SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT ("Agreement") made this 30th day of July, 2018, by and between:

TOWNSHIP OF ROCHELLE PARK, a municipal corporation of the State of New Jersey, County of Bergen, having an address at 151 West Passaic Street, Rochelle Park, New Jersey 07662 (hereinafter the "Township" or "Rochelle Park");

And

TULFRA REALTY II, LLC a New Jersey limited liability company with an address at 87 West Passaic Street, Rochelle Park, New Jersey 07762, (hereinafter "Tulfra");

Collectively, the Township and Tulfra shall be referred to as the "Parties" and each individually as a "Party".

RECITALS

WHEREAS, in compliance with the New Jersey Supreme Court's decision in In re Adoption of N.J.A.C. 5:96 and 5:97 by N.J. Council on Affordable Housing, 221 N.J. 1 (2015), on or about July 2, 2015, the Township filed an action with the Superior Court of New Jersey ("Court"), entitled In the Matter of the Application of the Township of Rochelle Park, County of Bergen, Docket No. BER-L-6228-15, seeking a Judgment of Compliance and Repose approving its Affordable Housing Plan (as defined herein), in addition to related relief (the "Declaratory Judgment Action");

WHEREAS, Tulfra is the contract purchaser of property identified on the Township's tax map as Block 92, Lots 1 and 2 and Block 93, Lot 1 (the "Tulfra Site" or the "Property");

WHEREAS, the Tulfra Site is owned by 120 Passaic LLC (the "Owner");

WHEREAS, neither Tulfra nor the Owner were parties to the Declaratory Judgment Action;

WHEREAS, the Township settled its affordable housing Declaratory Judgment Action with FSHC by way of Settlement Agreement, dated July 21, 2017 ("FSHC Agreement");

WHEREAS, the Court accepted the FSHC Agreement as fair and reasonable to the region's low- and moderate-income households by Order dated October 5, 2017 after a fairness hearing held on September 5, 2018;

WHEREAS, in evaluating property appropriate for inclusionary development, the Township had determined that the Property presents a suitable opportunity for such development, notwithstanding the existence of a parking easement encumbering the Property, and had therefore included the Property in its FSHC Settlement Agreement;

WHEREAS, the FSHC Agreement contemplated a total of 150 family residential units at the Property with a 15% set aside for low- and moderate-income units for a total of 23 affordable units;

WHEREAS, pursuant to that Court-approved FSHC Agreement, the Township purportedly adopted a redevelopment plan entitled "120 West Passaic Street Redevelopment Plan" (the "Redevelopment Plan") to implement the inclusionary development on November 8, 2017, which Plan also provided for up to 8,000 square feet of retail space;

WHEREAS, on or about December 27, 2017, Tulfra filed a Complaint in Lieu of Prerogative Writs ("PW Action") under Docket No. BER-L-9072-17, challenging the Redevelopment Plan and its adoption on multiple grounds;

WHEREAS, the Parties wish to resolve the litigation with respect to the PW Action and to resolve the inclusion of the site in the Township's DJ Action;

WHEREAS, the Parties wish to modify the inclusionary project contemplated in the FSHC in a manner consistent with this Agreement;

WHEREAS, subject to the adoption of an amended redevelopment plan amending or re-enacting the Redevelopment Plan consistent with terms specified herein (the "Amended Redevelopment Plan") and subject further to Court approval of this Agreement, if necessary, the Township has determined to incorporate this Agreement into its Amended Housing Element and Fair Share Plan (hereinafter "Affordable Housing Plan" or "HEFSP");

WHEREAS, the Planning Board intends to prepare an Affordable Housing Plan for adoption by the Planning Board, endorsement by the Township Committee, and submission to the Court for review and approval;

WHEREAS, the Affordable Housing Plan will include the Property as an inclusionary development at a permitted density that will permit a total of 160 units, of which 24 will be affordable to very low, low and moderate income households (the "Inclusionary Development");

WHEREAS, in addition to the Inclusionary Development component, the Amended Redevelopment Plan will include zoning, use, bulk and design standards that will permit a 113,000 gross square foot, four story self-storage facility and 8,000 square feet of retail and restaurant uses (which standards will authorize one drive through restaurant, bank or other retail use), (collectively, the Inclusionary Development and the commercial components may be referred to as the "Project");

WHEREAS, the 24 affordable units described above represent a 15% set aside of the 160 units;

WHEREAS, Tulfra is amenable to fully and finally resolving any and all objections to the Township's HEFSP or proposed compliance techniques as well as the PW Action subject to Township compliance with all of the terms hereof;

WHEREAS, to ensure that the Inclusionary Development generates affordable housing credits to be applied to the Township's affordable housing obligations, the affordable units within the Inclusionary Development shall comply with the Round 2 regulations of the New Jersey Council on Affordable Housing ("COAH"), the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et seq. ("UHAC"), and all other applicable law, including a requirement that 13% of all affordable units are available to very low income households, and said Inclusionary Development shall be deed restricted for a period of 30 years pursuant to Paragraph 3.3 of this Agreement;

WHEREAS, all of the affordable units within the Inclusionary Development will be family rental units entitling the Township to rental bonus credits up to the applicable rental bonus caps;

WHEREAS, the Parties wish to enter into this Agreement, setting forth the terms, conditions, responsibilities and obligations of the Parties, and seek the Court's approval of this Agreement at a Fairness Hearing to the extent a fairness hearing is necessary; and

WHEREAS, the Parties wish to enter into this comprehensive Settlement Agreement, setting forth the terms, conditions, responsibilities and obligations of the Parties, and seek the Court's approval of same, if required; and

NOW, THEREFORE, in consideration of the promises, the mutual obligations contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, the Parties hereto, each binding itself, its successors and assigns, do hereby covenant and agree, each with the other, as follows:

ARTICLE I– PURPOSE

1.1 The purpose of this Agreement is (a) to create a realistic opportunity for up to 24 affordable family rental units at the Tulfra Site; (b) to provide for the development of the Property with the Project as set forth herein; (c) to resolve all issues amongst the Parties arising in relation to any Tulfra objections to inclusion of the Tulfra Site, as contemplated in this Agreement, in the Township's HEFSP and to resolve the challenge to the Redevelopment Plan in the context of the PW Action.

1.2 The Project shall be substantially consistent with the General Zoning Regulations, which will be further refined in the Amended Redevelopment Plan (provided however that such refinement shall not result in the loss of any residential market unis or reduction of any non-residential square footage) and which are attached hereto as **Exhibit A**, the Concept Plan, which is attached hereto as **Exhibit B**.

ARTICLE II- BASIC TERMS AND CONDITIONS

2.1 This Agreement may or may not be subject to a duly noticed "Fairness Hearing" depending on whether the change in the proposed Inclusionary Development requires a new hearing as determined by the Special Master. To the extent a new fairness hearing is required; this Agreement is subject to Court-approval at a duly noticed Fairness Hearing, provided however that notwithstanding any required approval, the Township will proceed with the preparation of the Amended Redevelopment Plan on the terms set forth herein.

2.2 In the event of any legal challenges to the Court's approval of this Agreement or a challenge to a determination that Court approval is not required, or to Required Approvals (as defined herein below) or any of them, including a challenge by any third party, the Parties shall diligently defend any such challenge and shall cooperate with each other regarding said defense. In addition, if any such challenge results in a modification of this Agreement or of the Project, the Parties must negotiate in good faith with the intent to draft a mutually-acceptable amended Agreement, provided that no such modification requires an increase or decrease in the density for the Inclusionary Development as provided herein or results or requires a reduction of any non-residential square footage or an increase in Tulfra or any successor or assign's cost to develop the Project.

2.3 The Township consents to the intervention of Tulfra in the Township's DJ Action (BER-L-6228-15) for purposes of effectuating this Settlement Agreement.

ARTICLE III– TULFRA OBLIGATIONS

3.1 Obligation To File Any Development Applications for the Project In Accordance With General Zoning Regulations and Concept Plan: Any and all development applications submitted by Tulfra and/or any successor or assign for the Inclusionary Development shall be substantially consistent with the General Zoning Regulations (hereinafter defined) attached hereto as **Exhibit A** and the concept plan attached hereto as **Exhibit B**, provided that nothing contained herein shall preclude Tulfra and/or any successor assigns from seeking relief, by way of deviation, waiver, exception or variance, from any bulk or design standard in connection with the Project.

3.2 Obligation To Maintain 15 Percent Affordable Housing Set-Aside And To Comply With All Affordable Housing Laws. Tulfra, its successors and/or assigns shall have an obligation to deed-restrict at least fifteen percent (15%) of the residential units in the Inclusionary Development (equivalent to 24 units if the Planning Board approves an application for 160 new units, of which 24 will be affordable as very low, low or moderate income affordable units, it being understood that Tulfra shall have the right to treat this Agreement as mull and void in the event that approval is not granted or is approved with a reduction in non-residential square footage than provided herein and may thereafter pursue its remedies in either both actions). The affordable units shall be integrated in the project.

3.3 Obligation To Comply With All Affordable Housing Laws And Maintain Creditworthiness of Units in the Inclusionary Development.

3.3.1 Tulfra or any successor or assign shall be responsible for all costs associated with the initial rental of the affordable units in the Inclusionary Development, and for the continuing administration of the affordable units and the preservation of the creditworthiness of the units. In satisfaction of this obligation, Tulfra or any successor or assign shall retain Piazza & Associates ("Piazza"), or such other qualified person or entity as agreed to between the Parties, as the Administrative Agent to perform all of the administrative tasks associated with the affordable units to be constructed in the Inclusionary Development, including but not limited to all those set forth below. In the event Piazza is not available, is unwilling to serve, or is not acceptable to Tulfra or any successor or assign, then Tulfra or any successor or assign and the Township shall cooperate toward retaining a mutually agreeable Administrative Agent. Tulfra or any successor or assign shall be responsible for the cost of the Administrative Agent's services to the extent the Administrative Agent performs work concerning the proper administration of the affordable units contemplated by this Agreement.

3.3.2 The administrative tasks include the affordable housing Administrative Agent performing its responsibilities pursuant to UHAC regulations, COAH's Round 2 regulations and of any other relevant agency and all other applicable laws related to affordable housing in New Jersey ("Affordable Housing Laws") to ensure that the affordable units in the Inclusionary Development remain creditworthy. Notwithstanding anything herein to the contrary, Tulfra or any successor or assign directly or through the Administrative Agent shall take all necessary steps to make the affordable units provided for under this Agreement and in the approved site plan creditworthy and to maintain the creditworthiness of the units pursuant to applicable law. Such steps shall include, but not be limited to (i) complying with the bedroom distribution for the affordable units, (ii) the split of very low-income units, low-income units and moderate-income units, (iii) the phasing of the market units with the affordable units in accordance with all applicable regulations; (iv) appropriately marketing the affordable units, (v) screening potential applicants for the units to ensure that they qualify as low or moderate households, (vi) pricing the units at affordable rates, (vii) ensuring that the affordable units are properly deed restricted, (viii) enforcing any and all other UHAC requirements and requirements of the COAH or a successor agency as to the affordability of the units; and (ix) addressing any reasonable monitoring requirements as may be imposed on the Township with respect to the affordable units. For purposes of this subparagraph, the Parties assume current UHAC regulations and COAH round two regulations (<u>N.J.A.C.</u> 5:93-1, <u>et seq.</u>) shall control. However, if COAH promulgates new applicable and lawful regulations prior to Tulfra or any successor or assign securing preliminary site plan approval that impose different requirements to render the units creditworthy, then Tulfra or any successor or assign shall comply with the new regulations. Upon written notice, Tulfra or any successor or assign shall provide reasonable information requested by the Township or the Township's Administrative Agent, within 30 days concerning Tulfra or any successor or assign's compliance with UHAC and other applicable laws.

3.3.3 In the event the required number of affordable units Tulfra or any successor or assign is required to provide in the Inclusionary Development is an odd number, at least 50 percent of the affordable units shall be units rented to very low or low-income households.

3.3.4 Tulfra or any successor or assign shall comply with the following distribution of very low, low and moderate income units in the Inclusionary Development: very low (at least 13%) / low (up to 37%) / moderate (no more than 50%). To illustrate the intent of this provision, if 24 affordable units are approved and constructed, the breakdown will be 12 moderate; 8 low and 4 very low. UHAC regulations currently permit an overall affordability average of fifty two percent (52%) of median for all affordable units within the Inclusionary Development and Tulfra or any successor or assign shall be permitted to comply with this standard or any other applicable standard subject to Tulfra or any successor or assign's obligation to maintain the creditworthiness of all the affordable units contemplated by this Agreement with the distribution of very low, low and moderate income households set forth herein.

3.3.5 Each restricted unit within the Inclusionary Development shall remain subject to the requirements of this Paragraph 3.3 for the 30-year control period provided that the Township shall have the option to extend such restrictions, if permitted by applicable law, for such period as may be permitted therein upon terms acceptable to Tulfra or any successor or assign.

3.3.6 The Parties agree that the affordable units are to be included in the Affordable Housing Plan to be approved and credited by the Court in the Compliance Action and treated as family affordable rental units, and that the credits will be applied as the Township deems fit.

3.3.7 Upon written notice, Tulfra, or its successors or assigns, shall provide reasonable information requested by the Township, or the Township's Administrative Agent, within 30 days concerning Tulfra's or any successor or assign's compliance with UHAC and other applicable laws with respect to the Inclusionary Development.

3.4 Obligation to Post Escrows: Tulfra or any successor or assign shall post escrows to cover the reasonable and customary costs of the Planning Board's professionals in conjunction with their review of Tulfra or any successor or assign's development applications for the Project, which costs shall include, by way of example, the cost to review submissions of the applicant and other relevant documents and to testify about the reports reviewed. All such escrows shall be governed by the requirements of the Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq. ("MLUL") and shall comply with Section 4.9 hereinbelow. The Township shall assure that the Planning Board and any agency, department, employee or other Township entity shall comply with N.J.A.C. 5:93-10, to avoid the imposition of cost generative procedures, reviews and requirements in the processing of any development or permit application for the Project.

3.5 Obligation To Comply With Reasonable Conditions of Approval: Tulfra acknowledges that as a condition of preliminary and/or final site plan and/or subdivision approval and/or variance or design standard approval, the Township's Planning Board may require on-site and off-site improvements only as permitted by N.J.S.A. 40:55D-42 and subject to the requirement to comply with N.J.A.C. 5:93-10. Nothing herein contained is intended or shall be read to limit Tulfra and/or any successor or assign's right to challenge any denial of any Required Approval or any condition imposed thereon which Tulfra and/or any successor or assign determines to be unreasonable, unlawful or in violation of N.J.S.A. 40:55D-42 or N.J.A.C. 5:93-10.

3.6 Tulfra or any successor or assign shall perform, at its expense, any studies the Planning Board or other Township board, commission or other entity with jurisdiction may reasonably, customarily, and lawfully, require with respect to any infrastructure improvements necessitated by the Project, provided that such requirement shall comply with Section 4.9 or this Agreement and N.J.A.C. 5:93-10, to avoid cost generative features and procedures.

3.7 Obligation Not To Oppose Township's Application for Approval of its Affordable Housing Plan. Tulfra or any successor or assign will cooperate with and support the Township's subsequent request for entry of a judgment of compliance provided that the Township's Affordable Housing Plan includes the Project consistent with this Agreement and will support the settled upon fair share and will not otherwise challenge the validity of the Township's Affordable Housing Plan unless the Township is in default hereunder or the terms of this Agreement are violated by the Township or any agency, entity, department or employee of the Township.

3.8 Obligation To Furnish Documentation Concerning Creditworthiness of Units: Upon written notice, Tulfra or any successor or assign shall supply the Township and the Township's Administrative Agent, within 30 days, all documents within its possession that may be reasonably necessary to demonstrate the creditworthiness of the affordable units within the Inclusionary Development.

3.9 Obligation to Cooperate: Tulfra and any successor or assign shall have the obligation to cooperate with Township to advance the intent and purposes of this Agreement.

ARTICLE IV - OBLIGATIONS OF THE TOWNSHIP

4.1 Obligation to Amend the Redevelopment Plan: At the first regular meeting of the Township Council but in no event later than 30 days following the execution of this Agreement, the Township shall introduce the Amended Redevelopment Plan, which shall be consistent with the General Zoning Regulations attached hereto as Exhibit A and the Concept Plan (Exhibit B), which will allow for the development of the Project at the Property, including the construction of 160 total new units, of which 24 (15%) shall be set aside for affordable housing. The General Zoning Regulations and Amended Redevelopment Plan will require the above-specified set-aside and will require all units to be constructed in accordance with all applicable UHAC and COAH regulations. The Amended Redevelopment Plan shall also permit the commercial uses and the square footages specified in the Concept Plan and General Zoning Regulations to the full build out set forth on the Concept Plan. Upon introduction of the Amended Redevelopment Plan, the Township Council shall immediately refer the Amended Redevelopment Plan to the Planning Board for consistency review and recommendations which review shall be conducted by the Board, if at all, at the next regularly scheduled meeting of the

Planning Board or such special meeting as shall be required. At the next regularly scheduled Township Council meeting after receipt of a resolution or memorandum from the Planning Board regarding the Amended Redevelopment Plan, or after the expiration of the forty-five (45) day referral period, whichever is earlier, the Township Council will conduct a hearing and will vote on the Amended Redevelopment Plan. The Township shall schedule special meetings of the Council if necessary to meet the deadlines for action set forth herein. In the event that it is determined by the Special Master or the Court that a Fairness Hearing is necessary, the Township will nevertheless comply with the timeframes set forth in this Section 4.1 provided that the Township may not be required to conduct a hearing and final vote on the Amended Redevelopment Plan unless and until Court approval of the Township's compliance plan.

4.2 Terms and Requirements To Be Included in The Amended Redevelopment Plan: The Amended Redevelopment Plan shall include appropriate bulk, design and use standards acceptable to Tulfra as set forth in the General Zoning Regulations (**Exhibit A**) to facilitate development of the Property with the Project including *inter alia*, appropriate density to permit 160 residential units. The Amended Redevelopment Plan shall provide that the Project may be redeveloped and approved in up to four (4) phases to be comprised of such elements of the Project as Tulfra or any successor or assign shall determine and in such order as determined by Tulfra or any successor or assign, and shall provide that Tulfra shall have the right to convey a subdivided lot whereon the existing pond and associated open space is located as shown on the Concept Plan attached hereto as **Exhibit B** ("Open Space Parcel") subject to the Township's approval and any the completion of any required improvements. In the event that the Township approves the conveyance of the Open Space Parcel, the Developer or any successor in interest will be solely responsible for its maintenance. In any event, the Open Space Parcel will be subject to a deed restriction to preclude any future development of Open Space Parcel. In the event that the Township does not accept conveyance the Open Space Parcel, the Township will consent to a nominal assessment for tax purposes. In any event, the Open Space Parcel shall be available to and open to the public. . To the extent the Parties mutually agree to seek pedestrian access to and from the Property through the Borough of Paramus or in the event such access is required by any agency or entity during the approval process, the Township will also cooperate in assisting Tulfra to obtain pedestrian access as aforesaid, including negotiating with representatives of the Borough of Paramus. The Amended Redevelopment Plan shall provide for Tulfra or any successor or assign's right to seek deviations, waivers, exceptions and/or variances.

4.3 Processing Applications: The Amended Redevelopment Plan shall not require pre-review of the Project by the Township Council or Township staff prior to submission to or review and approval of the Project or any phase or component thereof by the Planning Board and shall not require execution of a Redevelopment Agreement prior to submission to, acceptance of or approval by the Planning Board. This Agreement and all Exhibits shall be made part of the Redevelopment Plan. The Amended Redevelopment Plan shall provide that the Board will undertake its completeness review within thirty (30) days of receipt of any application from Tulfra or any successor or assign pursuant to the Amended Redevelopment Plan and any failure to deem the application incomplete shall result in the application being deemed complete on the thirtieth (30th) day following submission of an application. The Amended Redevelopment Plan shall also provide that applications submitted pursuant to the Amended Redevelopment Plan shall be given priority in Planning Board consultant review and in scheduling hearings before the Planning Board including the scheduling of special hearings if requested by Tulfra or any successor or assign. Tulfra shall not file applications until after the adoption of the Amended Redevelopment Plan as required by this Agreement.

4.4 In the event that the Amended Redevelopment Plan shall not be adopted as aforesaid, or in the event that an amended redevelopment plan is adopted that does not allow permitted uses, design and bulk standards consistent with those standards set forth on **Exhibit A** and provide for development of the Project as defined herein, then the Parties to this Agreement shall be restored, *status quo ante*, to their respective positions prior to the execution of this Agreement, the Parties shall have no further obligations to each other under this Agreement, and no Party shall be entitled to use this Agreement to the disadvantage of the other in any future litigation.

4.5 Obligation To Include Project Into Township's Affordable Housing Plan. The Township shall incorporate the Project, this Agreement and the Amended Redevelopment Plan into the Affordable Housing Plan for which it seeks the Court's approval. The Township agrees that, absent written consent of Tulfra or any successor or assign, or a Court order, the Amended Redevelopment Plan shall remain applicable to the Property for a period of thirty (30) years.

4.6 Obligation To Cooperate and To Exercise The Power of Eminent Doman: The Township acknowledges that in order for Tulfra to develop the Premises with the Project, including construction of the Inclusionary Development that will substantially satisfy the affordable housing obligation of the Township, the Township will commence and pursue an action to condemn the Parking Easement recorded in Book 7810 at Page 724 in the Office of the Clerk of Bergen County and encumbering the Property. The cost of the condemnation action and the payment of the assessed value associated with the condemned easement shall be the obligation of the Developer. The Township further acknowledge that Tulfra will be required to obtain any and all necessary and applicable agreements, approvals and permits from all relevant boards, agencies, public entities and utilities, such as, by way of example only, the Township, and its agencies, boards, departments and employees, the Planning Board of the Township of Rochelle Park, the Bergen County Planning Board, the New Jersey Department of Environmental Protection, the New Jersey Department of Transportation, the Bergen County Soil Conservation District to obtain site plan and subdivision approvals (and any required variances, waivers, deviations or exceptions) demolition permits, building permits, utility permits, sewer, water and access permits and approvals, and similar permits and approvals (the "Required Approvals"). The Township agrees to use all reasonable efforts to assist Tulfra in its undertakings to obtain the Required Approvals including, but not limited to complying with the time frames set forth herein for hearings, scheduling special meetings of the Council and requesting the Planning Board to provide special meetings for site plan and/or subdivision hearings and to comply with the time limitations for action set forth in the Municipal Land Use Law, N.J.S.A. 40:55D-1 *et seq*. and to comply with Section 4.9 of this Agreement. In furtherance of this undertaking, the Township, in satisfying its obligation to provide affordable housing, shall require its various departments and personnel to comply with all statutory and regulatory time periods in connection with *inter alia*, issuing demolition permits, reviewing applications and plans for building and construction permits, so as to facilitate the development contemplated herein promptly and without cost generative features or procedures. In this regard, the building department shall accept for review and processing any application submitted by

Tulfra or any successor or assign, and shall commence review of all such construction and building permit applications, promptly upon receipt, even if filed during any appeal period related to any Required Approval or permit obtained by Tulfra or its successors and assigns.

4.7 PILOT Financial Agreement: The Township acknowledges that Tulfra has advised that it requires a financial agreement to allow a PILOT for long term tax abatement to make the Project, including the Inclusionary Development, financially viable. The Township shall retain an expert to determine the financial impact of the proposed PILOT on the Township (the "Study") and the costs associated with that Study shall be the sole responsibility of Tulfra. The Township shall negotiate the terms of such Financial Agreement with Tulfra or any successor or assign, in good faith and shall expedite the negotiation of the terms of such Financial Agreement(s) and shall expedite the process, including drafting of such documents and scheduling of necessary public hearings for approval of necessary resolutions and ordinances to effectuate such Financial Agreements once terms are agreed to by the Parties.

4.8 Obligation to Maintain Proposed Zoning of Property: The Township agrees that if a decision of a court of competent jurisdiction in Bergen County, or a determination by an administrative agency responsible for implementing the Fair Housing Act, or an action by the New Jersey Legislature, would result in a calculation of an affordable housing obligation for the Township for the period 1987-2025 that would lower the Township's affordable housing obligation beyond that established by COAH for the period 1987-1999, and/or this Court for the period 1999-2025, the Township shall nonetheless implement the Amended Redevelopment Plan contemplated by this Agreement and take all steps necessary to support the development of the Project contemplated by this Agreement.

4.9 Obligation To Refrain From Imposing Cost-Generative Requirements: The Township shall comply with N.J.A.C. 5:93-10 and will not impose "cost generative" features or procedures.. The Township shall enforce the terms of N.J.S.A. 40:55D-8.5, *et seq*. with regard to any non-residential buildings or improvements to be constructed on-site pursuant to the Amended Redevelopment Plan in order to provide Tulfra with the full benefit of any exemption or relief thereunder.

4.10 Obligation To Designate Tulfra as Redeveloper and Enter Into A Redevelopment Agreement. The Township shall designate Tulfra as the Redeveloper of the Project pursuant to the Amended Redevelopment Plan. The Township will negotiate with Tulfra in good faith the terms of a redevelopment agreement which terms shall include a provision allows for assignment of the redevelopment agreement and/or transfer of the Property or any portion thereof, as of right, to an urban renewal entity (or entities) or any entity or entities controlled by the current interest holders of Tulfra.

ARTICLE V – MUTUAL OBLIGATIONS

5.1 Obligations Regarding Costs: Except as set forth herein, each Party shall be responsible for its own costs and expenses associated with seeking Court approval, if necessary, for and implementing this Agreement. The foregoing provision shall not be construed to preclude joint representation of Township in any litigation or other proceeding at the Township's sole cost.

5.2 Obligation To Comply with State Regulations: The Parties shall comply with any and all Federal, State, County and local laws, rules, regulations, statutes, ordinances, permits, resolutions, judgments, orders, decrees, directives, interpretations, standards, licenses, approvals, and similarly binding authority, applicable to the Inclusionary Development or the performance by the Parties of their respective obligations or the exercise by the Parties of their respective rights in connection with this Agreement.

5.3 Mutual Good Faith, Cooperation and Assistance. The Parties shall exercise good faith, cooperate, and assist each other in fulfilling the intent and purpose of this Agreement, including, but not limited to, the approval of this Agreement by the Courts, the adoption of the Amended Redevelopment Plan, the obtaining of the Required Approvals, the development of the Property consistent with the terms hereof, and the defense of any challenge with regard to any of the foregoing.

5.4 Defense of Agreement. Each Party exclusively shall be responsible for all costs which they may incur in obtaining Court approval of this Agreement and any appeal therefrom, or in obtaining the Required Approvals or the approval of the Affordable Housing Plan or any part thereof. The Parties shall diligently defend any such challenge.

5.5 Notices: Any notice or transmittal of any document required, permitted or appropriate hereunder and/or any transmittal between the Parties relating to the Property (herein "Notice(s)") shall be written and shall be served upon the respective Parties by certified mail, return receipt requested, or recognized overnight or personal carrier such as, for example, Federal Express, with certified proof of receipt, and, where feasible (for example, any transmittal of less than fifty (50) pages), and in addition thereto, an e-mail or facsimile delivery shall be provided. All Notices shall be deemed received upon the date of delivery set forth in such certified proof, and all times for performance based upon notice shall be from the date set forth therein. Delivery shall be affected as follows, subject to change as to the person(s) to be notified and/or their respective addresses upon ten (10) days' notice as provided herein:

TO TULFRA:

Tulfra Realty II, LLC
87 West Passaic Street
Rochelle Park, NJ 07662
Attn: Sonny Jumani

Email Sjumani@tulfra.com

WITH A COPY TO:

Meryl A. G. Gonchar, Esq.
Sills, Cummis & Gross, P.C.
151 West Passaic Street
Rochelle Park, NJ 07662
E-mail: mgonchar@sillscummis.com

TO THE TOWNSHIP:

Township of Rochelle Park
151 West Passaic Street
Rochelle Park, New Jersey 07662

Attn: Robert Davidson
E-mail: Admin@RochelleParkNJ.gov

WITH A COPY TO: Jeffrey R. Surenian and Associates, LLC
Attention: Michael J. Edwards, Esq.
707 Union Avenue, Suite 301
Brielle, NJ 08730
Fax: (732) 612-3101
E-mail: MJE@Surenian.com

In the event any of the individuals identified above has a successor or assign, the individual identified shall name the successor or assign and notify all others identified above of their successor or assign.

ARTICLE VI - MISCELLANEOUS

6.1 Severability: Unless otherwise specified, it is intended that the provisions of this Agreement are to be severable. The validity of any article, section, clause or provisions of this Agreement shall not affect the validity of the remaining articles, sections, clauses or provisions hereof. If any section of this Agreement shall be adjudged by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such determination shall not affect the remaining sections.

6.2 Successors Bound: The provisions of this Agreement shall run with the land, and the obligations and benefits hereunder shall be binding upon and inure to the benefit of the Parties, their successors and assigns, including any person, corporation, partnership or other legal entity which at any particular time may have a fee title interest in the Property which is the subject of this Agreement. This Agreement may be enforced by any of the Parties, and their successors and assigns, as herein set forth.

6.3 Governing Law: This Agreement shall be governed by and construed by the laws of the State of New Jersey.

6.4 No Modification: This Agreement may not be modified, amended or altered in any way except by a writing signed by each of the Parties.

6.5 Effect of Counterparts: This Agreement may be executed simultaneously in one (1) or more facsimile or e-mail counterparts, each of which shall be deemed an original. Any facsimile or e-mail counterpart forthwith shall be supplemented by the delivery of an original counterpart pursuant to the terms for Notice set forth herein.

6.6 Voluntary Agreement: The Parties acknowledge that each has entered into this Agreement on its own volition without coercion or duress after consulting with its counsel, that each Party is the proper person and possess the authority to sign the Agreement, that this Agreement contains the entire understanding of the Parties and that there are no representations, warranties, covenants or undertakings other than those expressly set forth herein.

6.7 Interpretation: Each of the Parties hereto acknowledges that this Agreement was not drafted by any one of the Parties, but was drafted, negotiated and reviewed by all Parties, and, therefore, the presumption of resolving ambiguities against the drafter shall not apply. Each of the Parties expressly represents to the other Parties that: (a) it has been represented by counsel in connection with negotiating the terms of this Agreement; and (b) it has conferred due authority for execution of this Agreement upon the person(s) executing it.

6.8 Necessity of Required Approvals: The Parties recognize that the Amended Redevelopment Plan and any of the Required Approvals required to implement the Project provided in this Agreement, and such other actions as may be required of the Township and the Planning Board under this Agreement, cannot be approved except on the basis of the independent reasonable judgment by the Planning Board and the Township Committee, as appropriate, and in accordance with the procedures established by law. Nothing in this Agreement is intended to constrain that judgment or to authorize any action not taken in accordance with procedures established by law. However, in accordance with procedures established by law, the Planning Board's judgment must not be arbitrary, capricious, or unreasonable in its consideration of any application. Similarly, nothing herein is intended to preclude Tulfra or any successor or assign from appealing any Amended redevelopment Plan provision inconsistent with this Agreement, any denials of or conditions imposed by the Planning Board in accordance with the MLUL or, subject to Paragraph 3.5, taking any other action permitted by law. The Parties agree that should Tulfra or its successors or assigns submit a development application for the Project to the Planning Board that complies with applicable requirements in the Township's Ordinances the Amended Redevelopment Plan and this Agreement, such development application shall be considered "by-right" and approved by the Planning Board after any required public hearings.

6.9 Schedules: Any and all Exhibits and Schedules annexed to this Agreement are hereby made a part of this Agreement by this reference thereto. Additional Exhibits and Schedules may in the future be made a part of this Agreement with prior written approval of all Parties.

6.10 Entire Agreement: This Agreement constitutes the entire agreement between the Parties hereto and supersedes all prior oral and written agreements between the Parties with respect to the subject matter hereof except as otherwise provided herein.

6.11 Conflict of Interest: No member, official or employee of the Township or the Planning Board shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to the Agreement which is prohibited by law, absent the need to invoke the rule of necessity.

6.12 Effective Date: Anything herein contained to the contrary notwithstanding, the effective date ("Effective Date") of this Agreement shall be the date upon which the last of the Parties to execute this Agreement has executed and delivered this Agreement.

6.13 Waiver. The Parties agree that this Agreement is enforceable. Each of the Parties waives all rights to challenge the validity or the ability to enforce this Agreement. Failure to enforce any of the provisions of this Agreement by any of the Parties shall not be construed as a waiver of these or other provisions.

6.14 Captions. The captions and titles to this Agreement and the several sections and subsections are inserted for purposes of convenience of reference only and are in no way to be construed as limiting or modifying the scope and intent of the various provisions of this Agreement.

6.15 Default. In the event that any of the Parties shall fail to perform any material obligation on its part to be performed pursuant to the terms and conditions of this Agreement, unless such obligation is waived by all of the other Parties for whose benefit such obligation is intended, or by the Court, such failure to perform shall constitute a Default of this Agreement. Upon the occurrence of any Default, the non-defaulting Party shall provide notice of the Default and the defaulting Party shall have a reasonable opportunity to cure the Default within forty-five (45) days. In the event the defaulting Party fails to cure within forty-five (45) days or such reasonable period of time as may be appropriate under the circumstances, the Party(ies) for whose benefit such obligation is intended shall be entitled to exercise any and all rights and remedies that may be available in equity or under the laws of the State of New Jersey, including the right of specific performance to the extent available. Further, the Parties may apply to the Court for relief, by way of a motion for enforcement of litigant's rights.

6.16 Notice of Actions. The Parties and their respective counsel agree immediately to provide each other with Notice of any lawsuits, actions or governmental declarations threatened or pending by third parties of which they are actually aware which may affect the provisions of this Agreement.

6.17 Construction, Resolution of Disputes. This Agreement has been entered into and shall be construed, governed and enforced in accordance with the laws of the State of New Jersey without giving effect to provisions relating to the conflicts of law. Jurisdiction of any litigation ensuing with regard to this Agreement exclusively shall be in the Superior Court of New Jersey, with venue in Bergen County.

6.18 Conflicts. The Parties acknowledge that this Agreement cannot be modified by the Compliance Action or any amendments to the Township's Affordable Housing Plan or Land Use and Development Ordinances and this Agreement shall control with respect to those matters as applied to the Property. Upon the entry of a Judgment of Compliance and Repose in the Township's Compliance Action, and after the Compliance Action is concluded, the Court shall retain jurisdiction to ensure compliance with the terms and conditions of this Agreement. Any expenses of the master to resolve conflicts between the Township and Tulfra or any successor or assign of Tulfra that may arise subsequent to the entry of this Agreement shall be split evenly between the Township and Tulfra or its successor or assign.

6.19 Recitals. The recitals of this Agreement are incorporated herein and made a part hereof.

THE REMAINDER OF THIS PAGE IS PURPOSEFULLY BLANK

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be properly executed, their corporate seals affixed and attested and this Agreement to be effective as of the Effective Date.

Attest:

Print Name: Lucas Grunberger

TULFRA REALTY II, LLC

By:

Print Name: Sonny Jumani

Date: 7/30, 2018

Attest:

Print Name: Elizabeth Kroll

TOWNSHIP OF ROCHELLE PARK,
A Municipal Corporation of the
State of New Jersey

By:

Print Name: William J. Hauser

Date: 7/26, 2018

EXHIBIT A

General Standards and Land Use Map

Land Use Plan
120 West Passaic Street Redevelopment Area
Rochelle Park, NJ

EXHIBIT A

GENERAL STANDARDS

Purpose: The purpose of the Plan is to redevelop the approximately 7.5 acre Area ("the Area") into a mixed use development consisting of multifamily residential with affordable housing, commercial/eating establishments and a self-storage facility. In addition, a significant component of the Plan is to provide open space that can be utilized by the public, to provide flood protection from Sprout Brook and to improve the existing pond as an open space amenity.

Land Use Plan: The Plan proposes the following four Land Use districts: Residential, Commercial, Self-Storage and Open Space. The 7.5 acre Area may be subdivided into four separate parcels the boundaries of which are consistent with the Land Use district boundaries. (See Land Use Plan map) It is anticipated that cross access and parking easements will be required.

Area Standards:
- Maximum building coverage 27%
- Maximum total coverage 45%

Standards per District:
Commercial
-Principal Permitted Uses: Retail, Restaurants totaling approximately 8,000 sq. ft. excluding the sq. ft. for outdoor seating. One restaurant use may have a drive through. No restaurant holding a liquor license shall be permitted.
-Minimum Lot Area: 1.7 acres
-Minimum Building setback from W Passaic St: 53 feet
-Minimum Building setback from eastern property line: 100 feet
-Maximum Height: 30 feet
-Minimum Parking: 4.5 spaces per 1000 sq. ft. excluding outdoor seating
-Reserved Parking: The Planning Board may consider and approve the provision of reserve parking if the Board deems it appropriate.
-Outdoor seating area of approximately 4,500 sq. ft. which is associated with restaurant/commercial uses shall be provided between the commercial building and W. Passaic St.
-No parking shall be permitted between the commercial building and W. Passaic St.
-To the extent feasible, mature trees shall be preserved.
-Buffer: A minimum landscaped buffer of 20 feet shall be required along the eastern property line adjacent to residential uses.

Self-Storage
- Principal Permitted Use: Self Storage facility with accessory office. No outdoor storage of any kind.
- Minimum Lot Area: 1.3 acres
- Maximum Height: 4 stories/50 feet
- Maximum Building Footprint: 29,000 sq. ft.
- Minimum Parking: 7 spaces
- Maximum Parking: 9 spaces
- Minimum Building Setback from eastern property line: 67 feet
- Buffer: A minimum landscaped buffer of 25 feet shall be required along the eastern property line.
- Access driveway: A one-way driveway shall be permitted around the building.

Residential
- Principal Permitted Uses: Multifamily residential with an affordable housing component
- Minimum Lot Area: 1.9 acres
- Density: A maximum of 160 multifamily residential units shall be permitted of which 15% (or 24 units) shall be affordable family rental which shall comply with UHAC and COAH regulations. The affordable units shall be deed restricted for at least 30 years.

- Maximum Height: 4 habitable stories over parking/65 feet
- Minimum Parking: 1.5 spaces per unit
- Minimum Building setback from rear property line: 20 feet
- Parking shall be required on the ground floor of the building

Open Space

- The open space area shall be available for use by the general public
- Minimum Lot Area: 2.5 acres
- The existing pond shall be part of the open space area and shall be improved and maintained by the redeveloper.

EXHIBIT B

Concept Plan

EXHIBIT B

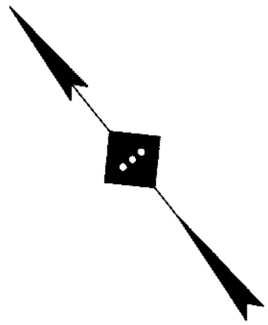

TABLE OF LAND USE AND Z

BLOCK 92, LOTS 1 & 2; BLOCK 93,

PROPOSED USE

- MULTI-FAMILY RESIDENTIAL
- SELF-STORAGE FACILITY
- QUICK-SERVE RESTAURANT WITH DRIVE THRU
- RETAIL

ZONING REQUIREMENT	PROPOSED
MINIMUM LOT AREA	RESIDENTIAL LOT: ± SELF-STORAGE FACI COMMERCIAL LOT: OPEN SPACE LOT: ± TOTAL: ±7.55 AC (±3
MINIMUM LOT WIDTH	± 797.3 FT
MINIMUM LOT DEPTH	± 400.3 FT
MINIMUM FRONT YARD	PLAZA WAY = ± 20.0 WEST PASSAIC STRE
MINIMUM SIDE YARD ONE/TOTAL	WEST LOT LINE = ± EAST LOT LINE = ± 6 TOTAL SIDE YARD =
MAXIMUM BUILDING COVERAGE	± 26.4% (86,645 SF)
MAXIMUM IMPROVED COVERAGE	± 46.0% (151,333 SF)
FLOOR AREA RATIO	± 0.87 (287,540 SF)
MAXIMUM BUILDING HEIGHT	RESIDENTIAL BUILDI SELF-STORAGE BUIL QUICK-SERVE RESTA RETAIL = 1 STORY / 3 QUICK SERVE RESTA
MAXIMUM DWELLING UNITS PER BUILDING	RESIDENTIAL BUILDI

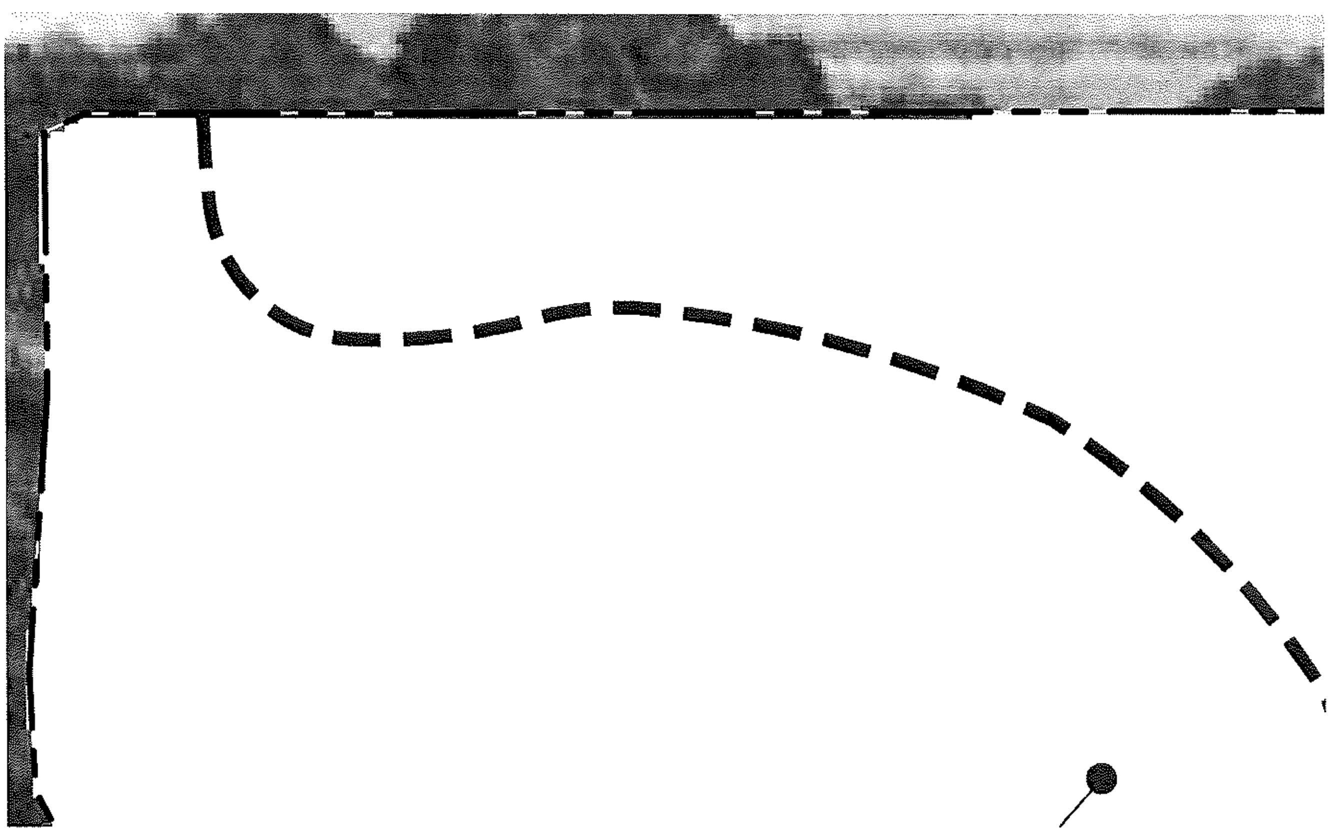

EXHIBIT B

TABLE OF LAND USE AND Z	
BLOCK 92, LOTS 1 & 2; BLOCK 93,	
PROPOSED USE MULTI-FAMILY RESIDENTIAL SELF-STORAGE FACILITY QUICK-SERVE RESTAURANT WITH DRIVE THRU RETAIL	
ZONING REQUIREMENT	**PROPOSED**
MINIMUM LOT AREA	RESIDENTIAL LOT: ± SELF-STORAGE FACII COMMERCIAL LOT: : OPEN SPACE LOT: ±: TOTAL: ±7.55 AC (±3
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