

SETTLEMENT AGREEMENT AND RELEASE

SETTLEMENT AGREEMENT AND RELEASE (“Agreement”) by and between the Township of West Orange, the City of Orange Township and CYFA Corporation.

WHEREAS, the Township of West Orange and the City of Orange Township have been involved in litigation with respect to the tax status of the Orange Reservoir property, Block 162, Lot 2, located on Cherry Lane within the Township of West Orange; and

WHEREAS, there are tax appeals pending for the years 2004, 2005, 2007, 2008, 2010, 2011, 2012, and 2013. In each of these appeals, the City of Orange Township claims the property is exempt from taxation and contests the amount of the assessment levied on the property by the Township of West Orange; and

WHEREAS, the Township of West Orange has contested the City of Orange Township’s claim to an exemption and its challenge to the assessment for the property; and

WHEREAS, on January 19, 2005, the Township of West Orange sold a tax lien certificate to CYFA Corporation for the amount of the 2004 taxes (\$13,508.56); and

WHEREAS, CYFA Corporation in the years 2005, 2006, 2007, and 2008 made subsequent tax payments totaling \$224,614.21; and

WHEREAS, the Township of West Orange purchased the tax sale certificates for the years 2009, 2010, and 2011; and

WHEREAS, CYFA Corporation and the Township of West Orange have filed foreclosure actions to foreclose on the their property tax liens; and

WHEREAS, the Township of West Orange, the City of Orange Township and CYFA Corporation desire to resolve all of the pending tax court matters as well as the two pending foreclosure actions;

NOW, THEREFORE, the Township of West Orange, the City of Orange Township and CYFA Corporation hereby agree as follows:

1. The Township of West Orange and the City of Orange Township shall enter into Stipulations of Settlement for all of the pending Tax Appeals which will provide that Block 162 Lot 2 shall be Tax Exempt with an assessed value going forward of \$700,000.00.
2. The tax exemption shall continue for as long as the City of Orange Township shall continue to use the property for a public purpose.
3. Any property leased by the City of Orange Township to a third party shall be subject to being taxed if the property is not being used by a public entity for a public purpose.
4. The Township of West Orange shall redeem the Tax Sale Certificate held by CYFA Corporation for the Sum of \$378,292.00 on or before October 17, 2013.

5. The City of Orange Township shall pay to the Township of West Orange the Sum of \$100,000.00 on or before October 17, 2013.
6. CYFA Corporation and the Township of West Orange will dismiss with prejudice their foreclosure actions pending in the Superior Court.
7. CYFA Corporation shall return the Tax Sale Certificate to the Township of West Orange.
8. The Township of West Orange, The City of Orange Township and CYFA Corporation release and waive any other claims as to each other arising out of the Orange Reservoir property Block 162 Lot 2 and the pending Tax Court Matters and pending foreclosure matters.

TOWNSHIP OF WEST ORANGE

By: _____
Robert D. Parisi, Mayor

CITY OF ORANGE TOWNSHIP

By: _____
Dwayne D. Warren, Mayor

CYFA CORPORATION

By: _____