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April 18, 2018

Roger W. Thomas, Esq.
Dolan and Dolan, P.A.
One Legal Lane at 53 Spring Street
PO Box D
Newton, NJ 07860

**Re: In the Matter of the Borough of Peapack-Gladstone, County of
Somerset, Docket No. SOM-L-905-15**

Dear Mr. Thomas:

This letter memorializes the terms of an agreement reached between the Borough of Peapack-Gladstone (the Borough or "Peapack-Gladstone"), the declaratory judgment plaintiff, and Fair Share Housing Center (FSHC), a Supreme Court-designated interested party in this matter in accordance with In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1, 30 (2015) (Mount Laurel IV) and, through this settlement, a defendant in this proceeding.

Background

Peapack-Gladstone filed the above-captioned matter on July 8, 2015 seeking a declaration of its compliance with the Mount Laurel doctrine and Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq. in accordance with In re N.J.A.C. 5:96 and 5:97, supra. Through the declaratory judgment process, the Borough and FSHC agreed to settle the litigation and to present that settlement to the trial court with jurisdiction over this matter to review, recognizing that the settlement of Mount Laurel litigation is favored because it avoids delays and the expense of trial and results more quickly in the construction of homes for lower-income households.

Settlement terms

The Borough and FSHC hereby agree to the following terms:

1. FSHC agrees that the Borough, through the adoption of a Housing Element and Fair Share Plan conforming with the terms of this Agreement (hereafter "the Plan") and through the implementation of the Plan and this Agreement, satisfies its obligations under the Mount Laurel doctrine and Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq., for the Prior Round (1987-1999) and Third Round (1999-2025).
2. At this time and at this particular point in the process resulting from the Supreme Court's Mount Laurel IV decision, when Third Round fair share obligations have yet to be definitively determined, it is appropriate for the parties to arrive at a settlement regarding a municipality's Third Round present and prospective need instead of doing so through plenary adjudication of the present and prospective need.
3. FSHC and the Borough hereby agree that Peapack-Gladstone's affordable housing obligations are as follows:

Rehabilitation Share (per Kinsey Report ¹)	1
Prior Round Obligation (pursuant to N.J.A.C. 5:93)	82
Third Round (1999-2025) Prospective Need (per Kinsey Report, as adjusted through this Agreement)	104

4. For purposes of this Agreement, the Third Round Prospective Need shall be deemed to include the Gap Period Present Need, which is a measure of households formed from 1999-2015 that need affordable housing, that was recognized by the Supreme Court in In re Declaratory Judgment Actions Filed By Various Municipalities, 227 N.J. 508 (2017). Although the Borough does not agree with the basis of the Third Round Prospective Need Fair Share calculations proffered by FSHC, to settle the above captioned Declaratory Judgment action, the parties agree to establish 104 units as the Borough's Third Round Prospective Need Fair Share obligation. This number reflects a reduction of FSHC's proffered Third Round Prospective Need obligation, as set forth in the July 2016 expert report, as supplemented by the April 2017 gap analysis, filed by FSHC in this matter.
5. The Borough will adopt a rehabilitation program that complies with the rules of the Council on Affordable Housing and will adopt all necessary resolutions and prepare all necessary manuals to fund and implement this program for homeowner and rental units. This is sufficient to satisfy the Borough's present need obligation of 1 unit.
6. As noted above, the Borough has a Prior Round prospective need of 82 units, which is met through the following compliance mechanisms:

Mechanism/Development	Units	Bonuses	
Lutheran Social Ministries (family rental), 85 Main Street, Block 23, Lot 17	18	18	These affordable units were developed in 2001. This development was funded with Low Income Housing Tax Credits (LIHTC). The municipality agrees during the compliance phase of this litigation to provide evidence of the deed restriction and to demonstrate that at least half of the 18 units are available to low-income households.
Regional Contribution Agreement with Perth Amboy	37		During the compliance phase of this litigation, the Borough will provide documentation demonstrating that the units transferred to Perth Amboy were created or rehabilitated in accordance with applicable law.
St. Luke's Senior Housing	9		Prior Cycle Credit
Total:	64	18	64+18=82

The Borough has implemented or will implement the following mechanisms to address its Third Round prospective need of 104 units:

¹ David N. Kinsey, PhD, PP, FAICP, NEW JERSEY LOW AND MODERATE INCOME HOUSING OBLIGATIONS FOR 1999-2025 CALCULATED USING THE NJ COAH PRIOR ROUND (1987-1999) METHODOLOGY, May 2016.

Mechanism/Development	Units	Bonuses	
Lutheran Social Ministries (family rental), 85 Main Street, Block 23, Lot 17	2	2	These affordable units were developed in 2001. This development was funded with Low Income Housing Tax Credits (LIHTC). The municipality agrees during the compliance phase of this litigation to provide evidence of the deed restriction and to demonstrate that at least half of the 18 units are available to low-income households.
Smith Property (special needs rentals; 100% affordable), Block 20, Lot 1.03	8	6	During the compliance phase of this litigation, the municipality will demonstrate that it has provided a realistic opportunity as to this development in accordance with the terms of this Agreement. The municipality agrees to provide: 1) The Supportive and Special Needs Housing Survey Form used by the Council on Affordable Housing; 2) A copy of the facility license, if applicable.
Smith Property (family rental; 100% affordable), Block 20, Lot 1.03	20	18	During the compliance phase of this litigation, the municipality will demonstrate that it has provided a realistic opportunity as to this development in accordance with the terms of this Agreement through the provision of information and documents required by this Agreement.
Vernon Manor (family rental), Block 8, Lots 19 & 20	3		Under construction. During the compliance phase of the litigation, the municipality will demonstrate that these units are creditworthy in accordance with applicable law, including the Uniform Housing Affordability Controls, <u>N.J.A.C. 5:80-26</u> , and will demonstrate that the units have been affirmatively marketed.
Matheny Groups Homes Special Needs Housing, Block 20, Lot 26	10		During the compliance phase of this litigation, the municipality will demonstrate that it has provided a realistic opportunity as to this development in accordance with the terms of this Agreement. The municipality agrees to provide: 1) The Supportive and Special Needs Housing Survey Form used by the Council on Affordable Housing; 2) A copy of the facility license, if applicable.
Accessory Apartment Program (family rental)	10		An accessory apartment is a self-contained residential dwelling unit with a kitchen, sanitary facilities, sleeping quarters, and a private entrance, which is created within an existing home, or through the conversion of an existing attached accessory structure on the same

		<p>site, or by an addition to an existing home or accessory building. During the compliance phase of the litigation, the Borough will demonstrate that this program has been established and is ready to be implemented in accordance with <u>N.J.A.C. 5:93-5.9</u>. Half of the units will be made available to low-income households. The units must be affirmatively marketed and shall be affordable for a period of 30 years. During the compliance phase of this litigation, the Borough will prepare all necessary manuals and forms for review by FSHC, the Special Master, and the Court prior to and at the compliance hearing. The parties agree that the viability of this compliance mechanism should be reviewed during the midpoint realistic opportunity review pursuant to <u>N.J.S.A. 52:27D-313</u>.</p>
SJP Properties (family rental), Block 33, Lots 13	14	<p>SJP Properties owns a 79-acre site located at 125 Route 206. The developer of the site has agreed to provide 14 units of family rental housing for very low, low- and moderate-income households as part of a development that includes 68 market-rate homes. During the compliance phase of the litigation, in order to show a realistic opportunity for the 14 units of affordable housing planned for this site, the Borough agrees to provide an agreement with the developer of this site showing the location of the affordable units and evidencing the developer's obligation to provide the affordable units and stating that the developer agrees the zoning for the site presents a realistic opportunity for the development of affordable housing; that the developer has received an adequate compensatory benefit; that the developer specifically waives any claims that could be brought asserting a taking, inverse condemnation and any related claims; and that the developer waives claims regarding the absence or inadequacy of a compensatory benefit and the absence or inadequacy of incentives to the developer required by <u>N.J.S.A. 52:27D-311h</u>. The developer must agree to waive its right to object at the fairness and compliance hearings in this matter and must agree to comply with the Uniform Housing Affordability Controls, as modified by this Agreement regarding providing units at</p>

			30% of median income, and must agree that half of the units will be available to low-income households, including 2 that will be available to very low income households. The developer shall further agree to comply with the phasing required by <u>N.J.A.C. 5:93-5.6(d)</u> . The ordinance required to provide a realistic opportunity for this compliance mechanism shall be provided to FSHC and the special master for comment prior to adoption and at least 45 days' prior to the compliance hearing in this matter.
Elks Club/American Legion (family rental or sale); Block 33, Lots 15 and 16	11		The Borough has agreed to provide inclusionary zoning permitting a density of 9.0 units per acre with a set-aside of 16% for rental units and 20% for sale units. During the compliance phase of this litigation, the Borough will provide evidence that this site is available for development in the form of a letter from the owner of the site.
Total:	78	26	78+26=104

7. The Borough intends to provide a realistic opportunity for the development of affordable housing through the adoption of inclusionary zoning attributable to the following sites:

Inclusionary Development	Units
Vernon Manor (family rental), Block 8, Lots 19 & 20	3
Matheny Groups Homes Special Needs Housing, Block 20, Lot 26	10
SJP Properties (family rental), Block 33, Lot 13 (May be provided off site)	14
Elks Club/American Legion (family rental or sale); Block 33, Lots 15 and 16	11

8. The Borough will provide a realistic opportunity for the development of additional affordable housing that will be developed or created through means other than inclusionary zoning in the following ways:

Mechanism/100% Affordable Development	Units
Smith Property (special needs rentals; 100% affordable), Block 20, Lot 1.03	8
Smith Property (family rental; 100% affordable), Block 20, Lot 1.03	20
Matheny Groups Homes Special Needs Housing, Block 20, Lot 26	10
Accessory Apartment Program (family rental)	10

In accordance with N.J.A.C. 5:93-5.5, the Borough recognizes that it must provide evidence that the municipality has adequate and stable funding for any non-inclusionary affordable housing developments. The municipality is required to provide a pro forma of both total development costs and sources of funds and documentation of the funding

available to the municipality and/or project sponsor, and any applications still pending. In the case where an application for outside funding is still pending, the municipality shall provide a stable alternative source, such as municipal bonding, in the event that the funding request is not approved. The Borough will demonstrate how it satisfies these obligations through the submission of documentation at least 45 days prior to the compliance hearing in this matter and through the presentation of testimony at the compliance hearing.

In accordance with N.J.A.C. 5:93-5.5, for non-inclusionary developments, a construction or implementation schedule, or timetable, shall be submitted for each step in the development process: including preparation of a site plan, granting of municipal approvals, applications for State and Federal permits, selection of a contractor and construction. The schedule shall provide for construction to begin within two years of court approval of this settlement. The municipality shall indicate the entity responsible for undertaking and monitoring the construction and overall development activity. The Borough will demonstrate how it satisfies these obligations through the submission of documentation at least 45 days prior to the compliance hearing in this matter and through the presentation of testimony at the compliance hearing.

9. The Borough agrees to require 13% of all units referenced in this Agreement, excepting those units that were constructed or granted preliminary or final site plan approval prior to July 1, 2008, to be very low income units, with half of the very low income units being available to families. The municipality will comply with those requirements as follows:

Mechanism/Development	Total Units	Family Very Low Income Units	Other Very Low Income Units
Smith Property (special needs rentals; 100% affordable)	8		8
Smith Property (family rental; 100% affordable)	20	3	
Vernon Manor (family rental)	3		
Matheny Groups Homes Special Needs Housing	10		10
Accessory Apartment Program (family rental)	10		
SJP Properties (family rental)	14	2	
Elks Club/American Legion (family rental or sale)	11	2 (if rental)	
Total:	76	7	18

10. The Borough shall meet its Third Round Prospective Need in accordance with the following standards as agreed to by the Parties and reflected in the table in paragraph 6 above:
 - a. Third Round bonuses will be applied in accordance with N.J.A.C. 5:93-5.15(d).
 - b. At least 50 percent of the units addressing the Third Round Prospective Need shall be affordable to very-low-income and low-income households with the remainder affordable to moderate-income households.

- c. At least twenty-five percent of the Third Round Prospective Need shall be met through rental units, including at least half in rental units available to families.
 - d. At least half of the units addressing the Third Round Prospective Need in total must be available to families.
 - e. The Borough agrees to comply with an age-restricted cap of 25% and to not request a waiver of that requirement. This shall be understood to mean that in no circumstance may the municipality claim credit toward its fair share obligation for age-restricted units that exceed 25% of all units developed or planned to meet its cumulative prior round and third round fair share obligation.
11. The Borough shall add to the list of community and regional organizations in its affirmative marketing plan, pursuant to N.J.A.C. 5:80-26.15(f)(5) the following: FSHC, 510 Park Blvd, Cherry Hill, NJ; the Latino Action Network, PO Box 943, Freehold, NJ 07728; the Supportive Housing Association, 15 Alden St # 14, Cranford, NJ 07016; the New Brunswick Branch of the NAACP, the Plainfield Area Branch of the NAACP, the Perth Amboy Branch of the NAACP, and Metuchen/Edison branches of the NAACP and the New Jersey Housing Resource Center. The Borough shall provide, as part of its regional affirmative marketing strategies during its implementation of the affirmative marketing plan, notice to those organizations of all available affordable housing units. The Borough also agrees to require any other entities, including developers or persons or companies retained to do affirmative marketing, to comply with this paragraph.
12. All units shall include the required bedroom distribution, be governed by controls on affordability and affirmatively marketed in conformance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et. seq. or any successor regulation, with the exception that in lieu of 10 percent of affordable units in rental projects being required to be at 35 percent of median income, 13 percent of affordable units in such projects shall be required to be at 30 percent of median income, and all other applicable law. The Borough agrees that each restricted sales or rental unit shall remain subject to affordability controls until the Borough elects to release the unit from such requirements pursuant to N.J.A.C. 5:80-26.5 for sales units N.J.A.C. 5:80-26.11 for rental units. The Borough agrees the election to release the units from affordability controls will be made, if at all, after the expiration of the minimum period of affordability of 30 years required by N.J.A.C. 5:80-26.5 for sales units N.J.A.C. 5:80-26.11 for rental units. The Borough as part of its Housing Element and Fair Share Plan shall adopt and/or update appropriate implementing ordinances in conformance with standard ordinances and guidelines developed by COAH to ensure that this provision is satisfied.
13. Income limits for all units that are part of the Plan required by this Agreement and for which income limits are not already established through a federal program exempted from the Uniform Housing Affordability Controls pursuant to N.J.A.C. 5:80-26.1 shall be updated by the Borough annually within 30 days of the publication of determinations of median income by HUD as follows:
 - a. Regional income limits shall be established for the region that the Borough is located within (i.e. Region 3) based on the median income by household size, which shall be established by a regional weighted average of the uncapped Section 8 income limits published by HUD. To compute this regional income limit, the HUD determination of median county income for a family of four is multiplied by the estimated households within the county according to the most recent

decennial Census. The resulting product for each county within the housing region is summed. The sum is divided by the estimated total households from the most recent decennial Census in the Borough's housing region. This quotient represents the regional weighted average of median income for a household of four. The income limit for a moderate-income unit for a household of four shall be 80 percent of the regional weighted average median income for a family of four. The income limit for a low-income unit for a household of four shall be 50 percent of the HUD determination of the regional weighted average median income for a family of four. The income limit for a very low income unit for a household of four shall be 30 percent of the regional weighted average median income for a family of four. These income limits shall be adjusted by household size based on multipliers used by HUD to adjust median income by household size. In no event shall the income limits be less than those for the previous year.

- b. The income limits attached hereto as Exh. A are the result of applying the percentages set forth in paragraph (a) above to HUD's determination of median income for FY 2017, and shall be utilized until the Borough updates the income limits after HUD has published revised determinations of median income for the next fiscal year.
- c. The Regional Asset Limit used in determining an applicant's eligibility for affordable housing pursuant to N.J.A.C. 5:80-26.16(b)3 shall be calculated by the Borough annually by taking the percentage increase of the income limits calculated pursuant to paragraph (a) above over the previous year's income limits, and applying the same percentage increase to the Regional Asset Limit from the prior year. In no event shall the Regional Asset Limit be less than that for the previous year.
- d. The parties agree to request the Court prior to or at the fairness hearing in this matter to enter an order implementing this paragraph of this Agreement.

14. All new construction units shall be adaptable in conformance with P.L.2005, c.350/N.J.S.A. 52:27D-311a and -311b and all other applicable law.

15. As an essential term of this Agreement, within 120 days of Court's approval of this Agreement, the Borough shall introduce an ordinance or ordinances providing for the amendment of the Borough's Affordable Housing Ordinance and Zoning Ordinance to implement the terms of this Agreement and the zoning contemplated herein and adopt a Housing Element and Fair Share Plan and Spending Plan in conformance with the terms of this Agreement.

16. The parties agree that if a decision of a court of competent jurisdiction in Somerset 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 obligation for the Borough for the period 1999-2025 that would be lower by more than twenty (10%) percent than the total prospective Third Round need obligation established in this Agreement, and if that calculation is memorialized in an unappealable final judgment, the Borough may seek to amend the judgment in this matter to reduce its fair share obligation accordingly. Notwithstanding any such reduction, the Borough shall be obligated to adopt a Housing Element and Fair Share Plan that conforms to the terms of this Agreement and to implement all compliance mechanisms included in this Agreement, including by adopting or leaving in place any site specific zoning adopted or relied upon in connection with the Plan adopted pursuant to this Agreement; taking all steps necessary to support the development of any 100%

affordable developments or accessory apartment programs referenced herein; and otherwise fulfilling fully the fair share obligations as established herein. The reduction of the Borough's obligation below that established in this Agreement does not provide a basis for seeking leave to amend this Agreement or seeking leave to amend an order or judgment pursuant to R. 4:50-1. If the Borough prevails in reducing its prospective need for the Third Round, the Borough may carry over any resulting extra credits to future rounds in conformance with the then-applicable law.

17. The Borough shall prepare a Spending Plan within the period referenced above, subject to the review of FSHC and approval of the Court, and reserves the right to seek approval from the Court that the expenditures of funds contemplated under the Spending Plan constitute "commitment" for expenditure pursuant to N.J.S.A. 52:27D-329.2 and -329.3, with the four-year time period for expenditure designated pursuant to those provisions beginning to run with the entry of a final judgment approving this settlement in accordance with the provisions of In re Tp. Of Monroe, 442 N.J. Super. 565 (Law Div. 2015) (aff'd 442 N.J. Super. 563). On the first anniversary of the execution of this Agreement, which shall be established by the date on which it is executed by a representative of the Borough, and on every anniversary of that date thereafter through the end of the period of protection from litigation referenced in this Agreement, the Borough agrees to provide annual reporting of trust fund activity to the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services, or other entity designated by the State of New Jersey, with a copy provided to Fair Share Housing Center and posted on the municipal website, using forms developed for this purpose by the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services. The reporting shall include an accounting of all housing trust fund activity, including the source and amount of funds collected and the amount and purpose for which any funds have been expended.
18. On the first anniversary of the execution of this Agreement, and every anniversary thereafter through the end of this Agreement, the Borough agrees to provide annual reporting of the status of all affordable housing activity within the municipality through posting on the municipal website with a copy of such posting provided to Fair Share Housing Center, using forms previously developed for this purpose by the Council on Affordable Housing or any other forms endorsed by the Special Master and FSHC.
19. The Fair Housing Act includes two provisions regarding action to be taken by the Borough during the ten-year period of protection provided in this Agreement. The Borough agrees to comply with those provisions as follows:
 - a. For the midpoint realistic opportunity review due on July 1, 2020, as required pursuant to N.J.S.A. 52:27D-313, the Borough will post on its municipal website, with a copy provided to Fair Share Housing Center, a status report as to its implementation of the Plan and an analysis of whether any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity and whether any mechanisms to meet unmet need should be revised or supplemented. Such posting shall invite any interested party to submit comments to the municipality, with a copy to Fair Share Housing Center, regarding whether any sites no longer present a realistic opportunity and should be replaced and whether any mechanisms to meet unmet need should be revised or supplemented. Any interested party may by motion request a hearing before the court regarding these issues.

- b. For the review of very low income housing requirements required by N.J.S.A. 52:27D-329.1, within 30 days of the third anniversary of this Agreement, and every third year thereafter, the Borough will post on its municipal website, with a copy provided to Fair Share Housing Center, a status report as to its satisfaction of its very low income requirements, including the family very low income requirements referenced herein. Such posting shall invite any interested party to submit comments to the municipality and Fair Share Housing Center on the issue of whether the municipality has complied with its very low income housing obligation under the terms of this settlement.
20. FSHC is hereby deemed to have party status in this matter and to have intervened in this matter as a defendant without the need to file a motion to intervene or an answer or other pleading. The parties to this Agreement agree to request the Court to enter an order declaring FSHC is an intervenor, but the absence of such an order shall not impact FSHC's rights.
21. The parties to this Agreement will request that the Superior Court schedule hearings to review this proposed settlement and to evaluate the municipality's compliance with the proposed settlement as follows:
 - a. This settlement agreement must be approved by the Court following a fairness hearing as required by Morris Cty. Fair Hous. Council v. Boonton Twp., 197 N.J. Super. 359, 367-69 (Law Div. 1984), aff'd o.b., 209 N.J. Super. 108 (App. Div. 1986); East/West Venture v. Borough of Fort Lee, 286 N.J. Super. 311, 328-29 (App. Div. 1996). The Borough shall present its planner as a witness at this hearing. The parties agree to support this settlement at the fairness hearing. If the settlement agreement is rejected by the Court at a fairness hearing it shall be null and void.
 - b. In the event the Court approves this proposed settlement, the parties will request that the court, consistent with its standard practice and the practice recommended by the Special Master in this matter, will schedule a compliance hearing approximately 120 days after the fairness hearing. At the compliance hearing, the municipality will present all adopted ordinances, any necessary resolutions and manuals, documentation required by this Agreement or requested by the Special Master, the Housing Element and Fair Share Plan, and the Spending plan for review and approval by the Special Master and the court. As part of the order finding that the municipality has complied with the terms of this agreement and taken all necessary steps, the parties contemplate the municipality will receive "the judicial equivalent of substantive certification and accompanying protection as provided under the FHA," as addressed in the Supreme Court's decision in In re N.J.A.C. 5:96 & 5:97, 221 N.J. 1, 36 (2015). The "accompanying protection" shall remain in effect through July 1, 2025.
22. The Borough agrees to pay FSHC's attorneys fees and costs in the amount of \$3750 within 10 days of the Court's approval of this Agreement pursuant to a duly-noticed fairness hearing.
23. If an appeal is filed of the Court's approval or rejection of this Agreement, the Parties agree to defend the Agreement on appeal, including in proceedings before the Superior Court, Appellate Division and New Jersey Supreme Court, and to continue to implement

the terms of this Agreement if the Agreement is approved before the trial court unless and until an appeal of the trial court's approval is successful, at which point the Parties reserve their right to rescind any action taken in anticipation of the trial court's approval. All Parties shall have an obligation to fulfill the intent and purpose of this Agreement.

24. This Agreement may be enforced through a motion to enforce litigant's rights or a separate action filed in Superior Court, Somerset County. A prevailing movant or plaintiff in such a motion or separate action shall be entitled to reasonable attorney's fees.
25. Unless otherwise specified, it is intended that the provisions of this Agreement are to be severable. The validity of any article, section, clause or provision 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 to be invalid, illegal, or unenforceable in any respect, such determination shall not affect the remaining sections.
26. This Agreement shall be governed by and construed by the laws of the State of New Jersey.
27. This Agreement may not be modified, amended or altered in any way except by a writing signed by each of the Parties.
28. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same Agreement.
29. 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.
30. 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: (i) it has been represented by counsel in connection with negotiating the terms of this Agreement; and (ii) it has conferred due authority for execution of this Agreement upon the persons executing it.
31. Any and all Exhibits and Schedules annexed to this Agreement are hereby made a part of this Agreement by this reference thereto. Any and all Exhibits and Schedules now and/or in the future are hereby made or will be made a part of this Agreement with prior written approval of both Parties.
32. 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.
33. No member, official or employee of the Borough 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.

34. Anything herein contained to the contrary notwithstanding, the effective date of this Agreement shall be the date upon which all of the Parties hereto have executed and delivered this Agreement.
35. All notices required under this Agreement ("Notice[s]") shall be written and shall be served upon the respective Parties by certified mail, return receipt requested, or by a recognized overnight or by a personal carrier. In addition, where feasible (for example, transmittals of less than fifty pages) shall be served by facsimile or e-mail. All Notices shall be deemed received upon the date of delivery. 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 FSHC:

Kevin D. Walsh, Esq.
Fair Share Housing Center
510 Park Boulevard
Cherry Hill, NJ 08002
Phone: (856) 665-5444
Telecopier: (856) 663-8182
E-mail: kevinwalsh@fairsharehousing.org

TO THE BOROUGH:

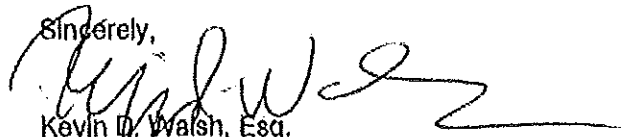
Roger W. Thomas, Esq.
Dolan and Dolan, P.A.
One Legal Lane at 53 Spring Street
PO Box D
Newton, NJ 07860
Telecopier: 973-383-7823
Email: rthomas@dolanlaw.com

**WITH A COPY TO THE
MUNICIPAL CLERK:**

Borough Clerk
1 School Street
Peapack, NJ 07977
Telecopier: 908-781-0042

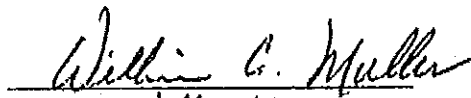
Please sign below if these terms are acceptable.

Sincerely,



Kevin D. Walsh, Esq.
Counsel for Intervenor/Interested Party
Fair Share Housing Center

On behalf of the Borough of Peapack-Gladstone, with the authorization
of the Governing Body and Planning Board:



Mayor
Dated: 4/25/2018

EXHIBIT A: 2017 INCOME LIMITS

Prepared by Affordable Housing Professionals of New Jersey (AHPNJ) - August 2017

2017 AFFORDABLE HOUSING REGIONAL INCOME LIMITS BY HOUSEHOLD SIZE

Income limits not officially adopted by the State of New Jersey. Contact your municipality to see if applicable in your jurisdiction. Additional information about AHPNJ income limits is posted on AHPNJ.org

		1 Person	*1.5 Person	2 Person	*3 Person	4 Person	*4.5 Person	5 Person	6 Person	7 Person	8+ Person	Max Increase Rents** Sales***	Regional Asset Limit****
Region 1 Bergen, Hudson, Passaic and Sussex	Median	\$60,271	\$64,576	\$68,882	\$77,492	\$86,102	\$89,546	\$92,990	\$99,878	\$106,766	\$113,655		
	Moderate	\$48,217	\$51,661	\$55,105	\$61,993	\$68,882	\$71,637	\$74,392	\$79,903	\$85,413	\$90,924	1.7%	\$165,493
	Low	\$30,136	\$32,288	\$34,441	\$38,746	\$43,051	\$44,773	\$46,495	\$49,939	\$53,383	\$56,827	1.7%	
	Very Low	\$18,081	\$19,373	\$20,664	\$23,248	\$25,831	\$26,864	\$27,897	\$29,963	\$32,030	\$34,096		
Region 2 Essex, Morris, Union and Warren	Median	\$65,953	\$70,663	\$75,374	\$84,796	\$94,218	\$97,987	\$101,755	\$109,293	\$116,830	\$124,368		
	Moderate	\$52,762	\$56,531	\$60,299	\$67,837	\$75,374	\$78,389	\$81,404	\$87,434	\$93,464	\$99,494	1.7%	\$180,756
	Low	\$32,976	\$35,332	\$37,687	\$42,398	\$47,109	\$48,993	\$50,878	\$54,646	\$58,415	\$62,184		
	Very Low	\$19,786	\$21,199	\$22,612	\$25,439	\$28,265	\$29,396	\$30,527	\$32,788	\$35,049	\$37,310		
Region 3 Hunterdon, Middlesex and Somerset	Median	\$73,780	\$79,050	\$84,320	\$94,860	\$105,400	\$109,616	\$113,832	\$122,264	\$130,696	\$139,128		
	Moderate	\$59,024	\$63,240	\$67,456	\$75,888	\$84,320	\$87,693	\$91,066	\$97,811	\$104,557	\$111,302	1.7%	\$200,698
	Low	\$36,890	\$39,525	\$42,160	\$47,430	\$52,700	\$54,808	\$56,915	\$61,132	\$65,348	\$69,564		
	Very Low	\$22,134	\$23,715	\$25,296	\$28,458	\$31,620	\$32,885	\$34,150	\$36,679	\$39,209	\$41,738		
Region 4 Mercer, Monmouth and Ocean	Median	\$66,022	\$70,738	\$75,454	\$84,885	\$94,317	\$98,090	\$101,862	\$109,408	\$116,953	\$124,498		
	Moderate	\$52,817	\$56,590	\$60,363	\$67,908	\$75,454	\$78,472	\$81,490	\$87,526	\$93,562	\$99,599	1.7%	\$177,413
	Low	\$33,011	\$35,369	\$37,727	\$42,443	\$47,158	\$49,045	\$50,931	\$54,704	\$58,476	\$62,249		
	Very Low	\$19,807	\$21,221	\$22,636	\$25,466	\$28,295	\$29,427	\$30,559	\$32,822	\$35,086	\$37,349		
Region 5 Burlington, Camden and Gloucester	Median	\$58,240	\$62,400	\$66,560	\$74,880	\$83,200	\$86,528	\$89,856	\$96,512	\$103,168	\$109,824		
	Moderate	\$46,592	\$49,920	\$53,248	\$59,904	\$66,560	\$69,222	\$71,885	\$77,210	\$82,534	\$87,859	1.7%	\$154,194
	Low	\$29,120	\$31,200	\$33,280	\$37,440	\$41,600	\$43,264	\$44,928	\$48,256	\$51,584	\$54,912		
	Very Low	\$17,472	\$18,720	\$19,968	\$22,464	\$24,960	\$25,958	\$26,957	\$28,954	\$30,950	\$32,947		
Region 6 Atlantic, Cape May, Cumberland, and Salem	Median	\$51,085	\$54,734	\$58,383	\$65,681	\$72,979	\$75,298	\$78,617	\$84,655	\$90,494	\$96,332		
	Moderate	\$40,868	\$43,787	\$46,706	\$52,545	\$58,383	\$60,718	\$63,054	\$67,724	\$72,395	\$77,066	1.7%	\$136,680
	Low	\$25,543	\$27,367	\$29,192	\$32,840	\$36,489	\$37,949	\$39,409	\$42,328	\$45,247	\$48,166		
	Very Low	\$15,326	\$16,420	\$17,515	\$19,704	\$21,894	\$22,769	\$23,645	\$25,397	\$27,148	\$28,900		

Moderate income is between 80 and 50 percent of the median income. Low income is 50 percent or less of median income. Very low income is 30 percent or less of median income.

* These columns are for calculating the pricing for one, two and three bedroom sale and rental units as per N.J.A.C. 5:80-26.4(a).

** This column is used for calculating the pricing for rent increases for units as per N.J.A.C. 5:97-9.3. The increase for 2015 was 2.3%, the increase for 2016 was 1.1% and the increase for 2017 is 1.7% (Consumer Price Index for All Urban Consumers (CPI-U): Regions by expenditure category and commodity and service group). Landlords who did not increase rents in 2015 or 2016 may increase rent by up to the applicable combined percentage from their last rental increase for that unit. In no case can rent for any particular apartment be increased more than one time per year.

*** This column is used for calculating the pricing for resale increases for units as per N.J.A.C. 5:97-9.3. As per 5:97-9.3(b), The price of owner-occupied low and moderate income units may increase annually based on the percentage increase in the regional median income limit for each housing region. In no event shall the maximum resale price established by the administrative agent be lower than the last recorded purchase price.

Low income tax credit developments may increase based on the low income tax credit regulations.

**** The Regional Asset Limit is used in determining an applicant's eligibility for affordable housing pursuant to N.J.A.C. 5:80-26.16(b)(3).

Note: Since the Regional Income Limits for Region 6 in 2016 were higher than the 2017 calculations, the 2016 income limits will remain in force for 2017. See N.J.A.C. 5:97-9.2(c).