

**AGENDA
SPECIAL MEETING
BOROUGH OF MONTVALE
April 20, 2026
Meeting to Commence 9:00am**

The Zoom information is as follows:

<https://us02web.zoom.us/j/88491084325?pwd=L2U5RVpYMGIeFdaNzdGcFFWUTd3UT09>

Passcode: 222775

By phone

1 929 436 2866

Webinar ID: 884 9108 4325

ROLL CALL:

Councilmember Arendacs	Councilmember Lane
Councilmember Cudequest	Councilmember Roche
Councilmember Koelling	Councilmember Russo-Vogelsang

RESOLUTIONS:

89a-2026 Resolution Authorizing The Execution Of An Affordable Housing Settlement Agreement

MEETING OPEN TO THE PUBLIC:

MEETING CLOSED TO THE PUBLIC:

ADJOURNMENT:

Regular Meeting of the Mayor & Council to be held at 7:30pm on Tuesday April 28, 2026

*******Disclaimer***** Subject to Additions And/Or Deletions**

**BOROUGH OF MONTVALE
BERGEN COUNTY, NEW JERSEY
RESOLUTION NO. 89a-2026**

**RE: RESOLUTION AUTHORIZING THE EXECUTION OF AN AFFORDABLE HOUSING
SETTLEMENT AGREEMENT**

WHEREAS, the Borough of Montvale (the "Borough") is participating in the Affordable Housing Dispute Resolution Program ("Program") pursuant to *N.J.S.A. 52:27D-304.1* in connection with its Fourth Round Housing Element and Fair Share Plan; and

WHEREAS, certain developers, including 25 Philips Parkway, LLC, KPMG LLP, H&R Montvale, LLC, SHG Montvale MB, LLC, SHG Montvale VI, LLC, The Hekemian Group, LLC, and Reckitt Benckiser, LLC (collectively, the "Developer"), have interests in various properties within the Borough; and

WHEREAS, the Borough and the Developer engaged in good faith negotiations through the Program to resolve challenges to the Borough's affordable housing plan; and

WHEREAS, those negotiations resulted in an Affordable Housing Settlement Term Sheet (the "Agreement"), which outlines the framework for the development attached hereto as Exhibit A; and

WHEREAS, the Agreement provides for, among other things, the inclusion of the proposed developments in the Borough's Housing Element and Fair Share Plan, and the adoption of redevelopment plans and/or zoning ordinances, which shall include 50 affordable housing units on the KPMG site, regardless of any other use; and

WHEREAS, the Borough Council has reviewed the Settlement Agreement and determined that it is in the best interests of the Borough to authorize its execution, subject to court approval and the execution of a final settlement agreement; and

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Montvale, County of Bergen, State of New Jersey, as follows:

1. The Mayor is hereby authorized and directed to execute the Affordable Housing Settlement Agreement, attached hereto as Exhibit A between the Borough and the Developer, in substantially the form presented to this governing body, with such non-substantive modifications as may be approved by the Borough Attorney and Affordable Housing Counsel.
2. The Borough Administrator, Clerk, and all other appropriate Borough officials and professionals are hereby authorized to take all actions necessary to effectuate the purposes of this Resolution and the Agreement.

3. This authorization is expressly conditioned upon approval by the Superior Court of New Jersey and the continuation of the Agreement into a formal settlement agreement consistent with its terms.
4. This Resolution shall take effect immediately upon adoption according to law.

Councilmember	Motion	Second	Yes	No	Absent	Abstain	No Vote
Arendacs							
Cudequest							
Koelling							
Lane							
Roche							
Russo-Vogelsang							

Adopted: April 20, 2026

ATTEST:

APPROVED:

Frances Scordo
Municipal Clerk

Michael Ghassali
Mayor

AFFORDABLE HOUSING SETTLEMENT AGREEMENT

AFFORDABLE HOUSING SETTLEMENT AGREEMENT
("Agreement") is made this _____ day of April 2026, by and between:

BOROUGH OF MONTVALE, a municipal corporation of the State of New Jersey, County of Bergen, having an address at 12 DePiero Drive, Montvale, New Jersey 07645 (the "Borough" or "Montvale"); and

THE HEKEMIAN GROUP, LLC a New Jersey limited liability company with a business address at 10 Sterling Boulevard, Suite 401, Englewood, NJ 07631, (hereinafter "THG Developer") on behalf of its self and property owned by 25 PHILIPS PARKWAY, LLC, a New Jersey limited liability company with a business address c/o Sebastian Capital, Inc. 417 Fifth Avenue, New York, New York 10016, and on behalf of itself and the property owned by RECKITT BENCKISER, LLC a Delaware limited liability company with a business address at 199 Interpace Parkway, Parsippany, NJ 07054; **H&R MONTVALE, LLC**, a New Jersey limited liability company with a business address at 10 Sterling Boulevard, Suite 401, Englewood, NJ 07631 on behalf of itself and the property owned by KPMG LLP, a New Jersey limited liability company with a business address of 3 Chestnut Ridge Road, Montvale, New Jersey (hereinafter, "H&R Developer"); **SHG MONTVALE MB, LLC**, a New Jersey limited liability company with a business address at 10 Sterling Boulevard, Suite 401, Englewood, NJ 07631 (hereinafter "MB Developer"); and **SHG MONTVALE MB VI, LLC** a New Jersey limited liability company with a business address at 10 Sterling Boulevard, Suite 401, Englewood, NJ 07631 (hereinafter "MB VI Developer") (THG, H&R, MB Developer, and MB VI Developer, each a "Developer" and collectively referred to as "Developers")¹.

Collectively, the Borough and each of the Developers shall be referred to as the "Parties." All references to Developer shall include

¹ Unless a specific provision of this Agreement explicitly and specifically indicates otherwise, the benefits, obligations and duties arising from this Agreement will run to or for each specific Developer entity and the specific Site it controls and not all Developers and no other Developer shall have any rights or obligations under this Agreement with respect to any other site. The obligations and benefits of this Agreement run with the land for each individual site.

its successors and assigns, whether or not currently identified.

WHEREAS, H & R Developer, or its affiliate, has a contractual interest or ownership interest in Block 3102, Lot 1.01 (the "KPMG" Site); THG Developer or its affiliate, has a contractual interest or ownership interest in Block 3201, Lot 5 (the "25 Philips Site") and Block 3201, Lot 1, (the "Reckitt" Site); MB VI Developer, or its affiliate, has a contractual interest or ownership interest in a +/- 0.5 acre portion of Block 2702, Lot 1.01 Qualifier C6000 (the "Top of the Point Site" and/or "TOP Site": and MB Developer or its affiliate, has a contractual interest or ownership interest in Block 3201, Lot 6 (the "Glenview Site"),. Collectively, all of the sites will be referred to as the "Sites". The Glenview Site and the 25 Philips Site are adjacent sites and may be referred to jointly as "Glenview/25 Philips Sites"; and

WHEREAS, the Borough voluntarily entered the Affordable Housing Dispute Resolution Program (the "Program"), by filing a declaratory judgment action under docket number BER-L-000503-25, in New Jersey Superior Court, in accordance with N.J.S.A. 52:27D-304.1 and AOC Directive #14-24, for the purpose of obtaining a certification of the Borough's affordable housing compliance for the Fourth Round; and

WHEREAS, the Developers filed a challenge in the Program to the Borough's proposed Fourth Round Housing Element and Fair Share Plan ("HEFSP") in accordance with N.J.S.A. 52:27D-304.1 and AOC Directive #14-24; and

WHEREAS, The Program presided over mediated settlement negotiations and those good faith negotiations between the Parties culminated in an agreement to develop the subject Sites in a manner that (a) generated a substantial amount of affordable housing and (b) addressed the legitimate planning concerns of the community; and

WHEREAS, more specifically, the Parties agreed, among other things, to a total of up to 650 units across the Sites, of which up to 109 units shall be affordable in accordance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80- 26.1 et seq. ("UHAC") (the "Projects"); and

WHEREAS, the Borough has agreed to include the proposed

Projects in its HEFSP in partial satisfaction of its fourth round affordable housing obligations and to adopt redevelopment plans and/or implementing ordinances to permit the construction of the total number of units on each Site as specified in this Agreement; and

WHEREAS, the Parties agree that the Projects accord with sound land use planning on the one hand while generating a substantial amount of affordable housing on the other; and

WHEREAS, the Parties entered into a Preliminary Affordable Housing Term Sheet dated _____, 2026 ("Term Sheet") (**Exhibit "A"**) with the intent to more fully set forth their understanding by way of this Agreement; to the extent there is any inconsistency between the Term Sheet and this Agreement, this Agreement shall control; and

WHEREAS, the Parties wish to revise the agreement as preliminarily set forth in the Term Sheet to address the recommendation of the Program and Special Adjudicator; 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 an opportunity for the construction of inclusionary developments and/or other potential uses permitted by this Agreement and to assist the Borough with the production of affordable housing; (b) to regulate the development of the Sites as set forth herein; and (c) to resolve all issues amongst the Parties. This Agreement shall supersede and replace the Term Sheet.

ARTICLE II- DEFINITIONS

2.1 Unless the context plainly requires a different meaning, the following terms have the following meanings for purposes of this Agreement:

- a. "Agreement" means this Agreement.
- b. "Concept Plan" shall mean individually and/or collectively the KPMG Concept Plan, TOP Concept Plan, Reckitt Concept Plan, Glenview/25 Phillips Concept Plan and any plan for retail permitted by this Agreement that may be proposed to be located on the Shoppes at DePiero Farms.
- c. "Final Plan(s)" shall mean the plans submitted by each Developer to the Montvale Planning Board for approval pursuant to this Agreement and the N.J.S.A. 40:55D-1.
- d. "Glenview/25 Philips Concept Plan" shall initially mean the plans attached to this Agreement as **Exhibit "??"**. The Glenview/25 Philips Plan attached as **Exhibit ??** demonstrates one way the Glenview/25 Philips Site may be developed in accordance with the Zoning Standards. The Glenview/25 Philips Concept Plan may be refined, changed, or altered by the THG Developer and/or MB Developer and site plan applications shall be generally consistent with said Glenview/25 Philips Concept Plan, as same may be revised, changed or altered by the MB Developer and/or THG Developer in a manner in compliance with the Zoning Standards. THG Developer's and/or MB Developer's Final Plans presented for approval shall comply with all use, density, setback, height, and number of stories limitations in the attached Zoning Standards included as **Exhibit ??**.
- e. "KPMG Concept Plan" shall initially mean the plans attached to this Agreement as **Exhibit "??"** or **Exhibit "??"**. The Concept Plan attached as **Exhibit ?? or Exhibit "??"** each demonstrates one way the KPMG Site may be developed in accordance with the Zoning Standards. The KPMG Concept Plan may be refined, changed, or altered by the H & R Developer and site plan applications shall be generally consistent with said KPMG Concept Plan, as same may be revised, changed or altered by the H & R Developer in a manner in compliance with the Zoning Standards. H & R Developer's Final Plans presented for approval shall comply

with all use, density, setback, height, and number of stories limitations in the attached Zoning Standards included as **Exhibit ?? or Exhibit "??"**.

- f. "Non-Appealable" shall mean that the period for appeal has expired without any appeal having been filed by any Party or that an appeal has been filed and all trial and appellate proceedings have concluded affirming all municipal actions arising from this Agreement are required to approve and implement this Agreement.
- g. "Nonresidential/Commercial Use" shall mean any use permitted in any of Montvale's current non-residential and/or mixed-use zones.
- h. "Ordinance" shall mean the regulation approved by the Parties and adopted by the governing body of the Borough of Montvale pursuant to N.J.S.A. 40:55D-1, et seq. to implement the Zoning Standards attached to this Agreement and the terms of the Agreement and specifically includes Redevelopment. The Ordinance shall permit the Final Plans to be approved without the need for variance or exception ("waiver") relief. Only those provisions of the Borough of Montvale Ordinance specifically incorporated by reference shall apply to the Sites covered by the Ordinance.
- i. "PILOT" shall mean a payment in lieu of tax agreement properly adopted and implemented pursuant to N.J.S.A. XXXXXXXX and the terms of this Agreement.
- j. "Project" shall mean individually and/or collectively the KPMG Concept Plan, TOP Concept Plan, Reckitt Concept Plan and Glenview/25 Phillips Concept Plan.
- k. "Reckitt Concept Plan" shall initially mean the plans attached to this Agreement as **Exhibit "??"**. The Reckitt Concept Plan attached as **Exhibit ??** demonstrates one way the Reckitt Site may be developed in accordance with the Zoning Standards. The Reckitt Concept Plan may be refined, changed, or altered by the THG Developer and site plan applications shall be generally consistent with said Reckitt Concept Plan, as same may be revised, changed or altered by the Developer in a manner in compliance with the Zoning

Standards. THG Developer's Final Plans presented for approval shall comply with all use, density, setback, height, and number of stories limitations in the attached Zoning Standards included as **Exhibit ??**.

- l. "Redevelopment Plan" or "RP" and/or Designation shall mean the regulation approved by the Parties and adopted by the governing body of the Borough of Montvale pursuant to N.J.S.A. 40A:12A-1 et. seq. to implement the Zoning Standards attached to this Agreement and the terms of this Agreement. The Redevelopment Plan shall permit the Final Plans to be approved without the need for variance or exception ("waiver") relief. Only those provisions of the Borough of Montvale Ordinance specifically incorporated by reference shall apply to the Sites covered by the Redevelopment Plan.
- m. Required Approvals mean that each project has been zoned to allow for the development without variances or waivers and received non-appealable approvals from all governmental bodies and agencies without any appeal having been filed by any person or, if that appeal has been filed, all trial and appellate proceedings have concluded affirming the approving actions that were subject of the appeal.
- n. "Shoppes at DePiero Farms" shall mean the properties designated as Block(s) XX, Lot(s) XX, Qualifier(s) XX and XX.
- o. "TOP or Top of the Point Concept Plan" shall initially mean the plans attached to this Agreement as **Exhibit "??"**. The TOP Concept Plan attached as **Exhibit ??** demonstrates one way the TOP Site may be developed in accordance with the Zoning Standards. The TOP Concept Plan may be refined, changed, or altered by the MB VI Developer and site plan applications shall be generally consistent with said TOP Concept Plan, as may be revised, changed or altered by the Developer in a manner in compliance with the Zoning Standards. MB VI Developer's Final Plans presented for approval shall comply with all use, density, setback, height,

and number of stories limitations in the attached Zoning Standards included as **Exhibit ??**.

ARTICLE III - BASIC TERMS AND CONDITIONS

3.1 In the event of any legal challenges to the Required Approvals (as defined in Section 3.5), 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 and if no amendment is promptly agreed upon, either Party may terminate this Agreement and be restored to their position and rights prior to settlement.

- (a) The terms of this Agreement are conditioned upon the Court's approval of Montvale's amended overall HEFSP.

3.2 The Redevelopment Plan and/or Ordinance for each Projects' zoning entitlements shall permit the following residential densities and non-residential development, prescribed amount of commercial space and shall require the set asides described below for each applicable Project:

<u>PROPERTY</u>	<u>Total Number of Units</u>	<u>Affordable Units</u>
KPMG Site	250	50
TOP Site	35	0
Glenview/25 Philips Site	135	24 ²
Reckitt Site	230	35
Total	650	109
Non-Residential/commercial	Up to 50,000 sf on any of the above Sites and/or the Shoppes	

² 24 units replaces and includes any units which may be interpreted as remaining from the Parties prior agreement concerning the Borough's third round obligation.

3.3 If a nonresidential/commercial use is developed on the KPMG Site or the H & R Developer elects the option to continue to use/expand any of the existing commercial uses on the KPMG Site, H & R Developer will only be required to build the 50 affordable units that may have been constructed if the site were to be developed for residential use on a portion of the KPMG Site as shown on the KPMG Concept Plan **Exhibit "??"**.

3.4 The Reckitt Site is currently occupied by the current owner thereof and shall continue to be occupied by such owner until at least December 31, 2028. THG Developer shall not file a site-plan application for the Reckitt Site until at least December 31, 2028.

ARTICLE IV - BASIC TERMS AND CONDITIONS

4.1 This Agreement is subject to Court approval, which may or may not require a duly noticed "Fairness Hearing" or such other proceeding determined necessary by the Court. Within seven (7) days of the date this Agreement is fully executed, counsel for the Borough shall contact the Court and seek approval of the Agreement through the appropriate mechanism. The Parties shall work together to ensure that the Court approves this Agreement by whatever procedure or measure necessary. The Borough shall promptly comply with, and be responsible for, all notice requirements as may be directed by the Court. All Parties shall have the right to approve the form of notice prior to notice being given.

4.2 In the event of any challenges to the Court's approval of this Agreement, Ordinance, RP or any Final Plan, including a challenge by any third party, the Parties shall diligently defend any such challenge and shall cooperate with each other regarding said defense, including by way of example and not limitation, any challenge concerning the HEFSP, the Ordinance, the Redevelopment Plan or Designation,³ this

³ This includes, by way of example and not limitation, any and all actions needed to designate the Sites as areas in need of redevelopment pursuant to N.J.S.A. 40A:12A-1 et. seq., and implement the Redevelopment Plan and all agreements required to implement the Redevelopment Plan.

Agreement, or the approval of the Final Plans by the planning board that may be required or secured to implement this Agreement. This obligation shall include, but is not limited to, the Parties joint obligation to defend this Agreement from any objection or motion filed by FSHC or any other party/objector relating to this Agreement. In addition, if any such challenge results in a potential modification of this Agreement or of the Projects, the Parties must negotiate in good faith with the intent to draft a mutually acceptable amended Agreement. The Borough shall have no obligation to support any modification that includes an increase in density and THG Developer, H & R Developer, MB Developer and/or MB VI Developer shall have no obligation to support any modification that includes a decrease in density.

4.3 The Parties shall jointly support entry of an order approving this Agreement. If the Court declines to approve this Agreement, the Parties shall attempt, with the assistance of the Court-Appointed Special Adjudicator, to modify this Agreement. If they are unable to do so within thirty (30) days, any Party may, by written notice to all other Parties, terminate this Agreement.

ARTICLE V - OBLIGATIONS OF THE BOROUGH

5.1 Redevelopment Plans. The Borough agrees to adopt all necessary Designations and/or Redevelopment Plan(s), Ordinance(s) or otherwise rezone the Sites to permit the Concept Plans, financial agreements and PILOT documents, densities and uses described in this Agreement. The Parties acknowledge that this requirement is subject to prevailing law and requirements including public hearings and other statutory obligations which the Borough agrees to promptly complete.

5.2 Timing of Adoption. The Parties shall work collaboratively on all proposed Redevelopment Plans, Ordinances, financial agreements and PILOT documents and all entitlements shall be in place by, and no later than, June 30, 2026. Notwithstanding the foregoing, the Parties can mutually extend that deadline upon mutual agreement.

5.3 Obligation to Maintain Proposed Re-Zoning of Properties. The Borough agrees to not repeal, amend or change the Redevelopment Plans or Ordinances through July 1, 2035, without H

& R Developer's, THG Developer's, MB Developer's and/or MB VI Developer's prior written consent.

5.4 Obligation to Include the Proposed Projects in its HEFSP. The Borough will endorse and/or amend an HEFSP that includes the proposed Projects no later than May 30, 2026, as same may be extended by the Court. The Parties are not precluded from seeking to advance the purpose of this agreement independent of the HEFSP to the extent the HEFSP is delayed by litigation or the existing court process.

5.5 Obligation To Cooperate. The Borough acknowledges that, in order for each Developer to construct the respective Project on their Site, each Developer will be required to obtain any and all approvals and permits from (1) entities, boards or agencies which have jurisdiction over the Parties to this Agreement and the Projects contemplated hereby, and from (2) all relevant public entities and utilities; such as, by way of example only, the Borough, the Borough Planning Board, the County of Bergen, the Bergen County Planning Board, the Bergen County Soil Conservation District, the New Jersey Department of Environmental Protection, and the New Jersey Department of Transportation (collectively, "Required Approvals"). The Borough agrees to use all reasonable efforts, within the limits of its jurisdiction and authority, to assist each Developer in its undertakings to obtain the Required Approvals, including but not limited to any necessary amendments to the applicable Water Quality Management Plan, Wastewater Management Plan, and/or Sewer Service Area Map to incorporate the Sites. The Borough further agrees to take all necessary, reasonable steps to ensure that the Projects obtains adequate water and sewer, including expediting all municipal written endorsements and approvals and to ensure that each Developer's sanitary sewer and potable water facilities receive all appropriate approvals from all relevant agencies and adjacent municipalities for construction and upgrading, as and if necessary, so as to be able to serve the Projects. This shall also include the Borough's obligation to cooperate and/or agree to amend or relocate any easement on the Sites at each applicable Developer's sole cost and expense. Should the Projects necessitate any upgrade to the sanitary sewer collection system serving the Projects or water distribution system serving the Projects, as determined by both the Borough and each Developer, the Developer that so agrees shall bear its pro-rata costs for same. The Borough shall only be required to expend those funds,

if any, for infrastructure improvements that the Borough would be required to expend by law. The Borough reserves the right to allocate the cost of infrastructure improvements undertaken by the Borough on a pro-rata basis to the benefited property owners as may be permitted by law. The provision shall not constitute a commitment by the Borough pursuant to N.J.S.A. 52:27D-311(n).

5.6 Obligation to Refrain from Imposing Cost-Generative Requirements. The Borough agrees to refrain from imposing cost-generative features as set forth in N.J.A.C. 5:93-10.1 et seq.

5.7 Pilot. This Agreement is conditioned upon a Payment in Lieu of taxes ("PILOT"), which shall be calculated at 16.5% of Annual Gross Revenue ("AGR") for thirty (30) years, on the for-sale townhomes on the KPMG, Glenview/25 Phillips and Reckitt Sites.⁴⁵ All other uses on all Sites (i.e. rentals, multifamily residential units, income producing uses and commercial uses, etc.) will be subject to a PILOT at 10% of AGV. A revised spreadsheet is attached to this Agreement as **Exhibit "XX"** providing a projected summary and the calculation to be used in calculating the actual PILOT payments for each Site.

5.8 The Borough agrees it will undertake any and all actions that may be required to timely meet the deadlines established by this Agreement including by way of example, and not limitation, conducting special meetings.

5.9 If the Borough fails to timely adopt the RP, RP Designation, financial agreement or any other document required for the Developer to secure the Required Approvals in accordance with this Agreement, whether or not the failure was due to acts or inaction by the Borough or

⁴ The TOP Site is not the subject of a PILOT.

⁵ "AGR" for each for sale unit or "home" shall mean the amount equal to the annual aggregate constant payments to principal and interest, which shall be calculated by assuming a loan at the Prevailing Interest Rate (as defined below) in an original amount equal to the initial sale price of the home, and if the home is sold and held by another owner thereof, the most recent true consideration paid for home in a bona fide arm's length transaction, but not less than the initial assessed valuation of the home assessed at 100% of true value. The Prevailing Interest Rate shall mean the Freddie Mac Primary Mortgage Market Survey – 30 Year Fixed Rate – Annual Average – prior year sales and prior year annual average 30-year rate at the time of the home sale, but not lower than five and one-half (5.5%) percent. Notwithstanding anything herein to the contrary, the Borough shall not issue an assessment for any common elements with the Project.

the planning board, the Developer that is affected by such failure may elect to:

1. Terminate this Agreement as to the particular Site(s) that the breach impacts, and the Developer that is affected by the breach and the Borough shall be restored to their respective positions as if the Agreement had not been executed by the affected Developer and the Borough.
2. Prior to the filing of any action in a court of competent jurisdiction, in the event of a breach, the offended party shall provide written notice in accordance with this Agreement, and allow twenty (20) days for the offending party to cure any such breach.
3. Enforce the terms of the Agreement by seeking judicial intervention including, by way of example and not limitation, filing a Motion to Enforce and/or Motion in Aid of Litigants Rights. The prevailing party in any such enforcement action shall be reimbursed for their attorney fees and costs arising from the breach. The Borough does not waive any defenses to any such motion or proceeding.

5.10 Any Ordinance and/or RP shall preclude the Borough or the planning board, directly or indirectly from imposing any procedural or substantive requirement that adds to the burden or cost of any Project which would not be permitted by N.J.A.C. 5:93-10.

5.11 The Ordinance and/or RP shall provide that requests by the planning board for reports shall be governed by the standards and procedures set forth in N.J.A.C. 5:93-10.3. Any Ordinance and/or RP shall provide that the planning board may require submission of a stormwater management plan or flood hazard area plan but, if any Developer seeks permits that require approval of the stormwater management plan or flood hazard area plan by the New Jersey Department of Environmental Protection (NJDEP), the planning board shall not make an independent assessment of the stormwater management plan, but shall simply condition any development approvals upon approval of the stormwater management plan or flood hazard plan area by the NJDEP.

5.12 The Borough shall, through its agents, servants and/or employees, promptly (but in no event in more than fourteen (14) days)

act to provide any requested information or take any requested action in connection with each Developer's request for the execution, endorsement and/or issuance of any approval, permit, any other document or signature required from the Borough or its agents, servants or employees, support or action needed to permit, or facilitate, the development of the applicable Sites or this Agreement.

5.13 Any development regulation, ordinance, conditions or restrictions affecting the Sites which are: not specifically incorporated by reference in the RP and/or Ordinance; cause a Development to require a variance or waiver; are inconsistent with, or contradict or conflict with any term or condition of this Agreement or the intent and purpose hereof shall be deemed null and void and of no further force or effect as it might otherwise apply to the Sites.

5.14 Zoning Standards. The Parties agree that the RP and/or Ordinance will permit the development of the Sites in a manner generally consistent with the Concept Plans and the Zoning Standards reflected on each of the Concept Plans (attached to this Agreement as **Exhibits "XX"**) in a manner that permits the Projects to receive Final Approval without variance or waiver from any applicable ordinance in the Borough.

5.15 Uses. The Redevelopment Plan and/or Ordinance shall permit the use depicted on the Concept Plans, **Exhibits "XX"** and all existing underlying uses currently permitted on each of the respective Sites, **Exhibit "XX"**.

5.16 Obligation to Cooperate. The Borough acknowledges that in order for each Developer to construct its Project, each Developer will be required to obtain any and all approvals and permits from (a) entities, boards or agencies which are under the jurisdiction of the Parties to this Agreement, and from (b) all relevant public entities and utilities; such as, by way of example only, the Borough, the planning board, the County of Bergen, the Bergen County Planning Board, the New Jersey Department of Environmental Protection, and the New Jersey Department of Transportation (collectively, "Required Approvals"). The Borough agrees to use all reasonable efforts to cooperate and assist each Developer in its undertakings to obtain the Required Approvals on an expedited basis provided that the taxes on the Property are current. Developer and the Borough further agree that certain underground utility easements may be required or need to be relocated on a Site to facilitate the efficient development of the Site. The Borough and each

affected Developer agree to execute any such easements or amendment or vacation easement, deemed acceptable to each affected Developer, in a manner which minimizes the impact upon the development potential of the Site. Each Developer has the sole discretion to relocate, at such Developer's cost and expense, any utility line if such Developer deems the relocation beneficial to the Project.

ARTICLE VI - DEVELOPER OBLIGATIONS

6.1 Obligation to File Development Applications in Accordance with this Agreement and the Redevelopment Plan(s) and/or Ordinance. After the rezoning, each Developer shall file development applications consistent with the terms of this Agreement.

6.2 Affordable Housing Requirements. Each Developer shall satisfy the affordable housing obligation required in connection with only its own respective Project by setting aside the required minimum number of units assigned to its own Site in accordance with this Agreement so that the total of up to one hundred and nine (109) family units for low- and moderate-income households (if all Projects are built) can be achieved. The affordable units shall comply with the UHAC bedroom distributions and with the FHA's very low-income (VLI) requirement (at least 13% of the affordable units shall be VLI units defined as households earning 30% or less than the region's median income). The income distributions shall apply to each bedroom distribution. The affordable units will be deed restricted for affordable housing in accordance with UHAC and shall comply with very low-, low-, and moderate-income requirements, bedroom distribution, and affirmative marketing of UHAC. Nothing in this agreement precludes the Parties from seeking relief from UHAC to the extent any development feature of a Site does not comply with UHAC as shown on the Concept Plans, the Court's approval of this Agreement by whatever mechanism of this Court shall be deemed approval of a variation from UHAC.

6.3 Obligation to Cooperate. Each Developer, upon full execution of this Agreement (and all successors in interest, affiliates, parties or other related entities) agrees to affirmatively support the revised HEFSP that is proposed in accordance with and consistent with

this Agreement, in any hearing required for approval of the revised HEFSP. In addition, each Developer shall not challenge any subsequent Fourth Round Housing Element and Fair Share Plan or future Mount Laurel litigation, as it relates to such Developer's Site, so long as the Parties are in compliance with the terms of this Agreement.

6.4 The Parties agree to withdraw all pending litigation concerning the numbers appeal by the Developer or Borough, the H & R Developer agrees to do so upon the transfer of title to H & R from KPMG.

6.5 This Agreement shall remain binding and in full force and affect no matter the outcome of any other litigation that seeks to invalidate part or all of the affordable housing obligation, legislation or regulation applicable to affordable housing in New Jersey.

ARTICLE VII

[Reserved]

ARTICLE VIII - MUTUAL OBLIGATIONS

8.1 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 Projects, 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. Notwithstanding the above, any Developer may request from the Planning Board de minimis exceptions sought as part of the development applications to deviate from the New Jersey Residential Site Improvement Standards ("RSIS") or waivers from Borough Site Plan Design Standards.

8.2 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 introduction and adoption of the Rezoning Ordinance,

Redevelopment Plans, the required approvals, the development of the Sites consistent with the terms hereof, and the defense of any challenge with regard to any of the foregoing.

8.3 Notices. Any notice or transmittal of any document required, permitted or appropriate hereunder and/or any transmittal between the Parties relating to the Site ("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 in addition, where feasible (for example, any transmittal of less than fifty (50) pages), by facsimile or electronic mail. 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 effected 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 DEVELOPERS:

The Hekemian Group, LLC
10 Sterling Boulevard, Suite 401
Englewood, New Jersey 07631
Attn: Peter Hekemian,
Senior Managing Director

SHG Montvale MB, LLC
10 Sterling Boulevard, Suite 401
Englewood, New Jersey 07631
Attn: Peter Hekemian,
Senior Managing Director

SHG Montvale MB VI, LLC
10 Sterling Boulevard, Suite 401
Englewood, New Jersey 07631
Attn: Peter Hekemian,
Senior Managing Director

H&R Montvale, LLC

570 Commerce Boulevard
Carlstadt, New Jersey 07072
Attn: Edward Russo, President,
Chief Operating Officer

With a copy to:

Antimo A. Del Vecchio, Esq.
Beattie Padovano, LLC
200 Market Street, Suite 401
Montvale, New Jersey 07645

TO THE BOROUGH:

Borough Administrator/Municipal Clerk
Borough of Montvale
12 DePiero Drive
Montvale, New Jersey 07645

With Copies to:

Michael J. Edwards, Esq.
Surenian, Edwards, Buzak & Nolan LLC
311 Broadway, Suite A
Point Pleasant Beach, NJ 08742

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

ARTICLE IX – MISCELLANEOUS

9.1 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 to be invalid, illegal, or unenforceable in any respect, such determination shall not affect the remaining sections.

9.2 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.

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

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

9.5 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.

9.6 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.

9.7 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.

9.8 Necessity of Required Approvals. The Parties recognize that the Final Plans are required to implement the Projects provided in this Agreement, and such other actions as may be required of the planning board or Borough under this Agreement cannot be approved except on the basis of the independent reasonable judgment by the planning board and the Borough Council, as appropriate, and in accordance with the procedures established by law. However, all Parties recognize and acknowledge the applicability of the implied covenant of good faith and fair dealing which applies to this Agreement and all action or in action required by this Agreement. 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 the application. Similarly, nothing herein is intended to preclude any Developer from appealing any denials of or conditions imposed by the planning board in accordance with the MLUL or, subject to this Agreement, taking any other action permitted by law.

9.9 Schedules. 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.

9.10 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. No representative, agent or employee of any party has been authorized to make any representations or promises with reference to this Agreement or to vary, alter or modify the terms hereof except as stated herein. No additions, changes or modifications, renewals or extensions hereof, shall be binding unless reduced to writing and signed by the Parties hereto. The Parties agree that the terms of this Agreement shall control the development of the Property and shall discharge, supersede and render void all prior agreements, contracts, terms, restrictions, easements, covenants or document of any kind, whether written or oral and/or whether recorded or unrecorded, which are inconsistent with the purpose or intent of this Agreement, the Ordinance or the Final Plans.

9.11 Conflict of Interest. No member, official or employee of the Borough 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.

9.12 Effective Date. Anything herein contained to the contrary notwithstanding, the 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.

9.13 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.

9.14 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.

9.15 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, 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.

9.16 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.

9.17 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 regards to this Agreement exclusively shall be in the Superior Court of New Jersey, with venue in Bergen County. Service of any complaint may be effected consistent with the terms hereof for the delivery of "Notices," hereinafter defined. The Parties waive formal service of process. The Parties expressly waive trial by jury in any such litigation.

9.18 Conflicts. The Parties acknowledge that this Agreement cannot be affected by the Compliance Action or any amendments to the Borough'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 Borough'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. As to any inconsistencies between the Approvals and this Agreement, the Approvals shall control. Any expenses of the Special Adjudicator to resolve conflicts that may arise subsequent to the entry of this Agreement shall be split evenly between the Borough and Developer.

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

9.20 Effective Date. 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. However, the Agreement remains subject to Program/Court approval in accordance with N.J.S.A. 52:27D-304.1 and AOC Directive #14-24. Should the Borough fail adopt the Rezoning Ordinance and/or RP within the timeframe prescribed herein, subject to modification by the Program/Court, such failure shall be deemed a Default, and the Developer may petition the Program/Court for revocation of the Borough's compliance certification or institute and action for specific performance or any other relief available at law or equity

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DRAFT

IN WITNESS WHEREOF, the Parties 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:

H&R MONTVALE, LLC

Name:
Title:

By: _____
Name: _____
Title: _____
Date _____, 2026

Name:
Title:

By: _____
Name: _____
Title: _____
Date _____, 2026

Attest:

SHG MONTVALE MB, LLC

Name:
Title:

By: _____
Name: _____
Title: _____
Date _____, 2026

Attest:

SHG MONTVALE MB VI, LLC

Name:
Title:

By: _____
Name:
Title:
Date _____, 2026

Attest:

THE HEKEMIAN GROUP, LLC

Name:
Title:

By: _____
Name:
Title:
Date _____, 2026

Attest:

THE BOROUGH OF MONTVALE

Name:
Title:

By: _____
Name:
Title:
Date _____, 2026