

**TAX ABATEMENT SETTLEMENT AGREEMENT
BETWEEN TOWNSHIP OF WEST ORANGE AND
WEST ORANGE SENIOR CITIZENS HOUSING ASSOCIATION**

THIS AGREEMENT is made effective May , 2011 between West Orange Senior Citizens Housing Association, a non-profit corporation of the State of New Jersey ("Sponsor) and the Township of West Orange, a municipal corporation in the County of Essex and State of New Jersey (the "Township");

WHEREAS, on June 15, 1972, the Sponsor and the Township entered into a Tax Abatement Agreement ("Tax Agreement") which was duly authorized and agreed to, and

WHEREAS, the Tax Agreement provided that certain payments in lieu of taxes ("PILOT") were to be paid based upon a formula that did not include any rental subsidies received in accordance with the regulations and formulas promulgated by the Department of Housing and Urban Development ("HUD"); and

WHEREAS, Sponsor recently realized that it has been paying the Township PILOT amounts that include rental subsidies received through HUD; and

WHEREAS, Sponsor has requested that these payments including the rental subsidies totaling \$134,840, as of June 30, 2010, ("Over Payments"), be returned by the Township as they were paid in error; and

WHEREAS, the Sponsor and the Township have met on several occasions to discuss this issue; and

WHEREAS, the parties have agreed to resolve this matter amicably without the need for additional professional fees and delay:

NOW, IT IS HEREBY STIPULATED AND AGREED by and between the Township and Sponsor as follows:

1. The PILOT due and owing to the Township from the Sponsor shall be reduced to \$60,000 per year until the Sponsor receives full credit for the Over Payments made to the Township.
2. Once the Over Payments are credited to the Sponsor, Sponsor shall resume paying the Township its full PILOT as calculated pursuant to the provisions of the Tax Agreement.
3. This Agreement is subject to approval by the Township Council of the Township of West Orange, which will consider same during its May 31, 2011 meeting.

IN WITNESS, the parties hereby execute this Agreement effective the date set forth above.

WITNESS:

SPONSOR:

WEST ORANGE SENIOR CITIZENS
HOUSING ASSOCIATION

By:_____

WITNESS:

MUNICIPAL CLERK

TOWNSHIP OF WEST ORANGE

By:_____

ROBERT D. PARISI, MAYOR

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