

FINANCIAL AGREEMENT

THIS FINANCIAL AGREEMENT (hereinafter “Agreement” or “Financial Agreement”), made this 12 day of December, 2019, by and between **PARK AVENUE RUTHERFORD URBAN RENEWAL COMPANY, LLC**, a New Jersey limited liability company and an urban renewal entity qualified to do business under the provisions of the Long Term Tax Exemption Law of 1992, as amended and supplemented, *N.J.S.A. 40A:20-1, et seq.* (the “Long Term Tax Exemption Law”), along with its successors and/or assigns, with offices at 1200 Avenue at Port Imperial, Apartment # 507, Weehawken, New Jersey 07086 (the “Entity”) and the **BOROUGH OF RUTHERFORD**, a municipal corporation of the State of New Jersey in the County of Bergen with offices located at 176 Park Avenue, Rutherford, New Jersey 07070 (the “Borough”, and together with the Entity, the “Parties”).

W I T N E S S E T H:

WHEREAS, the governing body of the Borough of Rutherford (the “Borough”) is authorized to determine whether certain property located within the Borough is in need of rehabilitation or redevelopment under the New Jersey Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.* (the “Redevelopment Law”); and

WHEREAS, by resolutions adopted on June 17, 2003 and June 24, 2003, the Borough designated the properties known as 131 Chestnut Street (Block 73, Lots 7.01, 9 and 10), 106 Park Avenue (Block 73, Lot 23) and 114 Park Avenue (Block 73, Lots 22.02 and 22.03) (collectively, the “Maples Rehabilitation Area”) as an area in need of rehabilitation under the Redevelopment Law; and

WHEREAS, on April 26, 2005, the Borough adopted Ordinance Number 3077-05, approving and adopting a redevelopment plan for the Maples Rehabilitation Area (the “Redevelopment Plan”); and

WHEREAS, on June 26, 2017, the Borough adopted Resolution Number 142-2017 authorizing and directing the Planning Board to undertake an investigation to determine whether the properties within the Maples Rehabilitation Area constitute an area in need of redevelopment under the Redevelopment Law; and

WHEREAS, on September 25, 2017, the Borough adopted a resolution designating Vango Holdings Rutherford, LLC (“Vango”), an affiliate of the Redeveloper, as the conditional redeveloper of the Maples Rehabilitation Area, subject to the successful negotiation of a redevelopment agreement; and

WHEREAS, on December 11, 2017, the Borough adopted Resolution Number 253-2017, authorizing and directing the Planning Board to undertake an investigation to determine whether the property known as 137 Chestnut Street, Block 73, Lot 7 (the “Additional Parcel” and, together with the Maples Rehabilitation Area, the “Project Area”, as more particularly described in **Exhibit A** annexed hereto) also constitutes an area in need of redevelopment under the Redevelopment Law; and

WHEREAS, on January 18, 2018, the Planning Board conducted a public hearing and thereafter recommended that the Borough Council designate the Maples Rehabilitation Area and the Additional Parcel as an area in need of redevelopment, and that the Borough amend the Redevelopment Plan to apply thereto; and

WHEREAS, on January 23, 2018, the Borough adopted a resolution designating the Project Area as a non-condemnation area in need of redevelopment; and

WHEREAS, on February 5, 2018, the Planning Board conducted a review of the proposed amendment to the Redevelopment Plan and adopted a Resolution memorializing its recommendations regarding the proposed amendments to the Redevelopment Plan, including additional amendments regarding certain accessory uses for Sub Areas A and B and certain prohibited uses in Sub Area B in the Redevelopment Plan; and

WHEREAS, on February 12, 2018, the Borough adopted an ordinance approving amendments to the Redevelopment Plan to modify the references therein to the underlying designation of the area as an “area in need of redevelopment”, rather than “area in need of rehabilitation”, and to expand the Redevelopment Plan to also apply to Block 73, Lot 7, and other related matters, including the additional amendments recommended by the Planning Board; and

WHEREAS, on May 9, 2018, the Borough and the Entity entered into that certain redevelopment agreement (the “Redevelopment Agreement”), pursuant to which the Entity agreed to redevelop the Project Area by constructing thereon a project consisting of 52 residential units (the “Residential Component”) and approximately 4,947 square feet of retail space (the “Retail Component and, together with the Residential Component, the “Project”); and

WHEREAS, pursuant to and in accordance with the provisions of the Act and the Long Term Tax Exemption Law, the Borough is authorized to provide for a tax exemption within a redevelopment area and for payments in lieu of taxes; and

WHEREAS, in order to enhance the economic viability of and opportunity for a successful project, the Borough will enter into this Agreement with the Entity governing the payments made to the Borough in lieu of taxes on the Project pursuant to the Long Term Tax Exemption Law; and

WHEREAS, in accordance with the Long Term Tax Exemption Law, the Entity filed an application, which is incorporated herein by reference (the “Application”), with the Borough for approval of a long term tax exemption for the Improvements (as defined herein); and

WHEREAS, upon review of the Application and the Project, the Borough has made the following findings:

A. Relative Benefits of the Project:

The Project will provide the Project Area, which is currently underutilized, with new housing and retail opportunities, which will generate revenues and create jobs. The undertaking of the Project will also help the Borough satisfy its constitutional obligation because the Entity will make a payment to the Borough, described in more detail in the Redevelopment Agreement, which the Borough will use to providing housing opportunities for households of low and/or moderate income. The Project is expected to produce approximately 40 construction jobs.

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

The Entity is making a significant equity contribution toward the cost of the Project. In order to improve the economic viability of the development of the Project, the Borough has agreed to provide the tax exemption for the Project pursuant to this Agreement. The stability and predictability of the Annual Service Charge (as defined herein) will make the Project more competitive and assist the Entity to undertake the Project.

WHEREAS, the Borough Council on September 11, 2018 adopted an ordinance (the "Ordinance", a copy of which is attached hereto as **Exhibit B**), approving the Application and authorizing the execution of this Agreement; and

WHEREAS, in order to set forth the terms and conditions under which the Entity and the Borough shall carry out their respective obligations with respect to the payment of the Annual Service Charge by the Entity, in lieu of real property taxes, the Parties have determined to execute this Financial Agreement.

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

ARTICLE I
GENERAL PROVISIONS

Section 1.01 Governing Law. This Financial Agreement shall be governed by the provisions of (a) the Long Term Tax Exemption Law, the Act and such other statutes as may be the sources of relevant authority, and (b) the Ordinance. It is expressly understood and agreed that the Borough relies upon the facts, data, and representations contained in the Application in granting this tax exemption.

Section 1.02 General Definitions. The following terms shall have the meaning assigned to such term in the preambles hereof:

<u>Agreement/Financial Agreement</u>	<u>Parties</u>
<u>Application</u>	<u>Project</u>
<u>Borough</u>	<u>Project Area</u>
<u>Entity</u>	<u>Redevelopment Agreement</u>
<u>Long Term Tax Exemption Law</u>	<u>Redevelopment Law</u>
<u>Ordinance</u>	<u>Redevelopment Plan</u>

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

Administrative Fee: As defined in Section 4.10.

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

Allowable Profit Rate: The greater of twelve percent (12%) or the percentage per annum arrived at by adding one and one quarter percent (1.25%) to the annual interest percentage rate payable on the Entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge shall be considered as interest for this purpose. If there is no permanent mortgage financing, or if the financing is internal or undertaken by a related party, the Allowable Profit Rate shall be the greater of twelve percent (12%) or the percentage per annum arrived at by adding one and one quarter percent (1.25%) per annum to the interest rate per annum that the Borough determines to be the prevailing rate of mortgage financing on comparable improvements in the county. The provisions of *N.J.S.A. 40A:20-3(b)* are incorporated herein by reference.

Annual Gross Revenue – Pursuant to N.J.S.A. 40A:20-3(a), the annual gross revenue shall include all rental charges generated from tenants in the Project (including the Residential Component and the Retail Component), and all application fees, pet fees, parking fees, floor or view premiums, health club fees and any other fees or charges charged to tenants or prospective tenants in the Project.

Annual Service Charge: The amount the Entity has agreed to pay the Borough pursuant to Article IV herein with respect to the Improvements, which: (a) Entity has agreed to pay in part for municipal services supplied to the Project, (b) is in lieu of any taxes on the Improvements pursuant to N.J.S.A. 40A:20-12, (c) shall be paid on the Annual Service Charge Payment Dates, and (d) shall be pro-rated in the year in which this Agreement begins and the year in which this Agreement terminates.

Annual Service Charge Payment Dates: February 1, May 1, August 1 and November 1 of each year commencing on the first such date after the date that a Certificate of Occupancy is issued for the Project, either Component, as applicable, and ending on the Termination Date.

Annual Service Charge Start Date: The first Annual Service Charge Payment Date.

Applicable Law: All federal, State and local laws, ordinances, approvals, rules, regulations and requirements applicable to the Project including, but not limited to, the Act, the Long Term Tax Exemption Law, relevant construction codes including construction codes governing access for people with disabilities, and such zoning, sanitary, pollution and other environmental safety ordinances, laws and such rules and regulations thereunder, including all applicable environmental laws.

Auditor's Report: An annual audited statement which clearly identifies the calculation of Net Profit as provided in N.J.S.A. 40A:20-3(c)(2). The contents of the Auditor's Report shall be prepared by a certified public accountant licensed to practice in the State, subject to the relevant provisions of Long Term Tax Exemption Law and this Agreement, in conformity with generally accepted accounting principles.

Certificate of Occupancy: A Certificate of Occupancy (temporary or permanent), as such term is defined in the New Jersey Administrative Code, issued with respect to the Project or Component, as applicable.

Chief Financial Officer: The Borough's chief financial officer.

Component: The Residential Component or Retail Component.

Default: A breach or the failure to perform any obligation imposed by the terms of this Agreement, or under Applicable Law.

Effective Date: The date of this Agreement.

Improvements: All improvements on the Land comprising the Project or either Component, as applicable.

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

Land – the land on which the Project will be constructed.

Land Taxes: The amount of taxes assessed on the value of Land, on which the Project is located. Under Section 2.01 hereof, and in accordance with N.J.S.A. 40A:20-12, the portion of the Land upon which the Residential Component will be constructed is exempt from taxation, in addition to the Improvements. The portion of the Land upon which the Retail Component will be constructed, however, will not be exempt. Thus, the Entity will pay the Land Taxes due in connection with the Retail Component. For purposes of this Financial Agreement, the value of the Land will be 20% of the average per square foot lease value of the space within the Retail Component multiplied by the number of leasable square feet within the Retail Component. For example, assume the Retail Component includes 4,950 leasable square feet of space, and the average per square foot lease value of such space is \$20 per square foot. The Land Taxes would be \$19,800 ($4,950 \times \$20 = \$99,000 \times .20 = \$19,800$).

Land Tax Payments: Payments made on the quarterly due dates, including any applicable grace periods, for Land Taxes, if any, as determined by the Tax Assessor and the Tax Collector in accordance with Applicable Law.

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 accounting principles and the provisions of N.J.S.A. 40A:20-3(c). Without limiting the foregoing, included in expenses shall be an amount sufficient to amortize the Total Project Cost in accordance with generally accepted accounting principles as well as all other expenses permitted under the provisions of N.J.S.A. 40A:20-3(c).

Notice: As defined in Section 15.01.

Property: The Land and the Improvements.

Security Arrangements: As defined in Section 8.02(a).

State: The State of New Jersey.

Tax Assessor: The Borough tax assessor.

Tax Collector: The Borough tax collector.

Tax Sale Law: The 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 Date: The earlier to occur of (i) the twenty-eight (28th) anniversary date of the applicable Annual Service Charge Start Date; or (ii) such other date as this Financial Agreement may terminate pursuant to the terms hereof or pursuant to Applicable Law.

Total Project Cost: The total cost of developing the Project as determined in accordance with N.J.S.A. 40A:20-3(h), as certified by a qualified architect or engineer and as permitted pursuant to N.J.S.A. 40A:20-3(h) and this Agreement.

Unit – Any of the units of the Project.

Section 1.02 Interpretation and Construction. In this Financial Agreement, unless the context otherwise requires:

(a) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms, as used in this Financial Agreement, refer to this Financial Agreement, and the term “hereafter” means after, and the term “heretofore” means before the date of delivery of this Financial 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 Financial 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 Financial 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) This Financial Agreement shall become effective upon its execution and delivery by the Parties.

(h) All exhibits referred to in this Financial Agreement and attached hereto are incorporated herein and made part hereof.

ARTICLE II **APPROVAL**

Section 2.01 Approval of Tax Exemption. The Borough hereby grants its approval of a tax exemption for the Improvements and the portion of the Land upon which the Residential Component will be constructed, in accordance with the terms and conditions of this Agreement and the provisions of Applicable Law.

Section 2.02 Approval of Entity. The Entity represents that its Certificate of Formation and Certificate of Authority as attached as *Exhibit 2* to the Application contain all the requisite provisions of law, have been reviewed and approved by the Commissioner of the Department of Community Affairs, and have been filed with, as appropriate, the Secretary of Treasury, all in accordance with *N.J.S.A. 40A:20-5*.

Section 2.03 Improvements to be Constructed. The Entity represents that it will construct the Project in accordance with the Redevelopment Agreement, the Redevelopment Plan and Applicable Law, the use of which is more specifically described in the Application.

Section 2.04 Ownership, Management and Control. The Entity represents that it is the contract purchaser/developer of the Land upon which the Improvements are to be constructed and which is the subject of this Agreement, and that prior to the commencement of construction of the Project, it will be the owner of the Land.

Section 2.05 Financial Plan. The Entity represents that the Improvements shall be financed in accordance with the financial plan attached as *Exhibit 14* to the Application.

Section 2.06 Statement of Projected Revenues. The Entity represents that projected Annual Gross Revenue is set forth in *Exhibit 13* attached to the Application.

Section 2.07 Representations and Covenants Regarding Use, Management and Operations of the Project by the Entity. The Entity expressly covenants, warrants and represents that upon completion, the Project, including all Land and Improvements, shall be used, managed and operated for the purposes set forth in the Application, in accordance with the Redevelopment Agreement, Redevelopment Plan and all Applicable Laws. The Entity represents that the representations and covenants required under *N.J.S.A. 40A:20-9* are set forth in the Application.

ARTICLE III **DURATION OF AGREEMENT**

Section 3.01 Term. It is understood and agreed by the Parties that this Agreement, including the obligation to pay the Annual Service Charge required under Article IV hereof and the tax exemption granted and referred to in Section 2.01 hereof, shall remain in effect until the Termination Date. The tax exemption shall only be effective during the period of usefulness of the Project and shall continue in force only while the Land is owned by a corporation, association or other entity formed and operating under the Long Term Tax Exemption Law, except for permitted conveyances as stated in Sections 8.01 and 8.02 of this Financial Agreement. Upon the Termination Date, the tax exemption for the Improvements and, to the

extent applicable, the Land, shall expire and same shall thereafter be assessed and taxed according to the general law applicable to other non-exempt property in the Borough. Upon the Termination Date, all restrictions and limitations upon the Entity shall terminate upon the Entity's rendering and the Borough's acceptance of its final accounting, pursuant to *N.J.S.A. 40A:20-13*.

Section 3.02 Date of Termination. The Termination Date shall be deemed to be the fiscal year end of the Entity.

Section 3.03 Voluntary Termination by Entity. The Entity may at any time after the expiration of one year from the completion of the Project or applicable Component notify the Municipality that as of a certain date designated in the notice, it relinquishes its status under the Long Term Tax Exemption Law and the Entity has obtained the consent of the Commissioner of the Department of Community Affairs, and this Agreement shall terminate as of the date set forth in the Notice.

ARTICLE IV **ANNUAL SERVICE CHARGE**

Section 4.01 Annual Service Charge. In consideration for the tax exemption, the Entity shall make payment to the Borough of an Annual Service Charge in an amount equal to 10% of the Annual Gross Revenue.

Section 4.02 Consent of Entity to Annual Service Charge. The Entity hereby consents and agrees to the amount of Annual Service Charge and to the liens established in this Financial Agreement, and the Entity shall not contest the validity or amount of any such lien. Subject to the terms of this Agreement, 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 Entity as an "urban renewal entity" qualified under and as defined in the Long Term Tax Exemption Law. The Entity's remedies shall be limited to those specifically set forth herein and otherwise provided by law.

Section 4.03 Quarterly Installments. After the Annual Service Charge Start Date, the Entity agrees that payment of the Annual Service Charge shall be paid to the Borough on a quarterly basis on each Annual Service Charge Payment Date. In the event that Entity fails to timely pay any installment, the amount past due shall bear the highest rate of interest permitted under applicable State law and then being assessed by the Borough against other delinquent taxpayers in the case of unpaid taxes or tax liens until paid.

Section 4.04 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, are material conditions of this Financial Agreement. If any other term, covenant or condition of this Financial Agreement or the Application, as to any person or circumstance shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Financial 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 Financial Agreement shall be valid and enforced to the fullest extent permitted by Applicable Law.

Section 4.05 No Reduction in Payment of the Annual Service Charge. The Parties agree that neither the amounts nor dates established for payment of the Annual Service Charge, as provided in Section 4.01 hereof shall be reduced or amended or otherwise modified through any tax appeal on the Improvements or any other legal proceeding regarding the Project during the term of this Agreement.

Section 4.06 Service Charges as Municipal Lien. In accordance with the provisions of the Long Term Tax Exemption Law, upon recordation of this Financial Agreement and the Ordinance, any amount due and owing hereunder, including the Annual Service Charge shall be and constitute a continuous municipal lien on the Project.

Section 4.07 Security for Payment of Annual Service Charge. In order to secure the full and timely payment of the Annual Service Charge, the Borough reserves the right to prosecute an In Rem Tax Foreclosure action against the Property, as more fully set forth in this Agreement.

Section 4.08 Land Taxes and Credits.

(a) In the event the exemption of the Land required 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 Land Taxes are assessed on the entirety of the Land. In such case, the payment for Land Taxes shall be applied as a credit against the Annual Service Charge for the subsequent year. In any year that the Entity fails to make any Land Tax Payments when due and owing, such delinquency shall render the Entity ineligible for any land tax credits against the Annual Service Charge.

(b) In the event the exemption of the Land authorized under N.J.S.A. 40A:20-12 is invalidated as described in Section 4.08(a), all Land Taxes, shall be separately assessed for the entirety of 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. In such event, the Entity will be required to make payment of both the Annual Service Charge and the Land Tax Payments. The Entity will be required to pay the full Land Tax Payments in any given year, and no credits will be applied against the Annual Service Charge for partial payment of the Land Taxes. 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 Borough 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 4.09 Schedule of Stage Adjustments to Annual Service Charge. Pursuant to N.J.S.A. 40A:20-12(b), the Annual Service Charge shall be adjusted as follows:

(a) Stage One (Years 1 – 7). From the Annual Service Charge Start Date through the seventh year of the Agreement, the Annual Service Charge shall be an amount equal to 10% of the Annual Gross Revenue.

(b) Stage Two (Years 8 - 10). From the seventh (7th) anniversary of the Annual Service Charge Start Date through the tenth (10th) year of this Agreement, the Annual Service Charge shall be an amount equal to 10% of the Annual Gross Revenue or 20% of the amount of the taxes otherwise due on the Land and Improvements, whichever is greater.

(c) Stage Three (Years 11 – 15). From the tenth (10th) anniversary of the Annual Service Charge Start Date through the fifteenth (15th) year of this Agreement, the Annual Service Charge shall be an amount equal to 10% of the Annual Gross Revenue or 40% of the amount of the taxes otherwise due on the Land and Improvements, whichever is greater.

(d) Stage Four (Years 16 - 21). From the fifteenth (15th) anniversary of the Annual Service Charge Start Date through the twenty-first (21st) year of this Agreement, the Annual Service Charge shall be an amount equal to 10% of the Annual Gross Revenue or 60% of the amount of the taxes otherwise due on the Land and Improvements, whichever is greater.

(e) Stage Five (Years 22-28). From the twenty-first (21st) anniversary of the Annual Service Charge Start Date through the final year of this Agreement, the Annual Service Charge shall be an amount equal to 10% of the Annual Gross Revenue or 80% of the amount of the taxes otherwise due on the Land and Improvements, whichever is greater.

Section 4.10 Administrative Fee. In addition to the Annual Service Charge, the Entity shall pay to the Borough an annual fee of two percent (2%) of the projected Annual Service Charge upon the Annual Service Charge Start Date and each anniversary thereafter prior to the Termination Date (the “Administrative Fee”).

In the event the Entity fails to pay the Administrative Fee when due and owing, the amount paid shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens in the Borough until paid.

Section 4.11 Remittance to County. The Borough shall remit to the County of Bergen five percent (5%) of the Annual Service Charge received each year from the Entity, pursuant to N.J.S.A. 40A:20-12(b)(2)(e).

ARTICLE V

CERTIFICATE OF OCCUPANCY

Section 5.01 Filing of Certificate of Occupancy. It shall be the primary responsibility of the Entity to forthwith file with both the Tax Assessor and the Tax Collector a copy of any Certificate of Occupancy.

Failure of the Entity to file such issued Certificate of Occupancy as required by the preceding paragraph, shall not militate against any action or non-action, taken by the Borough,

including, if appropriate retroactive billing with interest for any charges determined to be due, in the absence of such filing by the Entity.

ARTICLE VI **ANNUAL AUDITS**

Section 6.01 Accounting System. The Entity agrees to calculate its Net Profit pursuant to *N.J.S.A. 40A:20-3(c)*, which calculation shall be in accordance with generally accepted accounting principles, the provisions of this Agreement and the Long Term Tax Exemption Law.

Section 6.02 Periodic Reports.

(a) **Auditor's Report:** Within ninety (90) days after the close of each fiscal year during the term of the exemption pursuant to this Agreement, the Entity shall submit to the Mayor, Borough Council, the Tax Collector and the Borough Clerk, who shall advise those municipal officials required to be advised, and the State Division of Local Government Services in the Department of Community Affairs, its Auditor's Report for the preceding fiscal or calendar year. The Auditor's Report shall clearly identify and calculate the Net Profit for the Entity during the previous year and shall include, but not be limited to, itemizations of operating and non-operating expenses, mortgage interest and terms, amortization of Improvements and such other computations of income, expense and other details as may relate to the financial status of the Entity. The Entity assumes all costs associated with preparation of the periodic reports. All such periodic reports shall remain confidential except as otherwise required by law.

(b) **Disclosure Statement:** Within ninety (90) days after each anniversary date of the execution of this Agreement, the Entity shall submit to the Borough Council, a disclosure statement listing the persons having an ownership interest in the Project, and the extent of the ownership interest of each.

Section 6.03 Inspection. The Entity shall, upon request, permit the inspection of its property, equipment, buildings and other facilities of the Project and also permit, upon request, examination and audit of its books, contracts, records, documents and papers by representatives duly authorized by the Borough, and State Division of Local Government Services in the Department of Community Affairs pursuant to *N.J.S.A. 40A:20-9(e)*. Such inspection shall be made upon seven (7) business days' written notice during the Entity's regular business hours, in the presence of an officer or agent designated by the Entity. To the extent reasonably possible, the inspection will not materially interfere with construction or operation of the Project.

ARTICLE VII **LIMITATION ON PROFITS AND RESERVES**

Section 7.01 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 pursuant to the provisions of *N.J.S.A. 40A:20-15*. Pursuant to *N.J.S.A. 40A:20-3(b)(c)*, this calculation is completed in accordance with generally accepted accounting principles, the provisions of this Agreement and Applicable Law.

The Entity shall have the right to establish a reserve against vacancies, unpaid rentals, and reasonable contingencies in an amount up to ten percent (10%) of the Annual Gross Revenue of the Entity for the last full fiscal year and may retain such part of the excess Net Profit as is necessary to eliminate a deficiency in that reserve, as provided in *N.J.S.A.* 40A:20-15. In no event shall any portion of the excess Net Profit be retained or contributed to such reserve if the amount of the reserve as of the end of such fiscal year equals or exceeds ten percent (10%) of the preceding year's Annual Gross Revenue. The reserve is to be noncumulative.

There is expressly excluded from calculation of Annual 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.* 20-16, any revenue realized by the Entity on the sale of all or a portion of the Project, whether or not taxable under Applicable Law.

Section 7.02 Payment of Dividend and Excess Profit Charge. In the event the Net Profits of the Entity shall exceed the Allowable Net Profit for the period, taken as one accounting period, commencing on the Annual Service Charge Start Date and terminating at the end of the last full fiscal year, then the Entity, within one hundred (120) days after the end of that fiscal year, shall pay such excess Net Profit to the Borough as an additional service charge; provided, however, that the Entity may maintain a reserve as determined pursuant to aforementioned Section 7.01. 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(b) and (c) and 40A:20-15 and this Agreement.

Section 7.03 Payment of Reserve/Excess Net Profit Upon Termination, Expiration or Sale. The Termination Date of this Agreement, or the date of sale or transfer of the Improvements shall be considered to be the close of the fiscal year of the Entity. Within ninety (90) days after such date, the Entity shall pay to the Borough the amount of the reserve, if any, maintained by it pursuant to Section 7.01 and the excess Net Profit, if any.

ARTICLE VIII

ASSIGNMENT AND/OR ASSUMPTION

Section 8.01 Restrictions on Transfer. Except as set forth in the following subsections, the Entity may not voluntarily transfer more than ten percent (10%) of the ownership of the Property or any portion thereof until it has first removed both itself and the Land from all restrictions imposed by the Long Term Tax Exemption Law, in the manner provided by the Long Term Tax Exemption Law. Nothing herein shall prohibit any transfer of the ownership interest in the Entity itself provided that the transfer, if greater than 10 percent (10%), is disclosed to the Borough Council in the annual disclosure statement required pursuant to Section 6.02(b) of this Agreement or in correspondence sent to the Borough in advance of the annual disclosure.

Section 8.02 Collateral Assignment. Notwithstanding the foregoing, it is expressly understood and agreed that the Entity has the right to encumber and/or assign the fee title to the Land and/or Improvements for purposes of (i) financing the design, development and construction of the Project and (ii) permanent mortgage financing.

(a) The Borough acknowledges that the Entity and/or its affiliates intend to obtain secured financing in connection with the acquisition, development and construction of the

Project. The Borough agrees that the Entity and or its affiliates may assign, pledge, hypothecate or otherwise transfer its rights under this Agreement and/or its interest in the Project to one or more secured parties or any agents therefore (each, a "Secured Party" and collectively, the "Secured Parties") as security for obligations of the Entity, and/or its affiliates, incurred in connection with such secured financing (collectively, the "Security Arrangements"). The Entity shall give the Borough written Notice of any such Security Arrangements, together with the name and address of the Secured Party or Secured Parties. Failure to provide such Notice waives any requirement of the Borough hereunder to provide any Notice of Default or Notice of intent to enforce its remedies under this Agreement.

(b) Without limiting the generality of Article XIII hereof, if the Entity shall Default in any of its obligations hereunder, the Borough shall give Notice of such Default to the Secured Parties and the Borough agrees that, in the event such Default is not waived by the Borough or cured by the Entity, its assignee, designee or successor, within the period provided for herein, before exercising any remedy against the Entity hereunder, the Borough will provide the Secured Parties a reasonable period of time to cure such Default, but in any event not less than fifteen (15) days from the date of such notice to the Secured Parties with regard to a failure of the Entity to pay the Annual Service Charge and ninety (90) days from the date the Entity was required to cure any other Default.

(c) In the absence of a Default by the Entity, the Borough agrees to consent to any collateral assignment by the Entity to any Secured Party or Secured Parties of its interests in this Agreement and to permit each Secured Party to enforce its rights hereunder and under the applicable Security Arrangement and shall, upon request of the Secured Party, execute such documents as are typically requested by secured parties to acknowledge such consent. This provision shall not be construed to limit the Borough's right to payment from the Entity, nor shall the priority of such payments be affected by the Secured Party exercising its rights under any applicable Security Arrangement.

(d) Notwithstanding anything to the contrary contained herein, and in addition to all other rights and remedies of Secured Parties set forth in this Agreement, the provisions of N.J.S.A. 55:17-1 – N.J.S.A. 55:17-11 shall apply to this Agreement to protect the interests of any Secured Party.

ARTICLE IX **WAIVER**

Section 9.01. Waiver. Nothing contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by the Borough or Entity of any rights and remedies provided by Applicable Law. Nothing herein shall be deemed to limit any right of recovery that the Borough or Entity has under law, in equity, or under any provision of this Financial Agreement.

ARTICLE X **COMPLIANCE**

Section 10.01 Statutes and Ordinances. The Entity hereby agrees at all times prior to the Termination Date to comply with the provisions of the Application and Applicable Law, including, but not limited to, the Long Term Tax Exemption Law. The Entity's failure to comply with such statutes or ordinances shall constitute a Default under this Agreement and the Borough shall, among its other remedies, have the right to terminate this Agreement, subject to the Default procedure provisions of Article XIII herein.

ARTICLE XI **CONSTRUCTION**

Section 11.01 Construction. This Financial 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 Borough have combined in their review and approval of same.

ARTICLE XII **INDEMNIFICATION**

Section 12.01 Indemnification. It is understood and agreed that in the event the Borough shall be named as party defendant in any action brought against the Borough or Entity by allegation of any breach, Default or a violation by the Entity of any of the provisions of this Agreement and/or the provisions of Applicable Law, the Entity shall indemnify and hold the Borough 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 Entity and/or by reason of any breach, Default or a violation by the Entity of any of the provisions of this Agreement and/or the provisions of Applicable Law, including without limitation, the Long Term Tax Exemption Law, except for any misconduct by the Borough or any of its officers, officials, employees or agents, and Entity shall defend the suit at its own expense. In no event shall the Entity be required to indemnify the Borough for any liability, losses, damages, demands, costs, claims, actions or expenses (including reasonable attorneys' fees and expenses) resulting from any misconduct by the Borough or any of its officers, officials, employees or agents, or resulting from the illegality or unenforceability of this Agreement or any of the terms of this Agreement. Notwithstanding the foregoing, the Borough maintains the right to intervene as a party thereto, to which intervention Entity hereby consents, the expense thereof to be borne by Entity. To the extent practical and ethically permissible, the Entity's attorneys shall jointly defend and represent the interest of the Borough and the Entity as to all claims indemnified in connection with this Agreement.

ARTICLE XIII
DEFAULT AND REMEDIES

Section 13.01 Cure Upon Default. Should the Entity be in Default, the Borough shall notify the Entity and any Secured Party in writing of said Default. Said notice shall set forth with particularity the basis of said Default. Except as provided in Section 8.02(b) hereof or otherwise limited by law, the Entity shall have sixty (60) days after it receives Notice to cure any Default (other than a Default in payment of any installment of the Annual Service Charge, which Default must be cured within fifteen (15) days after the Entity receives Notice). Curing the Default shall be the sole and exclusive remedy available to the Entity or the Secured Party, as applicable; provided, however, that if, in the reasonable opinion of the Borough, the Default cannot be cured within the applicable cure period using reasonable diligence, the time to cure may be extended upon written Notice for an additional ninety (90) day period of time.

Upon the expiration of the cure period, or any approved extension thereof, and providing that the Default is not cured, the Borough shall have the right to terminate this Agreement in accordance with Section 13.02 of this Agreement.

Section 13.02 Remedies Upon Default.

(a) In the event the Entity or a Secured Party fails to cure or remedy the Default within the time period provided in Sections 13.01 or 8.02(b), respectively, the Borough may terminate this Agreement upon written Notice to the Entity and the Secured Party.

(b) Upon any Default in payment of any installment of the Annual Service Charge not cured within fifteen (15) days, the Borough in its sole discretion shall have the right to immediately exercise the following remedies: (1) terminate this Agreement, at which time: the Improvements shall be subject to conventional taxation; or (2) exercise any other remedy available to the Borough in law or equity, including initiating and pursuing an action under the Tax Sale Law. The Borough as a courtesy will give Entity and any Secured Party Notice of the intention to exercise its remedies.

(c) No Default hereunder by the Entity shall automatically terminate the tax exemption (except as described herein and after Notice and cure as provided for herein) and, unless the Borough terminates this Agreement as provided in Section 13.02, its obligation to make Annual Service Charge, which shall continue in effect for the duration of the term hereof and subject to Section 13.03 hereinafter.

(d) All of the remedies provided in this Agreement to the Borough, and all rights and remedies granted by law and equity shall be cumulative and concurrent and no determination of the invalidity of any provision of this Agreement shall deprive the Borough of any of its remedies or actions against the Entity because of the Entity's failure to pay 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 the Annual Service Charge or other charges, or for breach of covenant or the resort to any other remedy herein provided for the recovery of the 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.

Section 13.03 Final Accounting. Within ninety (90) days after the Termination Date, the Entity shall provide a final accounting and pay to the Borough the reserve, if any, pursuant to the provisions of *N.J.S.A.* 40A:20-13 and 15 as well as any excess Net Profit. For purposes of rendering a final accounting, the Termination Date of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

Section 13.04 Conventional Taxes. Upon the Termination Date, the tax exemption for the Land, to the extent applicable, and the Improvements shall expire and same shall thereafter be assessed and conventionally taxed according to the general law applicable to other nonexempt taxable property in the Borough.

ARTICLE XIV DISPUTE RESOLUTION

Section 14.01 Arbitration. In the event of a dispute arising between the Parties in reference to the terms and provisions as set forth herein, 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 the Long Term Tax Exemption Law. Each Party to this Agreement shall designate an arbitrator, and the two (2) arbitrators shall choose a third arbitrator. The arbitrators designated and acting under this Agreement shall make a determination, and produce a reasoned decision, regarding the issue(s) in controversy in strict conformity with the terms of this Agreement and Applicable Law. Costs for said arbitration shall be borne equally by both Parties. 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, the Borough, in addition to their other remedies, and subject to Article 13 of this Agreement, reserves the right to proceed against the Land, in the manner provided by law, including the Tax Sale Law, and any act supplementary thereto or amendatory thereof. 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 Borough to proceed in the above-mentioned manner.

Notwithstanding anything herein to the contrary, no arbitrator shall have any power or authority to amend, alter, or modify any part of this Agreement, in any way.

ARTICLE XV NOTICE

Section 15.01 Notice. Formal notices, demands and communications between the Borough and Entity shall be deemed given if dispatched to the address set forth below by registered or certified mail, postage prepaid, return receipt requested, or by a commercial overnight delivery service with packaging tracking capability and for which proof of delivery is available ("Notice"). In that case such Notice is deemed effective upon delivery. Such written Notices may be sent in the same manner to such other addresses as either party may from time to

time designate by written notice. Notice given by counsel to a party in accordance with this Section 15.01 shall be effective for all purposes hereunder. Copies of all notices, demands and communications shall be sent as follows:

If to the Borough:

Borough of Rutherford
176 Park Avenue
Rutherford, New Jersey 07070
Attn: Borough Clerk

with copies to:

Borough of Rutherford
176 Park Avenue
Rutherford, New Jersey 07070
Attn: Director of Law

Kevin P. McManimon, Esq.
McManimon, Scotland & Baumann, LLC
75 Livingston Avenue, 2nd Floor
Roseland, NJ 07068

If to Entity:

Park Avenue Rutherford Urban Renewal Company, LLC
1200 Avenue at Port Imperial
Apartment # 507
Weehawken, New Jersey 07086

With a copy to:

Paul Kaufman, Esq.
Kaufman, Semeraro & Leibman, LLP
Two Executive Drive, Suite 530
Fort Lee, New Jersey 07024

ARTICLE XVI
MISCELLANEOUS

Section 16.01 Conflict. The Parties agree that in the event of a conflict between the Application and this Financial Agreement, the language in this Financial Agreement shall govern and prevail.

Section 16.02 Oral Representations. There have been no oral representations made by either of the Parties which are not contained in this Financial Agreement. This Financial Agreement, the Ordinance and the Application constitute the entire agreement between the Parties and there shall be no modifications thereto other than by a written instrument executed by the Parties and delivered to each of them.

Section 16.03 Entire Document. All conditions in the Ordinance are incorporated in this Agreement and made a part hereof. This Agreement, with all attachments and exhibits, the Ordinance and the Application shall constitute the entire agreement between the Parties, shall be incorporated herein by reference thereto and there shall be no modifications thereto other than by a written instrument approved and executed by and delivered to each Party. All prior agreements and understandings, if any, are superseded.

Section 16.04 Good Faith. In their dealings with each other, the Parties agree that they shall act in good faith.

Section 16.05 Recording. This entire Agreement will be filed and recorded with the Bergen County Clerk by the Entity at the Entity's expense. Upon Termination of this Agreement, the parties shall execute and record an instrument discharging this Agreement of record in form reasonably satisfactory to the parties.

Section 16.06 Municipal Services. The Entity and/or its successors (including without limitation any owner's or similar association) will be responsible to provide and/or pay for the following services:

(a) **Water & Sewer** – The Entity shall make payments for water and sewer charges and any other services that create a lien on the Property superior to the lien for the Annual Service Charge, as required by law.

(b) **Waste and Refuse Disposal** – Collection and disposition of all solid waste, refuse and recyclables emanating from the Project, shall be the responsibility of the Entity to have picked up and disposed of by a licensed collector, hauler or scavenger, at the Entity's cost and expense. The Borough may establish regulations for the collection and for the storage and recycling of solid waste, discarded or old newspaper and/or other recyclables; compliance therewith shall be by and at the sole expense of the Entity.

Section 16.07 Counterparts. 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.

Section 16.08 Financing Matters. The financial information required by the final paragraph of *N.J.S.A.* 40A:20-9 is set forth in the Application.

Section 16.09 Amendments. This Agreement may not be amended, changed, modified, altered or terminated without the written consent of the Parties hereto.

Section 16.10 Certification. The Borough Clerk shall certify to the Tax Assessor, pursuant to *N.J.S.A.* 40A:20-12, that a Financial Agreement with an urban renewal entity, i.e., the Entity, for the development of the Project, has been entered into and is in effect as required by the Long Term Tax Exemption Law. Delivery by the Borough Clerk to the Tax Assessor of a certified copy of the Ordinance and this Financial Agreement shall constitute the required certification. Upon certification as required hereunder and upon the Annual Service Charge Start Date, the Tax Assessor shall implement the exemption and continue to enforce that exemption without further certification by the clerk until the expiration of the entitlement to exemption by the terms of this Financial Agreement or until the Tax Assessor has been duly notified by the Borough Clerk that the exemption has been terminated.

Further, within ten (10) calendar days following the later of the effective date of the Ordinance or the execution of this Agreement by the Entity, the Borough Clerk shall transmit a certified copy of the Ordinance and this Agreement to the chief financial officer of Bergen County and to the Bergen County counsel for informational purposes.

Section 16.11 Construction. This Agreement shall be construed and enforced in accordance with the laws of the State, and without regard to or aid of 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 Borough have combined in their review and approval of same.

EXHIBITS


The following Exhibits are attached hereto and incorporated herein as if set forth at length herein:

- A. Metes and Bounds description of the Land
- B. Ordinance

IN WITNESS WHEREOF, the Parties have caused this Financial Agreement to be executed as of the day and year first above written.

ATTEST:

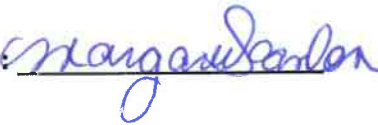
BOROUGH OF RUTHERFORD


Margaret Scanlon
Borough Clerk

By: 
Joseph DeSalvo
Mayor

ATTEST:

PARK AVENUE RUTHERFORD URBAN
RENEWAL COMPANY, LLC

By: 

By: 
Vrasidas Golemis
Managing Member

STATE OF NEW JERSEY

COUNTY OF BERGEN

The foregoing instrument was acknowledged before me this 12 day of December, 2019, by the Borough of Rutherford in the County of Bergen, State of New Jersey, by Mayor Joseph DeSalvo, on behalf of the Borough.



Notary Public

MARGARET M. SCANLON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 2, 2021

STATE OF NEW JERSEY

COUNTY OF BERGEN

The foregoing instrument was acknowledged before me this 9 day of December, 2019, by Vrasidas Golemis, Managing Member of Park Avenue Rutherford Urban Renewal Company, LLC, a New Jersey limited liability company.


Notary Public

Commission Expiration: _____ MARGARET M. SCANLON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 2, 2021

EXHIBIT A

METES AND BOUNDS DESCRIPTION OF THE LAND

MARK MARTINS ENGINEERING, LLC

55 WALNUT STREET, SUITE 201, NORWOOD, NJ 07648 • PHONE: 201-391-3222 • FAX: 201-215-2210

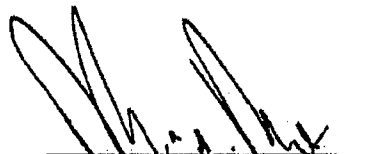
*Description of Merged Parcel Known as
106 Park Avenue
Situated in the
Borough of Rutherford, Bergen County, N.J.*

BEING more particularly described as follows:

BEGINNING at a point on the northerly line of Park Avenue (66' wide), which point is distant 385.34 feet westerly along the same from its intersection with the southwesterly line of Franklin Place (50' wide), and running thence;

1. S 81° 13' 22" W along the said northerly line of Park Avenue, 102.75 feet; thence
2. N 8° 46' 38" W, 147.00 feet; thence
3. S 81° 13' 22" W, 70.86 feet; thence
4. N 19° 11' 36" W, 55.58 feet to a point on the southeasterly line of Chestnut Street (60' wide);
thence
5. N 55° 15' 00" E along the same, 173.00 feet; thence
6. S 34° 45' 00" E, 145.08 feet; thence
7. S 81° 13' 22" W, 35.41 feet; thence
8. S 8° 46' 38" E, 147.00 feet to the point and place of BEGINNING.

Containing 33,367 +/- sf. (0.766+/-ac.)



Mark S. Martins
Professional Land Surveyor
N. J. License No. 35,858

EXHIBIT B
ORDINANCE

ORDINANCE NO. 3475-18

ORDINANCE OF THE BOROUGH OF RUTHERFORD, COUNTY OF BERGEN, STATE OF NEW JERSEY, APPROVING THE APPLICATION OF, AND EXECUTION OF FINANCIAL AGREEMENT WITH, PARK AVENUE URBAN RENEWAL COMPANY, LLC REGARDING THE MAPLES REDEVELOPMENT AREA

WHEREAS, the governing body of the Borough of Rutherford (the "**Borough**") is authorized to determine whether certain property located within the Borough is in need of rehabilitation or redevelopment under the New Jersey Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 *et seq.* (the "**Redevelopment Law**"); and

WHEREAS, the Borough previously designated the properties known as 131 Chestnut Street (Block 73, Lots 7.01, 9 and 10), 106 Park Avenue (Block 73, Lot 23) and 114 Park Avenue (Block 73, Lots 22.02 and 22.03) (collectively, the "**Maples Rehabilitation Area**") as an area in need of rehabilitation under the Redevelopment Law; and

WHEREAS, on April 26, 2005, the Borough adopted Ordinance Number 3077-05, approving and adopting a redevelopment plan for the Maples Rehabilitation Area (the "**Redevelopment Plan**"); and

WHEREAS, the Borough subsequently designated the properties within the Maples Rehabilitation Area, along with the parcel known as 137 Chestnut Street (Block 73, Lot 7) (collectively, the "**Redevelopment Area**") as an "area in need of redevelopment"; and

WHEREAS, the Borough then amended the Redevelopment Plan to provide, among other things, that the underlying designation of the area was in need of redevelopment, rather than in need of rehabilitation; and

WHEREAS, on May 9, 2018, the Borough and Park Avenue Urban Renewal Company, LLC (the "**Entity**") entered into that certain redevelopment agreement (the "**Redevelopment Agreement**"), pursuant to which the Entity agreed to redevelop the Redevelopment Area by constructing thereon a project consisting of 52 residential units and approximately 4,947 square feet of retail space (collectively, the "**Project**"); and

WHEREAS, despite the Redeveloper's investment of equity and borrowed funds, such amounts are insufficient to feasibly pay for all of the costs associated with the development and construction of the Project; and

WHEREAS, the provisions of the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. (the "**Long Term Tax Exemption Law**") authorize the Borough to accept, in lieu of real property taxes, an annual service charge with respect to the Project; and

WHEREAS, the Entity submitted to the Mayor an application (the "**Application**"), which is on file with the Borough Clerk, for approval of a long term tax exemption for the Project; and

WHEREAS, the Entity also submitted to the Mayor a form of financial agreement (the "**Financial Agreement**"), a copy of which is attached as an exhibit to the Application, establishing the rights, responsibilities and obligations of the Entity; and

WHEREAS, pursuant to the terms of the Financial Agreement, in lieu of real property taxes on the Project, the Entity will pay an annual service charge (the "**Annual Service Charge**") to the Borough; and

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

WHEREAS, the Borough Council has determined that the Project represents an undertaking permitted by the Long Term Tax Exemption Law, and hereby finds that the relative benefits of the Project justify the long term tax exemption requested in the Application,

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Borough Council of the Borough of Rutherford, County of Bergen, New Jersey, as follows:

1. The Application and form of Financial Agreement are hereby approved.
2. The Mayor is hereby authorized and directed to execute the Financial Agreement with the Entity in substantially the same form as that contained within the Application, subject to minor modification or revision, as deemed necessary and appropriate after consultation with counsel.
3. Executed copies of the Financial Agreement shall be certified by and be filed with the Office of the Borough Clerk. The Clerk shall file certified copies of this ordinance and the Financial Agreement with the Tax Assessor of the Borough, and County Counsel and the Chief Financial Officer of Bergen County within 10 days of the execution of the Financial Agreement.

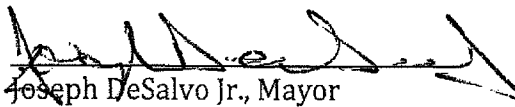
4. If any part(s) of this ordinance shall be deemed invalid, such part(s) shall be severed and the invalidity thereby shall not affect the remaining parts of this ordinance.

5. This ordinance shall take effect in accordance with law.


ATTEST:


Margaret M. Scanlon, Borough Clerk

BOROUGH OF RUTHERFORD


Joseph DeSalvo Jr., Mayor

I hereby certify the foregoing to be a true copy of an ordinance adopted by the Mayor and Council at a meeting held on September 11, 2018.


Margaret M. Scanlon, Borough Clerk