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October 18, 2022

VIA FEDEX

Mr. Barry Lewis, Business Administrator
Township of Livingston
357 South Livingston Avenue
Livingston, NJ 07039

Re: Community Service Contribution Agreement
Cooperman Barnabas Medical Center, Inc. and Livingston Township

Dear Mr. Lewis:

At the instruction of Michael J. Caccavelli, Esq., enclosed please find an original fully executed Community Service Contribution Agreement for your records.

Thank you.

Merry C Wisler

Merry C. Wisler, Paralegal

/mcw
Encs.

COMMUNITY SERVICE CONTRIBUTION AGREEMENT
BETWEEN COOPERMAN BARNABAS MEDICAL CENTER, INC. (F/K/A SAINT BARNABAS MEDICAL CENTER)
AND
LIVINGSTON TOWNSHIP

This COMMUNITY SERVICE CONTRIBUTION AGREEMENT (the "Agreement"), dated, September 20, 2022, is by and between COOPERMAN BARNABAS MEDICAL CENTER, INC. (F/K/A SAINT BARNABAS MEDICAL CENTER), having its principal office at 94 Old Short Hills Road, Livingston, New Jersey 07039 ("HOSPITAL"), and LIVINGSTON TOWNSHIP, a municipal corporation of the State of New Jersey, having its municipal offices at 357 South Livingston Avenue, Livingston, New Jersey 07039, ("LIVINGSTON").

RECITALS

WHEREAS, HOSPITAL owns certain properties in LIVINGSTON including the main hospital campus located at Block 7300, Lots 6 and 6X, Old Short Hills Road ("HOSPITAL Campus"), and the Ambulatory Care Center located at Block 6101 Lot 48X, 200 South Orange Avenue ("ACC") on the Tax Maps of LIVINGSTON (collectively the "Properties"); and

WHEREAS, the HOSPITAL Campus property identified as Block 7300, Lot 6X is classified on LIVINGSTON'S tax list as exempt from taxation for the tax years 2014-2022 pursuant to N.J.S.A. 54:4-3.6; and

WHEREAS, the HOSPITAL Campus property identified as Block 7300, Lot 6 on LIVINGSTON's tax list was classified as taxable for the years 2014-2022; and

WHEREAS, LIVINGSTON has filed tax appeals under docket numbers 000359-2016, 000361-2016, 000215-2017, 000216-2017, 000217-2017, 05682-2017, 0007356-2018, 006108-2019, 006936-2020, 002694-2021, 002204-2016, 005674-2017, 007349-2018, 004972-2019, 006934-2020 and 002691-2021, challenging the tax exemptions of the HOSPITAL Campus and as further described in the complaints filed in the HOSPITAL Campus Tax Appeals; and

WHEREAS, HOSPITAL has filed Answers and Counter-Claims to each one of the above-referenced HOSPITAL Campus Tax Appeals asserting its right to the existing and continuing property tax exemption of the HOSPITAL Campus as further described in the Answers and Counterclaims filed in the HOSPITAL Campus Tax Appeals; and

WHEREAS, LIVINGSTON claims that the HOSPITAL Campus is taxable for the appeal years 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021; and;

WHEREAS, HOSPITAL claims that the HOSPITAL Campus is exempt from taxation for the appeal years 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021 pursuant to N.J.S.A. 54:4-3.6; and

WHEREAS, the ACC was the subject of a 20 year PILOT Agreement (Payment In Lieu of Tax) between the HOSPITAL and LIVINGSTON for 1999-2019 requiring the HOSPITAL to make $80,000 annual payments to LIVINGSTON;

WHERAS, LIVINGSTON filed a tax appeal under docket number 007530-2021 challenging the 2021 tax exemption of the ACC as further described in the complaint filed in the LIVINGSTON ACC Tax Appeal;

WHEREAS, HOSPITAL has filed an Answer and Counter-Claim in the LIVINGSTON ACC Tax Appeal asserting its right to the existing and continuing property tax exemption of the ACC in 2021 as further described in the Answer and Counterclaim filed in the LIVINGSTON ACC Tax Appeal; and

WHEREAS, LIVINGSTON assessed a 2020 added/omitted assessment and a 2021 added assessment to the ACC; and

WHEREAS, HOSPITAL has filed tax appeals under docket numbers 012601-2021 and 012602-2021 challenging the 2020-2021 added/omitted assessments on the ACC and as more fully described in the complaints filed in the HOSPITAL ACC Tax Appeals; and

WHEREAS, on February 22, 2021, Public Law 2021, Chapter 17 was approved and signed into law ("Chapter 17"); and

WHEREAS, HOSPITAL represents and LIVINGSTON agrees that as of January 1, 2020, the total number of beds qualified to be counted in the formula used to determine Annual Community Service Contributions as defined by Chapter 17, after exceptions are removed, are 597 licensed beds; and

WHEREAS, HOSPITAL and LIVINGSTON have agreed to resolve their differences and settle the HOSPITAL Campus Tax Appeal, LIVINGSTON ACC Tax Appeal and HOSPITAL ACC Tax Appeal (collectively "Tax Appeals")

WHEREAS, notwithstanding HOSPITAL's claims that the Exempt Properties are exempt from taxation and LIVINGSTON's claims that the Exempt Properties are taxable, in recognition of the public services provided by LIVINGSTON that benefit the Properties, and more particularly, to offset some of the costs incurred by LIVINGSTON to provide such public services to the Properties, and, in part, settlement of the Tax Appeals, HOSPITAL desires to make Community Service Contributions to LIVINGSTON for past and future services provided to the Properties; and

WHEREAS, the HOSPITAL has agreed to make Community Service Contributions to LIVINGSTON, and work collaboratively with LIVINGSTON to improve the health and welfare of LIVINGSTON residents subject to the terms and conditions set forth under this Agreement; and

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

1. The recitals set forth above are made part of this Agreement.

2. It is agreed that the parties will file mutual withdrawals of the Complaints and Counterclaims filed in the HOSPITAL Campus and LIVINGSTON ACC Tax Appeals, pursuant to New Jersey Court Rule 8:3-9, to dismiss those cases with prejudice, within ten (10) days of execution of this Agreement.

3. In Settlement of the HOSPITAL Campus Tax Appeal and pursuant to the Voluntary Agreement provisions of Chapter 17, the HOSPITAL agrees to make a Contribution to LIVINGSTON in the Total Sum of $3,268,575 in two equal payments calculated based upon the formula for Community Service Contributions for the 2016-2020 tax appeal years (the "Settlement Contribution"). Payment One of the Settlement Contribution required by this paragraph ($1,634,287.50) shall be made to LIVINGSTON within thirty (30) days after the execution of this Agreement. Payment Two of the Settlement Contribution required by this paragraph ($1,634,287.50) shall be made to LIVINGSTON within 365 days after execution of this Agreement. Failure to make the Settlement Contribution payments within fifteen (15) days after LIVINGSTON provides notice of nonpayment may constitute a material default of this Agreement, and may at the option of LIVINGSTON, result in LIVINGSTON seeking the impositions of such tax liens as may be permitted by law. The Settlement Contribution shall be non-refundable upon payment, in part, as a settlement for the Tax Appeals.

4. LIVINGSTON acknowledges receipt from the HOSPITAL of a 2021 Community Service Contribution of $653,715 and payment of 2021 regularly assessed real estate tax on Block 7300 Lot 6 of approximately $234,676.62. The 2021 Annual Community Service Contribution is based upon the HOSPITAL's representation and LIVINGSTON'S Agreement that as of January 1, 2021 there were 597 licensed beds as defined by Chapter 17.

5. For the years 2022-2042 (20 year term), the HOSPITAL and LIVINGSTON agree that the HOSPITAL Campus will be exempt from real estate taxation in exchange for an annual payment starting at $1,075,000 in 2022 and escalating

2% per annum for each year thereafter through the expiration of the 20 year term. **Schedule A.** The agreed upon annual payment shall be inclusive of the Community Service Fee required under P.L. 2021 c. 17 with all excess sums being a "Voluntary Contribution" under P.L. 2021 c. 17, as authorized by P.L. 2021 c.17 C.40:48J-1 1.a.(3). The tax exemption is for all land and improvements on the HOSPITAL Campus. Payments will be due consistent with the requirements of Chapter 17 (equal quarterly installments payable on February 1, May 1, August 1 and November 1). For tax year 2022 and any subsequent year during the term of the Agreement that Block 7300, Lot 6 is assessed as taxable, Hospital shall receive credit of any real estate tax paid on Lot 6 towards the HOSPITAL Campus annual payment.

6. Neither party admits or denies the Properties' status as taxable and/or exempt and the references to same in this Agreement merely represent HOSPITAL and LIVINGSTON's settlement and compromise of the Tax Appeals.

7. The parties hereby acknowledge that there is currently pending in the Superior Court, Law Division, Mercer County, an Action challenging the Constitutionality of Chapter 17 entitled Joseph G. Colacitti, et als. v. Philip D. Murphy, et al. bearing Docket Number MER-L-000738-21 ("Action"). LIVINGSTON, a plaintiff in the Action, shall withdraw from the Action within ten (10) days of the execution of this Agreement. In the event that the applicable real property tax exemption provision for not-for-profit HOSPITALs and/or other medical facilities pursuant to Chapter 17 is successfully challenged and determined to be unconstitutional or otherwise void or is otherwise amended, the HOSPITAL and LIVINGSTON agree that the this Agreement will not be affected by any final outcome of the Action and there shall be no refund of any settlement amounts paid pursuant to this Agreement and also that all withdrawn or settled litigation shall remain withdrawn with prejudice or settled, and shall not be reinstated and that this Agreement shall remain in full force and effect. During the term of the Agreement there will be no further appeals filed by LIVINGSTON to challenge exemption of the Hospital Campus, ACC or other exempt property owned by

HOSPITAL in LIVINGSTON used for exempt purposes under N.J.S.A. 54:4-3.6, et. seq.

8. For the years 2022-2042 (20 year term), the HOSPITAL and LIVINGSTON agree that the ACC, Block 6101, Lot 48X, shall be exempt from real estate taxation in exchange for an annual payment in lieu of taxes ("PILOT") starting at $450,000 in 2022 and escalating 2% per annum for each year thereafter through the expiration of the 20 year term. **Schedule B.** The annual payment shall be inclusive of the Community Service Fee required under P.L. 2021 c. 17 with all excess sums being a "Voluntary Contribution" under P.L. 2021 c. 17, as authorized by P.L. 2021 c.17 C.40:48J-1 1.a.(3). The tax exemption is for all land and improvements comprising the ACC and is a material part of this Agreement. PILOT payments will be due consistent with the requirements of Chapter 17.

9. The 1999 ACC PILOT Agreement will be extended to include 2020 and 2021. LIVINGSTON acknowledges receipt of the 2021 PILOT payment of $80,000. The 2020 PILOT payment in the amount of $80,000 shall be due to LIVINGSTON and paid by HOSPITAL within thirty (30) days of execution of the Agreement. In consideration of the 2020-2021 PILOT payments there shall be no 2020-2021 added/omitted tax due on the ACC. The HOSPITAL and LIVINGSTON shall file with the Tax Court of New Jersey within ten (10) days of the date of the execution of the Agreement a Stipulation of Settlement to effectuate the settlement of the 2020-2021 added/omitted HOSPITAL ACC Tax Appeals with no added/omitted tax, interest or penalties due on the ACC.

10. The taxation of any future improvements to the Hospital Campus and ACC will be evaluated at the time of construction and occupancy based on the actual use of the future improvements. Future improvements not exempted under N.J.S.A. 54:4-3.6 et. seq., will be subject to taxation or future negotiations only on that portion of the property not used for exempt purposes. Future improvements to the Hospital Campus and/or ACC used for exempt purposes

will be covered by the Agreement and included in the Voluntary Contributions. To the extent that any future improvements include additional licensed beds, the annual Voluntary Contribution shall increase consistent with Chapter 17. Furthermore, if the number of licensed beds decreases during the term of the Agreement, the Voluntary Contribution shall decrease consistent with Chapter 17.

11. Except as otherwise provided in this Agreement, this Agreement constitutes the entire agreement of HOSPITAL and LIVINGSTON with respect to the subject matter hereof and supersedes any and all prior written or oral understandings, negotiations and agreements.

12. This Agreement was jointly drafted by HOSPITAL and LIVINGSTON and the language of this Agreement shall in all cases be construed as a whole according to its meaning and not strictly for or against any of the parties.

13. HOSPITAL and LIVINGSTON agree that in the event any one or more of the provisions contained in this Agreement are for any reason held by a court of competent jurisdiction to be invalid, illegal, unconstitutional or unenforceable in any respect, or in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision, or public policy, the parties shall engage in subsequent discussions and endeavor to determine if such invalidity, illegality, unconstitutionality or unenforceability affects the remainder of this Agreement, and whether this Agreement can be construed and accepted by both parties as if such invalid, illegal, unconstitutional or unenforceable provision had never been contained herein the rights, obligations and interests of the parties under the remainder of this Agreement shall continue in full force and effect.

14. HOSPITAL and LIVINGSTON agree to execute any additional documents and take any further action, which may reasonably be required to consummate this Agreement.

15. On [INSERT DATE _____, 2022] at a Township Council meeting, the Township Council introduced and passed a Resolution authorizing the Mayor and/or Township Clerk to enter into this Agreement.

16. This Agreement shall be interpreted pursuant to the laws of the State of New Jersey.

17. Any notices, invoices, statements, demands, consents, approvals or other communications required or permitted to be given or to be served upon either party hereto in connection with this Agreement, must be in writing and must be delivered personally, sent by a nationally recognized overnight delivery service or sent by United States certified or registered mail, return receipt requested. Such notice must be given to the parties at their following respective addresses or at such other address as either party may hereafter designate to the other party in writing in the manner herein above provided.

If to HOSPITAL:
Cooperman Barnabas Medical Center
94 Old Short Hills Road
Livingston, New Jersey 07039
Attention: Richard L. Davis, President
and Chief Executive Officer

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

Brach Eichler, LLC
101 Eisenhower Parkway
Roseland, New Jersey 07068
Attention, Daniel J. Pollak, Esq.

If to LIVINGSTON:
Office of the Township Manager
357 South Livingston Avenue
Livingston, New Jersey 07039
Attention: Barry Lewis, Jr., Township Manager

With a copy to:
Pearlman & Miranda, LLC
110 Edison Place, Suite 301

Newark, New Jersey 07102
Attention: Michael J. Caccavelli, Esq.

18. This Agreement will remain in effect and binding upon both parties and upon the successors and assigns of any and all of the parties hereto.

19. This Agreement may be amended only by mutual prior written agreement of the parties hereto.

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

(Remainder of this page is intentionally blank.)

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

ATTEST:	COOPERMAN BARNABAS MEDICAL CENTER, INC. (F/K/A SAINT BARNABAS MEDICAL CENTER)
Melissa A. Garcia ______________________	BY: ______________________ Richard L. Davis, President and Chief Executive Officer
ATTEST:	LIVINGSTON TOWNSHIP
______________________ Carolyn Mazzucco, RMC Township Clerk	BY: ______________________ Barry R. Lewis, Jr. Township Manager

Schedule A

HOSPITAL Campus Payments

Year	Annual Payment
Yr1 (2022)	$1,075,000.00
Yr2 (2023)	$1,096,500.00
Yr3 (2024)	$1,118,430.00
Yr4 (2025)	$1,140,799.00
Yr5 (2026)	$1,163,615.00
Yr6 (2027)	$1,186,887.00
Yr7 (2028)	$1,210,625.00
Yr8 (2029)	$1,234,837.00
Yr9 (2030)	$1,259,534.00
Yr10(2031)	$1,284,725.00
Yr11 (2032)	$1,310,419.00
Yr12 (2033)	$1,336,627.00
Yr13 (2034)	$1,363,360.00
Yr14 (2035)	$1,390,627.00
Yr15 (2036)	$1,418,440.00
Yr16 (2037)	$1,446,808.00
Yr17 (2038)	$1,475,745.00
Yr18 (2039)	$1,505,260.00
Yr19 (2040)	$1,535,365.00

Y20 (2041)	$1,566,072.00

Schedule B

ACC Pilot Payments

Year	Annual Payment
Yr1 (2022)	$450,000.00
Yr2 (2023)	$459,000.00
Yr3 (2024)	$468,180.00
Yr4 (2025)	$477,543.60
Yr5 (2026)	$487,094.47
Yr6 (2027)	$496,836.36
Yr7 (2028)	$506,773.09
Yr8 (2029)	$516,908.55
Yr9 (2030)	$527,246.72
Yr10 (2031)	$537,791.66
Yr11 (2032)	$548,547.49
Yr12 (2033)	$559,518.44
Yr13 (2034)	$570,708.81
Yr14 (2035)	$582,122.98
Yr15 (2036)	$593,765.44
Yr16 (2037)	$605,640.75
Yr17 (2038)	$617,753.57
Yr18 (2039)	$630,108.64
Yr19 (2040)	$642,710.81

Yr20 (2041)	$655,565.03