes assessed on the Residential Land, if any, exclusive of the value of any BCUR Project related thereto, in accordance with Applicable Law.

Residential Land Tax Payments - Payments for Residential Land Taxes, if any, as determined by the Tax Assessor and the Tax Collector.

Retail Annual Service Charge – The Retail Applicable Tax multiplied by the square feet of the retail space that is Substantially Complete as of the applicable Annual Service Charge Start Date and for each calendar year thereafter, the Retail Applicable Tax for such calendar year multiplied by the square feet of the retail space that is Substantially Complete as of the end of the immediately preceding calendar year.

Retail Applicable Tax - \$3 per square foot of retail space as of the applicable Annual Service Charge Start Date and shall equal the immediately prior year's Retail Applicable Tax multiplied by 1.02%.

Retail Land – 20% of the Project Site.

Retail Land Taxes - The amount of taxes assessed on the Retail Land, exclusive of the value of any BCUR Project related thereto, in accordance with Applicable Law.

Retail Land Tax Payments - Payments for the Retail Land Taxes as determined by the Tax Assessor and the Tax Collector.

Rounded Tax Rate – For any year, the “Rounded Tax Rate” as stated in the “Explanation of Computed Tax Rates for Township of Bloomfield”, certified by the County Tax Administrator and in effect as of October 1 of the preceding year.

State – The State of New Jersey.

Substantially Complete or Substantial Completion – Completion of the improvements constituting the BCUR Project or any Phase thereof, such that all work related to such improvements has been completed, acquired and/or installed in accordance with the Redevelopment Agreement and in compliance with Applicable Law and the Approvals (as defined in the Redevelopment Agreement), with the exception of certain immaterial portions of the work related to the BCUR Project, or such applicable Phase, notwithstanding that the Township may not yet have issued a Certificate of Occupancy for the BCUR Project, or for such Phase thereof.

Tax Assessor – The Township tax assessor.

Tax Collector – The Township tax collector.

Tax Sale Law – N.J.S.A. 54:5-1 et seq., as the same may be amended or supplemented from time to time.

Termination - Any action or omission which by operation of the terms of this Agreement or Applicable Law shall cause the Entity to relinquish the tax exemption granted pursuant to this Agreement.

Total BCUR Project Cost – The total cost of development and construction of the BCUR Project through the date all final Certificate(s) of Occupancy are issued for the entire BCUR Project, which categories of cost are as defined in N.J.S.A. 40A:20-3(h).

Transferee Agreement – As defined in Section 8.01(B).

Trust Estate – As defined in the Indenture(s).

Trustee – As defined in the Indenture(s).

**SECTION 1.03 Interpretation and Construction** In this Agreement, unless the context otherwise requires:

A. The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms, as used in this Agreement, refer to this Agreement, and the term “hereafter” means after, and the term “heretofore” means before the date of delivery of this Agreement.

B. Words importing a particular gender mean and include correlative words of every other gender and words importing the singular number mean and include the plural number and vice versa.

C. Words importing persons mean and include firms, associations, partnerships (including limited partnerships), trusts, corporations, limited liability companies and other legal entities, including public or governmental bodies, as well as natural persons.

D. Any headings preceding the texts of the several Articles and Sections of this Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

E. Unless otherwise indicated, all approvals, consents and acceptances required to be given or made by any person or party hereunder shall not be unreasonably withheld, conditioned, or delayed.

F. All notices to be given hereunder and responses thereto shall be given, unless a certain number of days is specified, within a reasonable time, which shall not be less than ten (10) days nor more than twenty (20) days, unless the context dictates otherwise.

G. All exhibits referred to in this Agreement and attached hereto are incorporated herein and made part hereof.

H. All references to Sections Articles or Exhibits shall, unless indicated otherwise, refer to the Sections, Articles or Exhibits in this Agreement.

**SECTION 1.04** It is expressly understood and agreed that the Township expressly has relied upon the facts, data and representations contained in the Exemption Application in granting the tax exemption described in this Agreement.

**{End of Article I}**

## **ARTICLE II**

### **APPROVAL**

#### **SECTION 2.01 Approval of Tax Exemption**

Pursuant to the Ordinance, the BCUR Project to be constructed and maintained by the Entity on the BCUR Project Site and the Residential Land shall be exempt from taxation as provided for herein and in the Long Term Tax Exemption Law. In accordance with N.J.S.A. 40A:20-12, the tax exemption shall constitute a single continuing exemption from local property taxation for the duration of this Agreement.

The tax exemption granted pursuant to the Ordinance and this Agreement relates only to the BCUR Project constructed on the BCUR Project Site and the Residential Land.

#### **SECTION 2.02 Approval of the Entity**

The Entity represents that its certificate of formation as attached hereto as *Exhibit G* contains all the requisite provisions of law, has been reviewed and approved by the Commissioner of the Department of Community Affairs, and has been filed with, as appropriate, the Secretary of State, all in accordance with N.J.S.A. 40A:20-5.

#### **SECTION 2.03 Improvements to be Constructed**

The Entity represents that it will acquire and construct or cause to be constructed the BCUR Project in accordance with the Redevelopment Agreement and the Redevelopment Plan, the use of which BCUR Project is more specifically described in the Exemption Application.

#### **SECTION 2.04 Construction Schedule**

The Entity agrees diligently to undertake to commence or cause the commencement of the construction and completion of the BCUR Project substantially in accordance with the Project Schedule set forth in and in compliance with the provisions of the Redevelopment Agreement.

#### **SECTION 2.05 Ownership, Management and Control**

The Entity represents that it is the contract purchaser of the BCUR Project Site. The Entity covenants that it shall cause the redevelopment of the Project Site in conformance with the Redevelopment Agreement, the Redevelopment Plan and all Applicable Law.

The Entity covenants, warrants and represents that the BCUR Project Site and the BCUR Project shall be used, managed and operated for the purposes set forth in the Exemption Application and the Redevelopment Agreement, and in accordance with the Redevelopment Plan and all Applicable Law.

## **SECTION 2.06 Project Financing Plan**

The Entity represents that the BCUR Project shall be financed substantially in accordance with the plan attached as *Exhibits 11 and 14* to the Exemption Application.

## **SECTION 2.07 Findings**

The Township makes the following findings with respect to the BCUR Project:

### **A. Relative Benefits of the BCUR Project:**

1. The revitalization of the Redevelopment Area, which has long been characterized by significant amounts of vacant or underutilized properties, depends in large part on the ability of the Township to provide adequate parking for commuters utilizing the Bloomfield Train Station, and shoppers and other visitors to commercial and office uses in the downtown area of the Township.
2. The BCUR Project will accelerate the revitalization of the Redevelopment Area through the redevelopment of longstanding vacant and/or underutilized properties by providing: (a) new retail and commercial goods, services and jobs, (b) new residential units, the occupants of which are expected to patronize existing and future retail and commercial establishments in the Redevelopment Area; and (c) parking and traffic management.

- B. Assessment of the importance of the tax exemption in obtaining development of the BCUR Project and influencing the locational decisions of probable occupants: The tax exemption is required for (a) the Entity to finance and construct the BCUR Project in a manner that will allow it to establish rents that are consistent with the market and (b) the Parking Garage to be constructed. As a result, without the exemption probable occupants of the Project would not choose to locate in the BCUR Project. The exemption permits the Entity to charge rents and makes parking available consistent with new mixed use, multifamily, rental and retail projects in the Bloomfield area thus influencing the locational decisions of the probable occupants of the BCUR Project.

**{End of Article II}**

## **ARTICLE III**

### **DURATION OF AGREEMENT**

#### **SECTION 3.01 Term**

This Agreement shall become effective on the Effective Date.

The Parties understand and agree that this Agreement, including the obligation to pay the Annual Service Charge required under Article IV and the tax exemption granted and referred to in Section 2.01, shall remain in effect until the earlier of (i) thirty-five (35) years from the date of execution hereof, or (ii) thirty years (30) from the Annual Service Charge Start Date for the BCUR Project or any Phase thereof, as applicable. At the expiration of the term hereof or upon Termination, the tax exemption for the BCUR Project and Residential Land shall expire and the BCUR Project and Residential Land shall thereafter be assessed and taxed according to the general law applicable to other non-exempt property in the Township. After expiration of the term hereof, all restrictions and limitations upon the Entity shall terminate upon the Entity's rendering and the Township's acceptance of its final accounting, pursuant to N.J.S.A. 40A:20-12. Upon any Termination of the tax exemption described in Section 2.01, the date of such Termination shall be deemed to be the last day of the fiscal year of the Entity in which the Termination has occurred.

#### **SECTION 3.02 No Voluntary Termination**

Notwithstanding anything herein to the contrary, neither the Entity nor the Township may at any time terminate this Agreement during the period when any Redevelopment Bonds remain "outstanding" within the meaning of the Indenture(s). The Entity expressly acknowledges, understands and agrees that in accordance with the Bond Financing Law, specifically N.J.S.A. 40A:12A-66(a), the relinquishment provisions set forth in the Long Term Tax Exemption Law, specifically N.J.S.A. 40A:20-9(g) and 13, shall not be applicable in accordance with, pursuant to, and under this Agreement. The Entity expressly rejects, refuses, relinquishes, surrenders, and otherwise waives any and all rights of relinquishment of its status under the acts and this Agreement that it may have otherwise been entitled to in accordance with any Applicable Law, including without limitation, N.J.S.A. 40A:20-13.

**{End of Article III}**

## ARTICLE IV

### ANNUAL SERVICE CHARGE

#### **SECTION 4.01 Annual Service Charge Consent**

The Entity and the Township hereby consent and agree to the amount of Annual Service Charge and the Entity hereby consents and agrees to the liens established in this Agreement, and the Entity shall not contest the validity or amount of any such lien; provided, however, that the foregoing shall not be construed to bar the Entity from raising the defense that (i) the Annual Service Charge then due and owing has been paid in full, (ii) the Annual Service Charge is not yet due and owing, or (iii) the Annual Service Charge is calculated in a manner other than as set forth in this Agreement. Notwithstanding anything herein to the contrary, the Entity's obligation to pay the Annual Service Charge shall be absolute and unconditional and shall not be subject to any defense, set-off, recoupment or counterclaim under any circumstances, including without limitation any loss of status of the Entity as an "urban renewal entity" qualified under and as defined in the Long Term Tax Exemption Law, or any violation by the Township of any provisions of this Agreement, termination of the Redevelopment Agreement or failure of the Entity to complete the BCUR Project.

#### **SECTION 4.02 Annual Service Charge Amount**

As provided for in the Long Term Tax Exemption Law, the Annual Service Charge shall be a percentage of the Annual Gross Revenue or the Total BCUR Project Cost; provided however, the Bond Financing Law, specifically N.J.S.A. 40A:12A-66(a), provides that the minimum or maximum percentages as established in the Long Term Tax Exemption Law are not applicable to the BCUR Project since a portion of the costs of the Redevelopment Project are financed with the proceeds of the Redevelopment Bonds. The Annual Service Charge is in lieu of any and all other municipal real estate taxes on the BCUR Project (not the Retail Land) pursuant to N.J.S.A. 40A:20-12.

#### **SECTION 4.03 Payment of Annual Service Charge**

A. Notwithstanding anything herein to the contrary, the Entity shall pay to the Township the Annual Service Charge as provided in this Agreement. The Entity has agreed to pay the Annual Service Charge as consideration for (i) the Township's agreement to pledge such Annual Service Charge to the repayment of the Redevelopment Bonds and (ii) the municipal services supplied to the BCUR Project. The Annual Service Charge shall commence on the applicable Annual Service Charge Start Date.

B. Subject to the provisions of Section 4.03(A), payment of the Annual Service Charge shall be made on a quarterly basis on each February 1, May 1, August 1, and November 1, commencing on the first February 1, May 1, August 1 or November 1 following the applicable Annual Service Charge Start Date.

C. In the event that the Entity fails to timely pay any installment, the amount past due shall bear the rate of interest then being assessed by the Township against other delinquent taxpayers in the case of unpaid property taxes until paid.

D. In accordance with the Long Term Tax Exemption Law, specifically N.J.S.A. 40A:20-12, in the event of any change in the tax-exemption status as provided herein during any tax year, including but not limited to any termination of such tax exemption as provided for herein, the procedure for the apportionment of any taxes and/or Annual Service Charge, as the case may be, shall be the same as in the case of other changes in tax exemption status to any other property located within the Township during the tax year, in accordance with Applicable Law.

#### **SECTION 4.04 Retail Land Taxes and Credits; Reformation of Annual Service Charge Computation**

A. Retail Land Taxes only shall be assessed on the Retail Land. The Entity is required to pay both the Annual Service Charge and the Retail Land Tax Payments. The payment for Retail Land Taxes shall be applied as a credit against the Retail Annual Service Charge for the subsequent year. In any year that the Entity fails to make any Retail Land Tax Payments when due and owing, such delinquency shall render the Entity ineligible for any land tax credits against the Retail Annual Service Charge.

B. In the event the exemption of the Residential Land authorized under N.J.S.A. 40A:20-12 is invalidated by a court of competent jurisdiction, the Parties agree that this Agreement shall remain valid and in full force and effect, and shall be reformed to provide that Residential Land taxes are assessed on the Residential Land. In such case, the payment for Residential Land Taxes shall be applied as a credit against the Residential Annual Service Charge for the subsequent year. In any year that the Entity fails to make any Residential Land Tax Payments when due and owing, such delinquency shall render the Entity ineligible for any land tax credits against the Residential Annual Service Charge.

C. All Land Taxes, if any and as applicable, shall be separately assessed for the Land, and shall be assessed only on the Land without regard to any improvements or increase in value to the Land because of the Improvements. The Entity is required to make payment of both the Annual Service Charge and the Land Tax Payments, if any and as applicable. The Entity is required to pay the full Land Tax Payments, if any and as applicable, in any given year and no credits will be applied against the Annual Service Charge for partial payment of the Land Taxes, if any and as applicable. The Entity's failure to make the requisite Annual Service Charge payment and/or the requisite Land Tax Payment, if any and as applicable, in a timely manner shall constitute a violation and breach of this Agreement. The Township shall, among its other remedies, have the right to proceed against the Land pursuant to the Tax Sale Law and/or may declare a Default under this Agreement upon sixty (60) days written notice to the Entity.

#### **SECTION 4.05 County Portion Paid to the County**

In accordance with the provisions of N.J.S.A. 40A:20-12, upon the payment of the Annual Service Charge, the Township shall remit the County Share to the County.

#### **SECTION 4.06 Material Conditions**

It is expressly agreed and understood that all payments of the Annual Service Charge and any interest payments, penalties or costs of collection due thereon and payments of Land Taxes, if applicable, are material conditions of this Agreement (the “**Material Conditions**”). If any other term, covenant or condition of this Agreement or the Exemption Application, as to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term, covenant or condition of this Agreement shall be valid and enforced to the fullest extent permitted by Applicable Law.

#### **SECTION 4.07 No Reduction in Payment of the Annual Service Charge**

Neither the amounts nor dates established for payment of the Annual Service Charge, as provided in Sections 4.02 and 4.03, shall be reduced, amended or otherwise modified during the term of this Agreement, except as explicitly provided herein, including Section 4.04.

#### **SECTION 4.08 Annual Service Charge as Municipal Lien**

The Township and the Entity hereby expressly acknowledge, understand and agree that in accordance with the Bond Financing Law, specifically N.J.S.A. 40A:12A-68, and other Applicable Law, upon the recordation of the Ordinance and this Agreement (a) the Ordinance, this Agreement and any amount due hereunder, including without limitation, the Annual Service Charge, shall be a continuous, perfected municipal lien on the BCUR Project Site and the BCUR Project, and that any subsequent Annual Service Charge, including any interest, penalties or costs of collection thereof, that shall thereafter become due or accrue, shall be added and relate back to and be part of the initial municipal lien on the BCUR Project Site and the BCUR Project, (b) the Ordinance, this Agreement and any amounts due hereunder, including without limitation, the Annual Service Charge, shall constitute an automatic, enforceable and perfected statutory municipal lien for all purposes on the BCUR Project Site and the BCUR Project, including specifically and without limitation, the federal bankruptcy code, regardless of whether the amount of the Annual Service Charge has been determined, and (c) any applicable process, procedure or action of any court, government body or other relevant authority, including without limitation any confirmation hearing, to determine the amount of the Annual Service Charge due shall not affect the commencement or validity of the municipal lien.

**SECTION 4.09** Security for Payment of Annual Service Charge

In order to secure the full and timely payment of the Annual Service Charge, the Township on its own behalf, or on behalf of the Trustee, reserves the right to prosecute an In Rem Tax Foreclosure action against the BCUR Project Site in accordance with Applicable Law, as more fully set forth in this Agreement.

**{End of Article IV}**

## ARTICLE V

### PLEDGE OF ANNUAL SERVICE CHARGE TO THE REDEVELOPMENT BONDS

#### SECTION 5.01 Security for the Redevelopment Bonds

As security for the full and timely payment of the Debt Service for the Redevelopment Bonds, and subject to the priority of the County Share, the Township agrees to pledge and assign all of its right, title and interest in the Annual Service Charge, including interest, penalties and costs of collection, to the Parking Authority pursuant to an assignment acceptable to the Township and the Parking Authority, which the Parking Authority shall thereupon pledge and assign to the Trustee pursuant to the Indenture(s). The Entity hereby consents to such assignments.

#### SECTION 5.02 Payment and Pledge of Annual Service Charge

A. The Township hereby pledges and assigns, and grants a security interest in, all of its right, title and interest in each installment of the Annual Service Charge, and its rights to receive the same, net of the County Share, to the Parking Authority to secure payment of the Redevelopment Bonds. This pledge shall constitute an absolute, unconditional assignment of the Township's right, title and interest in and to the Annual Service Charge. The Township hereby represents, warrants and covenants that it has not, prior to the date hereof, and shall not, subsequent to the date hereof, pledge, assign and otherwise transfer its rights to the Annual Service Charge to any person other than the Parking Authority. The Township hereby acknowledges that the rights it has assigned to the Parking Authority pursuant to this Agreement shall be assigned and pledged by the Parking Authority to the Trustee pursuant to the Indenture(s) and such assigned rights shall constitute part of the Trust Estate thereunder.

B. Each installment payment of the Annual Service Charge, to be made on the dates set forth in Section 4.03, shall be paid to the Township and clearly identified on the memo line of the payment as "**Annual Service Charge Payment**". The County Share portion of the Annual Service Charge shall be first payable by the Township to the County. The Township shall transfer the remainder of each such installment payment of the Annual Service Charge to the Trustee, as assignee of the Parking Authority (itself, the assignee of the Township). The Annual Service Charge shall be used toward the payment of Debt Service on the Redevelopment Bonds and such other purposes permitted under the Indenture(s).

C. All payments of Annual Service Charge shall be paid directly to the Township and shall promptly be transferred to the Trustee (less the County Share). If any installment of the Annual Service Charge is not paid by the Entity to the Township in accordance with this Agreement, the Entity hereby waives any objection or right to challenge the use by the Township of the enforcement of remedies to collect such installment of the Annual Service Charge as are afforded the Township by Applicable Law, including the Tax Sale Law; provided, however, that in no event shall there be any acceleration of any unpaid Annual Service Charge amounts which are due and owing to repay the Redevelopment Bonds; provided, further, that such remedies shall be limited solely to the collection of delinquent and unpaid Annual Service Charge amounts

which are past due for payment, including interest, penalties and costs of collection provided for by the Tax Sale Law.

D. Pursuant to the Bond Financing Law and other Applicable Laws, the Annual Service Charge shall not be included within the general funds of the Township and shall not be subject to any laws regarding the receipt, deposit, investment or appropriation of public funds, notwithstanding enforcement of the payment of the Annual Service Charge by the Township. The Township's pledge of the Annual Service Charge to the Parking Authority shall be a limited obligation of the Township payable to the extent of payments due from the Entity and shall not constitute general obligations of the Township.

**{End of Article V}**

## **ARTICLE VI**

### **CERTIFICATE OF OCCUPANCY**

#### **SECTION 6.01 Certificate of Occupancy**

It is understood and agreed that it shall be the obligation of the Entity to take such actions as are necessary under Applicable Law to obtain all required Certificates of Occupancy in a reasonably timely manner. The Township shall, in good faith, reasonably cooperate with the Entity and use its best efforts to support and expedite the review, comment and approval of any application of the Entity seeking a Certificate of Occupancy.

#### **SECTION 6.02 Filing of Certificate of Occupancy**

The Entity shall file or cause to be filed with both the Tax Assessor and the Tax Collector a copy of each Certificate of Occupancy promptly upon receipt thereof by the Entity.

Failure of the Entity to file or cause to be filed such issued Certificate of Occupancy as required by the preceding paragraph shall not militate against any action or non-action by the Township, including, if appropriate, retroactive billing with interest for any charges determined to be due in the absence of such filing by the Entity.

**{End of Article VI}**

## ARTICLE VII

### ANNUAL AUDITS

#### **SECTION 7.01** Calculation of Net Profit.

For the purposes of this Agreement, the Entity agrees to calculate its "Net Profit" pursuant to N.J.S.A. 40A:20-3(c).

#### **SECTION 7.02** Periodic Reports/Notices

A. Auditor's Report: Within ninety (90) days after the close of each fiscal or calendar year that this Agreement shall continue in effect, according to the Entity's accounting basis, the Entity shall submit to the Mayor, Municipal Council, the Tax Collector and the Township Clerk, who shall advise those municipal officials required to be advised, and the Division of Local Government Services in the Department of Community Affairs, its Auditor's Report for the preceding fiscal or calendar year. The Report shall clearly identify and calculate the Net Profit for the Entity during the previous year. The Entity assumes all costs associated with preparation of the periodic reports.

B. Total BCUR Project Cost Audit: Within one hundred and twenty (120) days after the issuance of the last Certificate of Occupancy for the BCUR Project, the Entity shall submit to the Mayor, Municipal Council, the Tax Collector and the Township Clerk, who shall advise those municipal officials required to be advised, an audit of Total BCUR Project Cost, certified as to actual construction costs by the Entity's architect.

C. Disclosure Statement: On each anniversary date of the execution of this Agreement, the Entity shall submit to the Mayor, Municipal Council, the Tax Collector and the Township Clerk, who shall advise those municipal officials required to be advised, a disclosure statement listing the persons having an ownership interest in the Project, and the extent of the ownership interest of each and such additional information as the Township may reasonably request from time to time regarding such ownership interest in the Project (each a "**Disclosure Statement**").

D. Each entity and person to whom any such report or information described in Section 7.01(A) through (C) is distributed shall, to the greatest extent possible, and unless prohibited by Applicable Law, receive, hold and maintain any and all such reports and information STRICTLY CONFIDENTIAL as PROPRIETARY INFORMATION of Entity and not for general publication or distribution; and furthermore shall not so distribute, publish in any form or forum or distribute such reports or information, or any part thereof, except upon order by a court of competent jurisdiction or as required by Applicable Law.

### **SECTION 7.03 Inspection**

Upon reasonable request in writing, during normal business hours, the Entity shall permit (A) the inspection of its property, equipment, buildings and other facilities of the BCUR Project, and (B) the examination and audit of its books, contracts, records, documents and papers, in each case by representatives duly authorized by the Township and Division of Local Government Services in the Department of Community Affairs as provided in the Redevelopment Agreement, provided that such rights of inspection also shall extend to representatives in the Division of Local Government Services in the Department of Community Affairs pursuant to N.J.S.A. 40A:20-9(e), duly authorized by the Township, as reasonably deemed necessary and appropriate by the Township. Such inspections and examinations shall be made as provided in the Redevelopment Agreement. The inspections and examinations shall not in any manner materially interfere with construction or operation of the BCUR Project.

### **SECTION 7.04 Limitation on Profits and Reserves**

During the period of tax exemption as provided herein, the Entity shall be subject to a limitation of its profits or dividends pursuant to the provisions of N.J.S.A. 40A:20-15 and N.J.S.A. 40A:20-3(c). Upon expiration or Termination of the tax exemption, the foregoing limitations on the profits or dividends of the Entity shall be of no further force or effect.

The Entity shall have the right in any year to establish and maintain a reserve against vacancies, unpaid rentals, and reasonable contingencies in an amount up to ten percent (10%) of the Annual Gross Revenues of the Entity for the last full fiscal year preceding the year in which the reserve is established or maintained, and may retain such part of the excess Net Profits as is necessary to eliminate a deficiency in that reserve, as provided in N.J.S.A. 40A:20-15.

There is expressly excluded from calculation of "Gross Revenue" and from "Net Profit" as set forth in N.J.S.A. 40A:20-3 for the purpose of determining compliance with N.J.S.A. 40A:20-15 or N.J.S.A. 40A:20-16, the amount of any sale, including any gain realized thereby, by the Entity on the sale of all or any portion of the BCUR Project, whether or not taxable under federal or State law.

### **SECTION 7.05 Payment of Dividend and Excess Profit Charge**

In the event the Net Profits of the Entity (after funding of any reserve described in Section 7.04), in any fiscal year, shall exceed the Allowable Net Profits for such period, then the Entity, within one hundred twenty (120) days after the end of such fiscal year, shall pay such excess Net Profits to the Township as an additional Annual Service Charge. The calculation of Net Profit and Allowable Net Profit shall be made in the manner required pursuant to N.J.S.A. 40A:20-3(c) and 40A:20-15.

The Parties agree that any excess Net Profit will be treated by the Township as additional Annual Service Charge subject to the provisions of this Agreement, including, but not limited to, the pledge set forth in Section 5.02.

**{End of Article VII}**

## ARTICLE VIII

### ASSIGNMENT AND/OR ASSUMPTION

#### SECTION 8.01 Approval of Sale of Project by Entity Formed and Eligible to Operate Under Law

The Entity shall not transfer ownership of more than ten percent (10%) of the BCUR Project prior to completion of the BCUR Project without the written consent of the Township. The Entity shall not transfer ownership of more than ten percent (10%) of the BCUR Project after completion of the BCUR Project, except that the Entity shall be permitted to transfer all or any portion of the BCUR Project to another urban renewal entity approved by the Township as follows:

A. As permitted by N.J.S.A. 40A:20-10(a), upon written application by the Entity after completion of the BCUR Project, the Township will consent to a sale of all or any part of the BCUR Project and the transfer or partial assignment of this Agreement provided: (1) the transferee entity does not own any other project subject to long term tax exemption at the time of transfer; (2) the transferee entity is formed and eligible to operate under the Long Term Tax Exemption Law; (3) the Entity is not then in Default of this Agreement or the Long Term Tax Exemption Law; (4) the Entity's obligations so transferred under this Agreement are fully assumed by the transferee entity; (5) the transferee entity agrees to abide by all terms and conditions of this Agreement including, without limitation, the filing of an application pursuant to N.J.S.A. 40A:20-8, and any other terms and conditions of the Township in regard to the BCUR Project; and (6) the principal owners of the transferee entity possess substantially equal or greater business reputation, financial qualifications and credit worthiness as the Entity and are otherwise reputable. In the event that the transfer contemplated in this Section 8.01(A) is for less than the whole of the BCUR Project, the Annual Service Charge to be paid each by the Entity and the transferee entity after the transfer shall be pro-rated based on the relative assessed value of the portion of the BCUR Project being transferred compared to the portion of the BCUR Project remaining with the Entity.

B. As permitted by N.J.S.A. 40A:20-10(c), upon written application by the Entity after the applicable Annual Service Charge Start Date has occurred, the Township will consent to a sale to another urban renewal entity purchasing all or a portion of the BCUR Project in fee simple and the transfer of the tax exemption in this Agreement for the BCUR Project, or portion thereof (reflected in a new Agreement incorporating all the terms of this Agreement for the period remaining on the tax exemption for the BCUR Project or portion thereof (the "**Transferee Agreement**")), provided: (1) the transferee entity is formed and eligible to operate under the Long Term Tax Exemption Law; (2) the Entity is not then in Default of this Agreement or the Long Term Tax Exemption Law; (3) the Entity's obligations under this Agreement as to the BCUR Project or portion thereof being transferred are fully assumed by the transferee entity in the Transferee Agreement; (4) the transferee entity agrees to all terms and conditions of this Agreement in the Transferee Agreement; and (5) if applicable, the Entity or the transferee entity, upon proper application to and approval by the Township, subdivides the BCUR Project Site underlying that portion of the BCUR Project being transferred, which application for subdivision shall not be unreasonably withheld, conditioned or delayed. The Township shall, in good faith,

in a prompt and timely manner reasonably cooperate with the Entity and the transferee entity and use its best efforts to review the written application of the Entity, review and approve the application for approval of the transferee entity pursuant to N.J.S.A. 40A:20-8, and negotiate and approve the Transferee Agreement. The then applicable Annual Service Charge for the BCUR Project or portion thereof will be paid by the transferee entity pursuant to the Transferee Agreement. In the event that the transfer contemplated in this Section 8.01(B) is for less than the whole of the BCUR Project, the Annual Service Charge to be paid each by the Entity and the transferee entity after the transfer shall be pro-rated based on the relative assessed value of the portion of the BCUR Project being transferred compared to the portion of the BCUR Project remaining with the Entity.

#### **SECTION 8.02 Severability**

It is an express condition of the granting of the tax exemption contemplated herein that during its duration, the Entity shall not, without the prior consent of the Municipal Council by Ordinance, convey, mortgage or transfer, ownership of all or part of the BCUR Project so as to sever, disconnect, or divide the BCUR Project from the BCUR Project Site which is basic to, embraced in, or underlying the exempted BCUR Project.

#### **SECTION 8.03 Subordination of Fee Title**

It is expressly understood and agreed that the Entity has the right, subordinate to the lien of the Annual Service Charge and to the rights of the Township hereunder, to encumber and/or lease and/or assign the fee title to the BCUR Project Site and/or BCUR Project, and that any such encumbrance, lease or assignment shall not be deemed to be a violation of this Agreement.

#### **SECTION 8.04 Restriction on Transfer**

So long as this Agreement remains in effect, any transfer of the BCUR Project Site (except for a sale permitted under this Article VIII) shall be void *ab initio*.

**{End of Article VIII}**

**ARTICLE IX**

**WAIVER**

**SECTION 9.01 Waiver**

Except as specifically provided in this Agreement including, but not limited to, Sections 3.02 and 4.04, and, except for the express waiver herein of certain rights of acceleration and certain rights to terminate the Agreement and tax exemption for violation of any of the conditions provided herein, nothing contained in this Agreement or otherwise shall constitute a waiver or relinquishment by the Township or the Entity of any rights and remedies provided by Applicable Law. Nothing herein shall be deemed to limit any right of recovery that the Township or the Entity has under law, in equity, or under any provision of this Agreement.

**{End of Article IX}**

**ARTICLE X**

**NOTICE**

**SECTION 10.01 Notice**

Any notice required hereunder to be sent by any party to another party shall be sent to all other parties hereto simultaneously by certified or registered mail, return receipt requested, as follows:

- A. When sent to the Entity it shall be addressed as follows:

Bloomfield Center Urban Renewal, LLC  
Attn: William Colgan  
2 Broad Street, Suite 202  
Bloomfield, New Jersey 07003  
(973) 860-1386 (facsimile)

**with copies to:**

Inglesino, Pearlman, Wyciskala & Taylor, LLC  
Attn: Stephen B. Pearlman, Esq.  
600 Parsippany Road,  
Parsippany, New Jersey 07054  
(973) 887-2700 (facsimile)

- B. When sent to the Township, it shall be addressed as follows:

Township Clerk  
Township of Bloomfield  
Municipal Building  
Municipal Plaza  
Bloomfield, New Jersey 07003

**with copies to**

Township Law Director  
Township of Bloomfield  
Municipal Building  
Municipal Plaza  
Bloomfield, New Jersey 07003

Joseph P. Baumann, Jr. Esq.  
McManimon & Scotland, L.L.C.  
1037 Raymond Boulevard, Suite 400  
Newark, New Jersey 07102

The notice to the Township shall identify the subject with the tax account numbers of the tax parcels comprising the BCUR Project Site.

**{End of Article X}**

**ARTICLE XI**

**COMPLIANCE**

**SECTION 11.01 Statutes and Ordinances**

The Entity hereby agrees at all times prior to the expiration or Termination of the tax exemption to remain bound by the provisions of Federal and State law and any lawful ordinances and resolutions of the Township, including, but not limited to, the Long Term Tax Exemption Law. The Entity's failure to substantially comply with such statutes or ordinances and the continuation of such noncompliance beyond any applicable notice, grace or cure period provided therein or herein, shall constitute a breach of this Agreement.

**{End of Article XI}**

**ARTICLE XII**

**CONSTRUCTION**

**SECTION 12.01 Construction**

This Agreement shall be construed and enforced in accordance with the laws of the State, and without regard to or aid or any presumption or other rule requiring construction against the party drawing or causing this Agreement to be drawn since counsel for both the Entity and the Township have combined in their review and approval of same.

**{End of Article XII}**

## **ARTICLE XIII**

### **INDEMNIFICATION**

#### **SECTION 13.01 Indemnification**

It is understood and agreed that in the event the Township shall be named as a party in any action brought against the Township or the Entity by allegation of any breach, Default or violation of any of the provisions of this Agreement and/or the provisions of the Long Term Tax Exemption Law or by allegation and materially arising from or relating to the BCUR Project under any other Applicable Law, the Entity shall indemnify and hold the Township harmless from and against all liability, losses, damages, demands, costs, claims, actions or expenses (including reasonable attorneys' fees and expenses) of every kind, character and nature arising out of or resulting from the action or inaction of the Entity and/or by reason of any breach, Default or violation of any of the provisions of this Agreement, the provisions of the Long Term Tax Exemption Law and/or any other Applicable Law; provided, however, that the Entity shall not be required to indemnify the Township for any willful or negligent act, omission or misconduct by the Township or any of its officers, officials, employees or agents. Upon the Township becoming aware of any claim or loss for which indemnification is sought, the Township shall promptly provide the Entity with written notice thereof and demand for indemnification. The Entity shall defend against any such claim or loss at its own expense. The Township maintains the right to intervene as a party thereto, to which intervention the Entity hereby consents, the reasonable expense thereof to be borne by the Entity.

**{End of Article XIII}**

## ARTICLE XIV

### DEFAULT; REMEDIES; TERMINATION

#### **SECTION 14.01**    Default

Default shall be failure of the Entity to make payment of the Annual Service Charge when due hereunder or to otherwise conform to the terms of this Agreement and any failure of the Entity to substantially observe and perform any other obligation imposed upon the Entity by Applicable Law beyond any applicable notice, cure or grace period.

#### **SECTION 14.02**    Cure Upon Default

Should the Entity be in Default of any obligation under this Agreement, the Township shall notify the Entity and any mortgagee of the Entity, in writing of said Default (the “**Default Notice**”). Said Default Notice shall set forth with particularity the basis of said Default. Except as otherwise limited by law, the Entity shall have sixty (60) days to cure any Default (other than a Default in payment of any installment of the Annual Service Charge) from the date of its receipt of the Default Notice; provided, however, that if such Default is not reasonably able to be cured within such sixty (60) day period and the Entity is diligently pursuing a cure, such cure period shall extend as long as the Entity continues diligently to pursue such cure, but in any event, not more than one hundred twenty (120) days from the date of Entity’s receipt of the Default Notice.

#### **SECTION 14.03**    Remedies Upon Default Cumulative; No Waiver

In the event of any uncured Default, the Township shall have the right to proceed against the BCUR Project Site pursuant to the provisions of Applicable Law. Upon any Default in payment of any installment of the Annual Service Charge, the Township shall have the right to proceed to In Rem Tax Foreclosure consistent with the provisions and procedures of the Tax Sale Law.

Subject to the other terms and conditions of this Agreement including Section 14.04, all of the remedies provided in this Agreement to the Township, and all rights and remedies granted to the Township by law and equity, shall be cumulative and concurrent and no determination of the invalidity of any provision of this Agreement shall deprive the Township of any of its remedies or actions against the Entity because of Entity’s failure to pay Retail Land Taxes, the Annual Service Charge and/or any applicable water and sewer charges and interest payments. This right shall only apply to arrearages that are due and owing at the time, and the bringing of any action for Retail Land Taxes, Annual Service Charge or other charges, or for breach of covenant or the resort of any other remedy herein provided for the recovery of Retail Land Taxes, Annual Service Charge or other charges shall not be construed as a waiver of the right to proceed with an In Rem Tax Foreclosure action consistent with the terms and provisions of this Agreement.

In the event of a Default under of this Agreement by any of the Parties or a dispute arising between the Parties in reference to the terms and provisions as set forth herein, then the Parties shall submit the dispute to the American Arbitration Association in the State to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of said laws. Costs for said arbitration shall be paid by each Party equally, to be reimbursed in full by the non-prevailing Party to the prevailing Party.

#### **SECTION 14.04 Remedies**

The Township's customary tax payment enforcement proceedings will apply to the collection of any delinquent payment of the Annual Service Charge. In the event of a Default on the part of the Entity to pay any installment of the Annual Service Charge required by Article IV above, and the continuance of such Default after expiration of any notice, grace or cure periods under Applicable Law, the Township in addition to its other remedies, reserves the right to proceed against the Entity's land and premises, in the manner provided by Applicable Law, including the Tax Sale Law, and any act supplementary or amendatory thereof, provided that it is understood and agreed that the Township shall look solely to the estate and property of the Entity in the BCUR Project (including the rental income and insurance proceeds therefrom) for the satisfaction of the Township's remedies for the collection of a judgment or other judicial process requiring the payment of money by the Entity in the event of any Default or breach by the Entity with respect to any of the terms, covenants and conditions of this Agreement to be observed or performed by the Entity, and any other obligation of the Entity created by, under or as a result of this Agreement, and no other property or assets of the Entity, or of their partners, beneficiaries, shareholders, officers, directors, members, managers, tenants, principals, agents or attorneys (as the case may be) (in any of their capacities) shall be subject to service, levy, execution or other enforcement procedures for the satisfaction of the Township's remedies. In no event shall the Township name the Entity's partners, members, shareholder's, officers, directors, managers, beneficiaries, tenants, shareholders, principals, agents or attorneys (in any of their capacities) to any suit or other proceeding to which the Township and/or Entity are a party arising out of or relating to this Agreement.

The Township shall pursue the collection of delinquent payments of Annual Service Charge with the same diligence it employs in the collection of the Township's general *ad valorem* real estate taxes, including the commencement of an In Rem Tax Foreclosure. The Township agrees that it will provide notice to the Parking Authority and the Trustee of any legal proceedings to be instituted for the collection of delinquent payments of the Annual Service Charge. The Parties understand and agree that the Township's ordinary discretion in this regard allows it to decide not to expend resources to collect *de minimis* outstanding amounts; provided that the Township will obtain the Trustee's consent with respect to any such amounts in excess of \$1,000 in the event the collection of the Annual Service Charge falls below ninety percent (90%) of the amount assessed and billed in any given quarter.

In the event the Township does not pursue the collection of delinquent payment amounts in the manner provided herein, the Parking Authority may pursue collection of the delinquent Annual Service Charge pursuant to the authority granted in Article V and the Bond Financing Law.

Whenever the word "Taxes" appears, or is applied, directly or implied, to mean taxes or municipal liens on land, such statutory provisions shall be read, as far as it is pertinent to this Agreement, as if the Annual Service Charge were taxes or municipal liens on land. In either case, however, the Entity does not waive any defense it may have to contest the rights of the Township to proceed in the above-mentioned manner.

**SECTION 14.05**    Termination Upon Default of the Entity

Subject to the provisions of Section 3.02, in the event the Entity fails to cure or remedy a Default, within the time period provided in Section 14.02, the Township may terminate this Agreement upon thirty (30) days written notice to the Entity and the Bank.

**SECTION 14.06**    Final Accounting

Within ninety (90) days after the date of Termination of tax exemption, the Entity shall provide a final accounting and pay to the Township the reserve, if any, pursuant to the provisions of N.J.S.A. 40A:20-13 and 15 as well as any excess Net Profits. For purposes of rendering a final accounting the date of termination of this Agreement shall be deemed to be the last day of the fiscal year of the Entity in which the termination occurred.

**SECTION 14.07**    Conventional Taxes

Upon termination or expiration of this Agreement, the tax exemption for the Project shall expire and the BCUR Project Site and the BCUR Project thereon shall thereafter be assessed and conventionally taxed according to the general law applicable to other nonexempt taxable property in the Township.

**{End of Article XIV}**

## ARTICLE XV

### MISCELLANEOUS

#### **SECTION 15.01**    Conflict

The Parties agree that in the event of a conflict between the Exemption Application and this Agreement, the language in this Agreement shall govern and prevail.

#### **SECTION 15.02**    Oral Representations

There have been no oral representations made by either of the Parties which are not contained in this Agreement.

#### **SECTION 15.03**    Entire Document

All conditions in the Ordinance are incorporated in this Agreement and made a part hereof. This Agreement, the Ordinance and the Exemption Application constitute the entire agreement between the Parties as to the subject matter thereof and hereof.

#### **SECTION 15.04**    Good Faith

In their dealings with each other, the Parties agree that they shall act in good faith.

#### **SECTION 15.05**    Recording

Upon the execution and delivery of this Agreement, the entire Agreement, including the Ordinance, shall be filed and recorded with the office of the Essex County Register by the Entity, at the Entity's expense, such that this Agreement and the Ordinance shall be reflected upon the land records of the County as a perfected statutory municipal lien upon and a covenant running with each and every parcel of the BCUR Project Site including the BCUR Project related thereto.

#### **SECTION 15.06**    Municipal Services

The Entity shall make payments for municipal services, including water and sewer charges and any services that create a lien on a parity with or superior to the lien for the Land Taxes (but only if the BCUR Project Site is determined not to be exempt pursuant to the Long Term Tax Exemption Law) and the Annual Service Charge, as required by law. Nothing herein is intended to release Entity from its obligation to make such payments.

#### **SECTION 15.07**    Financing Matters

The financial information required by the final paragraph of N.J.S.A. 40A:20-9 are set forth in the Exemption Application.

**SECTION 15.08**     Counterparts; Electronic Signatures.

This Agreement may be simultaneously executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Electronic or facsimile signatures shall constitute original signature for all purposes under this Agreement.

**SECTION 15.09**     Amendments

This Agreement may not be amended, changed, modified, altered or terminated without the written consent of the Parties, with the approval of the Parking Authority and the Trustee.

**SECTION 15.10**     Certification

The Township clerk shall certify to the Tax Assessor, pursuant to N.J.S.A. 40A:20-12, that a Agreement with an urban renewal entity, i.e., the Entity, for the development of the Redevelopment Area, has been entered into and is in effect as required by the Long Term Tax Exemption Law. Delivery by the Township clerk to the Tax Assessor of a certified copy of the Ordinance adopted by the Municipal Council approving the tax exemption described herein and this Agreement shall constitute the required certification. Upon certification as required hereunder, the Tax Assessor shall implement the exemption and continue to enforce that exemption without further certification by the Township Clerk until the expiration of the entitlement to exemption by the terms of this Agreement or until the Tax Assessor has been duly notified by the Township Clerk that the exemption has been terminated.

Further, upon the adoption of this Agreement, a certified copy of the Ordinance and this Agreement shall forthwith be transmitted to the Director of the Division of Local Government Services by the Township Clerk.

**SECTION 15.11**     Severability

If any terms or provision of this Agreement or the application thereof shall to any extent be held to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each other term and provision of this Agreement shall be valid and shall be enforced to the extent permitted by Applicable Law.

**{End of Article XV}**

**IN WITNESS WHEREOF**, the parties have caused these presents to be executed as of the day and year first above written.

**BLOOMFIELD CENTER URBAN RENEWAL, LLC,  
a New Jersey limited liability company**

By: \_\_\_\_\_  
William Colgan,  
Managing Member

**TOWNSHIP OF BLOOMFIELD**

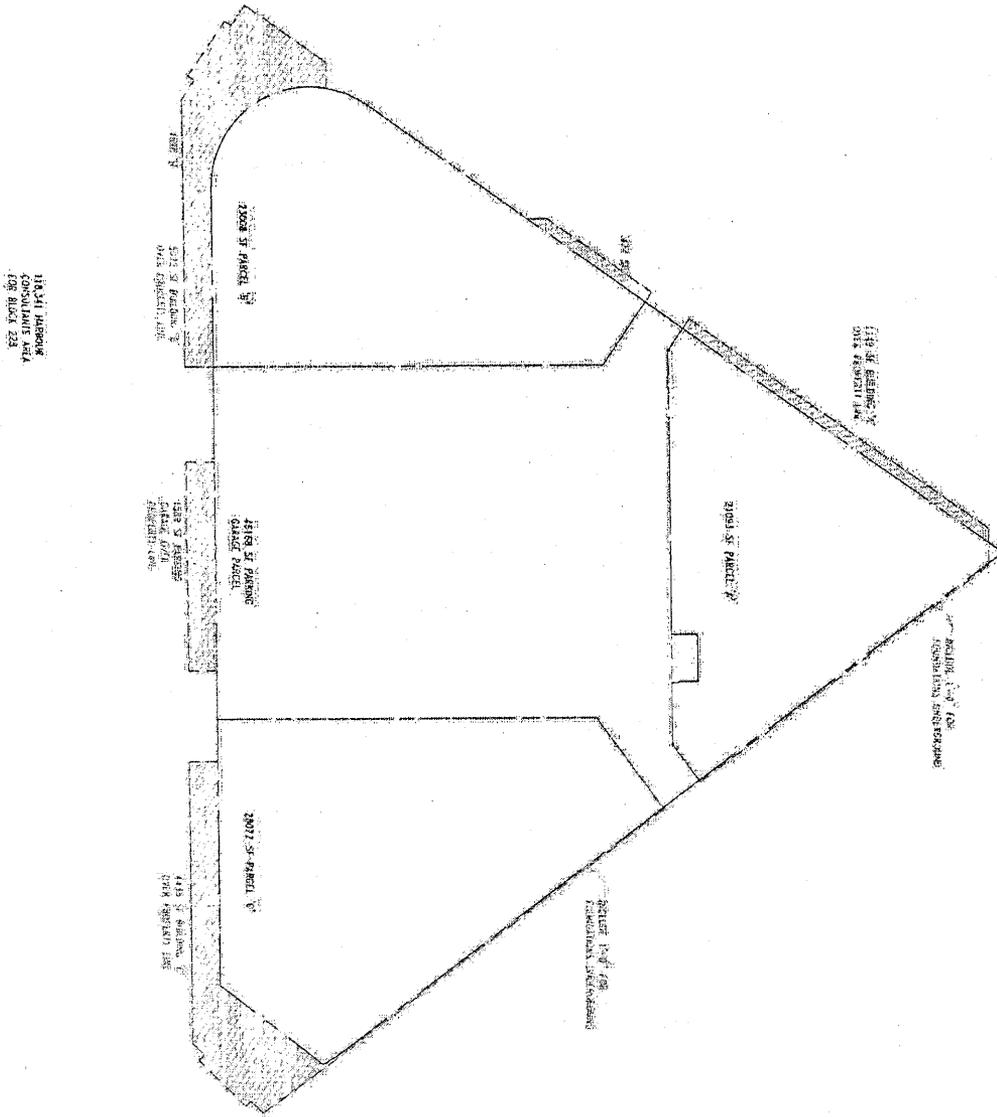
By: \_\_\_\_\_  
Raymond McCarthy,  
Mayor





**Exhibit A**

**Additional Parcels**



10/24/10  
 MICHELS & WALDRON ASSOCIATES, LLC  
 645 WESTWOOD AVE.  
 RIVER VALE, NJ 07675  
 TEL: 201-664-8084  
 FAX: 201-664-6082  
 E-MAIL: ARCHITECTS@MICHELSWALDRON.COM

**SP-A**

1-6-11  
 JOB NUMBER  
 07410

DATE  
 9/23/10  
 SCALE  
 1/80  
 DRAWN  
 DLS  
 CHECKED  
 KM

TITLE  
**GROUND FLOOR PLAN**  
 CLIENT/  
 PROJECT  
**GLENWOOD VILLAGE REDEVELOPMENT**  
**BLOCK 228**  
**BLOOMFIELD, NEW JERSEY**

**MICHELS & WALDRON ASSOCIATES, LLC**  
 ARCHITECTS & PLANNERS  
 645 WESTWOOD AVE., RIVER VALE, NJ 07675  
 TEL: 201-664-8084 FAX: 201-664-6082  
 E-MAIL: ARCHITECTS@MICHELSWALDRON.COM

**Exhibit B**

**Project Site**



**Exhibit C**

**BCUR Project Site**



**Exhibit D**

**Parking Garage Site**



**Exhibit E**  
**Exemption Application**

**INTENTIONALLY OMITTED**

**TAX EXEMPTION APPLICATION  
ON FILE WITH TOWNSHIP CLERK**

**Exhibit F**  
**Ordinance**

**ORDINANCE OF THE TOWNSHIP OF BLOOMFIELD, COUNTY OF ESSEX, NEW JERSEY APPROVING THE APPLICATION AND FINANCIAL AGREEMENT FOR TAX EXEMPTION OF BLOOMFIELD CENTER URBAN RENEWAL, L.L.C. FOR THE CONSTRUCTION OF A REDEVELOPMENT PROJECT LOCATED IN THE BLOCK 228 REDEVELOPMENT AREA**

**WHEREAS**, pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the “Redevelopment Law”), the Township of Bloomfield (the “Township”) designated the properties identified on the Township’s tax maps as Block 228, Lots 1, 4, 5, 7, 8, 10, 11, 13, 14, 15, 16, 17, 18, 19, 21, 24, 27, 28, 29, 30, 31, 33 & 35, and Block 220, Lot 40 (the “Redevelopment Area”) as an “area in need of redevelopment” and adopted a redevelopment plan, entitled the “Redevelopment Plan for Block 228 and Block 220, Lot 40 Redevelopment Plan Area” (as the same may be amended and supplemented, the “Redevelopment Plan”), for the Redevelopment Area [and for certain adjacent, Township-owned parcels (the “Additional Parcels”) which the Township designated as an area in need of rehabilitation pursuant to the Redevelopment Law]; and

**WHEREAS**, on February 22, 2011, the Township Council of the Township (the “Township Council”) adopted a resolution (i) designating Bloomfield Center Urban Renewal, LLC (the “Entity”), a limited-dividend, urban renewal entity created under the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. (the “Long Term Tax Exemption Law), as the redeveloper of the portion of the Redevelopment Area constituting all of the lots on Block 228 and the Additional Parcels (collectively, the “Project Site”) and (ii) authorizing the execution of a redevelopment agreement with the Entity in connection with the redevelopment of the Project Site; and

**WHEREAS**, the Township and the Entity entered into a Redevelopment Agreement (the “Redevelopment Agreement”) in order to implement the development, design, financing and construction of the Redevelopment Project (defined below); and

**WHEREAS**, the Redevelopment Agreement provides for, among other things, the construction on the Project Site of a project consisting of: (i) (A) approximately 60,000 square feet of retail space, including approximately 10,000 square feet of restaurant space (the “Retail Project”) and (B) approximately 224 residential units (the “Residential Project” and together with the Retail Project, the “BCUR Project”) on the portion of the Project Site depicted in **Exhibit A** hereto (the “BCUR Project Site”); and (ii) an approximately 450 space parking garage (the “Parking Garage” and, together with the BCUR Project, the “Redevelopment Project”) on the portion of the Project Site depicted in **Exhibit B** hereto (the “Parking Garage Site”); and

**WHEREAS**, the Entity submitted to the Mayor of the Township (the “Mayor”) an application for tax exemption, which is on file with the Township Clerk (the “Application”), requesting an exemption of the improvements constituting the BCUR Project and a portion of the land upon which the BCUR Project will be constructed (representing the portion of said land upon which the Residential Project will be constructed, which portion shall be known as the “Residential Land”), pursuant to the Long Term Tax Exemption Law; and

**WHEREAS**, the Entity also submitted to the Mayor a form of financial agreement (the “Financial Agreement”, a copy of which is attached hereto as **Exhibit C**) establishing the rights, responsibilities and obligations of the Entity; and

**WHEREAS**, the Mayor submitted the Application and Financial Agreement to the Township Council with his recommendation for approval, a copy of which recommendation is on file with the Township Clerk; and

**WHEREAS**, the Township Council has determined that the BCUR Project represents an undertaking permitted by the Long Term Tax Exemption Law, and has further determined that the BCUR Project constitutes improvements made for the purposes of clearance, replanning, development or redevelopment of an area in need of redevelopment within the Township, as authorized by the Redevelopment Law and the Long Term Tax Exemption Law.

**NOW, THEREFORE, BE IT ORDAINED BY THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF BLOOMFIELD, NEW JERSEY AS FOLLOWS:**

**Section 1.** The Application and Financial Agreement are hereby approved.

**Section 2.** The Mayor is hereby authorized to execute the Financial Agreement substantially in the form attached hereto as **Exhibit C**, subject to minor modification or revision, as deemed necessary and appropriate after consultation with counsel.

**Section 3.** The Clerk of the Township is hereby authorized and directed, upon execution of the Financial Agreement by the Mayor, to attest to the signature of the Mayor and to affix the corporate seal of the Township upon such document.

**Section 4.** The executed copy of the Financial Agreement shall be certified by and be filed with the Office of the Township Clerk. Further, the Clerk of the Township shall file certified copies of this ordinance and the Financial Agreement with the Tax Assessor of the Township and the Director of the Division of Local Government Services with the Department of Community Affairs, in accordance with Section 12 of the Long Term Tax Exemption Law.

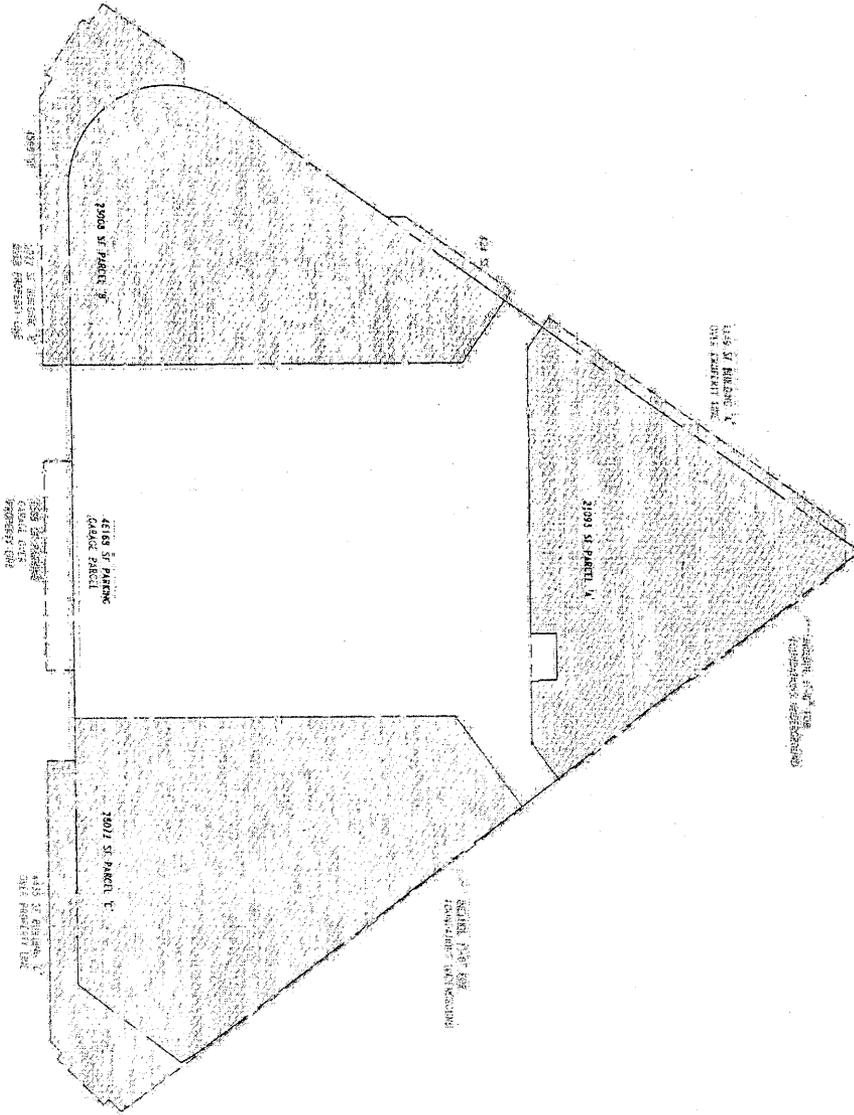
**Section 5.** If any part(s) of this ordinance shall be deemed invalid, such part(s) shall be severed and the invalidity thereby shall not affect the remaining parts of this ordinance.

**Section 6.** All ordinances and resolutions or parts thereof inconsistent with this Ordinance are hereby rescinded.

**Section 7.** This ordinance shall take effect in accordance with applicable law.

**EXHIBIT A**  
**BCUR Project Site**

114.341 HARBOUR  
CONSULTANTS AREA  
FOR BLOCK 228

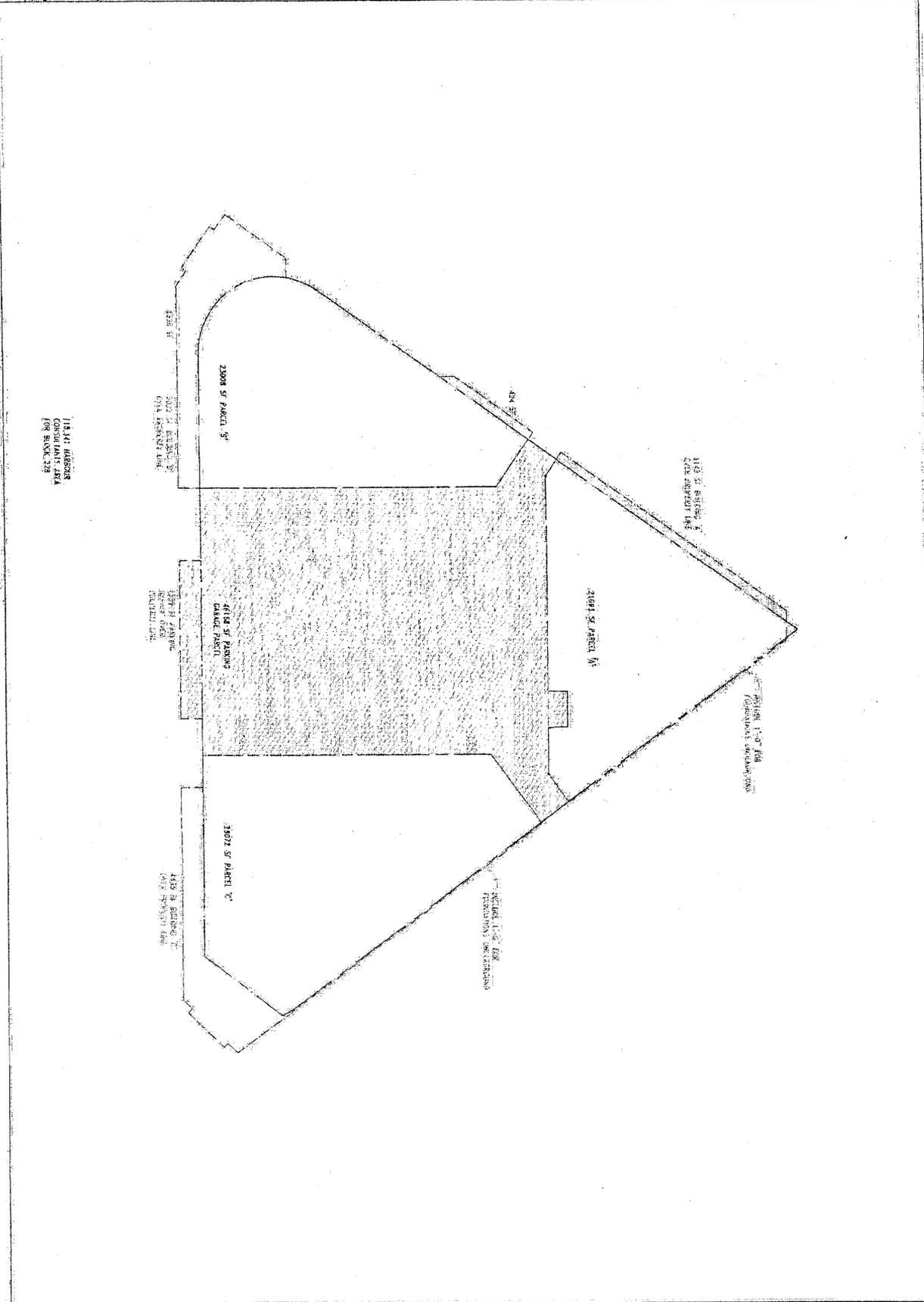


<b>SP-D</b> 1-6-11 07-51 C	DATE	9/23/10	TITLE	GROUND FLOOR PLAN	<b>MICHELS &amp; WALDRON ASSOCIATES, ELC</b> ARCHITECTS & PLANNERS 645 WESTWOOD AVE. RIVER VALE, NJ 07675 TEL: 201-664-6064 FAX: 201-664-6062 E-MAIL: ARCHITECTS@MICHELSWALDRON.COM
	SCALE	1:60	CLIENT/PROJECT	GLENWOOD VILLAGE REDEVELOPMENT	
	DRAWN	DLS		BLOCK 228	
	CHECKED	KM		BLOOMFIELD, NEW JERSEY	

**EXHIBIT B**

**Parking Garage Site**

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11.14.11 HERSHMAN  
CONSULTANTS, LLC  
FOR BLOCK 228

435' ± SETBACK TO  
EXISTING SIDEWALK  
435' ± SETBACK TO  
EXISTING SIDEWALK

15' ± SETBACK TO  
EXISTING SIDEWALK  
15' ± SETBACK TO  
EXISTING SIDEWALK

435' ± SETBACK TO  
EXISTING SIDEWALK  
435' ± SETBACK TO  
EXISTING SIDEWALK

23008 SF PARCEL A

4618 SF PARCEL B  
DRAFT PARCEL

38072 SF PARCEL C

2400' ± SETBACK TO  
EXISTING SIDEWALK

110' ± SETBACK TO  
EXISTING SIDEWALK

15' ± SETBACK TO  
EXISTING SIDEWALK

15' ± SETBACK TO  
EXISTING SIDEWALK

<p><b>SP-C</b> 1-6-11</p>	<p>DATE 9/23/10</p>	<p>TITLE <b>GROUND FLOOR PLAN</b></p>	<p><b>MICHELS &amp; WALDRON ASSOCIATES, LLC</b>  ARCHITECTS • PLANNERS 645 WESTWOOD AVE. RIVER VALE, NJ 07675 TEL: 201-664-6064 FAX: 201-664-6062 E-MAIL: ARCHITECTS@MICHELSWALDRON.COM</p>
	<p>SCALE 1"=60'</p>	<p>CLIENT/ PROJECT <b>GLENWOOD VILLAGE REDEVELOPMENT</b></p>	
	<p>DRAWN DLS</p>	<p>BLOCK 228 BLOOMFIELD, NEW JERSEY</p>	
	<p>CHECKED KM</p>	<p>JOB NUMBER 07-51-C</p>	

**EXHIBIT C**

**Form of Financial Agreement**

**INTENTIONALLY OMITTED**

**FORM OF FINANCIAL AGREEMENT  
ON FILE WITH TOWNSHIP CLERK**

**Exhibit G**

**Certificate of Formation of the Entity**

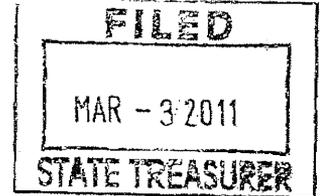
From:

03/03/2011 14:30

#567, P.003,007



State of New Jersey  
DEPARTMENT OF COMMUNITY AFFAIRS  
101 SOUTH BROAD STREET  
PO Box 805  
TRENTON, NJ 08625-0805



0600370787

LORE GRIFA  
Commissioner

CHRIS CHRISTIE  
Governor

KIM GUADAGNO  
Lt. Governor

DEPARTMENT OF COMMUNITY AFFAIRS

TO: State Treasurer  
RE: BLOOMFIELD CENTER URBAN RENEWAL, LLC  
File # 1041  
An Urban Renewal Entity

This is to certify that the attached CERTIFICATE OF FORMATION OF AN URBAN RENEWAL ENTITY has been examined and approved by the Department of Community Affairs, pursuant to the power vested in it under the "Long Term Tax Exemption Law," P.L. 1991, c.431.

Done this 1st day of March 2011 at Trenton, New Jersey.

DEPARTMENT OF COMMUNITY AFFAIRS

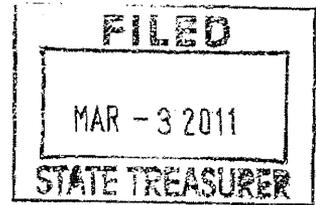
BY   
Edward M. Smith, Director  
Division of Codes and Standards



From:

03/03/2011 14:30

#567 P.004/007



CERTIFICATE OF FORMATION  
OF

BLOOMFIELD CENTER URBAN RENEWAL, LLC

To: Treasurer of the State  
of New Jersey

THE UNDERSIGNED, of the age of eighteen years or over, for the purpose of forming a limited liability company pursuant to the provisions of Title 42:2B of the New Jersey Statutes, the New Jersey Limited Company Act, and the New Jersey Long Term Tax Exemption Law, as amended, P.L. 1991, c.431 (c.40A:20-1 et seq.), does hereby execute this Certificate of Formation of BLOOMFIELD CENTER URBAN RENEWAL, L.L.C.

FIRST: The name of the limited liability company is "BLOOMFIELD CENTER URBAN RENEWAL, LLC" (the "Company").

SECOND: The address of the Company's registered agent in the State of New Jersey is WILLIAM COLGAN, 2 BROAD STREET, SUITE M2, BLOOMFIELD, NEW JERSEY 07003.

THIRD: (a) The purposes for which the Company is formed shall be to operate under P.L. 1991, c.431, (c.40A:20-1 et seq.), and to initiate and conduct projects for the redevelopment of a redevelopment area pursuant to a redevelopment plan, or projects necessary, useful, or convenient for the relocation of residents displaced or to be displaced by the redevelopment of all or part of one or more redevelopment areas, or low and moderate income housing projects, and, when authorized by financial agreement with the TOWNSHIP OF BLOOMFIELD (the "Municipality"), to acquire, plan, develop, construct, alter, maintain or operate housing, senior citizen housing, business, industrial, commercial, administrative, community, health, recreational, educational or welfare projects, or any combination of two or

[60607720-]

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4298937

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#567 P.005/007

more of these types of improvements in a single project, under such conditions as to use, ownership, management and control as regulated pursuant to P.L. 1991, c.431 (c.40A:20-1 et seq.).

(b) So long as the Company is obligated under financial agreement with the Municipality made pursuant to P.L. 1991, c.431 (c.40A:20-1 et seq.), it shall engage in no business other than the ownership, operation and management of the project.

(c) The Company has been organized to serve a public purpose. The Company's operations shall be directed toward: (1) the redevelopment of redevelopment areas, the facilitation of the relocation of residents displaced, or to be displaced by redevelopment, or the conduct of low and moderate income housing projects; and (2) the acquisition, management and operation of a project, redevelopment relocation housing project, or low and moderate income housing project under P.L. 1991, c.431 (c.40A:20-1 et seq.). The Company shall be subject to regulation by the Municipality, and to a limitation or prohibition, as appropriate, on profits or dividends for so long as the Company remains the owner of a project subject to P.L. 1991, c.431 (c.40A:20-1 et seq.).

(d) The Company shall not voluntarily transfer more than ten percent (10%) of the ownership of the project or any portion thereof undertaken by it under P.L. 1991, c.431 (c.40A:20-1 et seq.), until it has first removed both itself and the project from all restrictions of P.L. 1991, c.431 (c.40A:20-1 et seq.) in the manner required by P.L. 1991, c.431 (c.40A:20-1 et seq.) and, if the project includes housing units, has obtained the consent of the Commissioner of Community Affairs to such transfer, with the exception of a transfer to another urban renewal entity as approved by the Municipality in which the project is situated, which other urban renewal entity shall assume all contractual obligations of the Company under the financial

From:

03/03/2011 14:30

#567 P.006/007

agreement with the Municipality. The Company shall file annually with the governing body of the Municipality a disclosure of the persons having an ownership interest in the project, and of the extent of the ownership interest of each. Nothing herein shall prohibit any transfer of the ownership interest in the Company itself provided that the transfer, if greater than ten percent (10%), is disclosed to the governing body of the Municipality in the annual disclosure statement or in correspondence sent to the Municipality in advance of the annual disclosure statement referred to above.

(e) The Company shall be subject to the provisions of Section 18 of P.L. 1991, c.431 (c.40A:20-18), respecting the powers of the Municipality to alleviate financial difficulties of the Company or to perform actions on behalf of the Company upon a determination of financial emergency.

(f) Any housing units constructed or acquired by the Company shall be managed subject to the supervision of, and in accordance with rules adopted by, the Commissioner of Community Affairs.

FOURTH: The effective date of this Certificate of Formation of the Company shall be the date of filing with the New Jersey Department of Treasury.

FIFTH: The duration of the Company shall be perpetual.

From:

03/03/2011 14:30

#567 P.007/007

IN WITNESS WHEREOF, the undersigned has executed this Certificate of  
Formation of the Company on this 4 day of February, 2011.

  
\_\_\_\_\_  
WILLIAM COLGAN  
Authorized Person

**Exhibit H**

**Fiscal Plan**

## **BCUR Project 2/18/11 Plan**

## **Fiscal Plan**

### **Schedule of Annual Gross Revenue**

Revenue is projected to start at \$1.60/SF per month for residential uses and at \$2.10/SF per month for retail space, with tenants responsible for payment of utilities. Rents are projected to grow at 2.5% per year. A 10% vacancy rate is assumed.

### **Estimated Expenditures for Operations and Maintenance**

Landlord's expenses will be limited to the common areas. A live-in superintendent will be provided, as well as part-time maintenance and repair staff. PILOT payments will be paid by the Landlord out of the rent stream.

### **Payments for Interest**

Landlord will make permanent mortgage payments based on a 30 year, level debt schedule.

### **Amortization of Debt and Reserves**

Principal payments will be included in the mortgage payment, using a 30 year amortization schedule. A reserve for replacement, sized at 1% of the construction cost per year, will be accumulated annually from the rent stream.

### **Payments to be Made to the Municipality**

The municipality will receive PILOT payments from the project for 30 years. The PILOT payments will initially be set at the rate of \$1,400 per dwelling unit and \$3.00 per SF for net rentable retail area. The PILOT payments will increase at the rate of 1.02% per year for the term of the financial agreement.