

AGREEMENT FOR PAYMENT IN LIEU OF TAXES
BETWEEN
ST. BARNABAS REALTY DEVELOPMENT CORP.
AND
TOWNSHIP OF WEST ORANGE

This **AGREEMENT FOR PAYMENT IN LIEU OF TAXES** ("Agreement"), dated ~~June~~ ^{July} ____, 2021, is by and between **ST. BARNABAS REALTY DEVELOPMENT CORP.** a nonprofit corporation under Title 15 of the New Jersey Statutes, having its principal office at 95 Old Short Hills Road in Township of West Orange ("SBRDC"), and **TOWNSHIP OF WEST ORANGE**, a municipal corporation of the State of New Jersey, having its principal office at 66 Main Street, West Orange, New Jersey 07052 ("West Orange").

RECITALS

WHEREAS, SBRDC owns property in West Orange identified as Block 165.06 Lot 2 (95 Old Short Hills Road) on the Tax Maps of West Orange, which property and improvements thereon comprise an administration building for other related not for profit hospital properties (the "Property"); and

WHEREAS, the Property is currently and has been assessed as exempt for the tax years 2014-2021 from municipal property taxes pursuant to N.J.S.A. 54:4-3.6; however, SBRDC is willing to make a voluntary payment in lieu of taxes to West Orange to offset the costs of services West Orange provides to the Property; and

WHEREAS, West Orange has filed tax appeals with the Tax Court of New Jersey under Docket Numbers 000793-2016, 000809-2016, 005497-2016, 002075-2017, 004974-2018,

002123-2019, 000710-2020, 002586-2021, challenging the tax exemption of SBRDC (the "Tax Appeal") for the Property owned by SBRDC in West Orange and as further described in the Complaints filed in the Tax Appeal; and

WHEREAS, SBRDC has made in lieu payments to West Orange for the Property for the years 2014-2020 in the annual amount of \$286,422;

WHEREAS, in recognition of the public services provided by West Orange that benefit the Property and its occupants, and more particularly to offset some of the costs incurred by West Orange to provide such public services, SBRDC desires to make an additional voluntary payment in lieu of taxes to West Orange for the years 2019 through 2021 with annual payments continuing through the year 2025, subject to the terms and conditions set forth under this Agreement;

WHEREAS, SBRDC and West Orange have a unique and continuing relationship and desire to amicably resolve the issue regarding taxation and fair dealing with respect to municipal services without the necessity, risk and expenses of a tax appeal, judicial determination of exemption, or other litigation; and

WHEREAS, the parties intend that the Term of this Agreement shall run through the year 2025;

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth in this Agreement, the parties hereto hereby agree as follows:

1. The recitals set forth above are incorporated herein, and made part of this Agreement.

2. In consideration of the Agreement, West Orange hereby agrees to release SBRDC from any and all claims to real estate taxes for the years 2014-2025. It is hereby further agreed that the parties will file mutual withdrawals with prejudice of the Tax Appeals pursuant to New Jersey Court Rule 8:3-9 within twenty (20) days of execution of this Agreement. Further, West Orange will not initiate or in any way support a challenge to the tax exempt status of the property for tax years 2022 through and including 2025 and while this Agreement remains in effect.

3. In consideration of this Agreement, SBRDC will make an additional voluntary payment in lieu of tax to West Orange for public services that benefit the Property and its occupants in the annual amount of \$100,000 for tax years 2019-2021. The scheduled payments for 2019 and 2020 are described in Paragraph 4 below.

4. The 2019 and 2020 additional \$100,000 per year payment in lieu of tax in the total amount by \$200,000.00 will be paid within sixty (60) days of the withdrawal of West Orange's 2014-2021 Tax Appeals with prejudice.

5. For 2021, the payment in lieu of tax in the total amount of \$386,422 shall be paid as follows: (i) the third quarter payment of \$193,211 shall be due August 1, 2021; and (ii) and the fourth quarter payment of \$193,211 shall be due November 1, 2021.

6. SBRDC and West Orange further agree that for the years 2022 through 2025, the annual Payment In Lieu of Tax in the amount of \$386,422 shall be paid in quarterly installments of \$96,605.50 to West Orange on those dates when real property tax payments are due (presently February 1st, May 1st, August 1st and November 1st of the calendar year).

7. All payments pursuant to this Agreement shall be in lieu of taxes, and West Orange shall have all the rights and remedies of tax enforcement granted to municipalities by law as if said payments constituted regular tax obligations on real property within the Township of

West Orange. In the event of any delinquency in the said payments, Township of West Orange shall give written notice to SBRDC prior to any legal action being taken and provide 30 days from the receipt of written notice for SBRDC to cure any delinquency.

8. Provided the use and/or ownership of the Property does not change during the Term of the Agreement, the Property shall be assessed as exempt by West Orange.

9. The parties agree that should SBRDC be obligated to pay a community service contribution or any property tax or similar assessment in connection with the Property for tax years 2022-2025, by way of a challenge to the property tax exemption applicable to the Property or a challenge to the hospital exemption legislation, N.J.S.A. 54:4-3.6 as amended, or otherwise, the obligation of SBRDC to pay such community service contribution, property tax or similar assessment will be reduced by the aggregate amount of the in lieu tax payment SBRDC makes under this Agreement, and West Orange will be responsible for assuring that SBRDC receives the benefit of this agreed upon reduction in the community service contribution, property tax or similar assessment. Provided the contributions are made by SBRDC as set forth in Paragraphs 4 and 5, West Orange shall not seek payment of any real estate taxes whatsoever by way of assessment and/or appeal for the Term of this Agreement.

10. Any notices, statements, demands, consents, approvals or other communications required or permitted to be given or to be served upon either party hereto in connection with this Agreement, must be in writing and must be delivered personally, sent by nationally recognized overnight delivery service or sent by United States certified or register mail, return receipt requested, and will be deemed to have been given and received on the day delivered personally, or on the first business day after the day it is dispatched to a nationally recognized overnight delivery service, or on third business day after so mailed. Such notice must be given to the

parties at their following respective addresses or at such other address as either party may hereafter designate to the other party in writing in the manner herein above provided.

If to SBRDC: St. Barnabas Realty Development Corp.
Office of the President
95 Old Shorts Hills Road
West Orange, New Jersey 07052
Attention: John Doll, Chief Financial and Administrative Officer

With a copy to: RWJ Barnabas Health
95 Old Short Hills Road
West Orange, New Jersey 07052
Attention: David A. Mebane, General Counsel

If to West Orange: Township of West Orange
Office of the Township Administrator
66 Main Street
West Orange, New Jersey 07052
Attention: John K. Sayers, Business Administrator

With a copy to: Township of West Orange
Office of the Township Attorney
66 Main Street
West Orange, New Jersey 07052
Attention: Richard D. Trenk, Esq., Township Attorney

11. This Agreement constitutes the entire agreement of the parties hereto with respect to the matter set forth herein and supersedes any prior understanding or agreement, oral or written.

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

13. This Agreement is the joint product of the parties hereto and each provision hereof has been subject to the mutual consultation, negotiation and agreement of, and shall not be construed for or against, any party hereto.

14. On June 22, 2021, the Township Council introduced and passed a Resolution authorizing the Mayor and/or Municipal Clerk to enter into this Agreement.

15. This Agreement may not be amended in any fashion except by an instrument in writing signed by all of the parties hereto.

16. This Agreement is binding upon the successors and assigns of any and all of the parties hereto.

17. This Agreement will remain in effect and binding upon both parties until amended or terminated by mutual agreement of the parties hereto.

18. This Agreement may be signed in counterparts, each of which will be deemed an original.

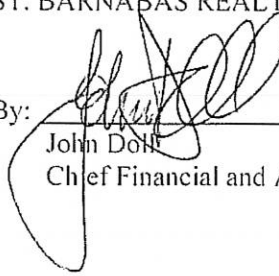
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IN WITNESS WHEREOF, ST. BARNABAS REALTY DEVELOPMENT CORP. executes
this Agreement For Payment In Lieu of Taxes, and TOWNSHIP OF WEST ORANGE
acknowledges and agrees to its terms and conditions, as of the day and year first above written.

WITNESS

Melissa A. Garcia

ST. BARNABAS REALTY DEVELOPMENT CORP.

By: 

John Doherty
Chief Financial and Administrative Officer

WITNESS

TOWNSHIP OF WEST ORANGE

Karen Carnevale, Municipal Clerk

By: _____

Robert D. Parisi, Mayor