

**ADOPTED ORDINANCE O-26-03
TOWNSHIP OF MONTCLAIR**

**ORDINANCE AUTHORIZING EXECUTION OF A FINANCIAL AGREEMENT
BETWEEN THE TOWNSHIP OF MONTCLAIR AND LACKAWANNA MONTCLAIR
URBAN RENEWAL, LLC FOR A PHASED REDEVELOPMENT PROJECT TO BE
DEVELOPED ON BLOCK 3213, LOT 2 AND BLOCK 4202, LOTS 4 AND 4.01**

February 10, 2026 (date of introduction)
February 24, 2026 (date of public hearing)
March 17, 2026 (date of second public hearing)
March 24, 2026 (date of third public hearing)

WHEREAS, the Township functions as a redevelopment entity pursuant to the provisions of the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the “**LRHL**”) with responsibility for implementing redevelopment plans and carrying out redevelopment projects in the Township of Montclair; and

WHEREAS, on March 10, 2015 by Resolution R-15-055 and on July 21, 2015 by Resolution R-15-116 (“2015 Resolutions”), based on the Planning Board’s recommendations, and in accordance with the criteria set forth in the LRHL, the Township Council of the Township of Montclair designated an area in need of redevelopment within the downtown portion of the Township (“**Downtown Redevelopment Area**”), which area included the approximately 8-acre area comprised of Block 3213, Lot 2 and Block 4202, Lots 4 and 4.01 shown on the Township’s official tax map (the “**Property**”); and

WHEREAS, despite the Township Council’s undertaking of efforts to develop a program for the redevelopment of the Downtown Redevelopment Area, including adoption of redevelopment plans and the implementation of those plans through the development of mixed-use projects known as Seymour Street and Church Street, the Project Premises remained designated as a redevelopment area but with no redevelopment plan; and

WHEREAS, eventually a draft Redevelopment Plan, dated June 1, 2017, was prepared (“**2017 Plan**”), as authorized in the 2015 Resolutions, and the Township Council transmitted the 2017 Plan to the Planning Board for its review. In a Resolution dated July 10, 2017, the Planning Board incorporated a report, which contained 19 recommendations including to reduce density from 350 units, require greater setbacks and step backs, specify the size of the supermarket, require affordable and workforce housing, identify and provide greater integration of historic elements, feature storefronts that would open onto the Main Plaza, include architectural design that would showcase the important Township asset and bring economic activity, and other recommended details (“2017 Resolution”). Based on the 2017 Resolution, the Municipal Planner arranged for the incorporation of Planning Board input into the 2017 Plan to produce a new draft called the “Revised Redevelopment Plan dated August 25, 2017” (“**Revised 2017 Plan**”); and

WHEREAS, the then owner of the Project Premises decided not to pursue its project under the terms of the proposed Revised 2017 Plan, but instead filed a site plan application based on the prevailing zoning, seeking to develop the Project Premises as a mixed-use project with residential apartments, a supermarket and other commercial development, which application was approved by the Planning Board on February 11, 2019 (“**2019 Site Plan Approval**”); and

WHEREAS, the 2019 Site Plan Approval was challenged by A Better Lackawanna, LLC, certain members of the public, and the adjacent property owner, One Greenwood, LLC. The owner

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of the Project Premises intervened as a party defendant and the 2019 Site Plan Approval was upheld by the Trial Court; and

WHEREAS, BDP Holdings LLC (“**BDP**”) acquired the Project Premises in 2021 and engaged a team of design and development professionals to consider how the Project Premises could be redeveloped consistent with the fundamental principles contained in the Revised 2017 Plan provided by the Municipal Planner; and

WHEREAS, after BDP had taken title, it successfully defended the 2019 Site Plan Approval in the Appellate Division; and

WHEREAS, after further public input, and after development concepts and studies were prepared by BDP’s professionals, at the request of the Township, to allow the Township Council to consider the impact of various proposed changes to the Redevelopment Plan, the Revised 2017 Plan was further revised to produce the October 2022 version of the Redevelopment Plan (“October 2022 Plan”), and on December 20, 2022, the Township Council introduced Ordinance 0-22-29 to approve the October 2022 Plan. The October 2022 Plan was posted on the Township’s website and was the subject of further significant public comment at multiple community group meetings; and

WHEREAS, the October 2022 Plan was again reviewed by the Planning Board, which issued a report dated January 23, 2023, stating that it “fully supports the goal of a broad scale, well-designed, mixed-use development at Lackawanna Plaza and commends the Council for its insistence that any Lackawanna Plaza project include needed features like a large percentage of affordable housing, an economically viable supermarket and public spaces” and it “agreed that the Redevelopment Plan comports with certain broad goals of the Master Plan” but the Planning Board prepared a report to the Township Council with 12 Findings and related Recommendations to improve the October 2022 Plan; and

WHEREAS, the October 2022 Plan was reintroduced by the Township Council with a proposed Ordinance 0-22-29, which Ordinance noted that the following examples of negative conditions remained prevalent: the shopping center which had been developed in the 1980s on the Property “has declined over the years and is now largely vacant;” “the disconnection from vehicular and pedestrian areas significantly reduces visibility of the site which has negative implications on the economic success and safety of the property;” “the tunnel structure connecting the western portion of the Lackawanna Plaza Area from the eastern portion” was described in text and photographs as “dilapidated” and evidencing “water running down the tunnel walls;” and

WHEREAS, in response to certain of the Planning Board recommendations, other public, and BDP input, the October 2022 Plan was revised and that revised Redevelopment Plan dated August 2023 “August 2023 Plan” was posted on the Township website. The Planning Board then reviewed that version of the Redevelopment Plan and provided its report to the Township Council on September 29, 2023, acknowledging that the Redevelopment Plan was “improved in several respects,” but recommended further changes to the Redevelopment Plan; and

WHEREAS, on October 10, 2023, the Township Council approved the revised Ordinance O-22-29, adopting the August 2023 Plan, after taking into consideration input from the hearing conducted on October 10, 2023, as well as input from the Planning Board, and comments from members of the public at many Township Council meetings throughout the period after the

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Redevelopment Plan was posted on the Township’s website, the public input from community meetings, and the comments of BDP. The Township found that the August 2023 Plan was designed to achieve the Master Plan goals for the area covered by the Plan; and

WHEREAS, the LRHL authorizes the Township to arrange or contract with a redeveloper for the planning, construction or undertaking of any project or redevelopment work in an area designated as an area in need of redevelopment; and

WHEREAS, in furtherance of the objectives of the Township, BDP is proposing to construct a five to six (5-6) story mixed-use transit-oriented project (with setbacks and step backs), preservation of certain remaining features of the Lackawanna Terminal, a state-of-the-art supermarket (approximately 40,000 SF), office (approximately 75,000 SF), residences (including approximately 210 market-rate, 60 affordable and 30 workforce homes), the required concealed structured parking, and green building technology features, all in accordance with the provisions of this Agreement and the Redevelopment Plan (the “Project”); and

WHEREAS, by Ordinance O-24-09, adopted at the Township Council’s regular meeting on May 23, 2024 the Township Council reintroduced and approved the August 2023 Plan, as the redevelopment plan for the Project Premises, superseding, repealing and replacing Ordinance O-22-29, and finding again that the Plan was designed to achieve the Master Plan goals for the area covered by the Plan, and attaching to the Ordinance a copy of the August 2023 Plan that includes a Master Plan Consistency Review which concluded that the Redevelopment Plan was consistent with specific major Elements of the Master Plan and furthers and advances other objectives of the Master Plan (the “**Redevelopment Plan**”); and

WHEREAS, a copy of the Redevelopment Plan is on file in the office of the Township Clerk; and

WHEREAS, the Redeveloper proposes to construct the Project in two major Phases (Buildings A&B and Buildings D&E) and two other Phases (Building C and two floors of Office Development on Building A), as those Buildings are identified in the Redevelopment Plan; and

WHEREAS, by Resolution R-24-216, adopted at the Township Council’s regular meeting on September 24, 2024 the Township Council designated BDP as the Redeveloper of the Project Premises, subject to the execution of a mutually satisfactory Redevelopment Agreement, and subsequent to the execution of the Redevelopment Agreement the filing by BDP of an application for site plan approval with the Township Planning Board; and

WHEREAS, the time for the Township and BDP to execute a Redevelopment Agreement and for BDP to file an application for site plan approval with the Township Planning Board was extended multiple times (a) by Resolution R-25-023 dated January 28, 2025, (b) by Resolution R-25-119 dated April 22, 2025, (c) by Resolution R-25-214 dated July 22, 2025; (d) by Resolution R-25-286 dated September 30, 2025; and (e) by Resolution R-25-380 dated December 16, 2025; and

WHEREAS, the Township and the Redeveloper have engaged in extensive negotiations over the terms and conditions of a proposed Redevelopment Agreement attached hereto as Exhibit “A” and the Township has determined that in furtherance of the Township's objectives, it is in the Township's best interests to enter into the proposed Redevelopment Agreement with the BDP for the amelioration of the negative conditions described above that exist in the Project Premises and

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the construction of the Project within and about the Project Premises pursuant to the Redevelopment Plan in the Phases proposed by the Redeveloper and subject to the contingencies contained therein; and

WHEREAS, the Township and the Redeveloper desire to enter into the “**Proposed Redevelopment Agreement**” in the form attached hereto as Exhibit A for the purpose of setting forth in greater detail their respective undertakings, rights and obligations in connection with the construction of the Project, all in accordance with applicable law and the terms and conditions of the Proposed Redevelopment Agreement; and

WHEREAS, concurrently with the foregoing discussions regarding the Redevelopment Agreement, the Township and the Redeveloper have engaged in extensive negotiations regarding the terms of a long-term financial agreement (the “Financial Agreement”) pursuant to the Long-Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., (the “LTTEL”) and the Redeveloper, through its affiliated urban renewal entity, Lackawanna Montclair Urban Renewal LLC (the “Entity”) filed an application requesting approval of a financial agreement for the Project, on January 13, 2026 with the Mayor and Township Manager, reflecting revisions based on the negotiations between the parties (the “Application”);

NOW THEREFORE BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE TOWNSHIP OF MONTCLAIR, COUNTY OF ESSEX, AS FOLLOWS:

1. The Township Council hereby makes the following findings:
 - a. The Project represents a desired use of the Property and will result in a substantial betterment of long-underutilized property within the Township; and
 - b. The Project and the annual service charge payable to the Township under the Financial Agreement as authorized by the Ordinance will result in a substantial net economic benefit to the Township; and
 - c. The Project will create an estimated three hundred ninety five (395) construction jobs during the 8 year construction period and an estimated seven hundred thirty (730) permanent jobs in the supermarket, office and retail and restaurant. In addition, the Project will contribute to the economic growth of the local economy through the creation of new businesses which will serve Township residents, while providing needed housing including affordable and work-force housing; preserving historical elements of the Property and providing a range of other community benefits; and
 - d. The Project will further the redevelopment objectives of the Redevelopment Plan; and
 - e. The tax exemption and annual service charge in lieu of tax authorized by the Ordinance is necessary to ensure the completion of the Project because, among other reasons, (1) the relative stability and predictability of the annual service charges will make the Project more attractive to tenants, investors, and lenders needed to finance the Project; and (2) the relative stability and predictability of the annual service charges will allow the Redeveloper to stabilize its operating budget to allow for a high level of maintenance over the life of the Project, ensuring the success of the Project and its corresponding positive impact on the community; and

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- f. Given the high cost of construction, in the absence of the Financial Agreement, the Project as proposed could not be constructed.
2. The Application is hereby approved in accordance with the Mayor’s recommendation and that of the Township Finance Committee.
3. An exemption from conventional taxation for the Project improvements as provided in the Financial Agreement is hereby granted with respect to the Project for the term set forth in the Financial Agreement, (a) for each phase of the Project, thirty (30) years from the substantial completion of such phase, or (b) fifty (50) years from the date of the of the execution of the Financial Agreement, whichever occurs first and only for so long as the Entity remains subject to and complies with the Financial Agreement and the LTTEL.
4. In lieu of conventional taxes on the Project improvements, the Entity will be obligated to make payments to the Township as specified in the Financial Agreement (the Annual Service Charge”) in addition to an annual Administrative Fee equal to two percent (2%) pf the Annual Service Charge to defray the cost to the Township of administering the Financial Agreement.
5. The Mayor is hereby authorized to execute, on the Township’s behalf, the Financial Agreement in the form attached as Exhibit A subject to such adjustments and revisions as the Mayor may approve in consultation with the Township Manager and Redevelopment Counsel; provided that such changes do not substantially alter any provisions of the Financial Agreement establishing financial or obligations or other obligations required by the LTTEL.
6. The executed copy of the Financial Agreement shall be certified by the Township Clerk and filed in the Office of the Township Clerk.
7. The Project shall conform with all Federal, State, County, and Township laws, ordinances, and regulations relating to construction and use.
8. The Entity shall, from the time the Annual Service Charge becomes effective, pay the Annual Service Charge as set forth in Article IV of the Financial Agreement.
9. The Entity shall complete the Project within the timeframes set forth in the Redevelopment Agreement, or as set forth in any mutually-agreed upon modifications.

RECORD OF COUNCIL VOTE ON ADOPTION						
COUNCIL MEMBER	MOVANT	SECOND	YES	NO	ABSTAIN	ABSENT
Deputy Mayor Andersen		✓	✓			
Councilor Birmingham			✓			
Councilor D’Amato			✓			
Councilor Harrison	✓		✓			
Councilor Toler				✓		
Councilor Williams			✓			
Mayor Baskerville			✓			

I HEREBY CERTIFY the foregoing to be a true copy of Ordinance O-26-03 adopted by the Mayor and Council of the Township of Montclair, in the County of Essex, at its meeting held on March 24, 2026.



 Denise Dominguez, Deputy Township Clerk

**ATTACHMENT TO ORDINANCE O-26-03 ADOPTED MARCH 24, 2026
AUTHORIZING AGREEMENT**

Long Term Tax Exemption
N.J.S.A. 40A:20-1, et seq.

Re: Lackawanna Montclair Urban Renewal, LLC
Montclair, New Jersey
Block 3213, Lot 2 and Block 4202, Lots 4 and 4.01

THIS FINANCIAL AGREEMENT, ("Agreement") is made the ____ day of _____, 2026 (the "Effective Date") by and between **LACKAWANNA MONTCLAIR URBAN RENEWAL, LLC**, an urban renewal entity formed as a Delaware limited liability company and 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," "LTTE" or "Law"), having its principal office at 7 Oak Place, Montclair, New Jersey c/o BDP Holdings, LLC ("Entity"), and the **TOWNSHIP OF MONTCLAIR**, a Municipal Corporation of the State of New Jersey, having its principal office at 205 Claremont Avenue, Montclair, New Jersey 07042 ("Township").

RECITALS

WITNESSETH:

WHEREAS, the Township functions as a redevelopment entity pursuant to the provisions of the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq. (the "Local Redevelopment and Housing Law" or "LRHL") with responsibility for implementing redevelopment plans and carrying out redevelopment projects in the Township of Montclair; and

WHEREAS, on March 10, 2015 by Resolution R-15-055 and on July 21, 2015 by Resolution R-15-116 ("2015 Resolution") based on the Planning Board's recommendations and in accordance with the criteria set forth in the LRHL, the Township Council of the Township of Montclair (the "Township Council") designated an area in need of redevelopment within the downtown portion of the Township ("Downtown Redevelopment Area"), which area included the approximately 8-acre area comprised of Block 3213, Lot 2 and Block 4202, Lots 4 and 4.01 shown on the Township's official tax map as described on the metes and bounds description attached to this Agreement as Exhibit 1 ("Project Premises" or the "Property"); and

WHEREAS, despite the Township Council's undertaking of efforts to develop a program for the redevelopment of the Downtown Redevelopment Area, including adoption of redevelopment plans and the implementation of those plans through the development of mixed use projects known as Seymour Street and Church Street, the Project Premises remained designated as a redevelopment area but with no redevelopment plan; and

WHEREAS, eventually a draft redevelopment plan dated June 1, 2017 was prepared ("2017 Plan") as authorized in the two 2015 Resolutions referenced above, and the Township Council dated July 10, 2017 Plan to the Planning Board for its review. In a Resolution dated July 10, 2017 the Planning Board incorporated a report which contained 19 recommendations including a recommendation to reduce density from 350 units, require greater setbacks and step backs, specify size of supermarket, require affordable & workforce housing, identify and provide

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greater integration of historic elements, feature storefronts that would open onto the Main Plaza, include architectural design that would showcase the important Township asset and bring economic activity, and other recommended details (“2017 Resolution”). Based on the 2017 Resolution, the Municipal Planner arranged for the incorporation of Planning Board input into the 2017 Plan to produce a new draft called the “Revised Redevelopment Plan dated August 25, 2017” (“Revised 2017 Plan”); and

WHEREAS, the then owner of the Project Premises decided not to pursue its project under the terms of the then proposed Revised 2017 Plan, but instead filed a site plan application based on the prevailing zoning, seeking to develop the Project Premises as a mixed use project with residential apartments, a supermarket and other commercial development, which application was approved by the Planning Board on February 11, 2019 (“2019 Site Plan Approval”); and

WHEREAS, the 2019 Site Plan Approval was challenged by A Better Lackawanna, LLC, certain members of the public, and the adjacent property owner, One Greenwood, LLC. The owner of the Project Premises intervened as a party defendant and the 2019 Site Plan Approval was upheld by the Trial Court; and

WHEREAS, BDP Holdings LLC (“BDP”) acquired the Project Premises in 2021 and engaged a team of design and development professionals to consider how the Project Premises could be redeveloped consistent with the fundamental principles contained in the Revised 2017 Plan provided by the Municipal Planner; and

WHEREAS, after BDP had taken title, it successfully defended the 2019 Site Plan Approval in the Appellate Division; and

WHEREAS, after further public input, and after development concepts and studies were prepared by BDP’s professionals, at the request of the Township, to allow the Township Council to consider the impact of various proposed changes to the redevelopment plan, the Revised 2017 Plan was further revised to produce the October 2022 version of the redevelopment plan (“October 2022 Plan”) and on December 20, 2022, the Township Council introduced Ordinance 0-22-29 to approve the October 2022 Plan. The October 2022 Plan was posted on the Township’s website and was the subject of further significant public comment at multiple community group meetings.

WHEREAS, the October 22 Plan was again reviewed by the Planning Board, which issued a report dated January 23, 2023, stating that it “fully supports the goal of a broad scale, well-designed, mixed-use development at Lackawanna Plaza and commends the Council for its insistence that any Lackawanna Plaza project include needed features like a large percentage of affordable housing, an economically viable supermarket and public spaces” and it “agreed that the Redevelopment Plan comports with certain broad goals of the Master Plan” but the Planning Board prepared a report to the Township Council with 12 Findings and related Recommendations to improve the October 2022 Plan; and

WHEREAS, Ordinance 0-22-29 was reintroduced by the Township Council, which Ordinance noted that the following examples of negative conditions remained prevalent: the shopping center which had been developed in the 1980s on the Property “has declined over the years and is now largely vacant;” “the disconnection from vehicular and pedestrian areas

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significantly reduces visibility of the site which has negative implications on the economic success and safety of the property;” “the tunnel structure connecting the western portion of the Lackawanna Plaza Area from the eastern portion” was described in text and photographs as “dilapidated” and evidencing “water running down the tunnel walls;” and

WHEREAS, in response to certain of the Planning Board recommendations, other public and BDP input, the Redevelopment Plan dated August 2023 (“August 2023 Plan”) was posted on the Township website. The Planning Board then reviewed that version of the Redevelopment Plan and provided its report to the Township Council on September 29, 2023 acknowledging that the Redevelopment Plan was “improved in several respects” but recommended further changes to the Redevelopment Plan; and

WHEREAS, on October 10, 2023, the Township Council approved Ordinance O-22-29 adopting the August 2023 Plan after taking into consideration input from the hearing conducted on October 10, 2023, as well as input from the Planning Board, and comments from members of the public at many Township Council meetings throughout the period after the August 2023 Plan was posted on the Township’s website, the public input from community meetings and the comments of BDP. The Township found that the August 2023 Plan was designed to achieve the Master Plan goals for the area covered by the August 2023 Plan; and

WHEREAS, the LRHL authorizes the Township to arrange or contract with a redeveloper for the planning, construction or undertaking of any project or redevelopment work in an area designated as an area in need of redevelopment; and

WHEREAS, in furtherance of the objectives of the Township, BDP is proposing to construct a five to six (5-6) story mixed-use transit-oriented project (with setbacks and step backs), preservation of remaining features of the Lackawanna Terminal, a state-of-the-art supermarket (approximately 40,000 SF), office (approximately 75,000 SF), residences (including approximately 210 market rate, 60 affordable and 30 workforce homes), the required concealed structured parking, and green building technology features, (collectively known as the “Project”), all in accordance with the provisions of this Agreement and the August 2023 Plan (the “Project”); and

WHEREAS, by Ordinance O-24-09, adopted at the Township Council’s regular meeting on May 23, 2024 the Township Council reintroduced and approved the August 2023 Plan, as the redevelopment plan for the Project Premises, superseding, repealing and replacing Ordinance O-22-29, and finding again that the August 2023 Plan was designed to achieve the Master Plan goals for the area covered by the August 2023 Plan, and attaching to the Ordinance a copy of the August 2023 Plan that includes a Master Plan Consistency Review which concluded that the August 2023 Plan was consistent with specific major Elements of the Master Plan and furthers and advances other objectives of the Master Plan (the “Redevelopment Plan”), and

WHEREAS, a copy of the Redevelopment Plan is on file at the Township; and

WHEREAS, the Redeveloper proposes to construct the Project in four major Phases (Phases 1A and 1B-Buildings A and B, Phases 2A and 2B- Buildings D and E, Phase 3-Building C, and Phase 4- two floors of Office Development in Building A), as those Buildings are identified

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in the Redevelopment Plan (See Concept Plan attached hereto as Exhibit F to the Application); and

WHEREAS, by Resolution R-24-216, adopted at the Township Council's regular meeting on September 24, 2024, the Township Council designated BDP Holdings LLC based on a description of the team set forth in a Letter dated December 18, 2023, for purposes of negotiating an agreement for redevelopment; and

WHEREAS, on _____, the Entity, an affiliate of BDP, entered into an agreement to undertake the Project defined in the Redevelopment Plan for the implementation of the redevelopment of the Project Premises ("Redevelopment Agreement"); and

WHEREAS, the Entity filed an application with the Township for a long term tax exemption for the Project, a copy of which is attached hereto as Exhibit 2 (the "Application"); and

WHEREAS, by way of [Ordinance _____], adopted on [_____], a copy of which Ordinance is attached hereto as Exhibit 3 (the "Ordinance"), the Township Council made the following findings:

- A. The Project represents a desired use of the Project Premises and will result in the substantial betterment of the conditions in the Redevelopment Area;
- B. The Project and the tax exemption authorized pursuant to the Ordinance will result in a net economic benefit to the Township;
- C. The Project will create an estimated three hundred ninety five (395) construction jobs during the 8 year construction period and an estimated seven hundred thirty (730) permanent jobs in the supermarket, office and retail and restaurant;
- D. The Project should stabilize and contribute to the economic growth of existing local business and to the creation of new business, which cater to the new residents;
- E. The Project will further the redevelopment objectives of the Redevelopment Plan;
- F. The tax exemption authorized by the Ordinance is necessary for the successful completion of the Project because, among other reasons, (1) the relative stability and predictability of the annual service charges will make the Project more attractive to investors and lenders needed to finance the Project, and (2) the relative stability and predictability of the service charges will allow the owner to stabilize its operating budget, allowing a high level of maintenance to the buildings over the life of the Project, which will insure the likelihood of the success of the Project and insure that it will have a positive impact on the surrounding area, and (3) the historic preservation requirements, and the amount of public plazas and open space add costs to the Project and the amount of development authorized by the Redevelopment Plan now that it has been amended to decrease permitted height, add required setback and set back requirements reduces the revenues from the project to cover those costs; and
- G. The Project would not be constructed without the tax exemption authorized by the Ordinance.

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WHEREAS, by the adoption of the Ordinance, the Township Council approved the tax exemption Application and authorized the execution of this 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 1.1 Governing Law

This Agreement shall be governed by the provisions of the Long Term Tax Exemption Law and the Ordinance which authorized the execution of this Agreement. The Township expressly relies upon the facts, data, and representations contained in the Application, attached hereto as Exhibit 2, in granting this tax exemption.

Section 1.2 General Definitions

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

(i) Annual Service Charge. The amount the Entity has agreed to pay the Township for buildings comprising the Project or any Phase thereof for municipal services in lieu of conventional real property taxes, and computed in accordance with N.J.S.A. 40A:20-12(b)(1), as more fully set forth in Article IV of this Agreement.

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

(iii) Allowable Profit Rate. The greater of 12% or the percentage per annum arrived at by adding 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, if payable on a per annum basis, 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 12% or the percentage per annum arrived at by adding 1.25% per annum to the interest rate per annum which the municipality determines to be the prevailing rate on mortgage financing on comparable improvements in Essex County. The provisions of N.J.S.A. 40A:20-3(b) are incorporated herein by reference.

(iv) Application. That certain application filed by the Entity, seeking a tax exemption for the Project pursuant to the Long Term Tax Exemption Law, attached hereto as Exhibit 2.

(v) Annual Gross Revenue. The annual gross rents and other income of the Entity from the Project or any Phase thereof. Any operating and maintenance expenses paid by a tenant of the Project that would ordinarily be paid by the Entity, as landlord, shall be included in Annual Gross Revenue. However notwithstanding anything contained herein to the contrary (i)

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any gain realized by the Entity on the sale of the Project or any portion thereof in fee simple or leasehold interest, and (ii) proceeds from extraordinary items, without limitation condemnation awards, insurance proceeds, gains from sales, transfers, or assumption of the Project Improvements or any part thereof the financing or refinancing of a mortgage or mortgages encumbering the Project Premises or any portion thereof, or proceeds from any disposition of a partner or a partner's interest in the Entity or any successor entity are not included in Annual Gross Revenue. Annual Gross Revenue will be based on actual current revenue received by Entity in a given year, not based on straight line rent which may be required by GAAP. However, in the event the Entity elects to enter into a sublease or master lease for any portion of the Project pursuant to Section 8.3, the rent payable to the Entity thereunder shall be disregarded for purposes of this definition in favor of the rent payable by the tenant-occupant.

(vi) Annual Service Charge. The amount the Entity has agreed to pay the Township, with respect to the Project, for municipal services supplied to the Project, which sum is in lieu of any taxes on the Improvements, pursuant to N.J.S.A. 40A:20-12, as defined in Section 4.1(A) herein, and subject to adjustment pursuant to Section 4.2.

(vii) Auditor's Report. A complete financial statement outlining the financial status of the Project (for a period of time as indicated by context), which shall also include a certification of Total Project Cost and clear computation of Net Profit. The contents of the Auditor's Report shall have been prepared in conformity with generally accepted accounting principles and shall contain at a minimum the following: a balance sheet, a statement of income, a statement of cash flows, descriptions of accounting policies, notes to financial statements and appropriate schedules and explanatory material results of operations, cash flows and any other items required by Law. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant that is licensed to practice that profession in the State of New Jersey.

(viii) Certificate of Occupancy. As defined in the Uniform Construction Code at N.J.A.C. 5:23-1.4, and as may be issued by the Township relative to one or more buildings, or part thereof, in the Project.

(ix) County. The County of Essex in the State of New Jersey.

(x) Debt Service. The amount required to make annual payments of principal and interest or the equivalent thereof on any construction mortgage, permanent mortgage or other financing including returns on institutional equity financing and market rate related party debt for the Project for a period equal to the term of the exemption granted by this Agreement.

(xi) Default. Shall be a breach of or the failure of a Party to perform any obligation imposed upon such Party by the terms of this Agreement, or under the Law, beyond any applicable grace or cure periods.

(xii) Entity. The term Entity within this Agreement shall mean Lackawanna Montclair Urban Renewal LLC, which Entity is formed and qualified pursuant to N.J.S.A. 40A:20-5. It shall also include any subsequent purchasers or successors in interest of the Project, provided they are formed and operate under the Law.

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(xiii) Force Majeure. Any delay caused by governmental action, or lack thereof (including, without limitation, delays in providing inspections, approvals or certificates); shortages or unavailability of materials; epidemic or pandemics; labor disputes (including, but not limited to, strikes, slowdowns, job actions, picketing and/or secondary boycotts); fire, explosion or other casualty; delays in transportation; delays due to adverse weather conditions, acts of God; directives or requests by any governmental entity, authority, agency or department; any court or administrative orders or regulations; remediation related interruptions, adjustments of insurance; acts of declared or undeclared war, warlike conditions in this or any foreign country, acts of terrorism, public disorder, riot or civil commotion; change in law detrimental to the Project; legal action challenging the validity of this Agreement, or the issuance or grant of any governmental approval; condemnation of the Project Premises or any portion thereof; or failure to procure financing for the Project or delays in procuring financing for the Project, provided that good faith effort was made to obtain said financing; or by anything else beyond the reasonable control of a party, as the case may be.

(xiv) Improvements. Any building, structure or fixture of the Project permanently affixed to the raw land of the project and to be constructed and tax exempted under this Agreement.

(xv) In Rem Tax Foreclosure or Tax Foreclosure. A summary proceeding by which the Township may enforce a lien for taxes due and owing by tax sale, under N.J.S.A. 54:5-1 to 54:5-129 et seq.

(xvi) Land. The raw land comprising Block 3213, Lot 2 and Block 4202, Lots 4 and 4.01, as if undeveloped and unimproved.

(xvii) Land Taxes. The amount of taxes assessed on the value of the Land, on which the Project, or part thereof, is located. Land Taxes are not exempt from payment; however, Land Taxes are applied as a credit against the Annual Service Charge.

(xviii) Land Tax Payments. Payments made on the quarterly due dates, including approved grace periods if any, for Land Taxes as determined by the Tax Assessor and the Tax Collector.

(xix) Minimum Annual Service Charge. The Minimum Annual Service Charge shall be the amount of the total taxes levied against the Project Premises, or part of the Project for which the exemption is in effect, in the last full tax year in which the area was subject to taxation, For years in which the Annual Service Charge shall be less than the Minimum Annual Service Charge, the Minimum Annual Service Charge shall be deemed the Annual Service Charge, and use of the term "Annual Service Charge" shall be deemed to mean the Minimum Annual Service Charge.

(xx) Net Profit. The Annual Gross Revenues of the Entity with respect to the Project less all operating and non-operating expenses of the Entity, all determined in accordance with generally accepted accounting principles and/or as required by N.J.S.A. 40A:20-3 (c), but:

- (a) there shall be included in expenses: (i) all Annual Service Charges paid pursuant to N.J.S.A. 40A:20-12; (ii) all payments to

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the Township of excess profits pursuant to N.J.S.A. 40A:20-15 or N.J.S.A. 40A:20-16; (iii) an annual amount sufficient to amortize (utilizing the straight line method-equal annual amounts) the Total Project Cost and all capital costs determined in accordance with generally accepted accounting principles, of any other entity whose revenue is included in the computation of excess profits over the term of this agreement; (iv) all reasonable annual operating expenses of the Entity and any other entity whose revenue is included in the computation of excess profits including the cost of all management fees, brokerage commissions, insurance premiums, all taxes or service charges paid, legal, accounting, or other professional service fees, utilities, building maintenance costs, building and office supplies and payments into repair or maintenance reserve accounts; (v) all payments of rent including but not limited to ground rent by the Entity; (vi) all Debt Service; and

(b) there shall not be included in expenses either depreciation or obsolescence, interest on debt, except interest which is part of Debt Service, income taxes or salaries, bonuses or other compensation paid, directly or indirectly to directors, officers and stockholders of the entity, or officers, partners or other persons holding a proprietary ownership interest in the entity.

(xxi) Party. Either the Entity or the Township or, when used in the plural "Parties," both such entities.

(xxii) Phase. Any phase of the Project described herein, subject to such reasonably necessary modifications made by the Planning Board only to the extent such modifications are allowed in the exercise of the Planning Board's jurisdiction under the Municipal Land Use Law (the "MLUL").

(xxiii) Project Premises. As defined in the Recitals.

(xxiv) Secured Party. Shall mean Schroder Taft-Hartley Income REIT, LLC, a Delaware limited liability company, c/o Schroder Investment Management North America Inc., 7 Bryant Park, 1045 Avenue of the Americas, New York, New York 10018, and/or its successors and assigns, and/or any other entity that constitutes a Secured Party as that term is defined in Section 8.4.

(xxiv) Substantial Completion. The determination by the Township with advice from the Entity that the Project or any Phase thereof is ready for the use intended, which ordinarily shall mean the date on which the Project or Phase thereof, receives, or is eligible to receive, any Certificate of Occupancy.

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(xxv) Temporary Certificate of Occupancy. A temporary Certificate of Occupancy as defined in the Uniform Construction Code at N.J.A.C. 5:23-1.4, and as may be issued by the Township relative to one or more buildings, or part thereof, in the Project.

(xxvi) Term. As described in Section 3.1.

(xxvii) Termination. Shall mean the expiration of the term of this Agreement in accordance with Section 3.01 hereof or pursuant to the provisions of Article XI which by operation of the terms of this Financial Agreement shall cause the relinquishment of the tax exemption applicable to the Project.

(xxviii) Total Project Cost. The total cost of constructing and/or rehabilitating buildings and Improvements that are part of the Project through the date a Certificate(s) of Occupancy is issued for the entire Project, which categories of cost are set forth in N.J.S.A. 40A:20-3(h). There shall be included in Total Project Cost the actual construction costs incurred by the Entity which the entity shall cause to be certified and verified to the municipality and the municipal governing body by an independent and qualified architect or engineer in the form attached hereto as Exhibit 5, including the cost of any preparation of the site undertaken at the entity's expense and costs that are associated with site remediation and cleanup of environmentally hazardous materials or contaminants in accordance with State or Federal Law and any extraordinary costs incurred including the cost of demolishing structures, relocation or removal of public utilities, cost of relocating displaced residents or buildings and the clearing of title.

Terms not defined herein shall have the meaning given to them in the Redevelopment Agreement.

ARTICLE II
APPROVAL

Section 2.1 Approval of Tax Exemption

The Township hereby grants its approval for a tax exemption for all the Improvements to be constructed and maintained in accordance with the terms and conditions of this Agreement and the provisions of the Law.

Section 2.2 Approval of Entity

Approval is granted to the Entity whose Certificate of Formation is attached hereto as Exhibit 4 and/or for any of its assigns as permitted under this Agreement. The Entity represents that its certificate contains all the requisite provisions of the Law; has been reviewed and approved by the Commissioner of the Department of Community Affairs; and has been filed with, as appropriate, the Office of the State Treasurer or Office of the Essex County Clerk, all in accordance with N.J.S.A. 40A:20-5.

Section 2.3 Improvements to be Constructed

The Entity represents that it will construct or cause to be constructed the Improvements on the Project Premises which are generally described as the Project. The Entity shall construct only

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those uses established in the current Redevelopment Plan, as may be amended, governing the Project Premises.

Section 2.4 Construction Schedule

The Entity agrees to undertake to commence construction and complete the Project in accordance with the requirements of the Redevelopment Agreement.

Section 2.5 Ownership, Management and Control

The Entity represents that it is or will be prior to the commencement of any work on the Project, the owner of the Project Premises which may be in condominium form of ownership, and that it will manage and control the Project in a manner consistent with Law and the Redevelopment Agreement. The Township acknowledges that the Entity may enter into a management agreement for the Project and will pay a management fee, which fee was disclosed in its Application. The Township acknowledges that the Entity may enter into future management agreements. Subject to the provisions of Section 8.1, the Entity may sell the Project or any portion thereof to another urban renewal entity.

Section 2.6 Financial Plan

The Entity represents that the Improvements shall be financed substantially in accordance with the Financial Plan attached as Attachment D of the Application, hereto as Exhibit 2. The Application sets forth estimates of: Total Project Cost, the amortization rate on the Total Project Cost, the source of funds, the interest rates to be paid on construction financing, the source and amount of paid-in capital, and the terms of any mortgage amortization.

Section 2.7 Statement of Rental Schedules and Lease Terms

The Entity represents that its good faith projections of the initial rental schedules and lease terms are set forth in the Application, attached hereto as Exhibit 2.

Section 2.8

The designation of the area as an area in need of redevelopment was made in full compliance with the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. In addition, the preparation and adoption of the Redevelopment Plan by appropriate Township ordinance was performed in full compliance with the referenced Local Redevelopment and Housing Law.

**ARTICLE III
DURATION OF AGREEMENT**

Section 3.1 Term

The term of this Agreement (the "Term"), including the obligation to pay the Annual Service Charge and the tax exemption granted hereby, shall commence as to each Phase of the Project on the date of the Substantial Completion of said Phase and until the earlier of: (1) 30 years

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from the completion of a said Phase of the Project, or (2) 50 years from the Effective Date of this Agreement subject to the further limitations and agreements contained herein, and shall only be effective and in force during the period while the Improvements are owned by an urban renewal entity formed pursuant to the Long Term Tax Exemption Law (the "Term"). Upon expiration of the Term, all restrictions and limitations upon the Entity, arising out of or resulting from this Agreement, shall terminate and be at an end upon the entity's rendering its final accounting to and with the Township.

ARTICLE IV
ANNUAL SERVICE CHARGE

Section 4.1 Annual Service Charge

(A) In consideration of the tax exemption, the Entity shall pay to the Township an annual amount equal to the greatest of: (i) the Minimum Annual Service Charge; (ii) a percentage of Annual Gross Revenue equal to 10% for years 1-5; 11% for years 6-10; 12.5% for years 11-20; 13.5% for years 21-30, or (iii) the Annual Service Charge related to the Staged Adjustment (hereafter defined).

(B) The Annual Service Charge shall commence for each Phase of the Project on the first day of the month following its Substantial Completion and shall be payable as set forth in Section 4.4 of this Agreement. The Annual Service Charge shall initially be billed based upon the Entity's estimate of Annual Gross Revenue which shall not be less than the estimate of Annual Gross Revenue as set forth in its Financial Plan, attached as Attachment D to the Application, attached hereto as Exhibit 2.

In the event the Entity fails to timely pay the Annual Service Charge, the unpaid amount shall bear the highest rate of interest currently charged by the Township in the case of unpaid taxes or tax liens on land until paid.

The Township shall pay to the County an amount equal to 5% of the Annual Service Charge upon receipt of that charge.

Section 4.2 Staged Adjustments

The Annual Service Charge for each Phase of the Project shall be adjusted, in stages over the Term of the Agreement in accordance with N.J.S.A. 40A:20-12(b) as follows:

(A) Stage One: From the 1st of the month following Substantial Completion of such Phase of the Project until the last day of the 15th year of the Term, the Annual Service Charge shall be as set forth in Section 4.1(A) above;

(B) Stage Two: Beginning on the 1st day of the 16th year following Substantial Completion of such Phase of the Project until the last day of the 21st year of the Term, an amount equal to the greater of the Annual Service Charge set forth in Section 4.1(A) or 20% of the amount of the taxes otherwise due on the value of the Land and Improvements comprising the Project;

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(C) Stage Three: Beginning on the 1st day of the 22nd year following the Substantial Completion of such Phase of the Project until the last day of the 27th year of the Term, an amount equal to the greater of the Annual Service Charge set forth in Section 4.1(A), or 40% of the amount of the taxes otherwise due on the value of the Land and Improvements comprising the Project;

(D) Stage Four: Beginning on the 1st day of the 28th year following Substantial Completion of such Phase of the Project until the last day of the 29th year of the Term, an amount equal to the greater of the Annual Service Charge set forth in Section 4.1(A) or 60% of the amount of the taxes otherwise due on the value of the Land and Improvements comprising the Project; and

(E) Final Stage: Beginning on the 1st day of the 30th year following Substantial Completion of such Phase of the Project through the last day of the Term, an amount equal to the greater of the Annual Service Charge set forth in Section 4.1(A) or 80% of the amount of the taxes otherwise due on the value of the land and Improvements comprising the Project.

Section 4.3 Credits

The Entity is required to pay both the Annual Service Charge and the Land Tax Payments. The Entity is obligated to make timely Land Tax Payments, prior to the date of delinquency, in order to be entitled to a Land Tax credit against the Annual Service Charge for the subsequent year. The Entity shall be entitled to credit for the amount, without interest, of the Land Tax Payments made in the last four preceding quarterly installments against the Annual Service Charge.

If there has been a subdivision, the credit shall be equal to the amount of the Land Tax paid with respect to the subdivided lot on which the portion of the Project has been completed. If there has not been a subdivision, as the portion of the Phase of the Project for which a certificate of occupancy has been issued will become exempt on different dates, the credit for Land Taxes will be based on the proportionate share of Land Tax attributable to each such portion based on square footage of land but excluding open space attributable to the part of the Project on which the Improvements have been completed. The balance of the Land Taxes attributable to the Property will be paid conventionally until the remaining portion of the Phase of the Project is completed causing additional Land Tax credit to be applied as a credit to the Annual Service Charge attributable to that later portion of the Phase of the Project.

In any quarter that the Entity fails to make Land Tax Payments for any portion of the Property, such delinquency shall render the Entity ineligible for any Land Tax Payment credits against the Annual Service Charge for that quarter. No credit will be applied against the Annual Service Charge for partial payments of Land Taxes. In addition, the Township shall have, among this remedy and other remedies, the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. and/or declare a Default and terminate this Agreement.

Section 4.4 Quarterly Installments/Proration

The Entity expressly agrees that the Annual Service Charge shall be made in quarterly installments on those dates when real estate tax payments are due subject, nevertheless, to

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adjustment for over or underpayment as calculated within thirty (30) days following the Entity's annual submission of its audit report required pursuant to Section 6.2 of this Agreement. The Annual Service Charge shall be prorated in the year in which the Annual Service Charge commences and the year in which the exemption expires or terminates.

In the event that the Entity fails to pay the Annual Service Charge prior to the date of delinquency, the unpaid amount shall bear the highest rate of interest currently charged by the Township in the case of unpaid taxes or tax liens on the land until paid. The Annual Service Charge will be prorated in the years in which Substantial Completion occurs and this Agreement terminates.

Section 4.5 Material Conditions

It is expressly agreed and understood that the timely payments of Land Taxes, Minimum Annual Service Charges, Annual Service Charges, including adjustments thereto, and any interest thereon, are material conditions of this Agreement.

Section 4.6 Administrative Fee

Following Substantial Completion of the first Phase of the Project and during the Term, the Entity shall pay to the Township an annual administrative fee as permitted by N.J.S.A. 40A:20-9, in an amount of two percent (2%) of the Annual Service Charge for the calendar year in question, to be paid within thirty (30) days after the final quarterly installment of the Annual Service Charge for such year.

**ARTICLE V
CERTIFICATE OF OCCUPANCY**

Section 5.1 Certificate of Occupancy

It is understood and agreed that, subject to Force Majeure delays, it shall be the obligation of the Entity to obtain all Certificates of Occupancy in a timely manner after the date of completion of construction.

Section 5.2 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 each Certificate of Occupancy.

**ARTICLE VI
ANNUAL REPORTS**

Section 6.1 Accounting System

The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles and/or in accordance with N.J.S.A. 40A:20-3.

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Section 6.2 Periodic Reports

(A) Total Project Cost. Pursuant to N.J.S.A. 40A:20-3 (h), the Entity shall cause the actual construction costs for each Phase of the Project to be certified and verified to the municipality and the municipal governing body by an independent and qualified architect and submitted to the Township within ninety (90) days of the date of Substantial Completion for that Phase.

(B) An Auditor's Report: Within ninety (90) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis, the Entity shall submit to the Mayor and Township Council its Auditor's Report for the preceding fiscal or calendar year. The Auditor's Report shall include, but not be limited to: the Total Project Cost, the terms and interest rate on any mortgages associated with the purchase or construction of the applicable Phase or Project and such details as may relate to the financial affairs of the Entity and to its operation and performance hereunder, pursuant to the Law and this Agreement. The Auditors Report shall clearly identify and calculate the Net Profit for the Entity during the previous year.

Section 6.3 Inspection/Audit

The Entity shall permit the inspection of its property, equipment, buildings and other facilities of the Project by representatives duly authorized by the Township. It shall also permit, upon request, examination and audit of its books, contracts, records, documents and papers. Such examination or audit shall be made during the reasonable hours of the business day, in the presence of an officer or agent designated by the Entity. Such examination or audit shall be made upon five (5) business days' notice during regular business hours, in the presence of an officer or agent designated by the Entity. To the extent reasonably possible, the examination, inspection or audit will not materially interfere with the construction or operation of the Project Improvements.

**ARTICLE VII
LIMITATION OF PROFITS AND RESERVES**

Section 7.1 Limitation of Profits and Reserves

During the Term, the Entity shall be subject to a limitation of its profits pursuant to the provisions of N.J.S.A. 40A:20-15. The Entity shall have the right to establish a reserve against vacancies, unpaid rentals, and reasonable contingencies in an amount equal to ten percent (10%) of the Annual Gross Revenue of the Entity for the last full fiscal year preceding the year 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. The reserve is to be non-cumulative, it being intended that no further credits thereto shall be permitted after the reserve shall have attained the allowable level of ten percent (10%) of the preceding year's Annual Gross Revenue.

Section 7.2 Annual Payment of Excess Net Profit

In the event the Net Profits of the Entity, in any fiscal year, shall exceed the Allowable Net Profits for the relevant period, then the Entity, within one hundred and 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; provided, however, that the Entity may maintain a reserve as determined pursuant

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to Section 7.1. The calculation of the Entity's excess Net Profits shall include those Project costs directly attributable to site remediation and cleanup expenses and any other costs excluded in the definition of Total Project Cost in Section 1.2 (xxvii) of this Agreement even though those costs may have been deducted from the Project costs for purposes of calculating the Annual Service Charge. In addition, in determining whether Net Profits for a fiscal year exceeds Allowable Net Profits for such fiscal year, as provided in N.J.S.A. 40A:20-15, Net Profits shall be calculated annually but on a cumulative basis for the period, taken as one accounting period, commencing on the date on which the construction of the unit or project is completed, or on which the project is completed if the project is not undertaken in units, and terminating at the close of the fiscal year of the Entity preceding the date on which the computation is made; with any negative amounts of profit from prior years being carried forward and included in the accumulated excess profit calculation consistent with City of Newark vs. First Newark Gateway Urban Renewal Association, Docket No. ESX-L-1160-91 (NJ Super. Law Div. August 8, 1994).

Section 7.3 Payment of Reserve/Excess Net Profit Upon Termination, Expiration or Sale

The date of expiration of the Term, date of earlier termination of this Agreement, or sale of the Project Premises pursuant to the terms of this Agreement, 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 Township the excess Net Profits, if any, and the amount, if any, of those portions of the reserve maintained by the Entity pursuant to Section 7.1 of this Agreement that would, if they had been included in the Net Profits in the year in which they were paid into the reserve, been payable to the Township as excess profits pursuant to N.J.S.A. 40A:20-15 or N.J.S.A. 40A:20-16.

**ARTICLE VIII
ASSIGNMENT AND/OR ASSUMPTION**

Section 8.1 Assignment

(i) The Entity may assign its rights under this Agreement only with the prior written consent of the Township, which the Township will not unreasonably withhold. Notwithstanding the foregoing, pursuant to N.J.S.A. 40A:20-10, on submission of a written application which shall be limited to providing the facts from which the Township can determine whether the preconditions for transfer set forth herein have been met, the Township will consent in the form of an appropriate enactment of the Township Council in accordance with the provisions of Subsection 8.1 (v) to any transfer of the Project or Phase or part thereof provided (a) the new entity is an urban renewal entity formed pursuant to the Long Term Tax Exemption Law, (b) at the time of such assignment, the new entity is fee owner or ground lease tenant of the portion of the Project Premises which are the subject of the assignment and, if no Certificate of Completion has yet been issued pursuant to the Redevelopment Agreement for the Project or Phase or part thereof, as applicable, the new entity has agreed in writing to undertake construction and completion of the Project or Phase or part thereof, as applicable; (c) the new entity does not own any other project subject to a long term tax exemption at the time of transfer; (d) the Entity is not then in Default of this Agreement or the Law; (e) the Entity shall make payment to the Township at the time of application of a transfer fee equal to two percent (2%) of the then current Annual Service Charge for the Project if the entire Project is to be assigned or, if less than the entire Project is to be assigned, for such Phase or Phases which are the subject of the assignment pursuant to N.J.S.A 40A:20-10d; and (f) the Entity's

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obligations under this Agreement with respect to the Project or Phase or part thereof, as applicable, are fully assumed by the new entity. Upon assumption by the transferee urban renewal entity of the transferor's obligations under the financial agreement, the tax exemption of the Improvements with respect to the Project or Phase or part thereof, as applicable, thereto shall continue and inure to the transferee urban renewal entity, its respective successors or assigns.

(ii) If the Entity transfers the Project Improvements to another urban renewal entity, in whole or in part, and the transferee entity has assumed all of the Entity's contractual obligations under this Agreement as to those portions of the Project which are the subject of the transfer, then pursuant to N.J.S.A. 40A:20-6, the Entity shall be discharged from any further obligation under this Agreement as to the portions transferred and shall be qualified to undertake another project pursuant to the LTTE Law, provided it retains ownership of no other portion of the Project at the time of the transfer. During the time when the Entity owns the Project, the transferee entity shall be obligated to pay excess profits of the transferee entity to the Township in accordance with the provisions of N.J.S.A. 40A:20-15 or N.J.S.A. 40A:20-16, whichever may apply. Within ninety (90) days after the close of the Entity's fiscal year, which shall be considered the date of transfer of title for purposes of this paragraph, during the time when the Entity owns any portion of the Project, the Entity shall pay to the Township the amount of the reserve, if any, maintained by it pursuant to this Agreement, as well as any excess profit payable to the Township pursuant to this Agreement and N.J.S.A. 40A:20-15 or N.J.S.A. 40A:20-16, whichever may apply.

(iii) Nothing contained herein shall prohibit any transfer of any ownership interest in the Entity itself provided that the transfer is disclosed to the Township Council in the next Auditor's Report or in correspondence sent to the Township Clerk in advance of the next Auditor's Report, and further provided that to the extent that the transfer of ownership requires a change in the name or address of the party to be notified by the Township pursuant to Section 14.2, notice of such change shall be provided by the Entity to the Township within five business days of the effective date of the transfer.

(iv) Without limiting the foregoing, the Township acknowledges that it may be necessary for the Project, Phases or portions thereof to be owned by separate urban renewal entities that are affiliates of the Entity. Upon application to the Township in accordance with Section 8.1 (i), the Entity may at any time separately assign its interest under this Agreement with respect to the Project, a Phase or part thereof to such urban renewal entity(ies) provided the conditions in (a) – (e) of subclause (i) above are satisfied.

(v) The parties acknowledge that the transfers in (i), (ii) and (iv) above may be effectuated by an assignment agreement which the Township will authorize by the adoption of a resolution of the Township Council. However, with respect to such transfers, at the election of the Entity, the Township will enter into a separate financial agreement as to such Phase or part thereof to be transferred with such assignee urban renewal entity, which agreement shall be on the same terms reflected in this Agreement, setting forth the terms of the tax exemption established hereby, and deeming this Agreement to be amended to remove such Phase or part thereof from the ambit of same. In the event of such an election by the Entity, any resulting separate financial agreement or amendment of the Agreement the Township will be authorized by the adoption of an ordinance of the Township Council.

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Section 8.2 Subordination of Fee Title

Notwithstanding anything in this Agreement, the Entity shall have the right to encumber the fee title to the Project Premises and may encumber or assign for security purposes the Entity's interest in this Agreement, and any such encumbrance or assignment shall not be deemed a Default under this Agreement.

Section 8.3 Rents Charged to Tenants

Notwithstanding anything in this Agreement, the Entity shall have the right to rent any residential or commercial units to tenants of the Entity's choosing and charge such tenants, in addition to rent, operating and maintenance expenses and the Annual Service Charge due with respect to the applicable Phase or portion of the Project Phase, to be calculated at the Entity's discretion and which to the extent ordinarily payable by the landlord shall be includable in Annual Gross Revenue. The Entity shall also have the right to enter into a master lease or sublease agreement for administrative purposes; provided that the such master lease or sublease shall not constitute the Annual Gross Revenue for purposes of calculating Annual Service Charge otherwise payable. The amount of the rents to be charged to residents of designated affordable housing units required to be maintained as provided in the Redevelopment Agreement, Planning Board site plan approval resolution, deed restriction, or other agreement between the Entity and the Township will be determined based on applicable regulation.

Section 8.4 Collateral Assignment

It is expressly understood and agreed that the Entity has the right to encumber the Property and/or assign its leases to the Property and/or the Improvements for purposes of (i) financing the design, development and construction of the Project, and (ii) permanent mortgage financing.

(a) The Township 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 Township 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 therefor (each, a “**Secured Party**” and collectively, the “**Secured Parties**”) as security for the obligations of the Entity, and/or its affiliates, incurred in connection with such secured financing (collectively, the “**Security Arrangements**”). The Entity shall give the Township 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 Township hereunder to provide any notice of Default or notice of intent to enforce its remedies under this Agreement to the Secured Parties.

(b) If the Entity shall Default in any of its obligations hereunder, the Township shall give written notice of such Default to the Secured Parties and the Township agrees that, in the event that such Default is not waived by the Township 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 Township will provide the Secured Parties a reasonable period of time to cure such Default, but in any event not less than thirty (30) 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 or Land Taxes

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(during any period in which Land Taxes are not exempt hereunder) and ninety (90) days from the date that the Entity was required to cure any other Default.

(c) In the absence of a Default by the Entity, the Township 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 Township's right to any 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 the 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
COMPLIANCE

Section 9.1 Compliance with Law

During the term of this Agreement, the Project shall be maintained and operated in accordance with the provisions of the Law. The Entity's failure to substantially comply with the Law shall constitute a Default under this Agreement.

ARTICLE X
DEFAULT

Section 10.1 Default

Default shall be failure of a Party to conform to the material terms of this Agreement or failure of such Party to perform any obligation imposed by the Law, beyond any applicable notice, cure or grace period.

Section 10.2 Cure Upon Default

Should either Party be in Default (the "Defaulting Party"), the other Party (the "Non-Defaulting Party") shall send written notice to the Defaulting Party of the Default ("Default Notice"). The Default Notice shall set forth with particularity the basis of the alleged Default. The Defaulting Party shall have ninety (90) days from receipt of the Default Notice (the "Cure Period") to cure any Default. However, if the Default cannot be cured within the Cure Period using reasonable diligence, the Cure Period shall be extended to a period of one hundred eighty (180) days. If the Default is not cured within the Cure Period, as it may be extended, the Non-Defaulting Party shall have the right to terminate this Agreement in accordance with Section 11.1, as well as other rights and remedies provided herein.

**ATTACHMENT TO ORDINANCE O-26-03 ADOPTED MARCH 24, 2026
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Section 10.3 Remedies Upon Default

In the event of a Default on the part of the Entity in payment of any sum due hereunder beyond the Cure Period, the Township shall, among its other remedies, have the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. and may exercise other rights set forth in this Agreement. In the event of a Default on the part of the Entity for anything other than payment of any sum due hereunder, the Township shall have all rights and remedies available to it under law or equity, including specific performance or termination of this Agreement.

In the event of a Default on the part of the Township that remains uncured beyond the Cure Period, the Entity shall have all rights and remedies available to it under law or equity, including specific performance or (without limitation of its right under Section 11.2) termination of this Agreement.

Notwithstanding the language in the previous section, there shall be no right to consequential or punitive damages. All of the remedies provided in this Agreement with respect to both Parties, and all rights and remedies available to each Party by law or equity, shall be cumulative and concurrent. No termination of any provision of this Agreement shall deprive either Party of any of its remedies or rights. This right shall apply to arrearages that are due and owing at the time or which, under the terms hereof, would in the future become due as if there had been no termination.

**ARTICLE XI
TERMINATION**

Section 11.1 Termination Upon Default

In the event a Defaulting Party fails to cure or remedy a Default within the Cure Period, the Non-Defaulting Party may terminate this Agreement upon thirty (30) days written notice to the Defaulting Party. If the Defaulting Party cures the default within such thirty (30) day period, the Non-Defaulting Party's termination shall be deemed null and void.

Section 11.2 Voluntary Termination by the Entity

At any time following the first anniversary of the date of the Substantial Completion, the Entity may terminate this Agreement in writing and notify the Township that as of a certain date designated in the notice, it relinquishes its status as a tax exempt Project. As of the date so set, the tax exemption, the Annual Service Charges, and the profit and dividend restrictions shall terminate.

Section 11.3 Final Accounting

Within ninety (90) days after the date of expiration of the Term or earlier termination of this Agreement, 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 termination of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

**ATTACHMENT TO ORDINANCE O-26-03 ADOPTED MARCH 24, 2026
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Section 11.4 Conventional Taxes

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

**ARTICLE XII
DISPUTE RESOLUTION**

Section 12.1 Arbitration

In the event of a breach of the within Agreement by either of the Parties hereto or a dispute arising between the Parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court of New Jersey by an appropriate proceeding, to settle and resolve the dispute in such fashion as will tend to accomplish the purposes of the Law. In the event the Superior Court shall not entertain jurisdiction, then the parties shall submit the dispute to the American Arbitration Association in New Jersey to be determined in accordance with its rules and regulations in such it fashion to accomplish the purpose of the Long Term Tax Exemption Law. The cost for the arbitration shall be borne equally by the parties.

**ARTICLE XIII
WAIVER**

Section 13.1 Waiver

Nothing contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by either Party of any rights and remedies, including, without limitation, the right to terminate the Agreement and tax exemption for violation of any of the conditions provided herein. Nothing herein shall be deemed to limit any right of recovery of any amount which the Township has under law, in equity, or under any provision of this Agreement.

**ARTICLE XIV
NOTICE**

Section 14.1 Method of Sending Notices

Any notice required hereunder, or demand or other communication under this Agreement shall be in writing and shall be sent by either party to the other by 1) certified or registered mail, return receipt requested 2) overnight delivery (guaranteeing overnight delivery, with receipt acknowledged in writing) or 3) delivered personally by messenger (with receipt acknowledged in writing), to the Parties at their respective addresses set forth herein.

Section 14.2 Sent by Township

When sent by the Township to the Entity the notice shall be addressed to:

**ATTACHMENT TO ORDINANCE O-26-03 ADOPTED MARCH 24, 2026
AUTHORIZING AGREEMENT**

URE, c/o BDP Holdings, LLC
7 Oak Place
Montclair, New Jersey 07040
Attn: David Placek

With copy to:

Wilentz, Goldman & Spitzer P.A.
Attn. Anne Babineau or Laurie Meyers
90 Woodbridge Center Drive, Box 10
Suite 900
Woodbridge, New Jersey 07095

unless prior to giving of notice the Entity shall have notified the Township in writing otherwise.

In addition, provided the Township is sent a formal written notice in accordance with this Agreement, of the name and address of Entity's mortgagee, the Township agrees to provide such mortgagee with a copy of any notice required to be sent to the Entity.

Section 14.3 Sent by Entity

When sent by the Entity to the Township, it shall be addressed to:

Township of Montclair
205 Claremont Avenue
Montclair, New Jersey 07042

with copies sent to the Township Attorney, the Township Manager, and the Tax Collector unless prior to the giving of notice, the Township shall have notified the Entity otherwise. The notice to the Township shall identify the Project to which it relates, (i.e., the Entity and the Project's Block and Lot number).

**ARTICLE XV
SEVERABILITY**

Section 15.1 Severability

If any term, covenant or condition of this Agreement or the Application, except a Material Condition, shall be judicially declared to 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 term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

If a material condition shall be judicially declared to be invalid or unenforceable and provided the Entity is not in Default of this Agreement, the parties shall cooperate with each other to take the actions reasonably required to restore the Agreement in a manner contemplated by the parties and the Law. This shall include, but not be limited to, the authorization and re-execution of

**ATTACHMENT TO ORDINANCE O-26-03 ADOPTED MARCH 24, 2026
AUTHORIZING AGREEMENT**

this Agreement in a form reasonably drafted to effectuate the original intent of the parties and the Law. However, the Township and the Entity shall not be required to restore the Agreement if it would modify a material condition, the amount of the periodic adjustments or any other term of this Agreement which would result in any economic reduction or loss to the Township.

**ARTICLE XVI
MISCELLANEOUS**

Section 16.1 Construction

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to 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.

Section 16.2 Conflicts

The parties agree that in the event of a conflict between the Application and the language contained in the Agreement, the Agreement shall govern and prevail. In the event of conflict between the Agreement and the Law, the Law shall govern and prevail.

Section 16.3 Oral Representations

There have been no oral representations made by either of the Parties hereto which are not contained in this Agreement. This Agreement, the Ordinance authorizing the Agreement, and the Application constitute the entire Agreement between the Parties, and there shall be no modifications thereto other than by a written instrument approved and executed by both Parties and delivered to each Party.

Section 16.4 Entire Document

This Agreement and all conditions in the Ordinance of the Township Council approving this Agreement are incorporated in this Agreement and made a part hereof

Section 16.5 Good Faith

In their dealings with each other, utmost good faith is required from the Entity and the Township.

Section 16.6 Force Majeure

Neither the City nor the Entity shall be considered to be in breach of, or in Default of, its obligations under this Agreement in the event that any delay in the performance of such obligations is due to a Force Majeure event. In the event of the occurrence of any such delay, the time or times for performance of the obligations of the City or the Entity shall be extended by the period of the delay.

**ATTACHMENT TO ORDINANCE O-26-03 ADOPTED MARCH 24, 2026
AUTHORIZING AGREEMENT**

Section 16.7 Condominium form of ownership of Land

Multiple uses will be developed in separate buildings as recognized in the Redevelopment Plan and Redevelopment Agreement and given the mixed use nature of the Project portions of a building will be devoted to separate uses. It is anticipated that the ownership of the Project Premises and/or the improvements are likely to be held in a condominium form of ownership. Pursuant to the authority granted in the Agreement parts of the Project may be transferred to separate an urban renewal entity which entities will assume the obligations of the Agreement as to that part of the Project. However, in the alternative, pursuant to N.J.S.A. 40A:20-14 d, the parties acknowledge that the building or part of a building and its occupants space which is set up as a condominium unit (for example a retail tenant in ground floor space) shall qualify as tax exempt under Section 14 and for this purpose, the financial agreement authorizes conveyances of units, and assigns proportionate interests in the tax exempt property based on square footage in the condominium units space in relation to the total square footage in the building.

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

ATTESTED OR WITNESSED:

**LACKAWANNA MONTCLAIR URBAN
RENEWAL, LLC**

By: _____

Name:

Title: Authorized Representative

ATTESTED OR WITNESSED:

TOWNSHIP OF MONTCLAIR

Angeles Bermudez Nieves
Montclair Municipal Clerk

By: _____

Dr. Renee Baskerville
Mayor

**ATTACHMENT TO ORDINANCE O-26-03 ADOPTED MARCH 24, 2026
AUTHORIZING AGREEMENT**

EXHIBIT 1

(Metes and Bounds Description Attached)

The Land referred to herein below is situated in the Township of Montclair County of Essex, State of New Jersey, and is described as follows:

TRACT 1:

BEING KNOWN AND DESIGNATED AS Unit A in “ Montclair-Lackawanna Condominium,” together with an undivided 50.00 percentage interest in and to the common elements appurtenant thereto, in accordance with, and subject to the terms, conditions, provisions, covenants, restrictions, easements, and other matters contained in the Master Deed for said Montclair-Lackawanna Condominium, which Master Deed was dated January 19, 2011 and recorded on January 31, 2011 in the Register’s Office of the County of Essex, in Deed Book 12295, Page 8816: Amended and Restated Master Deed dated August 25, 2014 as the same may hereafter be lawfully amended.

Further described in on a survey prepared by Langan Engineering and Environmental Services, Inc., Elmwood Park, New Jersey, Job No. 130066201, dated 19 August 2014, Drawing No. VL-101 as follows:

BEGINNING at a point being the intersection of the Easterly line of Lackawanna Plaza (60 feet wide) and the Northeasterly line of Bloomfield Avenue (80 feet wide) and running; thence

1. Along said Easterly line of Lackawanna Plaza, North 00° 38’ 44” East, a distance of 243.50 feet to a bend point therein; thence
2. Still along the same, North 03° 48’ 19” East, a distance of 119.82 feet to a point on the Southeasterly line of Greenwood Avenue (66 feet wide); thence
3. Along said Southeasterly line of Greenwood Avenue, North 53° 47’ 19” East, a distance of 36.45 feet to a point; thence
4. South 54° 21’ 41” East, a distance of 229.08 feet to a point; thence
5. North 35° 44’ 51” East, a distance of 199.32 feet to a point on the Southwesterly line of Glenridge Avenue (55 feet wide); thence
6. Along said Southwesterly line of Glenridge Avenue, South 44° 46’ 56” East, a distance of 263.32 feet to a point; thence
7. South 04° 30’ 10” East, a distance of 30.52 feet to a point on the Northwesterly line of Grove Street (66 feet wide); thence
8. Along said Northwesterly line of Grove Street, South 35° 46’ 37” West, a distance of 248.54’ to a non-tangent point; thence
9. Still along said Northwesterly line, on a curve to the left having a radius of 6,033.00 feet, an arc length of 293.99 feet and a central angle of 2° 47’ 31” and being subtended by a chord which bears South 34° 22’ 52” West, a distance of 293.96 feet to a non-tangent point, thence
10. South 87° 16’ 06” West, a distance of 23.29 feet to a point on the aforementioned Northeasterly line of said Bloomfield Avenue; thence
11. Along said Northeasterly line of Bloomfield Avenue, North 38° 07’ 24” West, a distance of 317.56 feet to the point of BEGINNING.

Less and except the following:

Unit B in “Montclair-Lackawanna Condominium,” together with an undivided 50.00 percentage interest in and to the common elements appurtenant thereto, in accordance with, and subject to

ATTACHMENT TO ORDINANCE O-26-03 ADOPTED MARCH 24, 2026
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the terms, conditions, provisions, covenants, restrictions, easements, and other matters contained in the Master Deed for said Montclair-Lackawanna Condominium, which Master Deed was dated January 19, 2011, and recorded on January 31, 2011 in the Register's Office of the County of Essex, in Book 12295, Page 8816: Amended and Restated Master Deed dated August 25, 2014 as the same may hereafter be lawfully amended.

PARCEL 2

BEGINNING at a point on the Southeasterly line of Grove Street (66 feet wide), at its intersection with the Northwesterly division line between Block 4202 Lot 4.01 and 4.02 as shown on the current tax assessment maps of the Town of Montclair and running; thence

1. Along said Southeasterly line of Grove Street, North $31^{\circ} 17' 33''$ East, a distance of 87.21 feet to a point of curvature; thence
2. Still along the same, on a curve to the right having a radius of 1044.00 feet, an arc length of 49.69 feet and a central angle of $02^{\circ} 43' 38''$, and being subtended by a chord which bears North $32^{\circ} 39' 41''$ East, a distance of 49.69 feet to a point of compound curvature; thence
3. Still along the same, on a curve to the right having a radius of 5967.00 feet, an arc length of 181.92 feet and a central angle of $01^{\circ} 44' 48''$ and being subtended by a chord which bears North $34^{\circ} 54' 12''$ East, a distance of 181.91 feet to a non-tangent point; thence
4. Still along same, North $35^{\circ} 46' 37''$ East, a distance of 239.53 feet to a point; thence
5. North $87^{\circ} 13' 07''$ East, a distance of 24.93 feet to a point on the Southwesterly line of Glenridge Avenue (55 feet wide); thence
6. Along said Southwesterly line of Glenridge Avenue, South $41^{\circ} 20' 23''$ East, a distance of 224.24 feet to a point; thence
7. South $41^{\circ} 33' 31''$ West, a distance of 165.00 feet to a point; thence
8. South $43^{\circ} 35' 17''$ East, a distance of 100.39 feet to a point; thence
9. South $51^{\circ} 52' 36''$ West, a distance of 427.93 feet to a point on the Northeasterly line of Bloomfield Avenue (80 feet wide), thence
10. Along said Northeasterly line, North $38^{\circ} 07' 24''$ West, a distance of 48.69 feet to a point; thence
11. Along the Southeasterly division line between Block 4202 Lots 4.01 and 4.02, North $51^{\circ} 56' 39''$ East, a distance of 177.45 feet to a point; thence
12. Along the Northeasterly division line between Block 4202 Lots 4.01 and 4.02, North $38^{\circ} 37' 24''$ West, a distance of 154.18 feet a point; thence
13. Along the aforementioned Northwesterly division line between Block 4202 Lots 4.01 and 4.02, South $51^{\circ} 22' 36''$ West, a distance of 161.01 feet to a point on the aforementioned Southeasterly line of Grove Street being the point of BEGINNING.

TRACT 2

BEING KNOWN AND DESIGNATED AS Unit B in "Montclair-Lackawanna Condominium," together with an undivided 50.00 percentage interest in and to the common elements appurtenant thereto, in accordance with, and subject to the terms, conditions, provisions, covenants, restrictions, easements, and other matters contained in the Master Deed for said Montclair-Lackawanna Condominium, which Master Deed was dated January 19, 2011, and recorded on January 31, 2011 in the Register's Office of the County of Essex, in Book 12295, Page 8816; Amended and Restated Master Deed dated August 25, 2014 and about to be recorded in the Register's Office of the County of Essex as the same may hereafter be lawfully amended.

NOTE: FOR INFORMATION ONLY: Being Lot(s) 200001, Block(S) 3213 and Block 4202 Lot 4.02; Tax Map of the Township of Montclair County of Essex in the State of New Jersey.

**ATTACHMENT TO ORDINANCE O-26-03 ADOPTED MARCH 24, 2026
AUTHORIZING AGREEMENT**

EXHIBIT 2

(Application Attached)

[APPLICATION TO BE ATTACHED]

WILENTZ
—ATTORNEYS AT LAW—
WILENTZ, GOLDMAN & SPITZER, P.A.

ANNA MONFORTH, ESQ.

T: 732.855.6044
F: 732.726.4844
amonforth@wilentz.com

90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095-0958
732.636.8000

MONTCLAIR TWP. CLERK
17 MAR '26 AM 9:47

March 16, 2026

Via E-Mail

Joseph G. Ragno, Esq.
Waters, McPherson, McNeil, P.C.
300 Lighting Way
Secaucus, New Jersey 07096

**Re: Application for Tax Abatement
Lackawanna Montclair Urban Renewal LLC
Block 3213, Lot 1 and Block 4202, Lots 4.01 and 4.02**

Dear Mr. Ragno:

We previously emailed you a copy of the Certification of David Placek, Managing Partner of Lackawanna Montclair Urban Renewal LLC (the "Applicant"), regarding the ownership of any interest of 10% of the Entity. The Certification, a copy of which is attached hereto, shall supplement the Application for Tax Abatement submitted on January 14, 2025 [sic 2026], a copy of which is also attached for your reference.

Very truly yours,

WILENTZ, GOLDMAN & SPITZER, P.A.

By: 
Anna Monforth

AM/hs
Enclosures
cc: Anne S. Babineau, Esq. (*via email*)

CERTIFICATION

David Placek is the only party who owns more than 10% of the ownership interest in Lackawanna Montclair Urban Renewal LLC.

I certify that all of the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

LACKAWANNA MONTCLAIR URBAN RENEWAL LLC

By:  _____
David Placek
Managing Partner

Date: 2/19/2026

ANNE S. BABINEAU, ESQ.

T: 732.855.6057
F: 732.726.6587
ababineau@wilentz.com

90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095-0958
732.636.8000

January 14, 2025

Via Hand Delivery

Mayor Renee Baskerville, M.D.
Township of Montclair
205 Claremont Avenue
Montclair, New Jersey 07042

Re: Application for Tax Abatement
Applicant: Lackawanna Montclair Urban Renewal LLC
Property: Block 3213, Lot 1 and Block 4202, Lots 4.01 and 4.02

Dear Mayor Baskerville:

On behalf of Applicant, Lackawanna Montclair Urban Renewal LLC, we hereby submit ten (10) copies of a final revised version of the Application for Tax Abatement for the above-referenced property. It reflects the terms and conditions that have been negotiated by the Township. Applicant respectfully requests that the Council take action expeditiously so that Applicant can move forward with the implementation of the Redevelopment Plan. It is our understanding each Council Member will be provided with one of the copies of the enclosed application. Please contact our office if you have any questions.

Very truly yours,



ANNE S. BABINEAU

ASB/rmn/encl.

cc: Stephen Marks, Township Manager
Erik D'Amato, Council Member
Eileen Birmingham, Council Member
Rahum Williams, Council Member
Aminah Toler, Council Member
William Harrison, Council Member
Joseph G. Ragno, Esq.
E. Neal Zimmerman, Esq.
David Placek, CEO

APPLICATION FOR TAX ABATEMENT

Names, addresses and telephone numbers of the following:

1. Applicant(s) Lackawanna Montclair Urban Renewal LLC
c/o BDP Holdings, LLC ("BDP")
7 Oak Place, Suite 130
Montclair NJ 07042
-

2. Developer: Lackawanna Montclair Urban Renewal LLC
c/o BDP Holdings, LLC
7 Oak Place, Suite 130
Montclair NJ 07042
-

3. Architects: Gensler
10 North Park Place
Suite 400
Morristown, NJ 07960

Dattner Architects
498 Seventh Avenue
20th Floor
New York, NY 10018
-

4. Applicant's Attorney: Wilentz, Goldman & Spitzer, P.A.
90 Woodbridge Center Drive
Suite 900
Woodbridge, NJ 07095

GENERAL STATEMENT

- A. A general statement of the nature of the proposed project.

A five to six (5-6) story mixed-use, transit oriented project (with setbacks and step backs), preservation of remaining features of Lackawanna Terminal, a state of the art supermarket (30,000-50,000 SF), office (approximately 75,000 SF), retail (approximately 40,000 SF), residences (including approximately 210 market, 60 affordable and 30 workforce homes), the required concealed structured parking, and green building technology features, open space including plazas and public gathering spaces (on 20% of the Project Site)

- B. The project conforms to all applicable municipal ordinances.

- C. The project accords with:

1. the Lackawanna Plaza Redevelopment Plan, and
2. the Master Plan of the Township).

- D. For redevelopment relocation housing project:

1. The project will not require the relocation of residents.

- E. For low and moderate income housing project:

1. 60 of the dwelling units, but no more than 20% of all units for which a site plan is approved for the development will be made available as affordable to very low-, low- and moderate-income households.
2. In addition, 30 dwelling units, but no more than 10% of all units for which a site plan is approved for development which will be made available as workforce housing for occupancy by households earning between 80% and 120% of Area Median Income.

DESCRIPTION OF THE PROPOSED PROJECT

A description of the proposed project:

1. Outlining the area included, and

Description of Property (see Metes and Bounds Description, Exhibit 1 to attached Proposed Financial Agreement):

Address: 1 Lackawanna Plaza, 233 Bloomfield Ave (and other property)

Block and Lot: Block 3213, Lot 1 and Block 4202, Lots 4.01 and 4.02

Size of Parcel: Approximately 8.23 acres

2. A description of each unit thereof if the project is to be undertaken in units:

It is anticipated that individual buildings or groups of buildings may be undertaken as units or phases

Units	Location	Lot #	Presently owned by
A&B	Block 3213	2	BDP
C	Block 3213	2	BDP
D	Block 4202	4.01 & 4.02	BDP
E	Block 4202	4.01 & 4.02	BDP

3. Setting forth architectural and Concept Plan(s).

The attached Concept Plan reflect the general appearance of the Project buildings. However architecture has yet to be completed and will be submitted with site plan application. See Exhibit F.

EXHIBIT A

ESTIMATED TOTAL PROJECT COSTS
(N.J.S.A. 40A:20-3(h), as amended)

"Cost of land and improvements <i>to the entit</i> , whether acquired from a private or a public owner, with cost in the case of leasehold interests to be computed by capitalizing the aggregate rental at a rate provided in the financial agreement"	\$ 20,275,000.00
(2) Architect, engineer and attorney fees, paid or payable by the entity in connection with the planning, construction and financing of the project	\$ 4,000,000.00
(3) Surveying and testing charges in connection therewith	\$ 300,000.00
(4) A statement prepared by a qualified architect or engineer of the estimated cost of the proposed project in the detail required, including the estimated cost of each unit to be undertaken.	220,934,350
Public Plazas and Open Space	\$ 8,405,000.00
Historic Preservation Costs	\$ 8,000,000.00
Environmental Sustainability Costs	\$ 12,500,000.00
Infrastructure Costs	\$ 7,000,000.00
Litigation Costs	\$ 1,000,000.00
(5) Insurance, interest and finance costs during construction	\$ 22,853,531.00
(6) Costs of obtaining initial permanent financing	\$ 2,500,000.00
(7) Commissions and other expenses paid or payable in connection with initial leasing	\$ 6,737,802.75
(8) Real estate taxes and assessments during the construction period	\$ 1,200,000.00
(9) A developer's overhead based on a percentage of actual construction costs, to be computed at not more than the schedule set forth in N.J.S.A. 40A:20-3(h)	\$ 11,046,717.50
Total Estimated Project Costs:	\$ 326,752,401.25

* Gensler, Dattner and Langan Engineering provided the inputs for preparation of the Statement of the estimated cost of the proposed project.

EXHIBIT B
ANNUAL GROSS REVENUES
PROJECTED ANNUAL GROSS RENTS

See Revenues on Fiscal Plan which is part of Exhibit D attached hereto.

EXHIBIT C

SOURCE, METHOD AND AMOUNT OF MONEY TO BE
SUBSCRIBED THROUGH INVESTMENT OF PRIVATE CAPITAL

The project will be funded by a mix of developer equity and conventional institutional financing. During the construction period it is anticipated that the sources of capital will be approximately 35% cash equity of the developer and 65% commercial loan financing.

EXHIBIT D
FISCAL PLAN

Schedule of Annual Gross Revenue at year 3 (stabilization): \$23,609,084

Estimated Expenditures for Operating and Maintenance at year 3: \$4,444,647

Payment for Interest – at year 3: \$14,541,436 (assumes 7% interest)

Amortization of Debt - at year 3: none (assumes Interest Only Debt during construction)

Payment to be made pursuant to this Financial Agreement at year 3: \$2,360,908

Attached is a 30 year Cash Flow analysis which is based on the following assumption for PILOT: a Financial Agreement with a term of 30 years and a PILOT of 10% x AGR for years 1-5, 11% x AGR for years 6-10, 12.5% x AGR for years 11-20, 13.5% x AGR in years 21-30.

(The AGR, O&M Expenses (including Reserve for Debt) and PILOT estimates are taken from the attached Annual Cash Flow analysis (Estimate of Interest and Amortization of Debt and reflect estimates upon stabilization in year 3)



	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue										
Market Rate Income	8,860,819	8,741,215	8,618,040	8,664,360	9,276,248	9,461,773	9,561,008	9,844,328	10,040,906	10,241,727
Workforce Income	870,005	887,405	905,153	923,256	941,721	960,555	978,766	999,362	1,019,348	1,038,736
Affordable Income	848,724	865,699	883,013	900,673	918,888	937,590	956,811	976,546	996,816	1,017,604
Gross Potential Rent	10,268,548	10,294,319	10,206,206	10,318,288	11,136,857	11,350,918	11,506,575	11,818,307	12,054,874	12,293,767
2% Loss to Lease & Concessions (%)	(705,711)	(718,885)	(718,386)	(718,386)	(727,133)	(737,152)	(747,988)	(759,688)	(772,319)	(785,915)
Gross Scheduled Rent	10,982,777	10,294,432	10,487,821	10,699,903	11,863,724	12,083,770	12,258,587	12,058,619	11,282,555	11,507,852
5% Vacancy (Substated at 5%)	(6,929,463)	(1,437,114)	(524,506)	(534,986)	(645,660)	(667,142)	(689,397)	(712,407)	(736,140)	(760,463)
2% Management and Other Expenses (2%)	(83,066)	(176,946)	(203,312)	(203,288)	(207,332)	(211,512)	(215,742)	(220,024)	(224,458)	(228,947)
Net Commercial Rental Income	3,970,248	2,680,362	2,759,999	2,962,327	4,110,752	4,205,916	4,353,448	4,026,182	3,222,057	3,418,442
Commercial Rental Income	1,176,911	1,312,485	1,339,716	1,365,489	1,392,769	1,420,656	1,449,068	1,478,048	1,507,670	1,537,102
Retail Income										
Retail - Building A	784,686	1,065,388	1,088,674	1,108,407	1,130,576	1,163,187	1,176,251	1,190,778	1,223,771	1,248,247
Retail - Building B	264,418	705,883	722,007	734,401	749,089	770,352	779,352	794,909	810,898	819,898
Retail - Building D+E	91,898	597,653	609,608	621,798	634,234	646,919	659,857	673,054	686,515	700,245
Total Retail	1,137,002	2,368,924	2,420,289	2,464,606	2,489,700	2,520,466	2,555,465	2,606,741	2,701,524	2,758,988
Office Income	2,480,263	2,958,001	3,017,161	3,077,504	3,139,054	3,201,835	3,265,872	3,331,180	3,397,873	3,465,769
Building A	616,016	1,044,750	1,065,646	1,085,958	1,106,687	1,130,871	1,153,468	1,176,558	1,200,081	1,224,091
Building B	539,626	2,183,580	2,227,251	2,271,798	2,317,232	2,363,577	2,410,848	2,459,285	2,508,247	2,558,142
Building C	3,324,521	3,770,671	3,724,264	3,761,756	3,801,117	3,842,487	3,885,717	3,929,900	3,975,042	4,021,149
Total Office	6,539,200	7,998,901	8,026,676	8,121,056	8,257,405	8,367,935	8,480,097	8,595,743	8,714,060	8,835,291
5% Vacancy (5%)	(311,739)	(492,603)	(502,547)	(512,590)	(522,659)	(532,859)	(543,093)	(553,362)	(563,666)	(574,000)
2% Contingency (2%)	(24,716)	(107,077)	(201,079)	(205,039)	(209,149)	(213,389)	(217,760)	(222,164)	(226,593)	(231,047)
Net Commercial Rental Income	5,799,745	7,195,701	7,323,050	7,403,967	7,527,601	7,611,897	7,700,244	7,792,617	7,888,801	7,988,244
Other Income	174,314	216,807	233,838	237,794	244,868	252,243	259,811	267,606	275,633	283,907
Abatement Reimbursable Income	1,365,968	1,658,472	1,917,233	2,046,172	2,104,836	2,164,920	2,226,462	2,289,500	2,353,141	2,417,387
Contractual Reimbursable Income	389,635	732,790	788,196	788,196	788,196	788,196	788,196	788,196	788,196	788,196
Parking Income - Residential	289,077	562,477	603,472	603,472	603,472	603,472	603,472	603,472	603,472	603,472
Parking Income - Transit	300,744	600,730	600,730	600,730	600,730	600,730	600,730	600,730	600,730	600,730
Miscellaneous	153,007	251,300	264,421	269,710	275,104	280,618	286,352	292,200	298,161	304,237
Total Other Income	2,499,405	3,409,776	3,604,365	3,635,266	3,670,236	3,709,407	3,752,002	3,798,165	3,847,893	3,899,237
Effective Gross Revenue	11,568,961	12,448,151	12,607,088	12,639,233	12,697,832	12,722,255	12,722,255	12,722,255	12,722,255	12,722,255
Multiyear Expenses										
Administrative	(39,375)	(75,268)	(82,989)	(82,989)	(85,479)	(88,043)	(90,654)	(93,405)	(96,207)	(99,053)
Management Fee (3%)	(25,407)	(50,814)	(50,814)	(50,814)	(50,814)	(50,814)	(50,814)	(50,814)	(50,814)	(50,814)
Insurance	(210,618)	(217,142)	(223,657)	(230,172)	(236,687)	(243,202)	(249,717)	(256,232)	(262,747)	(269,262)
Leasing & Marketing	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Professional Fees/Legal	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Landscaping/Contractors	(75,750)	(75,750)	(75,750)	(75,750)	(75,750)	(75,750)	(75,750)	(75,750)	(75,750)	(75,750)
Real Estate	(161,444)	(161,444)	(161,444)	(161,444)	(161,444)	(161,444)	(161,444)	(161,444)	(161,444)	(161,444)
Utilities	(31,500)	(31,500)	(31,500)	(31,500)	(31,500)	(31,500)	(31,500)	(31,500)	(31,500)	(31,500)
Extraordinary Costs	(275,500)	(275,500)	(275,500)	(275,500)	(275,500)	(275,500)	(275,500)	(275,500)	(275,500)	(275,500)
Capital Reserves	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Total Multiyear Expenses	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Commercial Expenses										
Administrative	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Measurement Fee (3%)	(25,407)	(50,814)	(50,814)	(50,814)	(50,814)	(50,814)	(50,814)	(50,814)	(50,814)	(50,814)
Payroll	(248,248)	(248,248)	(248,248)	(248,248)	(248,248)	(248,248)	(248,248)	(248,248)	(248,248)	(248,248)
Insurance	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
Professional Fees/Legal	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
Landscaping/Contractors	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
Real Estate	(161,444)	(161,444)	(161,444)	(161,444)	(161,444)	(161,444)	(161,444)	(161,444)	(161,444)	(161,444)
Utilities	(31,500)	(31,500)	(31,500)	(31,500)	(31,500)	(31,500)	(31,500)	(31,500)	(31,500)	(31,500)
Extraordinary Costs	(275,500)	(275,500)	(275,500)	(275,500)	(275,500)	(275,500)	(275,500)	(275,500)	(275,500)	(275,500)
Capital Reserves	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Total Commercial Expenses	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Net Operating Income	1,168,961	1,448,151	1,607,088	1,639,233	1,697,832	1,722,255	1,722,255	1,722,255	1,722,255	1,722,255
10% Real Estate Loss (10%)	(116,896)	(144,815)	(160,709)	(163,923)	(169,783)	(172,226)	(172,226)	(172,226)	(172,226)	(172,226)
Net Operating Income	1,052,065	1,303,336	1,446,379	1,475,310	1,528,049	1,550,029	1,550,029	1,550,029	1,550,029	1,550,029
Return	2.3%	4.1%	5.1%	5.2%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%



	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenues										
Merch Retail Income	12,988,898	13,248,766	13,764,016	14,059,888	14,627,708	14,920,282	15,218,888	15,518,888	15,818,888	16,118,888
Workforce Income	1,292,781	1,345,069	1,371,910	1,427,335	1,464,569	1,514,630	1,544,983	1,574,983	1,604,983	1,634,983
Allocated Income	1,286,383	1,312,140	1,336,363	1,366,120	1,402,212	1,437,876	1,473,983	1,509,541	1,545,541	1,581,541
Gross Potential Rent	15,567,862	15,905,975	16,476,289	16,853,343	17,504,489	17,872,837	18,297,854	18,724,412	19,151,412	19,578,412
2% Loss to Lease & Concessions (%)	(311,880)	(318,118)	(324,480)	(337,589)	(351,228)	(365,352)	(379,941)	(395,083)	(410,783)	(427,033)
Gross Scheduled Rent	15,255,982	15,587,857	16,151,809	16,515,754	17,153,261	17,507,485	17,917,913	18,329,329	18,740,629	19,151,379
5% Vacancy (Scheduled at 5%)	(769,124)	(774,389)	(787,816)	(800,488)	(813,411)	(826,683)	(840,304)	(854,273)	(868,590)	(883,255)
2% Leasing and Non Revenue Units (%)	(294,384)	(298,162)	(302,091)	(306,169)	(310,396)	(314,772)	(319,297)	(323,971)	(328,794)	(333,766)
Net Commercial Rental Income	14,192,474	14,509,296	15,061,902	15,409,097	15,929,854	16,366,030	16,807,639	17,253,656	17,704,834	18,160,363
Commercial Rental Income	1,912,314	1,985,260	2,065,828	2,111,018	2,198,303	2,240,230	2,282,803	2,326,023	2,369,893	2,414,313
Grocer										
Retail Income										
Retail - Building B	1,652,338	1,614,740	1,617,036	1,619,076	1,621,863	1,625,397	1,628,683	1,631,723	1,634,519	1,637,063
Retail - Building C	1,098,175	1,048,339	1,048,916	1,049,683	1,050,549	1,051,516	1,052,583	1,053,650	1,054,717	1,055,784
Retail - Building D-E	870,567	888,081	923,959	961,287	1,000,123	1,020,126	1,040,528	1,061,430	1,082,832	1,104,734
Total Retail	3,621,080	3,551,160	3,690,911	3,728,046	3,672,035	3,746,042	3,774,923	3,846,870	3,918,069	4,006,581
Office Income										
Building A	4,309,246	4,395,433	4,472,000	4,548,489	4,624,978	4,698,467	4,770,956	4,842,445	4,913,934	5,000,423
Building B	1,522,303	1,552,444	1,615,162	1,647,466	1,680,304	1,714,023	1,748,304	1,783,078	1,818,352	1,854,026
Building C	3,191,363	3,244,083	3,375,770	3,445,280	3,592,394	3,694,042	3,772,128	3,849,614	3,927,100	4,004,586
Total Office	9,022,912	9,192,960	9,462,872	9,641,235	9,995,776	10,112,533	10,315,494	10,534,638	10,759,416	11,009,035
5% Vacancy (5%)	(717,720)	(732,116)	(746,758)	(761,659)	(776,827)	(792,266)	(807,977)	(823,952)	(840,192)	(856,707)
2% Delinquency (%)	(897,104)	(922,946)	(948,803)	(974,676)	(1,000,564)	(1,026,467)	(1,052,385)	(1,078,318)	(1,104,266)	(1,130,229)
Net Commercial Rental Income	8,507,648	8,844,234	9,367,341	9,641,705	10,195,084	10,389,300	10,587,370	10,789,861	10,996,480	11,207,429
Other Income	392,387	404,777	416,920	428,427	439,314	449,681	459,528	468,864	477,691	486,008
Averaged/Reimbursable Income	3,309,237	3,495,045	3,703,111	3,904,037	4,107,910	4,313,731	4,521,500	4,731,217	4,942,883	5,156,500
Commercial Reimbursable Income	1,100,387	1,142,342	1,184,342	1,226,387	1,268,476	1,310,609	1,352,786	1,395,007	1,437,272	1,479,583
Parking Income - Residential	945,306	951,900	958,769	965,642	972,519	979,400	986,285	993,173	1,000,064	1,006,958
Parking Income - Office	1,098,191	1,096,914	1,095,614	1,094,314	1,093,014	1,091,714	1,090,414	1,089,114	1,087,814	1,086,514
Miscellaneous	377,886	392,521	407,156	421,791	436,426	451,061	465,696	480,331	494,966	509,601
Total Other Income	3,873,907	4,097,119	4,327,131	4,557,143	4,787,155	5,017,167	5,247,179	5,477,191	5,707,203	5,937,215
Effective Gross Revenue	34,811,497	35,017,449	35,817,387	36,586,248	37,426,130	38,326,861	39,288,691	40,311,643	41,405,932	42,571,360
Multifamily Expenses										
Administrative	(137,160)	(141,283)	(145,422)	(149,587)	(153,776)	(157,988)	(162,223)	(166,481)	(170,761)	(175,063)
Management Fee (3%)	(418,461)	(428,830)	(439,366)	(449,974)	(460,653)	(471,404)	(482,227)	(493,123)	(504,091)	(515,132)
Payroll	(697,511)	(710,240)	(723,173)	(736,318)	(749,674)	(763,241)	(777,019)	(790,908)	(804,909)	(819,022)
Insurance	(392,163)	(392,163)	(392,163)	(392,163)	(392,163)	(392,163)	(392,163)	(392,163)	(392,163)	(392,163)
Leasing & Marketing	(137,168)	(141,283)	(145,422)	(149,587)	(153,776)	(157,988)	(162,223)	(166,481)	(170,761)	(175,063)
Professional Fees/Legal	(90,306)	(93,015)	(95,805)	(98,676)	(101,628)	(104,661)	(107,774)	(110,966)	(114,237)	(117,588)
Landscaping/Contract	(180,311)	(186,026)	(191,810)	(197,663)	(203,584)	(209,572)	(215,627)	(221,749)	(227,937)	(234,191)
RAM	(274,336)	(282,567)	(290,844)	(299,166)	(307,533)	(315,945)	(324,402)	(332,904)	(341,451)	(350,043)
Utilities	(413,510)	(428,081)	(442,863)	(457,856)	(473,060)	(488,474)	(504,098)	(519,932)	(535,976)	(552,230)
Trash	(139,730)	(143,027)	(146,344)	(149,681)	(153,048)	(156,445)	(159,872)	(163,329)	(166,816)	(170,333)
Extraordinary Costs	(483,280)	(497,778)	(512,711)	(528,081)	(543,887)	(559,128)	(574,804)	(590,115)	(605,961)	(622,137)
Capital Reserves	(182,580)	(187,497)	(192,430)	(197,379)	(202,343)	(207,322)	(212,316)	(217,325)	(222,349)	(227,387)
Total Multifamily Expenses	(4,045,362)	(4,153,330)	(4,261,321)	(4,369,346)	(4,477,405)	(4,585,498)	(4,693,625)	(4,801,786)	(4,910,081)	(5,018,412)
Net Commercial Rental Income	4,462,386	4,690,904	5,100,020	5,272,359	5,717,679	5,803,802	5,994,966	6,190,862	6,392,401	6,600,057
Commercial Expenses										
Administrative	(30,306)	(30,815)	(31,324)	(31,833)	(32,342)	(32,851)	(33,360)	(33,869)	(34,378)	(34,887)
Management Fee (3%)	(400,510)	(408,521)	(416,532)	(424,543)	(432,554)	(440,565)	(448,576)	(456,587)	(464,598)	(472,609)
Payroll	(695,410)	(705,172)	(714,934)	(724,696)	(734,458)	(744,220)	(753,982)	(763,744)	(773,506)	(783,268)
Insurance	(406,375)	(418,566)	(430,757)	(442,948)	(455,139)	(467,330)	(479,521)	(491,712)	(503,903)	(516,094)
Leasing & Marketing	(135,538)	(139,570)	(143,602)	(147,634)	(151,666)	(155,698)	(159,730)	(163,762)	(167,794)	(171,826)
Professional Fees/Legal	(90,306)	(93,015)	(95,805)	(98,676)	(101,628)	(104,661)	(107,774)	(110,966)	(114,237)	(117,588)
Landscaping/Contract	(180,311)	(186,026)	(191,810)	(197,663)	(203,584)	(209,572)	(215,627)	(221,749)	(227,937)	(234,191)
RAM	(274,336)	(282,567)	(290,844)	(299,166)	(307,533)	(315,945)	(324,402)	(332,904)	(341,451)	(350,043)
Utilities	(413,510)	(428,081)	(442,863)	(457,856)	(473,060)	(488,474)	(504,098)	(519,932)	(535,976)	(552,230)
Trash	(139,730)	(143,027)	(146,344)	(149,681)	(153,048)	(156,445)	(159,872)	(163,329)	(166,816)	(170,333)
Extraordinary Costs	(483,280)	(497,778)	(512,711)	(528,081)	(543,887)	(559,128)	(574,804)	(590,115)	(605,961)	(622,137)
Capital Reserves	(182,580)	(187,497)	(192,430)	(197,379)	(202,343)	(207,322)	(212,316)	(217,325)	(222,349)	(227,387)
Total Commercial Expenses	(3,045,362)	(3,153,330)	(3,261,321)	(3,369,346)	(3,477,405)	(3,585,498)	(3,693,625)	(3,801,786)	(3,910,081)	(4,018,412)
Net Operating Income	1,417,024	1,537,574	1,838,700	1,903,013	2,240,279	2,218,304	2,301,341	2,389,076	2,480,320	2,581,645
10% Real Estate Taxes (10%)	(4,698,310)	(4,778,198)	(4,858,086)	(4,937,974)	(5,017,862)	(5,097,750)	(5,177,638)	(5,257,526)	(5,337,414)	(5,417,302)
Net Operating Income	22,182,306	22,348,382	22,589,320	22,844,102	23,314,881	23,811,111	24,333,703	24,882,548	25,457,636	26,058,357
Rebates										
Rebate										

EXHIBIT E
PROPOSED FINANCIAL AGREEMENT

Long Term Tax Exemption
N.J.S.A. 40A:20-1, et seq.

Re: Lackawanna Montclair Urban Renewal, LLC
Montclair, New Jersey
Block 3213, Lot 2 and Block 4202, Lots 4 and 4.01

THIS FINANCIAL AGREEMENT, ("Agreement") is made the ____ day of _____, 2026 (the "Effective Date") by and between **LACKAWANNA MONTCLAIR URBAN RENEWAL, LLC**, an urban renewal entity formed as a Delaware limited liability company and 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," "LTTE" or "Law"), having its principal office at 7 Oak Place, Montclair, New Jersey c/o BDP Holdings, LLC ("Entity"), and the **TOWNSHIP OF MONTCLAIR**, a Municipal Corporation of the State of New Jersey, having its principal office at 205 Claremont Avenue, Montclair, New Jersey 07042 ("Township").

RECITALS

WITNESSETH:

WHEREAS, the Township functions as a redevelopment entity pursuant to the provisions of the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq. (the "Local Redevelopment and Housing Law" or "LRHL") with responsibility for implementing redevelopment plans and carrying out redevelopment projects in the Township of Montclair; and

WHEREAS, on March 10, 2015 by Resolution R-15-055 and on July 21, 2015 by Resolution R-15-116 ("2015 Resolution") based on the Planning Board's recommendations and in accordance with the criteria set forth in the LRHL, the Township Council of the Township of Montclair (the "Township Council") designated an area in need of redevelopment within the downtown portion of the Township ("Downtown Redevelopment Area"), which area included the approximately 8-acre area comprised of Block 3213, Lot 2 and Block 4202, Lots 4 and 4.01 shown on the Township's official tax map as described on the metes and bounds description attached to this Agreement as Exhibit 1 ("Project Premises" or the "Property"); and

WHEREAS, despite the Township Council's undertaking of efforts to develop a program for the redevelopment of the Downtown Redevelopment Area, including adoption of redevelopment plans and the implementation of those plans through the development of mixed use projects known as Seymour Street and Church Street, the Project Premises remained designated as a redevelopment area but with no redevelopment plan; and

WHEREAS, eventually a draft redevelopment plan dated June 1, 2017 was prepared ("2017 Plan") as authorized in the two 2015 Resolutions referenced above, and the Township Council dated July 10, 2017 Plan to the Planning Board for its review. In a Resolution dated July 10, 2017 the Planning Board incorporated a report which contained 19 recommendations

including a recommendation to reduce density from 350 units, require greater setbacks and step backs, specify size of supermarket, require affordable & workforce housing, identify and provide greater integration of historic elements, feature storefronts that would open onto the Main Plaza, include architectural design that would showcase the important Township asset and bring economic activity, and other recommended details (“2017 Resolution”). Based on the 2017 Resolution, the Municipal Planner arranged for the incorporation of Planning Board input into the 2017 Plan to produce a new draft called the “Revised Redevelopment Plan dated August 25, 2017” (“Revised 2017 Plan”); and

WHEREAS, the then owner of the Project Premises decided not to pursue its project under the terms of the then proposed Revised 2017 Plan, but instead filed a site plan application based on the prevailing zoning, seeking to develop the Project Premises as a mixed use project with residential apartments, a supermarket and other commercial development, which application was approved by the Planning Board on February 11, 2019 (“2019 Site Plan Approval”); and

WHEREAS, the 2019 Site Plan Approval was challenged by A Better Lackawanna, LLC, certain members of the public, and the adjacent property owner, One Greenwood, LLC. The owner of the Project Premises intervened as a party defendant and the 2019 Site Plan Approval was upheld by the Trial Court; and

WHEREAS, BDP Holdings LLC (“BDP”) acquired the Project Premises in 2021 and engaged a team of design and development professionals to consider how the Project Premises could be redeveloped consistent with the fundamental principles contained in the Revised 2017 Plan provided by the Municipal Planner; and

WHEREAS, after BDP had taken title, it successfully defended the 2019 Site Plan Approval in the Appellate Division; and

WHEREAS, after further public input, and after development concepts and studies were prepared by BDP’s professionals, at the request of the Township, to allow the Township Council to consider the impact of various proposed changes to the redevelopment plan, the Revised 2017 Plan was further revised to produce the October 2022 version of the redevelopment plan (“October 2022 Plan”) and on December 20, 2022, the Township Council introduced Ordinance 0-22-29 to approve the October 2022 Plan. The October 2022 Plan was posted on the Township’s website and was the subject of further significant public comment at multiple community group meetings.

WHEREAS, the October 22 Plan was again reviewed by the Planning Board, which issued a report dated January 23, 2023, stating that it “fully supports the goal of a broad scale, well-designed, mixed-use development at Lackawanna Plaza and commends the Council for its insistence that any Lackawanna Plaza project include needed features like a large percentage of affordable housing, an economically viable supermarket and public spaces” and it “agreed that the Redevelopment Plan comports with certain broad goals of the Master Plan” but the Planning Board prepared a report to the Township Council with 12 Findings and related Recommendations to improve the October 2022 Plan; and

WHEREAS, Ordinance 0-22-29 was reintroduced by the Township Council, which Ordinance noted that the following examples of negative conditions remained prevalent: the

shopping center which had been developed in the 1980s on the Property “has declined over the years and is now largely vacant;” “the disconnection from vehicular and pedestrian areas significantly reduces visibility of the site which has negative implications on the economic success and safety of the property;” “the tunnel structure connecting the western portion of the Lackawanna Plaza Area from the eastern portion” was described in text and photographs as “dilapidated” and evidencing “water running down the tunnel walls;” and

WHEREAS, in response to certain of the Planning Board recommendations, other public and BDP input, the Redevelopment Plan dated August 2023 (“August 2023 Plan) was posted on the Township website. The Planning Board then reviewed that version of the Redevelopment Plan and provided its report to the Township Council on September 29, 2023 acknowledging that the Redevelopment Plan was “improved in several respects” but recommended further changes to the Redevelopment Plan; and

WHEREAS, on October 10, 2023, the Township Council approved Ordinance O-22-29 adopting the August 2023 Plan after taking into consideration input from the hearing conducted on October 10, 2023, as well as input from the Planning Board, and comments from members of the public at many Township Council meetings throughout the period after the August 2023 Plan was posted on the Township’s website, the public input from community meetings and the comments of BDP. The Township found that the August 2023 Plan was designed to achieve the Master Plan goals for the area covered by the August 2023 Plan; and

WHEREAS, the LRHL authorizes the Township to arrange or contract with a redeveloper for the planning, construction or undertaking of any project or redevelopment work in an area designated as an area in need of redevelopment; and

WHEREAS, in furtherance of the objectives of the Township, BDP is proposing to construct a five to six (5-6) story mixed-use transit-oriented project (with setbacks and step backs), preservation of remaining features of the Lackawanna Terminal, a state-of-the-art supermarket (approximately 40,000 SF), office (approximately 75,000 SF), residences (including approximately 210 market rate, 60 affordable and 30 workforce homes), the required concealed structured parking, and green building technology features, (collectively known as the “Project”), all in accordance with the provisions of this Agreement and the August 2023 Plan (the “Project”); and

WHEREAS, by Ordinance O-24-09, adopted at the Township Council’s regular meeting on May 23, 2024 the Township Council reintroduced and approved the August 2023 Plan, as the redevelopment plan for the Project Premises, superseding, repealing and replacing Ordinance O-22-29, and finding again that the August 2023 Plan was designed to achieve the Master Plan goals for the area covered by the August 2023 Plan, and attaching to the Ordinance a copy of the August 2023 Plan that includes a Master Plan Consistency Review which concluded that the August 2023 Plan was consistent with specific major Elements of the Master Plan and furthers and advances other objectives of the Master Plan (the “Redevelopment Plan”), and

WHEREAS, a copy of the Redevelopment Plan is on file at the Township; and

WHEREAS, the Redeveloper proposes to construct the Project in four major Phases (Phases 1A and 1B-Buildings A and B, Phases 2A and 2B- Buildings D and E, Phase 3-Building C, and Phase 4- two floors of Office Development in Building A), as those Buildings are identified in the Redevelopment Plan (See Concept Plan attached hereto as Exhibit F to the Application); and

WHEREAS, by Resolution R-24-216, adopted at the Township Council’s regular meeting on September 24, 2024, the Township Council designated BDP Holdings LLC based on a description of the team set forth in a Letter dated December 18, 2023, for purposes of negotiating an agreement for redevelopment; and

WHEREAS, on _____, the Entity, an affiliate of BDP, entered into an agreement to undertake the Project defined in the Redevelopment Plan for the implementation of the redevelopment of the Project Premises (“Redevelopment Agreement”); and

WHEREAS, the Entity filed an application with the Township for a long term tax exemption for the Project, a copy of which is attached hereto as Exhibit 2 (the "Application"); and

WHEREAS, by way of [Ordinance _____], adopted on [_____], a copy of which Ordinance is attached hereto as Exhibit 3 (the "Ordinance"), the Township Council made the following findings:

- A. The Project represents a desired use of the Project Premises and will result in the substantial betterment of the conditions in the Redevelopment Area;
- B. The Project and the tax exemption authorized pursuant to the Ordinance will result in a net economic benefit to the Township;
- C. The Project will create an estimated three hundred ninety five (395) construction jobs during the 8 year construction period and an estimated seven hundred thirty (730) permanent jobs in the supermarket, office and retail and restaurant;
- D. The Project should stabilize and contribute to the economic growth of existing local business and to the creation of new business, which cater to the new residents;
- E. The Project will further the redevelopment objectives of the Redevelopment Plan;
- F. The tax exemption authorized by the Ordinance is necessary for the successful completion of the Project because, among other reasons, (1) the relative stability and predictability of the annual service charges will make the Project more attractive to investors and lenders needed to finance the Project, and (2) the relative stability and predictability of the service charges will allow the owner to stabilize its operating budget, allowing a high level of maintenance to the buildings over the life of the Project, which will insure the likelihood of the success of the Project and insure that it will have a positive impact on the surrounding area, and (3) the historic preservation requirements, and the amount of public plazas and open space add costs to the Project and the amount of development authorized by the Redevelopment Plan now that it has been amended to decrease permitted height, add required setback and set back requirements reduces the revenues from the project to cover those costs; and

G. The Project would not be constructed without the tax exemption authorized by the Ordinance.

WHEREAS, by the adoption of the Ordinance, the Township Council approved the tax exemption Application and authorized the execution of this 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 1.1. Governing Law

This Agreement shall be governed by the provisions of the Long Term Tax Exemption Law and the Ordinance which authorized the execution of this Agreement. The Township expressly relies upon the facts, data, and representations contained in the Application, attached hereto as Exhibit 2, in granting this tax exemption.

Section 1.2. General Definitions

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

Annual Service Charge. The amount the Entity has agreed to pay the Township for buildings comprising the Project or any Phase thereof for municipal services in lieu of conventional real property taxes, and computed in accordance with N.J.S.A. 40A:20-12(b)(1), as more fully set forth in Article IV of this Agreement.

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

Allowable Profit Rate. The greater of 12% or the percentage per annum arrived at by adding 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, if payable on a per annum basis, 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 12% or the percentage per annum arrived at by adding 1.25% per annum to the interest rate per annum which the municipality determines to be the prevailing rate on mortgage financing on comparable improvements in Essex County. The provisions of N.J.S.A. 40A:20-3(b) are incorporated herein by reference.

Application. That certain application filed by the Entity, seeking a tax exemption for the Project pursuant to the Long Term Tax Exemption Law, attached hereto as Exhibit 2.

Annual Gross Revenue. The annual gross rents and other income of the Entity from the Project or any Phase thereof. Any operating and maintenance expenses paid by a tenant of the

Project that would ordinarily be paid by the Entity, as landlord, shall be included in Annual Gross Revenue. However notwithstanding anything contained herein to the contrary (i) any gain realized by the Entity on the sale of the Project or any portion thereof in fee simple or leasehold interest, and (ii) proceeds from extraordinary items, without limitation condemnation awards, insurance proceeds, gains from sales, transfers, or assumption of the Project Improvements or any part thereof the financing or refinancing of a mortgage or mortgages encumbering the Project Premises or any portion thereof, or proceeds from any disposition of a partner or a partner's interest in the Entity or any successor entity are not included in Annual Gross Revenue. Annual Gross Revenue will be based on actual current revenue received by Entity in a given year, not based on straight line rent which may be required by GAAP. However, in the event the Entity elects to enter into a sublease or master lease for any portion of the Project pursuant to Section 8.3, the rent payable to the Entity thereunder shall be disregarded for purposes of this definition in favor of the rent payable by the tenant-occupant.

Annual Service Charge. The amount the Entity has agreed to pay the Township, with respect to the Project, for municipal services supplied to the Project, which sum is in lieu of any taxes on the Improvements, pursuant to N.J.S.A. 40A:20-12, as defined in Section 4.1(A) herein, and subject to adjustment pursuant to Section 4.2.

Auditor's Report. A complete financial statement outlining the financial status of the Project (for a period of time as indicated by context), which shall also include a certification of Total Project Cost and clear computation of Net Profit. The contents of the Auditor's Report shall have been prepared in conformity with generally accepted accounting principles and shall contain at a minimum the following: a balance sheet, a statement of income, a statement of cash flows, descriptions of accounting policies, notes to financial statements and appropriate schedules and explanatory material results of operations, cash flows and any other items required by Law. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant that is licensed to practice that profession in the State of New Jersey.

Certificate of Occupancy. As defined in the Uniform Construction Code at N.J.A.C. 5:23-1.4, and as may be issued by the Township relative to one or more buildings, or part thereof, in the Project.

County. The County of Essex in the State of New Jersey.

Debt Service. The amount required to make annual payments of principal and interest or the equivalent thereof on any construction mortgage, permanent mortgage or other financing including returns on institutional equity financing and market rate related party debt for the Project for a period equal to the term of the exemption granted by this Agreement.

Default. Shall be a breach of or the failure of a Party to perform any obligation imposed upon such Party by the terms of this Agreement, or under the Law, beyond any applicable grace or cure periods.

Entity. The term Entity within this Agreement shall mean Lackawanna Montclair Urban Renewal LLC, which Entity is formed and qualified pursuant to N.J.S.A. 40A:20-5. It shall

also include any subsequent purchasers or successors in interest of the Project, provided they are formed and operate under the Law.

Force Majeure. Any delay caused by governmental action, or lack thereof (including, without limitation, delays in providing inspections, approvals or certificates); shortages or unavailability of materials; epidemic or pandemics; labor disputes (including, but not limited to, strikes, slowdowns, job actions, picketing and/or secondary boycotts); fire, explosion or other casualty; delays in transportation; delays due to adverse weather conditions, acts of God; directives or requests by any governmental entity, authority, agency or department; any court or administrative orders or regulations; remediation related interruptions, adjustments of insurance; acts of declared or undeclared war, warlike conditions in this or any foreign country, acts of terrorism, public disorder, riot or civil commotion; change in law detrimental to the Project; legal action challenging the validity of this Agreement, or the issuance or grant of any governmental approval; condemnation of the Project Premises or any portion thereof; or failure to procure financing for the Project or delays in procuring financing for the Project, provided that good faith effort was made to obtain said financing; or by anything else beyond the reasonable control of a party, as the case may be.

Improvements. Any building, structure or fixture of the Project permanently affixed to the raw land of the project and to be constructed and tax exempted under this Agreement.

In Rem Tax Foreclosure or Tax Foreclosure. A summary proceeding by which the Township may enforce a lien for taxes due and owing by tax sale, under N.J.S.A. 54:5-1 to 54:5-129 et seq.

Land. The raw land comprising Block 3213, Lot 2 and Block 4202, Lots 4 and 4.01, as if undeveloped and unimproved.

Land Taxes. The amount of taxes assessed on the value of the Land, on which the Project, or part thereof, is located. Land Taxes are not exempt from payment; however, Land Taxes are applied as a credit against the Annual Service Charge.

Land Tax Payments. Payments made on the quarterly due dates, including approved grace periods if any, for Land Taxes as determined by the Tax Assessor and the Tax Collector.

Minimum Annual Service Charge. The Minimum Annual Service Charge shall be the amount of the total taxes levied against the Project Premises, or part of the Project for which the exemption is in effect, in the last full tax year in which the area was subject to taxation, For years in which the Annual Service Charge shall be less than the Minimum Annual Service Charge, the Minimum Annual Service Charge shall be deemed the Annual Service Charge, and use of the term "Annual Service Charge" shall be deemed to mean the Minimum Annual Service Charge.

Net Profit. The Annual Gross Revenues of the Entity with respect to the Project less all operating and non-operating expenses of the Entity, all determined in accordance with generally accepted accounting principles and/or as required by N.J.S.A. 40A:20-3 (c), but:

- (a) there shall be included in expenses: (i) all Annual Service Charges paid pursuant to N.J.S.A. 40A:20-12; (ii) all payments to

the Township of excess profits pursuant to N.J.S.A. 40A:20-15 or N.J.S.A. 40A:20-16; (iii) an annual amount sufficient to amortize (utilizing the straight line method-equal annual amounts) the Total Project Cost and all capital costs determined in accordance with generally accepted accounting principles, of any other entity whose revenue is included in the computation of excess profits over the term of this agreement; (iv) all reasonable annual operating expenses of the Entity and any other entity whose revenue is included in the computation of excess profits including the cost of all management fees, brokerage commissions, insurance premiums, all taxes or service charges paid, legal, accounting, or other professional service fees, utilities, building maintenance costs, building and office supplies and payments into repair or maintenance reserve accounts; (v) all payments of rent including but not limited to ground rent by the Entity; (vi) all Debt Service; and

(b) there shall not be included in expenses either depreciation or obsolescence, interest on debt, except interest which is part of Debt Service, income taxes or salaries, bonuses or other compensation paid, directly or indirectly to directors, officers and stockholders of the entity, or officers, partners or other persons holding a proprietary ownership interest in the entity.

Party. Either the Entity or the Township or, when used in the plural "Parties," both such entities.

Phase. Any phase of the Project described herein, subject to such reasonably necessary modifications made by the Planning Board only to the extent such modifications are allowed in the exercise of the Planning Board's jurisdiction under the Municipal Land Use Law (the "MLUL").

Project Premises. As defined in the Recitals.

(xxiv) Secured Party. Shall mean Schroder Taft-Hartley Income REIT, LLC, a Delaware limited liability company, c/o Schroder Investment Management North America Inc., 7 Bryant Park, 1045 Avenue of the Americas, New York, New York 10018, and/or its successors and assigns, and/or any other entity that constitutes a Secured Party as that term is defined in Section 8.4.

Substantial Completion. The determination by the Township with advice from the Entity that the Project or any Phase thereof is ready for the use intended, which ordinarily shall mean the date on which the Project or Phase thereof, receives, or is eligible to receive, any Certificate of Occupancy.

Temporary Certificate of Occupancy. A temporary Certificate of Occupancy as defined in the Uniform Construction Code at N.J.A.C. 5:23-1.4, and as may be issued by the Township relative to one or more buildings, or part thereof, in the Project.

Term. As described in Section 3.1.

Termination. Shall mean the expiration of the term of this Agreement in accordance with Section 3.01 hereof or pursuant to the provisions of Article XI which by operation of the terms of this Financial Agreement shall cause the relinquishment of the tax exemption applicable to the Project.

Total Project Cost. The total cost of constructing and/or rehabilitating buildings and Improvements that are part of the Project through the date a Certificate(s) of Occupancy is issued for the entire Project, which categories of cost are set forth in N.J.S.A. 40A:20-3(h). There shall be included in Total Project Cost the actual construction costs incurred by the Entity which the entity shall cause to be certified and verified to the municipality and the municipal governing body by an independent and qualified architect or engineer in the form attached hereto as Exhibit 5, including the cost of any preparation of the site undertaken at the entity's expense and costs that are associated with site remediation and cleanup of environmentally hazardous materials or contaminants in accordance with State or Federal Law and any extraordinary costs incurred including the cost of demolishing structures, relocation or removal of public utilities, cost of relocating displaced residents or buildings and the clearing of title.

Terms not defined herein shall have the meaning given to them in the Redevelopment Agreement.

ARTICLE II APPROVAL

Section 2.1. Approval of Tax Exemption

The Township hereby grants its approval for a tax exemption for all the Improvements to be constructed and maintained in accordance with the terms and conditions of this Agreement and the provisions of the Law.

Section 2.2. Approval of Entity

Approval is granted to the Entity whose Certificate of Formation is attached hereto as Exhibit 4 and/or for any of its assigns as permitted under this Agreement. The Entity represents that its certificate contains all the requisite provisions of the Law; has been reviewed and approved by the Commissioner of the Department of Community Affairs; and has been filed with, as appropriate, the Office of the State Treasurer or Office of the Essex County Clerk, all in accordance with N.J.S.A. 40A:20-5.

Section 2.3. Improvements to be Constructed

The Entity represents that it will construct or cause to be constructed the Improvements on the Project Premises which are generally described as the Project. The Entity shall construct only

those uses established in the current Redevelopment Plan, as may be amended, governing the Project Premises.

Section 2.4. Construction Schedule

The Entity agrees to undertake to commence construction and complete the Project in accordance with the requirements of the Redevelopment Agreement.

Section 2.5. Ownership, Management and Control

The Entity represents that it is or will be prior to the commencement of any work on the Project, the owner of the Project Premises which may be in condominium form of ownership, and that it will manage and control the Project in a manner consistent with Law and the Redevelopment Agreement. The Township acknowledges that the Entity may enter into a management agreement for the Project and will pay a management fee, which fee was disclosed in its Application. The Township acknowledges that the Entity may enter into future management agreements. Subject to the provisions of Section 8.1, the Entity may sell the Project or any portion thereof to another urban renewal entity.

Section 2.6. Financial Plan

The Entity represents that the Improvements shall be financed substantially in accordance with the Financial Plan attached as Attachment D of the Application, hereto as Exhibit 2. The Application sets forth estimates of: Total Project Cost, the amortization rate on the Total Project Cost, the source of funds, the interest rates to be paid on construction financing, the source and amount of paid-in capital, and the terms of any mortgage amortization.

Section 2.7. Statement of Rental Schedules and Lease Terms

The Entity represents that its good faith projections of the initial rental schedules and lease terms are set forth in the Application, attached hereto as Exhibit 2.

Section 2.8.

The designation of the area as an area in need of redevelopment was made in full compliance with the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. In addition, the preparation and adoption of the Redevelopment Plan by appropriate Township ordinance was performed in full compliance with the referenced Local Redevelopment and Housing Law.

**ARTICLE III
DURATION OF AGREEMENT**

Section 3.1. Term

The term of this Agreement (the "Term"), including the obligation to pay the Annual Service Charge and the tax exemption granted hereby, shall commence as to each Phase of the Project on the date of the Substantial Completion of said Phase and until the earlier of: (1) 30 years

from the completion of a said Phase of the Project, or (2) 50 years from the Effective Date of this Agreement subject to the further limitations and agreements contained herein, and shall only be effective and in force during the period while the Improvements are owned by an urban renewal entity formed pursuant to the Long Term Tax Exemption Law (the "Term"). Upon expiration of the Term, all restrictions and limitations upon the Entity, arising out of or resulting from this Agreement, shall terminate and be at an end upon the entity's rendering its final accounting to and with the Township.

ARTICLE IV ANNUAL SERVICE CHARGE

Section 4.1. Annual Service Charge

(A) In consideration of the tax exemption, the Entity shall pay to the Township an annual amount equal to the greatest of: (i) the Minimum Annual Service Charge; (ii) a percentage of Annual Gross Revenue equal to 10% for years 1-5; 11% for years 6-10; 12.5% for years 11-20; 13.5% for years 21-30, or (iii) the Annual Service Charge related to the Staged Adjustment (hereafter defined).

(B) The Annual Service Charge shall commence for each Phase of the Project on the first day of the month following its Substantial Completion and shall be payable as set forth in Section 4.4 of this Agreement. The Annual Service Charge shall initially be billed based upon the Entity's estimate of Annual Gross Revenue which shall not be less than the estimate of Annual Gross Revenue as set forth in its Financial Plan, attached as Attachment D to the Application, attached hereto as Exhibit 2.

In the event the Entity fails to timely pay the Annual Service Charge, the unpaid amount shall bear the highest rate of interest currently charged by the Township in the case of unpaid taxes or tax liens on land until paid.

The Township shall pay to the County an amount equal to 5% of the Annual Service Charge upon receipt of that charge.

Section 4.2. Staged Adjustments

The Annual Service Charge shall be adjusted, in stages over the Term of the Agreement in accordance with N.J.S.A. 40A:20-12(b) as follows:

(A) Stage One: From the 1st of the month following Substantial Completion of the Project until the last day of the 15th year of the Term, the Annual Service Charge shall be as set forth in Section 4.1(A) above;

(B) Stage Two: Beginning on the 1st day of the 16th year following Substantial Completion of the Project until the last day of the 21st year of the Term, an amount equal to the greater of the Annual Service Charge set forth in Section 4.1(A) or 20% of the amount of the taxes otherwise due on the value of the Land and Improvements comprising the Project;

(C) Stage Three: Beginning on the 1st day of the 22nd year following the Substantial Completion of the Project until the last day of the 27th year of the Term, an amount equal to the greater of the Annual Service Charge set forth in Section 4.1(A), or 40% of the amount of the taxes otherwise due on the value of the Land and Improvements comprising the Project;

(D) Stage Four: Beginning on the 1st day of the 28th year following Substantial Completion of the Project until the last day of the 29th year of the Term, an amount equal to the greater of the Annual Service Charge set forth in Section 4.1(A) or 60% of the amount of the taxes otherwise due on the value of the Land and Improvements comprising the Project; and

(E) Final Stage: Beginning on the 1st day of the 30th year following Substantial Completion of the Project through the last day of the Term, an amount equal to the greater of the Annual Service Charge set forth in Section 4.1(A) or 80% of the amount of the taxes otherwise due on the value of the land and Improvements comprising the Project.

Section 4.3. Credits

The Entity is required to pay both the Annual Service Charge and the Land Tax Payments. The Entity is obligated to make timely Land Tax Payments, prior to the date of delinquency, in order to be entitled to a Land Tax credit against the Annual Service Charge for the subsequent year. The Entity shall be entitled to credit for the amount, without interest, of the Land Tax Payments made in the last four preceding quarterly installments against the Annual Service Charge.

If there has been a subdivision, the credit shall be equal to the amount of the Land Tax paid with respect to the subdivided lot on which the portion of the Project has been completed. If there has not been a subdivision, as the portion of the Phase of the Project for which a certificate of occupancy has been issued will become exempt on different dates, the credit for Land Taxes will be based on the proportionate share of Land Tax attributable to each such portion based on square footage of land but excluding open space attributable to the part of the Project on which the Improvements have been completed. The balance of the Land Taxes attributable to the Property will be paid conventionally until the remaining portion of the Phase of the Project is completed causing additional Land Tax credit to be applied as a credit to the Annual Service Charge attributable to that later portion of the Phase of the Project.

In any quarter that the Entity fails to make Land Tax Payments for any portion of the Property, such delinquency shall render the Entity ineligible for any Land Tax Payment credits against the Annual Service Charge for that quarter. No credit will be applied against the Annual Service Charge for partial payments of Land Taxes. In addition, the Township shall have, among this remedy and other remedies, the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. and/or declare a Default and terminate this Agreement.

Section 4.4. Quarterly Installments/Proration

The Entity expressly agrees that the Annual Service Charge shall be made in quarterly installments on those dates when real estate tax payments are due subject, nevertheless, to adjustment for over or underpayment as calculated within thirty (30) days following the Entity's

annual submission of its audit report required pursuant to Section 6.2 of this Agreement. The Annual Service Charge shall be prorated in the year in which the Annual Service Charge commences and the year in which the exemption expires or terminates.

In the event that the Entity fails to pay the Annual Service Charge prior to the date of delinquency, the unpaid amount shall bear the highest rate of interest currently charged by the Township in the case of unpaid taxes or tax liens on the land until paid. The Annual Service Charge will be prorated in the years in which Substantial Completion occurs and this Agreement terminates.

Section 4.5. Material Conditions

It is expressly agreed and understood that the timely payments of Land Taxes, Minimum Annual Service Charges, Annual Service Charges, including adjustments thereto, and any interest thereon, are material conditions of this Agreement.

Section 4.6. Administrative Fee

Following Substantial Completion and during the Term, the Entity shall pay to the Township an annual administrative fee as permitted by N.J.S.A. 40A:20-9, in an amount of two percent (2%) of the Annual Service Charge for the calendar year in question, to be paid within thirty (30) days after the final quarterly installment of the Annual Service Charge for such year.

ARTICLE V CERTIFICATE OF OCCUPANCY

Section 5.1. Certificate of Occupancy

It is understood and agreed that, subject to Force Majeure delays, it shall be the obligation of the Entity to obtain all Certificates of Occupancy in a timely manner after the date of completion of construction.

Section 5.2. 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 each Certificate of Occupancy.

ARTICLE VI ANNUAL REPORTS

Section 6.1. Accounting System

The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles and/or in accordance with N.J.S.A. 40A:20-3.

Section 6.2. Periodic Reports

(A) Total Project Cost. Pursuant to N.J.S.A. 40A:20-3 (h), the Entity shall cause the actual construction costs for each Phase of the Project to be certified and verified to the municipality and the municipal governing body by an independent and qualified architect and submitted to the Township within ninety (90) days of the date of Substantial Completion for that Phase.

(B) An Auditor's Report: Within ninety (90) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis, the Entity shall submit to the Mayor and Township Council its Auditor's Report for the preceding fiscal or calendar year. The Auditor's Report shall include, but not be limited to: the Total Project Cost, the terms and interest rate on any mortgages associated with the purchase or construction of the applicable Phase or Project and such details as may relate to the financial affairs of the Entity and to its operation and performance hereunder, pursuant to the Law and this Agreement. The Auditors Report shall clearly identify and calculate the Net Profit for the Entity during the previous year.

Section 6.3. Inspection/Audit

The Entity shall permit the inspection of its property, equipment, buildings and other facilities of the Project by representatives duly authorized by the Township. It shall also permit, upon request, examination and audit of its books, contracts, records, documents and papers. Such examination or audit shall be made during the reasonable hours of the business day, in the presence of an officer or agent designated by the Entity. Such examination or audit shall be made upon five (5) business days' notice during regular business hours, in the presence of an officer or agent designated by the Entity. To the extent reasonably possible, the examination, inspection or audit will not materially interfere with the construction or operation of the Project Improvements.

ARTICLE VII LIMITATION OF PROFITS AND RESERVES

Section 7.1. Limitation of Profits and Reserves

During the Term, the Entity shall be subject to a limitation of its profits pursuant to the provisions of N.J.S.A. 40A:20-15. The Entity shall have the right to establish a reserve against vacancies, unpaid rentals, and reasonable contingencies in an amount equal to ten percent (10%) of the Annual Gross Revenue of the Entity for the last full fiscal year preceding the year 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. The reserve is to be non-cumulative, it being intended that no further credits thereto shall be permitted after the reserve shall have attained the allowable level of ten percent (10%) of the preceding year's Annual Gross Revenue.

Section 7.2. Annual Payment of Excess Net Profit

In the event the Net Profits of the Entity, in any fiscal year, shall exceed the Allowable Net Profits for the relevant period, then the Entity, within one hundred and 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; provided, however, that the Entity may maintain a reserve as determined pursuant to Section 7.1. The calculation of the Entity's excess Net Profits shall include those Project costs

directly attributable to site remediation and cleanup expenses and any other costs excluded in the definition of Total Project Cost in Section 1.2 (xxvii) of this Agreement even though those costs may have been deducted from the Project costs for purposes of calculating the Annual Service Charge. In addition, in determining whether Net Profits for a fiscal year exceeds Allowable Net Profits for such fiscal year, as provided in N.J.S.A. 40A:20-15, Net Profits shall be calculated annually but on a cumulative basis for the period, taken as one accounting period, commencing on the date on which the construction of the unit or project is completed, or on which the project is completed if the project is not undertaken in units, and terminating at the close of the fiscal year of the Entity preceding the date on which the computation is made; with any negative amounts of profit from prior years being carried forward and included in the accumulated excess profit calculation consistent with City of Newark vs. First Newark Gateway Urban Renewal Association, Docket No. ESX-L-1160-91 (NJ Super. Law Div. August 8, 1994).

Section 7.3. Payment of Reserve/Excess Net Profit Upon Termination, Expiration or Sale

The date of expiration of the Term, date of earlier termination of this Agreement, or sale of the Project Premises pursuant to the terms of this Agreement, 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 Township the excess Net Profits, if any, and the amount, if any, of those portions of the reserve maintained by the Entity pursuant to Section 7.1 of this Agreement that would, if they had been included in the Net Profits in the year in which they were paid into the reserve, been payable to the Township as excess profits pursuant to N.J.S.A. 40A:20-15 or N.J.S.A. 40A:20-16.

ARTICLE VIII ASSIGNMENT AND/OR ASSUMPTION

Section 8.1. Assignment

(i) The Entity may assign its rights under this Agreement only with the prior written consent of the Township, which the Township will not unreasonably withhold. Notwithstanding the foregoing, pursuant to N.J.S.A. 40A:20-10, on submission of a written application which shall be limited to providing the facts from which the Township can determine whether the preconditions for transfer set forth herein have been met, the Township will consent in the form of an appropriate enactment of the Township Council in accordance with the provisions of Subsection 8.1 (v) to any transfer of the Project or Phase or part thereof provided (a) the new entity is an urban renewal entity formed pursuant to the Long Term Tax Exemption Law, (b) at the time of such assignment, the new entity is fee owner or ground lease tenant of the portion of the Project Premises which are the subject of the assignment and, if no Certificate of Completion has yet been issued pursuant to the Redevelopment Agreement for the Project or Phase or part thereof, as applicable, the new entity has agreed in writing to undertake construction and completion of the Project or Phase or part thereof, as applicable,; (c) the new entity does not own any other project subject to a long term tax exemption at the time of transfer; (d) the Entity is not then in Default of this Agreement or the Law; (e) the Entity shall make payment to the Township at the time of application of a transfer fee equal to two percent (2%) of the then current Annual Service Charge for the Project if the entire Project is to be assigned or, if less than the entire Project is to be assigned, for such Phase or Phases which are the subject of the assignment pursuant to N.J.S.A 40A:20-10d; and (f) the Entity's obligations under this Agreement with respect to the Project or Phase or part thereof, as applicable,

are fully assumed by the new entity. Upon assumption by the transferee urban renewal entity of the transferor's obligations under the financial agreement, the tax exemption of the Improvements with respect to the Project or Phase or part thereof, as applicable, thereto shall continue and inure to the transferee urban renewal entity, its respective successors or assigns.

(ii) If the Entity transfers the Project Improvements to another urban renewal entity, and the transferee entity has assumed all of the Entity's contractual obligations under this Agreement, then, pursuant to N.J.S.A. 40A:20-6, the Entity shall be discharged from any further obligation under this Agreement and shall be qualified to undertake another project pursuant to the LTTE Law. During the time when the Entity owns the Project, the transferee entity shall be obligated to pay excess profits of the transferee entity to the Township in accordance with the provisions of N.J.S.A. 40A:20-15 or N.J.S.A. 40A:20-16, whichever may apply. Within ninety (90) days after the close of the Entity's fiscal year, which shall be considered the date of transfer of title for purposes of this paragraph, during the time when the Entity owns any portion of the Project, the Entity shall pay to the Township the amount of the reserve, if any, maintained by it pursuant to this Agreement, as well as any excess profit payable to the Township pursuant to this Agreement and N.J.S.A. 40A:20-15 or N.J.S.A. 40A:20-16, whichever may apply.

(iii) Nothing contained herein shall prohibit any transfer of any ownership interest in the Entity itself provided that the transfer is disclosed to the Township Council in the next Auditor's Report or in correspondence sent to the Township Clerk in advance of the next Auditor's Report.

(iv) Without limiting the foregoing, the Township acknowledges that it may be necessary for the Project, Phases or portions thereof to be owned by separate urban renewal entities that are affiliates of the Entity. Upon application to the Township in accordance with Section 8.1 (i), the Entity may at any time separately assign its interest under this Agreement with respect to the Project, a Phase or part thereof to such urban renewal entity(ies) provided the conditions in (a) – (e) of subclause (i) above are satisfied.

(v) The parties acknowledge that the transfers in (i), (ii) and (iv) above may be effectuated by an assignment agreement which the Township will authorize by the adoption of a resolution of the Township Council. However, with respect to such transfers, at the election of the Entity, the Township will, enter into a separate financial agreement as to such Phase or part thereof to be transferred, with such assignee urban renewal entity, which agreement shall be modeled on this Agreement, setting forth the terms of the tax exemption established hereby, and deeming this Agreement to be amended to remove such Phase or part thereof from the ambit of same. In the event of such an election by the Entity, any resulting separate financial agreement or amendment of the Agreement the Township will be authorized by the adoption of an ordinance of the Township Council.

Section 8.2. Subordination of Fee Title

Notwithstanding anything in this Agreement, the Entity shall have the right to encumber the fee title to the Project Premises and may encumber or assign for security purposes the Entity's interest in this Agreement, and any such encumbrance or assignment shall not be deemed a Default under this Agreement.

Section 8.3. Rents Charged to Tenants

Notwithstanding anything in this Agreement, the Entity shall have the right to rent any residential or commercial units to tenants of the Entity's choosing and charge such tenants, in addition to rent, operating and maintenance expenses and the Annual Service Charge due with respect to the applicable Phase or portion of the Project Phase, to be calculated at the Entity's discretion and which to the extent ordinarily payable by the landlord shall be includable in Annual Gross Revenue. The Entity shall also have the right to enter into a master lease or sublease agreement for administrative purposes; provided that the such master lease or sublease shall not constitute the Annual Gross Revenue for purposes of calculating Annual Service Charge otherwise payable. The amount of the rents to be charged to residents of designated affordable housing units required to be maintained as provided in the Redevelopment Agreement, Planning Board site plan approval resolution, deed restriction, or other agreement between the Entity and the Township will be determined based on applicable regulation.

Section 8.4. Collateral Assignment

It is expressly understood and agreed that the Entity has the right to encumber the Property and/or assign its leases to the Property and/or the Improvements for purposes of (i) financing the design, development and construction of the Project, and (ii) permanent mortgage financing.

(a) The Township 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 Township 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 therefor (each, a "**Secured Party**" and collectively, the "**Secured Parties**") as security for the obligations of the Entity, and/or its affiliates, incurred in connection with such secured financing (collectively, the "**Security Arrangements**"). The Entity shall give the Township 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 Township hereunder to provide any notice of Default or notice of intent to enforce its remedies under this Agreement to the Secured Parties.

(b) If the Entity shall Default in any of its obligations hereunder, the Township shall give written notice of such Default to the Secured Parties and the Township agrees that, in the event that such Default is not waived by the Township 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 Township will provide the Secured Parties a reasonable period of time to cure such Default, but in any event not less than thirty (30) 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 or Land Taxes (during any period in which Land Taxes are not exempt hereunder) and ninety (90) days from the date that the Entity was required to cure any other Default.

(c) In the absence of a Default by the Entity, the Township 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 Township's right to any 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 the 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 XI COMPLIANCE

Section 9.1. Compliance with Law

During the term of this Agreement, the Project shall be maintained and operated in accordance with the provisions of the Law. The Entity's failure to substantially comply with the Law shall constitute a Default under this Agreement.

ARTICLE X DEFAULT

Section 10.1. Default

Default shall be failure of a Party to conform to the material terms of this Agreement or failure of such Party to perform any obligation imposed by the Law, beyond any applicable notice, cure or grace period.

Section 10.2. Cure Upon Default

Should either Party be in Default (the "Defaulting Party"), the other Party (the "Non-Defaulting Party") shall send written notice to the Defaulting Party of the Default ("Default Notice"). The Default Notice shall set forth with particularity the basis of the alleged Default. The Defaulting Party shall have ninety (90) days from receipt of the Default Notice (the "Cure Period") to cure any Default. However, if the Default cannot be cured within the Cure Period using reasonable diligence, the Cure Period shall be extended to a period of one hundred eighty (180) days. If the Default is not cured within the Cure Period, as it may be extended, the Non-Defaulting Party shall have the right to terminate this Agreement in accordance with Section 11.1, as well as other rights and remedies provided herein.

Section 10.3. Remedies Upon Default

In the event of a Default on the part of the Entity in payment of any sum due hereunder beyond the Cure Period, the Township shall, among its other remedies, have the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. and may exercise other rights set forth in this Agreement. In the event of a Default on the part of the Entity

for anything other than payment of any sum due hereunder, the Township shall have all rights and remedies available to it under law or equity, including specific performance or termination of this Agreement.

In the event of a Default on the part of the Township that remains uncured beyond the Cure Period, the Entity shall have all rights and remedies available to it under law or equity, including specific performance or (without limitation of its right under Section 11.2) termination of this Agreement.

Notwithstanding the language in the previous section, there shall be no right to consequential or punitive damages. All of the remedies provided in this Agreement with respect to both Parties, and all rights and remedies available to each Party by law or equity, shall be cumulative and concurrent. No termination of any provision of this Agreement shall deprive either Party of any of its remedies or rights. This right shall apply to arrearages that are due and owing at the time or which, under the terms hereof, would in the future become due as if there had been no termination.

ARTICLE XI TERMINATION

Section 11.1. Termination Upon Default

In the event a Defaulting Party fails to cure or remedy a Default within the Cure Period, the Non-Defaulting Party may terminate this Agreement upon thirty (30) days written notice to the Defaulting Party. If the Defaulting Party cures the default within such thirty (30) day period, the Non-Defaulting Party's termination shall be deemed null and void.

Section 11.2. Voluntary Termination by the Entity

At any time following the first anniversary of the date of the Substantial Completion, the Entity may terminate this Agreement in writing and notify the Township that as of a certain date designated in the notice, it relinquishes its status as a tax exempt Project. As of the date so set, the tax exemption, the Annual Service Charges, and the profit and dividend restrictions shall terminate.

Section 11.3. Final Accounting

Within ninety (90) days after the date of expiration of the Term or earlier termination of this Agreement, 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 termination of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

~~Section 11.4. Conventional Taxes~~

Upon termination or expiration of this Agreement, the tax exemption for the Project shall expire, and the Land and the Improvements thereon shall thereafter be assessed and conventionally

taxed according to the general law applicable to other nonexempt taxable property in the Township of Montclair.

ARTICLE XII DISPUTE RESOLUTION

Section 12.1. Arbitration

In the event of a breach of the within Agreement by either of the Parties hereto or a dispute arising between the Parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court of New Jersey by an appropriate proceeding, to settle and resolve the dispute in such fashion as will tend to accomplish the purposes of the Law. In the event the Superior Court shall not entertain jurisdiction, then the parties shall submit the dispute to the American Arbitration Association in New Jersey to be determined in accordance with its rules and regulations in such it fashion to accomplish the purpose of the Long Term Tax Exemption Law. The cost for the arbitration shall be borne equally by the parties.

ARTICLE XIII WAIVER

Section 13.1. Waiver

Nothing contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by either Party of any rights and remedies, including, without limitation, the right to terminate the Agreement and tax exemption for violation of any of the conditions provided herein. Nothing herein shall be deemed to limit any right of recovery of any amount which the Township has under law, in equity, or under any provision of this Agreement.

ARTICLE XIV NOTICE

Section 14.1. Method of Sending Notices

Any notice required hereunder, or demand or other communication under this Agreement shall be in writing and shall be sent by either party to the other by 1) certified or registered mail, return receipt requested 2) overnight delivery (guaranteeing overnight delivery, with receipt acknowledged in writing) or 3) delivered personally by messenger (with receipt acknowledged in writing), to the Parties at their respective addresses set forth herein.

Section 14.2. Sent by Township

When sent by the Township to the Entity the notice shall be addressed to:

URE, c/o BDP Holdings, LLC
7 Oak Place
Montclair, New Jersey 07040
Attn: David Placek

With copy to:

Wilentz, Goldman & Spitzer P.A.
Attn. Anne Babineau or Laurie Meyers
90 Woodbridge Center Drive, Box 10
Suite 900
Woodbridge, New Jersey 07095

unless prior to giving of notice the Entity shall have notified the Township in writing otherwise.

In addition, provided the Township is sent a formal written notice in accordance with this Agreement, of the name and address of Entity's mortgagee, the Township agrees to provide such mortgagee with a copy of any notice required to be sent to the Entity.

Section 14.3. Sent by Entity

When sent by the Entity to the Township, it shall be addressed to:

Township of Montclair
205 Claremont Avenue
Montclair, New Jersey 07042

with copies sent to the Township Attorney, the Township Manager, and the Tax Collector unless prior to the giving of notice, the Township shall have notified the Entity otherwise. The notice to the Township shall identify the Project to which it relates, (i.e., the Entity and the Project's Block and Lot number).

ARTICLE XV SEVERABILITY

Section 15.1. Severability

If any term, covenant or condition of this Agreement or the Application, except a Material Condition, shall be judicially declared to 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 term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

If a material condition shall be judicially declared to be invalid or unenforceable and provided the Entity is not in Default of this Agreement, the parties shall cooperate with each other to take the actions reasonably required to restore the Agreement in a manner contemplated by the parties and the Law. This shall include, but not be limited to, the authorization and re-execution of this Agreement in a form reasonably drafted to effectuate the original intent of the parties and the Law. However, the Township and the Entity shall not be required to restore the Agreement if it would modify a material condition, the amount of the periodic adjustments or any other term of this Agreement which would result in any economic reduction or loss to the Township.

**ARTICLE XVI
MISCELLANEOUS**

Section 16.1. Construction

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to 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.

Section 16.2. Conflicts

The parties agree that in the event of a conflict between the Application and the language contained in the Agreement, the Agreement shall govern and prevail. In the event of conflict between the Agreement and the Law, the Law shall govern and prevail.

Section 16.3. Oral Representations

There have been no oral representations made by either of the Parties hereto which are not contained in this Agreement. This Agreement, the Ordinance authorizing the Agreement, and the Application constitute the entire Agreement between the Parties, and there shall be no modifications thereto other than by a written instrument approved and executed by both Parties and delivered to each Party.

Section 16.4. Entire Document

This Agreement and all conditions in the Ordinance of the Township Council approving this Agreement are incorporated in this Agreement and made a part hereof

Section 16.5. Good Faith

In their dealings with each other, utmost good faith is required from the Entity and the Township.

Section 16.6. Force Majeure

Neither the City nor the Entity shall be considered to be in breach of, or in Default of, its obligations under this Agreement in the event that any delay in the performance of such obligations is due to a Force Majeure event. In the event of the occurrence of any such delay, the time or times for performance of the obligations of the City or the Entity shall be extended by the period of the delay.

Section 16.7. Condominium form of ownership of Land

Multiple uses will be developed in separate buildings as recognized in the Redevelopment Plan and Redevelopment Agreement and given the mixed use nature of the Project portions of a building will be devoted to separate uses. It is anticipated that the ownership of the Project Premises and/or the improvements are likely to be held in a condominium form of ownership.

Pursuant to the authority granted in the Agreement parts of the Project may be transferred to separate an urban renewal entity which entities will assume the obligations of the Agreement as to that part of the Project. However, in the alternative, pursuant to N.J.S.A. 40A:20-14 d, the parties acknowledge that the building or part of a building and its occupants space which is set up as a condominium unit (for example a retail tenant in ground floor space) shall qualify as tax exempt under Section 14 and for this purpose, the financial agreement authorizes conveyances of units, and assigns proportionate interests in the tax exempt property based on square footage in the condominium units space in relation to the total square footage in the building.

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

ATTESTED OR WITNESSED:

**LACKAWANNA MONTCLAIR URBAN
RENEWAL, LLC**

By: _____

Name:

Title: Authorized Representative

ATTESTED OR WITNESSED:

TOWNSHIP OF MONTCLAIR

Angeles Bermudez Nieves
Montclair Municipal Clerk

By: _____

Dr. Renee Baskerville
Mayor

EXHIBIT 1

(Metes and Bounds Description Attached)

The Land referred to herein below is situated in the Township of Montclair County of Essex, State of New Jersey, and is described as follows:

TRACT 1:

BEING KNOWN AND DESIGNATED AS Unit A in "Montclair-Lackawanna Condominium," together with an undivided 50.00 percentage interest in and to the common elements appurtenant thereto, in accordance with, and subject to the terms, conditions, provisions, covenants, restrictions, easements, and other matters contained in the Master Deed for said Montclair-Lackawanna Condominium, which Master Deed was dated January 19, 2011 and recorded on January 31, 2011 in the Register's Office of the County of Essex, in Deed Book 12295, Page 8816: Amended and Restated Master Deed dated August 25, 2014 as the same may hereafter be lawfully amended.

Further described in on a survey prepared by Langan Engineering and Environmental Services, Inc., Elmwood Park, New Jersey, Job No. 130066201, dated 19 August 2014, Drawing No. VL-101 as follows:

BEGINNING at a point being the intersection of the Easterly line of Lackawanna Plaza (60 feet wide) and the Northeasterly line of Bloomfield Avenue (80 feet wide) and running; thence

1. Along said Easterly line of Lackawanna Plaza, North $00^{\circ} 38' 44''$ East, a distance of 243.50 feet to a bend point therein; thence
2. Still along the same, North $03^{\circ} 48' 19''$ East, a distance of 119.82 feet to a point on the Southeasterly line of Greenwood Avenue (66 feet wide); thence
3. Along said Southeasterly line of Greenwood Avenue, North $53^{\circ} 47' 19''$ East, a distance of 36.45 feet to a point; thence
4. South $54^{\circ} 21' 41''$ East, a distance of 229.08 feet to a point; thence
5. North $35^{\circ} 44' 51''$ East, a distance of 199.32 feet to a point on the Southwesterly line of Glenridge Avenue (55 feet wide); thence
6. Along said Southwesterly line of Glenridge Avenue, South $44^{\circ} 46' 56''$ East, a distance of 263.32 feet to a point; thence
7. South $04^{\circ} 30' 10''$ East, a distance of 30.52 feet to a point on the Northwesterly line of Grove Street (66 feet wide); thence
8. Along said Northwesterly line of Grove Street, South $35^{\circ} 46' 37''$ West, a distance of 248.54' to a non-tangent point; thence
9. Still along said Northwesterly line, on a curve to the left having a radius of 6,033.00 feet, an arc length of 293.99 feet and a central angle of $2^{\circ} 47' 31''$ and being subtended by a chord which bears South $34^{\circ} 22' 52''$ West, a distance of 293.96 feet to a non-tangent point, thence
10. South $87^{\circ} 16' 06''$ West, a distance of 23.29 feet to a point on the aforementioned Northeasterly line of said Bloomfield Avenue; thence
11. Along said Northeasterly line of Bloomfield Avenue, North $38^{\circ} 07' 24''$ West, a distance of 317.56 feet to the point of BEGINNING.

Less and except the following:

Unit B in "Montclair-Lackawanna Condominium," together with an undivided 50.00 percentage interest in and to the common elements appurtenant thereto, in accordance with, and subject to the terms, conditions, provisions, covenants, restrictions, easements, and other matters contained

in the Master Deed for said Montclair-Lackawanna Condominium, which Master Deed was dated January 19, 2011, and recorded on January 31, 2011 in the Register's Office of the County of Essex, in Book 12295, Page 8816: Amended and Restated Master Deed dated August 25, 2014 as the same may hereafter be lawfully amended.

PARCEL 2

BEGINNING at a point on the Southeasterly line of Grove Street (66 feet wide), at its intersection with the Northwesterly division line between Block 4202 Lot 4.01 and 4.02 as shown on the current tax assessment maps of the Town of Montclair and running; thence

1. Along said Southeasterly line of Grove Street, North $31^{\circ} 17' 33''$ East, a distance of 87.21 feet to a point of curvature; thence
2. Still along the same, on a curve to the right having a radius of 1044.00 feet, an arc length of 49.69 feet and a central angle of $02^{\circ} 43' 38''$, and being subtended by a chord which bears North $32^{\circ} 39' 41''$ East, a distance of 49.69 feet to a point of compound curvature; thence
3. Still along the same, on a curve to the right having a radius of 5967.00 feet, an arc length of 181.92 feet and a central angle of $01^{\circ} 44' 48''$ and being subtended by a chord which bears North $34^{\circ} 54' 12''$ East, a distance of 181.91 feet to a non-tangent point; thence
4. Still along same, North $35^{\circ} 46' 37''$ East, a distance of 239.53 feet to a point; thence
5. North $87^{\circ} 13' 07''$ East, a distance of 24.93 feet to a point on the Southwesterly line of Glenridge Avenue (55 feet wide); thence
6. Along said Southwesterly line of Glenridge Avenue, South $41^{\circ} 20' 23''$ East, a distance of 224.24 feet to a point; thence
7. South $41^{\circ} 33' 31''$ West, a distance of 165.00 feet to a point; thence
8. South $43^{\circ} 35' 17''$ East, a distance of 100.39 feet to a point; thence
9. South $51^{\circ} 52' 36''$ West, a distance of 427.93 feet to a point on the Northeasterly line of Bloomfield Avenue (80 feet wide), thence
10. Along said Northeasterly line, North $38^{\circ} 07' 24''$ West, a distance of 48.69 feet to a point; thence
11. Along the Southeasterly division line between Block 4202 Lots 4.01 and 4.02, North $51^{\circ} 56' 39''$ East, a distance of 177.45 feet to a point; thence
12. Along the Northeasterly division line between Block 4202 Lots 4.01 and 4.02, North $38^{\circ} 37' 24''$ West, a distance of 154.18 feet a point; thence
13. Along the aforementioned Northwesterly division line between Block 4202 Lots 4.01 and 4.02, South $51^{\circ} 22' 36''$ West, a distance of 161.01 feet to a point on the aforementioned Southeasterly line of Grove Street being the point of **BEGINNING**.

TRACT 2

BEING KNOWN AND DESIGNATED AS Unit B in "Montclair-Lackawanna Condominium," together with an undivided 50.00 percentage interest in and to the common elements appurtenant thereto, in accordance with, and subject to the terms, conditions, provisions, covenants, restrictions, easements, and other matters contained in the Master Deed for said Montclair-Lackawanna Condominium, which Master Deed was dated January 19, 2011, and recorded on January 31, 2011 in the Register's Office of the County of Essex, in Book 12295, Page 8816; Amended and Restated Master Deed dated August 25, 2014 and about to be recorded in the Register's Office of the County of Essex as the same may hereafter be lawfully amended.

NOTE: FOR INFORMATION ONLY: Being Lot(s) 200001, Block(S) 3213 and Block 4202 Lot 4.02; Tax Map of the Township of Montclair County of Essex in the State of New Jersey.

EXHIBIT 2

(Application Attached)

[APPLICATION TO BE ATTACHED]

EXHIBIT 3

(Ordinance Attached)

TO BE PROVIDED BY TOWNSHIP

EXHIBIT 4

(Certificate of Formation Attached)



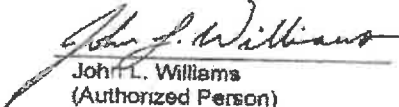
State of Delaware
Secretary of State
Division of Corporations
Delivered 01/01 PM 03/04 2024
FILED 01/01 PM 03/04 2024
SR 20240320789 - File Number 3201808

CERTIFICATE OF FORMATION
OF
Lackawanna Montclair Urban Renewal, LLC

The undersigned, being an authorized person for purposes of executing this Certificate of Formation on behalf of Lackawanna Montclair Urban Renewal, LLC, a Delaware Limited Liability Company (the "L.L.C."), desiring to comply with the requirements of 6 Del.C. Section 18-201 and the other provisions of the Delaware Limited Liability Company Act, 6 Del.C. Section 18-101, et seq. (the "Act"), hereby certifies as follows:

1. Name of the L.L.C. - The name of the L.L.C. is: Lackawanna Montclair Urban Renewal, LLC.
2. Registered Office and Registered Agent of the L.L.C. - The name of the registered agent for service of process on the L.L.C. in the State of Delaware is Agents and Corporations, inc. The address of the registered agent of the L.L.C. and the address of the registered office of the L.L.C. in the State of Delaware is 1201 Orange Street, Suite 600, Wilmington, DE 19801.
3. Date of Formation and Effective Date. - The date of formation and the effective date of the L.L.C. shall be the date of filing of this Certificate of Formation with the Secretary of State of the State of Delaware.

IN WITNESS WHEREOF, the undersigned hereby executes this Certificate of Formation in accordance with the provisions of 6 Del.C. Section 18-201 on March 4, 2024.


John L. Williams
(Authorized Person)

REGISTRATION OF FOREIGN LIMITED LIABILITY COMPANY

**NEW JERSEY DEPARTMENT OF TREASURY
DIVISION OF COMMERCIAL RECORDING**

Title 42:2C-58



1. Name of Limited Liability Company:

LACKAWANNA MONTCLAIR URBAN RENEWAL, LLC

0600483144

2. The purpose for which this Limited Liability Company is organized is:

See attached

3. Limited Liability Company State: Delaware

4. Original Date of Formation: March 4, 2024

5. Registered Agent Name and Address (must be in NJ):

Universal Registered Agents, Inc.
441 Main Street
Mefuchen, New Jersey 08840


6. Date Limited Liability Company started business activity in NJ:

7. Other provisions: (list below or attach to certificate):

See attached

The undersigned represents that this Limited Liability Company has been formed under the laws of the State of Delaware and continues to exist as an active, valid Limited Liability Company in that state. The undersigned also attests that he is authorized to sign this certificate on behalf of the Limited Liability Company and that this filing complies with New Jersey State law as detailed in N.J.S.A.42.

LACKAWANNA MONTCLAIR URBAN
RENEWAL, LLC

By: 
David Placek, Authorized Person

#14328201.1 167918.007

EXHIBIT 5

ARCHITECT'S CERTIFICATION OF FINAL CONSTRUCTION COSTS

I, _____, do certify the following:

1. I am the _____ of _____, the architects for the (the "Improvements").

2. To the extent that our firm has been involved in the design and construction of the Improvements, and based on those records and contracts that I have been supplied to us by _____, we certify that the total construction costs for the Improvements is \$ _____.

I hereby certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements are willfully false, I am subject to punishment.

Date: _____

ATTESTED OR WITNESSED:

**LACKAWANNA MONTCLAIR URBAN
RENEWAL, LLC**

By: _____

Name:

Title: Authorized Representative

ATTESTED OR WITNESSED:

TOWNSHIP OF MONTCLAIR

Angeles Bermudez Nieves
Montclair Municipal Clerk

By: _____

Dr. Renee Baskerville
Mayor

EXHIBIT 1

(Metes and Bounds Description Attached)

The Land referred to herein below is situated in the Township of Montclair County of Essex, State of New Jersey, and is described as follows:

TRACT 1:

BEING KNOWN AND DESIGNATED AS Unit A in "Montclair-Lackawanna Condominium," together with an undivided 50.00 percentage interest in and to the common elements appurtenant thereto, in accordance with, and subject to the terms, conditions, provisions, covenants, restrictions, easements, and other matters contained in the Master Deed for said Montclair-Lackawanna Condominium, which Master Deed was dated January 19, 2011 and recorded on January 31, 2011 in the Register's Office of the County of Essex, in Deed Book 12295, Page 8816: Amended and Restated Master Deed dated August 25, 2014 as the same may hereafter be lawfully amended.

Further described in on a survey prepared by Langan Engineering and Environmental Services, Inc., Elmwood Park, New Jersey, Job No. 130066201, dated 19 August 2014, Drawing No. VL-101 as follows:

BEGINNING at a point being the intersection of the Easterly line of Lackawanna Plaza (60 feet wide) and the Northeasterly line of Bloomfield Avenue (80 feet wide) and running; thence

1. Along said Easterly line of Lackawanna Plaza, North $00^{\circ} 38' 44''$ East, a distance of 243.50 feet to a bend point therein; thence
2. Still along the same, North $03^{\circ} 48' 19''$ East, a distance of 119.82 feet to a point on the Southeasterly line of Greenwood Avenue (66 feet wide); thence
3. Along said Southeasterly line of Greenwood Avenue, North $53^{\circ} 47' 19''$ East, a distance of 36.45 feet to a point; thence
4. South $54^{\circ} 21' 41''$ East, a distance of 229.08 feet to a point; thence
5. North $35^{\circ} 44' 51''$ East, a distance of 199.32 feet to a point on the Southwesterly line of Glenridge Avenue (55 feet wide); thence
6. Along said Southwesterly line of Glenridge Avenue, South $44^{\circ} 46' 56''$ East, a distance of 263.32 feet to a point; thence
7. South $04^{\circ} 30' 10''$ East, a distance of 30.52 feet to a point on the Northwesterly line of Grove Street (66 feet wide); thence
8. Along said Northwesterly line of Grove Street, South $35^{\circ} 46' 37''$ West, a distance of 248.54' to a non-tangent point; thence
9. Still along said Northwesterly line, on a curve to the left having a radius of 6,033.00 feet, an arc length of 293.99 feet and a central angle of $2^{\circ} 47' 31''$ and being subtended by a chord which bears South $34^{\circ} 22' 52''$ West, a distance of 293.96 feet to a non-tangent point, thence
10. South $87^{\circ} 16' 06''$ West, a distance of 23.29 feet to a point on the aforementioned Northeasterly line of said Bloomfield Avenue; thence
11. Along said Northeasterly line of Bloomfield Avenue, North $38^{\circ} 07' 24''$ West, a distance of 317.56 feet to the point of BEGINNING.

Less and except the following:

Unit B in "Montclair-Lackawanna Condominium," together with an undivided 50.00 percentage interest in and to the common elements appurtenant thereto, in accordance with, and subject to the terms, conditions, provisions, covenants, restrictions, easements, and other matters contained

in the Master Deed for said Montclair-Lackawanna Condominium, which Master Deed was dated January 19, 2011, and recorded on January 31, 2011 in the Register's Office of the County of Essex, in Book 12295, Page 8816: Amended and Restated Master Deed dated August 25, 2014 as the same may hereafter be lawfully amended.

PARCEL 2

BEGINNING at a point on the Southeasterly line of Grove Street (66 feet wide), at its intersection with the Northwesterly division line between Block 4202 Lot 4.01 and 4.02 as shown on the current tax assessment maps of the Town of Montclair and running; thence

1. Along said Southeasterly line of Grove Street, North $31^{\circ} 17' 33''$ East, a distance of 87.21 feet to a point of curvature; thence
2. Still along the same, on a curve to the right having a radius of 1044.00 feet, an arc length of 49.69 feet and a central angle of $02^{\circ} 43' 38''$, and being subtended by a chord which bears North $32^{\circ} 39' 41''$ East, a distance of 49.69 feet to a point of compound curvature; thence
3. Still along the same, on a curve to the right having a radius of 5967.00 feet, an arc length of 181.92 feet and a central angle of $01^{\circ} 44' 48''$ and being subtended by a chord which bears North $34^{\circ} 54' 12''$ East, a distance of 181.91 feet to a non-tangent point; thence
4. Still along same, North $35^{\circ} 46' 37''$ East, a distance of 239.53 feet to a point; thence
5. North $87^{\circ} 13' 07''$ East, a distance of 24.93 feet to a point on the Southwesterly line of Glenridge Avenue (55 feet wide); thence
6. Along said Southwesterly line of Glenridge Avenue, South $41^{\circ} 20' 23''$ East, a distance of 224.24 feet to a point; thence
7. South $41^{\circ} 33' 31''$ West, a distance of 165.00 feet to a point; thence
8. South $43^{\circ} 35' 17''$ East, a distance of 100.39 feet to a point; thence
9. South $51^{\circ} 52' 36''$ West, a distance of 427.93 feet to a point on the Northeasterly line of Bloomfield Avenue (80 feet wide), thence
10. Along said Northeasterly line, North $38^{\circ} 07' 24''$ West, a distance of 48.69 feet to a point; thence
11. Along the Southeasterly division line between Block 4202 Lots 4.01 and 4.02, North $51^{\circ} 56' 39''$ East, a distance of 177.45 feet to a point; thence
12. Along the Northeasterly division line between Block 4202 Lots 4.01 and 4.02, North $38^{\circ} 37' 24''$ West, a distance of 154.18 feet a point; thence
13. Along the aforementioned Northwesterly division line between Block 4202 Lots 4.01 and 4.02, South $51^{\circ} 22' 36''$ West, a distance of 161.01 feet to a point on the aforementioned Southeasterly line of Grove Street being the point of BEGINNING.

TRACT 2

BEING KNOWN AND DESIGNATED AS Unit B in "Montclair-Lackawanna Condominium," together with an undivided 50.00 percentage interest in and to the common elements appurtenant thereto, in accordance with, and subject to the terms, conditions, provisions, covenants, restrictions, easements, and other matters contained in the Master Deed for said Montclair-Lackawanna Condominium, which Master Deed was dated January 19, 2011, and recorded on January 31, 2011 in the Register's Office of the County of Essex, in Book 12295, Page 8816; Amended and Restated Master Deed dated August 25, 2014 and about to be recorded in the Register's Office of the County of Essex as the same may hereafter be lawfully amended.

NOTE: FOR INFORMATION ONLY: Being Lot(s) 200001, Block(S) 3213 and Block 4202 Lot 4.02; Tax Map of the Township of Montclair County of Essex in the State of New Jersey.

EXHIBIT 2

(Application Attached)

[APPLICATION TO BE ATTACHED]

EXHIBIT 3

(Ordinance Attached)

TO BE PROVIDED BY TOWNSHIP

EXHIBIT 4

(Certificate of Formation Attached)


State of Delaware
Secretary of State
Division of Corporations
Delivered 01/01 PM 02/04/2024
FILED 01/01 PM 02/04/2024
SR 20240070759 - File Number 3201802

CERTIFICATE OF FORMATION
OF
Lackawanna Montclair Urban Renewal, LLC

The undersigned, being an authorized person for purposes of executing this Certificate of Formation on behalf of Lackawanna Montclair Urban Renewal, LLC, a Delaware Limited Liability Company (the "L.L.C."), desiring to comply with the requirements of 6 Del.C. Section 18-201 and the other provisions of the Delaware Limited Liability Company Act, 6 Del.C. Section 18-101, et seq. (the "Act"), hereby certifies as follows:

1. Name of the L.L.C. - The name of the L.L.C. is: Lackawanna Montclair Urban Renewal, LLC.
2. Registered Office and Registered Agent of the L.L.C. - The name of the registered agent for service of process on the L.L.C. in the State of Delaware is Agents and Corporations, Inc. The address of the registered agent of the L.L.C. and the address of the registered office of the L.L.C. in the State of Delaware is 1201 Orange Street, Suite 600, Wilmington, DE 19801.
3. Date of Formation and Effective Date. - The date of formation and the effective date of the L.L.C. shall be the date of filing of this Certificate of Formation with the Secretary of State of the State of Delaware.

IN WITNESS WHEREOF, the undersigned hereby executes this Certificate of Formation in accordance with the provisions of 6 Del.C. Section 18-201 on March 4, 2024.


John L. Williams
(Authorized Person)

REGISTRATION OF FOREIGN LIMITED LIABILITY COMPANY

**NEW JERSEY DEPARTMENT OF TREASURY
DIVISION OF COMMERCIAL RECORDING**

Title 42:2C-58



1. Name of Limited Liability Company:

LACKAWANNA MONTCLAIR URBAN RENEWAL, LLC

0600483144

2. The purpose for which this Limited Liability Company is organized is:

See attached

3. Limited Liability Company State: Delaware

4. Original Date of Formation: March 4, 2024

5. Registered Agent Name and Address (must be in NJ):

Universal Registered Agents, Inc.
441 Main Street
Metuchen, New Jersey 08840


6. Date Limited Liability Company started business activity in NJ:

7. Other provisions: (list below or attach to certificate):

See attached

The undersigned represents that this Limited Liability Company has been formed under the laws of the State of Delaware and continues to exist as an active, valid Limited Liability Company in that state. The undersigned also attests that he is authorized to sign this certificate on behalf of the Limited Liability Company and that this filing complies with New Jersey State law as detailed in N.J.S.A.42.

LACKAWANNA MONTCLAIR URBAN
RENEWAL, LLC

By: 
David Płacek, Authorized Person

#14328201.1 167918.007

EXHIBIT 5

ARCHITECT'S CERTIFICATION OF FINAL CONSTRUCTION COSTS

I, _____, do certify the following:

1. I am the _____ of _____, the architects for the (the "Improvements").

2. To the extent that our firm has been involved in the design and construction of the Improvements, and based on those records and contracts that I have been supplied to us by _____, we certify that the total construction costs for the Improvements is \$ _____.

I hereby certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements are willfully false, I am subject to punishment.

Date: _____

--

EXHIBIT F

DESCRIPTION OF PROJECT

SEE CONCEPT PLAN WITH PHASING ATTACHED



CONCEPT PLAN WITH IMPROVEMENTS, OPEN SPACE AND HISTORIC ELEMENTS BY PHASE
 Lackawanna Plaza Redevelopment
 Montclair Township, Essex County, New Jersey

bdp holdings llc

EXHIBIT G

CERTIFICATE OF FORMATION and CERTIFICATE OF GOOD STANDING

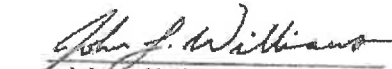
State of Delaware
Secretary of State
Division of Corporations
Delivered 01:01 PM 03/04/2024
FILED 01:01 PM 03/04/2024
SR 20240376759 - File Number 3281102

CERTIFICATE OF FORMATION
OF
Lackawanna Montclair Urban Renewal, LLC

The undersigned, being an authorized person for purposes of executing this Certificate of Formation on behalf of Lackawanna Montclair Urban Renewal, LLC, a Delaware Limited Liability Company (the "L.L.C."), desiring to comply with the requirements of 6 Del.C. Section 18-201 and the other provisions of the Delaware Limited Liability Company Act, 6 Del.C. Section 18-101, et seq. (the "Act"), hereby certifies as follows:

1. Name of the L.L.C. - The name of the L.L.C. is: Lackawanna Montclair Urban Renewal, LLC.
2. Registered Office and Registered Agent of the L.L.C. - The name of the registered agent for service of process on the L.L.C. in the State of Delaware is Agents and Corporations, Inc. The address of the registered agent of the L.L.C. and the address of the registered office of the L.L.C. in the State of Delaware is 1201 Orange Street, Suite 600, Wilmington, DE 19801.
3. Date of Formation and Effective Date - The date of formation and the effective date of the L.L.C. shall be the date of filing of this Certificate of Formation with the Secretary of State of the State of Delaware.

IN WITNESS WHEREOF, the undersigned hereby executes this Certificate of Formation in accordance with the provisions of 6 Del.C. Section 18-201 on March 4, 2024.


John L. Williams
(Authorized Person)

REGISTRATION OF FOREIGN LIMITED LIABILITY COMPANY

**NEW JERSEY DEPARTMENT OF TREASURY
DIVISION OF COMMERCIAL RECORDING**

Title 42:2C-58



1. Name of Limited Liability Company:

LACKAWANNA MONTCLAIR URBAN RENEWAL, LLC

0600483144

2. The purpose for which this Limited Liability Company is organized is:

See attached

3. Limited Liability Company State: Delaware

4. Original Date of Formation: March 4, 2024

5. Registered Agent Name and Address (must be in NJ):

Universal Registered Agents, Inc.
441 Main Street
Metuchen, New Jersey 08840

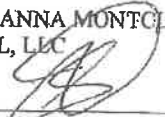
6. Date Limited Liability Company started business activity in NJ:

7. Other provisions: (list below or attach to certificate):

See attached

The undersigned represents that this Limited Liability Company has been formed under the laws of the State of Delaware and continues to exist as an active, valid Limited Liability Company in that state. The undersigned also attests that he is authorized to sign this certificate on behalf of the Limited Liability Company and that this filing complies with New Jersey State law as detailed in N.J.S.A.42.

LACKAWANNA MONTCLAIR URBAN
RENEWAL, LLC

By: 
David Placek, Authorized Person

#14328201.1 167918.007



State of New Jersey

DEPARTMENT OF COMMUNITY AFFAIRS
LOCAL PLANNING SERVICES
101 SOUTH BROAD STREET
PO BOX 813
TRENTON, NJ 08625-8813
(609) 292-3000 • FAX (609) 633-6056

PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lieutenant Governor

JACQUELYN A. SUÁREZ
Acting Commissioner

April 17, 2024

Ms. Anne S. Babineau, Esq.
Wilentz, Goldman & Spitzer, P.A.
Attorneys at Law
90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095-0958

Dear Ms. Babineau:

Enclosed is the approval of the Certificate of Registration of a Foreign Limited Liability Company for LACKAWANNA MONTCLAIR URBAN RENEWAL, LLC. Please return a marked copy of the approval form and the Certificate to this office once it is filed and stamped by the State Treasurer. You can either mail a copy or e-mail a copy to me at UrbanRecert@dca.nj.gov.

Thank you for your cooperation in this matter. If you have any questions, please call me at 609-913-4456.

Sincerely,

Pamela R. Weintraub, PP/AICP
Principal Planner
Local Planning Services



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State of New Jersey

DEPARTMENT OF COMMUNITY AFFAIRS
LOCAL PLANNING SERVICES
101 SOUTH BROAD STREET
PO BOX 813
TRENTON, NJ 08625-0813
(609) 292-3000 • FAX (609) 633-6056

PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lieutenant Governor

JACQUELYN A. SUÁREZ
Acting Commissioner

DEPARTMENT OF COMMUNITY AFFAIRS

TO: State Treasurer
RE: LACKAWANNA MONTCLAIR URBAN RENEWAL, LLC
File # 3817
An Urban Renewal Entity

This is to certify that the CERTIFICATE OF REGISTRATION OF FOREIGN LIMITED LIABILITY COMPANY 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 17th day of April 2024 at Trenton, New Jersey.

DEPARTMENT OF COMMUNITY AFFAIRS

By: 
Keith Henderson, PP/AICP
Acting Director
Local Planning Services



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REGISTRATION OF FOREIGN LIMITED LIABILITY COMPANY

**NEW JERSEY DEPARTMENT OF TREASURY
DIVISION OF COMMERCIAL RECORDING**

Title 42:2C-58

1. Name of Limited Liability Company:

LACKAWANNA MONTCLAIR URBAN RENEWAL, LLC

2. The purpose for which this Limited Liability Company is organized is:

See attached

3. Limited Liability Company State: Delaware

4. Original Date of Formation: March 4, 2024

5. Registered Agent Name and Address (must be in NJ):

Universal Registered Agents, Inc.
441 Main Street
Metuchen, New Jersey 08840

6. Date Limited Liability Company started business activity in NJ:

[]

7. Other provisions: (list below or attach to certificate):

See attached

The undersigned represents that this Limited Liability Company has been formed under the laws of the State of Delaware and continues to exist as an active, valid Limited Liability Company in that state. The undersigned also attests that he is authorized to sign this certificate on behalf of the Limited Liability Company and that this filing complies with New Jersey State law as detailed in N.J.S.A.42.

LACKAWANNA MONTCLAIR URBAN
RENEWAL, LLC

By: 

David Pácek, Authorized Person

#14326201.1 167918.007

LACKAWANNA MONTCLAIR URBAN RENEWAL, LLC
ATTACHMENT TO
REGISTRATION OF FOREIGN LIMITED LIABILITY COMPANY

2. The purpose for which the entity 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 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 more of these types of improvement 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.)

7. a. So long as the entity is obligated under financial agreement with a 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.

b. The entity has been organized to serve a public purpose, and its operations shall be directed toward: (1) the redevelopment of redevelopment areas, the facilitation of the relocation of residents to be displaced by redevelopment or the conduct of low and moderate income housing projects; (2) the acquisition, management and operation of a project, redevelopment location housing project, or low and moderate income housing project under P.L. 1991, c. 431 (C. 40A:20-1 et seq.); and (3) that it shall be subject to regulation by the municipality in which its project is situated, and to a limitation or prohibition, as appropriate, on profits or dividends for so long as it remains the owner of a project subject to P.L. 1991, c. 431 (C. 40A:20-1 et seq.).

c. The entity shall not voluntarily transfer more than 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 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 transferor entity under the financial agreement with the municipality. The entity shall file annually with the municipal governing body 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 urban renewal entity itself provided that the transfer, if greater than ten percent (10%), is disclosed to the municipal governing body in the annual disclosure statement or in correspondence sent to the municipality in advance of the annual disclosure statement referred to above.

d. The entity is 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 urban renewal entity or to perform actions on behalf of the entity upon a determination of financial emergency.

Attachment Page 1

#14326201.1 167918.007

e. Any housing units constructed or acquired by the entity shall be managed subject to the supervision of, and rules adopted by, the Commissioner of Community Affairs.

Attachment Page 2

#14326201.1 167918.007

#14189283.5

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "LACKAWANNA MONTCLAIR URBAN RENEWAL, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE FOURTEENTH DAY OF MARCH, A.D. 2024.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "LACKAWANNA MONTCLAIR URBAN RENEWAL, LLC" WAS FORMED ON THE FOURTH DAY OF MARCH, A.D. 2024.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN ASSESSED TO DATE.



3201805 8300

SR# 20241005169

You may verify this certificate online at corp.delaware.gov/authver.shtml

Handwritten signature of Jeffrey W. Bullock in black ink, with a horizontal line underneath. Below the signature is the printed name "Jeffrey W. Bullock, Secretary of State".

Authentication: 203024008

Date: 03-14-24

WILENTZ
—ATTORNEYS AT LAW—

ANNE S. BABINEAU, ESQ.

T: 732.855.6057
F: 732.726.6587
ababineau@wilentz.com

90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095-0958
732.636.8000

March 15, 2024

BY OVERNIGHT MAIL AND EMAIL (urbanrccert@dca.nj.gov)

Pamela Weintraub
Department of Community Affairs
101 S. Broad Street
Trenton, NJ 08625

Re: Lackawanna Montclair Urban Renewal, LLC

Dear Ms. Weintraub:

Enclosed herewith are the following documents with respect to the above:

1. Good standing certificate of Lackawanna Montclair Urban Renewal, LLC;
2. Original and five copies of the unfiled Registration of Foreign Limited Liability Company; and
3. Original Disclosure Statement.

Please review and issue your approval letter at your earliest convenience. Of course, please call if you require anything further.

As always, thank you very much for your attention to this.

Very truly yours,



ANNE S. BABINEAU, ESQ.

3817
RECEIVED

MAR 19 2024

LOCAL PLANNING SERVICES

#14327913.1

Wilentz, Goldman & Spitzer, P.A.

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NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS
OFFICE OF LOCAL PLANNING SERVICES
PO BOX 813
TRENTON, NEW JERSEY 08625-0813

URBAN RENEWAL ENTITIES
DISCLOSURE INFORMATION

Instructions for Completion: You have filed an application for approval of an urban renewal entity pursuant to the Long Term Tax Exemption Law (N.J.S.A. 40A:20-1 et seq.). In order for us to process the application, we require that you provide the following information and forward this form to the above address or fax it to (609) 633-6056. This form must be completed prior to DCA approval of the entity. If you have any questions, please call Pamela Weintraub at (609) 913-4456 or email Pamela.Weintraub@dca.nj.gov.

Name of Urban Renewal Entity: LACKAWANNA MONTCLAIR URBAN RENEWAL, LLC

SECTION 1: TYPE OF APPROVAL REQUESTED (check one):

- Original Certificate (of incorporation, limited partnership, formation, etc.)
- Amendment to original certificate (of incorporation, limited partnership, formation, etc.). Note: In the case of amendments, please forward a copy of original certificate marked "filed, State Treasurer" or "filed, Secretary of State" with this form.
- Other (please specify) Certificate of Registration of Foreign Limited Liability Company

SECTION 2: PROJECT INFORMATION

Project Name: Lackawanna Plaza Redevelopment Area

Project Street Address: 1 Lackawanna Plaza and 233 Boomfield Avenue, Montclair, New Jersey 07042

Project Block Number(s) 3213
4202

Project Lot Number(s) 2
4.01 and 4.02

Municipality in which the Project is located Montclair Township

County in which the Project is located Essex County

SECTION 3 (For project listed in SECTION 2. Check one.)

- This project is solely a commercial project (with no housing units) developed in a redevelopment area pursuant to a municipal redevelopment plan.
- 2. This project consists solely of market rate housing units developed in a redevelopment area pursuant to a municipal redevelopment plan.
- 3. The project consists of low and moderate income housing units, which may include senior citizen low and moderate income housing units.
- 4. This project consists of mixed uses (Specify type).
 - Market rate and low and moderate income housing.
 - Commercial and market rate housing.
 - Commercial and low and moderate income housing.
 - Other (please describe).

NOTE: If you checked 1 or 2, complete SECTIONS 4, 6, and 7.
If you checked 3, complete SECTION 5, 6, and 7.
If you checked 4, complete SECTIONS 4, 5, 6, and 7.

-next-

SECTION 4: REDEVELOPMENT PLAN INFORMATION

Name of Municipal Redevelopment Agency Montclair Township Council

Citation of municipal ordinance adopting the redevelopment plan Ordinance O-22-29, adopted 8/15/23

For housing projects, complete the following:

Specify type and number of units as applicable:

- Condominium units _____
- Market rate rental 210
- Low and moderate income in mixed use projects 60
- Senior citizen in mixed use projects _____
- Other (please specify) 30 Workforce Housing

Total number of units 300

SECTION 5: PROJECT FUNDING SOURCES

The low and moderate income housing project will be financed or insured by which of the following (check all applicable):

- Private funds (Please specify) Equity and other private financing
- State or Federal financing or insuring agencies (Please specify below)
- Other (Please specify) _____

State or Federal Financing or Insuring Agencies for the Project (check all that apply):

NJ Department of Community Affairs:

- Neighborhood Preservation Balanced Housing
- HOME – CHDO Production (Community Housing Development Organizations) Program
- HOME – Housing Production Investment Fund
- National Housing Trust Fund

NJ Redevelopment Authority:

- NJ Urban Site Acquisition Program

US Department of Housing and Urban Development (HUD):

- Section 811 Supportive Housing for Persons with Disabilities
- Section 202 Supportive Housing for the Elderly
- HOPE VI Grants
- HOME Program

US Department of Agriculture:

- Rural Resources Administration (formerly Farmers' Home Administration)

Other (Please specify):

NJ Housing and Mortgage Finance Agency:

- NJ Community Housing Demo Program (developmental disabilities)
- NJ Supportive Housing Connection Program
- CHOICE Program
- Special Needs Housing Partnership Program
- Multifamily Rental Housing Program
- Multifamily Conduit Bond Program
- Public Housing Construction and Permanent Loan Program
- Sandy Special Needs Housing Fund
- Rental Housing Incentive Finance Fund
- 100% Mortgage Program
- Urban Home Ownership Recovery Program
- Low-Income Housing Tax Credit Allocation Program
- Money Follows the Person Housing Partnership Program
- Section 811 Project Based Rental Assistance Program
- Fund for Restoration of Multifamily Housing (FRM)
- Fund for restoration of Multifamily Housing -Public Housing Authority Set -Aside

List the information of the State or Federal financing or insuring agency's contact person:

Name: _____

Title: _____

Department/Agency: _____

Address: _____

Telephone Number: _____

-next-

SECTION 6: PROJECT CONSTRUCTION/OWNERSHIP (check all that apply)

1. The project is new construction.
2. An existing project is being rehabilitated.
If rehab, specify name of individual, entity, etc. who is the current owner of the project. _____
3. Ownership of an existing project is being transferred to the new urban renewal entity.
If transfer, specify name of individual, entity, etc. from whom the project is being or has been transferred. _____
Is the transferor entity a limited dividend corporation or association, established pursuant to the Limited Dividend and Non Profit Housing Corporations and Associations Law, N.J.S.A. 55:16-1 et seq.? (yes or no) _____
Is the transferor entity a limited dividend corporation or association, established pursuant to the Limited Dividend and Nonprofit Housing Corporations and Associations Law, N.J.S.A. 55:16-1 et seq.? (yes or no) _____
Has the project ever been subject to a deed restriction, as a limited dividend project, pursuant to the Limited Dividend and Nonprofit Housing Corporations and Associations Law, N.J.S.A. 55:16-1 et seq.? (yes or no) _____
Is the transferor entity an existing urban renewal entity established pursuant to the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq.? (yes or no) _____
4. Has this project caused or will this project cause displacement of individuals or businesses? (yes or no) No

SECTION 7: CERTIFICATION

NOTE: This certification must be completed by an individual authorized to execute the certificate of incorporation (Incorporator), the certificate of limited partnership (general partner), or other similar certificate or statement as may be required by law.

CERTIFICATION

I attest that the information stated herein is truthful and accurate to the best of my knowledge and understand that failure to fully and accurately disclose any information may delay processing the application while the Department investigates the application and project. Further, I understand that any project of the urban renewal entity may be subject to additional Department review and approval, pursuant to the requirements of the Limited Dividend and Nonprofit Corporations or Associations Law, N.J.S.A. 55:16-1 et seq., the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., and/or rules governing Limited Dividend and Nonprofit Housing Corporations and Associations and Urban Renewal Entities, N.J.A.C. 5:13-1 et seq.

Sworn to me and subscribed before me this day of _____
(mo/day/year)

X _____
(authorized individual's signature)

Jane Babineau
Affirmant Law/State of NJ
(notary public/attorney)

DAVID PLACEK
(print name of authorized individual)

Rev. 07/2022

**STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF REVENUE AND ENTERPRISE SERVICES
LONG FORM STANDING WITH CHARTER DOCUMENTS**

**LACKAWANNA MONTCLAIR URBAN RENEWAL, LLC
0600483144**

I, the Treasurer of the State of New Jersey, do hereby certify that the above-named Delaware Foreign Limited Liability Company was registered by this office on April 24, 2024.

As of the date of this certificate, said business continues as an active business in good standing in the State of New Jersey. Annual Reports are outstanding for the following year(s): 2025

I further certify that the registered agent and office are:

**UNIVERSAL REGISTERED AGENTS, INC.
441 MAIN STREET
METUCHEN, NJ 08840**

I further certify that as of the date of this certificate, no amendments have been filed.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 30th day of December, 2025

**Elizabeth Maher Muoio
State Treasurer**

Certificate Number : 6172085017

Verify this certificate online at

https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp

CERTIFICATION

I certify that all of the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

LACKAWANNA MONTCLAIR URBAN
RENEWAL LLC

By: _____


David Placek
Managing Partner

Date: 12/31/25

**ATTACHMENT TO ORDINANCE O-26-03 ADOPTED MARCH 24, 2026
AUTHORIZING AGREEMENT**

EXHIBIT 3

(Ordinance Attached)

TO BE PROVIDED BY TOWNSHIP

**ATTACHMENT TO ORDINANCE O-26-03 ADOPTED MARCH 24, 2026
AUTHORIZING AGREEMENT**

EXHIBIT 4

(Certificate of Formation Attached)

**ATTACHMENT TO ORDINANCE O-26-03 ADOPTED MARCH 24, 2026
AUTHORIZING AGREEMENT**


State of Delaware
Secretary of State
Division of Corporations
Delivered 01:01 PM 03/04/2024
FILED 01:01 PM 03/04/2024
SR 20240870789 - File Number 3201805

**CERTIFICATE OF FORMATION
OF
Lackawanna Montclair Urban Renewal, LLC**

The undersigned, being an authorized person for purposes of executing this Certificate of Formation on behalf of Lackawanna Montclair Urban Renewal, LLC, a Delaware Limited Liability Company (the "L.L.C."), desiring to comply with the requirements of 6 Del.C. Section 18-201 and the other provisions of the Delaware Limited Liability Company Act, 6 Del.C. Section 18-101, et seq. (the "Act"), hereby certifies as follows:

1. Name of the L.L.C. - The name of the L.L.C. is: Lackawanna Montclair Urban Renewal, LLC.
2. Registered Office and Registered Agent of the L.L.C. - The name of the registered agent for service of process on the L.L.C. in the State of Delaware is Agents and Corporations, Inc. The address of the registered agent of the L.L.C. and the address of the registered office of the L.L.C. in the State of Delaware is 1201 Orange Street, Suite 600, Wilmington, DE 19801.
3. Date of Formation and Effective Date. - The date of formation and the effective date of the L.L.C. shall be the date of filing of this Certificate of Formation with the Secretary of State of the State of Delaware.

IN WITNESS WHEREOF, the undersigned hereby executes this Certificate of Formation in accordance with the provisions of 6 Del.C. Section 18-201 on March 4, 2024.


John L. Williams
(Authorized Person)

**ATTACHMENT TO ORDINANCE O-26-03 ADOPTED MARCH 24, 2026
AUTHORIZING AGREEMENT**

REGISTRATION OF FOREIGN LIMITED LIABILITY COMPANY

**NEW JERSEY DEPARTMENT OF TREASURY
DIVISION OF COMMERCIAL RECORDING**

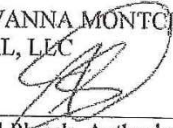
Title 42:2C-58



1. Name of Limited Liability Company:
LACKAWANNA MONTCLAIR URBAN RENEWAL, LLC 0600483144
2. The purpose for which this Limited Liability Company is organized is:
See attached
3. Limited Liability Company State: Delaware
4. Original Date of Formation: March 4, 2024
5. Registered Agent Name and Address (must be in NJ):
Universal Registered Agents, Inc.
441 Main Street
Metuchen, New Jersey 08840
6. Date Limited Liability Company started business activity in NJ:
7. Other provisions: (list below or attach to certificate):
See attached

The undersigned represents that this Limited Liability Company has been formed under the laws of the State of Delaware and continues to exist as an active, valid Limited Liability Company in that state. The undersigned also attests that he is authorized to sign this certificate on behalf of the Limited Liability Company and that this filing complies with New Jersey State law as detailed in N.J.S.A.42.

LACKAWANNA MONTCLAIR URBAN
RENEWAL, LLC

By: 
David Plácek, Authorized Person

#14326201.1 167918.007

**ATTACHMENT TO ORDINANCE O-26-03 ADOPTED MARCH 24, 2026
AUTHORIZING AGREEMENT**

EXHIBIT 5

ARCHITECT'S CERTIFICATION OF FINAL CONSTRUCTION COSTS

I, _____, do certify the following:

1. I am the _____ of _____, the architects for the (the "Improvements").

2. To the extent that our firm has been involved in the design and construction of the Improvements, and based on those records and contracts that I have been supplied to us by _____, we certify that the total construction costs for the Improvements is \$_____.

I hereby certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements are willfully false, I am subject to punishment.

Date: _____