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December 12, 2025

Via E-Courts

Hon. Julio L. Mendez (ret.)
Program Member
Affordable Housing Dispute Resolution Program
Richard J. Hughes Justice Complex
P.O. Box 037
Trenton, New Jersey 08625

**Re: In the Matter of the Application of the Township of Toms River
OCN-L-331-25
Declaratory Judgment Filing Pursuant to Directive No. 14-24**

Dear Judge Mendez:

This office represents the Township of Toms River (the "Township") in the above-referenced matter. On December 8, 2025, the Township filed to the Program docket a Settlement Agreement between Fair Share Housing Center and the Township. On December 9, 2025, the parties to this Program matter appeared before Your Honor. Several scrivener errors were noted on the record at that time. Attached, please find a copy of the fully executed Settlement Agreement and a Resolution adopted by the Township Council on December 10, 2025 ratifying same.

The undersigned thanks Your Honor and the Special Adjudicator for your attention to this matter.

RAINONE COUGHLIN MINCHELLO

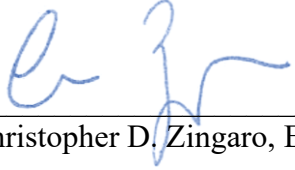
December 12, 2025

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Respectfully submitted,

RAINONE COUGHLIN MINCHELLO, LLC
Attorneys for the Township of Toms River

By: _____


Christopher D. Zingaro, Esq.

Encl. (2)

cc: Special Adjudicator Kendra Lelie, PP, *via e-mail*
All Parties, *via e-Courts*

9.

RESOLUTION OF THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF TOMS RIVER, OCEAN COUNTY, NEW JERSEY, RATIFYING THE EXECUTION OF A SETTLEMENT AGREEMENT TO RESOLVE THE CHALLENGE SUBMITTED BY FAIR SHARE HOUSING CENTER IN OPPOSITION TO THE TOWNSHIP OF TOMS RIVER'S FOURTH ROUND HOUSING ELEMENT AND FAIR SHARE PLAN UNDER DOCKET NO. OCN-L-331-25

DECEMBER 10, 2025

WHEREAS, on March 20, 2024, Governor Murphy signed into law P.L. 2024, c.2, which amends the New Jersey Fair Housing Act, P.L. 1985, c.222, N.J.S.A. 52:27D-301, et seq. (the "**Amended FHA**"); and

WHEREAS, pursuant to the Amended FHA, municipalities were authorized to participate in the Affordable Housing Dispute Resolution Program (the "**Program**"), which serves as a forum to determine each municipality's share of the regional need for low- and moderate-income housing for the ten (10) year period beginning July 1, 2025 (the "**Fourth Round**"), and to review a Housing Element and Fair Share Plan setting forth how the municipality will satisfy that obligation; and

WHEREAS, on January 30, 2025, the Township Council of the Township of Toms River (the "**Township Council**") adopted a resolution to participate in the Program, which afforded the Township automatic, continued immunity from all inclusionary lawsuits, including "builder's remedy" lawsuits; and

WHEREAS, on May 9, 2025, the Court entered an Order establishing the Township's fair share obligation for the Fourth Round (2025-2035); and

WHEREAS, on June 20, 2025, the Township submitted its Fourth Round Housing Element and Fair Share Plan (the "**HEFSP**") to the Program pursuant to the Amended FHA's requirements and timelines; and

WHEREAS, prior to the statutory deadline to file challenges, Fair Share Housing Center ("**FSHC**") filed a challenge opposing the HEFSP; and

WHEREAS, the Township and FSHC have negotiated a Settlement Agreement, attached hereto at Exhibit A, to resolve the challenge and permit the Township to seek the Program's review of its HEFSP prior to the statutory deadline of December 31, 2025, so that it can receive a Compliance Certification and immunity from exclusionary zoning litigation for the Fourth Round (2025-2035); and

WHEREAS, the Amended FHA authorizes municipalities to extend affordability controls on existing deed restricted affordable housing as a cost-effective way to secure housing opportunities for low- and moderate-income households, including seniors and working families, and that absent such extensions, these units are likely to lose their deed restrictions upon expiration and convert to market rate housing, thereby undermining long-term affordability in the community; and

WHEREAS, the Settlement Agreement recognizes the Township's use of such extensions as an important mechanism to achieving Fourth Round compliance; and

WHEREAS, the Township wishes to ratify the Memorandums of Agreement attached hereto at Exhibits B – D, subject to any non-substantive revisions as reviewed and approved by the Township's legal counsel, and to authorize the Mayor and Township Clerk to execute any and all documents necessary to effectuate their terms, subject to the review of legal counsel; and

WHEREAS, the MOAs memorialize the terms for the extension of existing deed restrictions on low- and moderate-income units for the following projects: (i) Villages at Bay Lea (Family Rental Units) – In return for an extension of affordability controls for 30 years, the payment of \$2,400,000 from the Affordable Housing Trust Fund to extend affordability controls for 30 years; (ii) Hope's Crossing (Senior Rental Units) – In return for an extension of affordability controls for 30 years, the forgiveness of outstanding municipal loans and extension of existing long-term tax exemption agreement, subject to the Township Council's approval of any required formal extension application; (iii) Highland Plaza (Senior Rental Units) – In return for an extension of affordability controls for 30 years, the payment of \$1,320,000 from the Affordable Housing Trust Fund over ten (10) years in annual installments of \$132,000/year and the extension of an existing long-term tax exemption agreement, subject to the Township Council's approval of any required formal extension application; and (iv) Dover Chase (Family Rental Units) – The Township has reserved a discretionary right as part of the Settlement Agreement to extend 22 existing deed controls, if needed, for a period of 30 years in exchange for a payment of \$1,500,000; and

WHEREAS, to secure the extension of controls for the Hope's Crossing senior rental units for a 30-year period, the Township has further committed to the payment of \$556,000 from the Affordable Housing Trust Fund, which change the Township Council authorizes be made and reflected in the Hope's Crossing Memorandum of Agreement to secure the extension of controls; and

WHEREAS, the Settlement Agreement also resolves two motions currently pending before the Court under Docket No. OCN-L-1867-15 related to the Township's previous request to cap its fair share obligation for the Third Round (1999-2025) and FSHC's cross-motion seeking, in part, to deny that cap and recalculate the Township's Third Round obligation to include an additional 1,095 units; and

WHEREAS, the Township wishes to ratify the execution of the Settlement Agreement to resolve Docket No. OCN-L-331-25 and the pending motions under Docket No. OCN-L-1867-15, and to authorize the Mayor and Township Clerk to execute any and all documents necessary to effectuate its terms, subject to the review of legal counsel.

NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Toms River (the “Township Council”) as follows:

1. The foregoing recitals are hereby incorporated by reference as if fully set forth herein.
2. The Township Council hereby ratifies the Settlement Agreement attached hereto at Exhibit A to resolve the pending Affordable Housing Dispute Resolution matter filed under Docket No. OCN-L-331-25 concerning the Township’s Fourth Round affordable housing obligations (2025-2035), as well as the pending motions under Docket No. OCN-L-1867-15 related to the Township’s Third Round obligations (1999-2025), and to authorize the Mayor and Township Clerk to execute any and all documents necessary to effectuate its terms, subject to the review of legal counsel.
3. The Township Council hereby authorizes the Mayor and Township Clerk to execute the Memorandums of Agreement attached hereto at Exhibits B – D, subject to any non-substantive revisions as reviewed and approved by the Township’s legal counsel, and to take all actions necessary to effectuate their terms, including the preparation and processing of any deed restriction documents and/or affordable housing submissions required to secure Fourth Round credits for the extended controls, subject to the Township Council’s approval of any required applications for extensions of existing long-term tax exemption agreements for Hopes Crossing and Highland Plaza, respectively.
4. This Resolution shall take effect immediately.
5. A certified copy of this resolution shall be provided by the Office of the Township Clerk to each of the following:
 - a) Mayor Daniel T. Rodrick
 - b) Business Administrator
 - c) Township Council
 - d) Chief Financial Officer
 - e) Township Attorney

- f) Township Engineer
- g) Rainone Coughlin Minchello
Attn: Christopher Zingaro, Esq.
- h) Township Planner

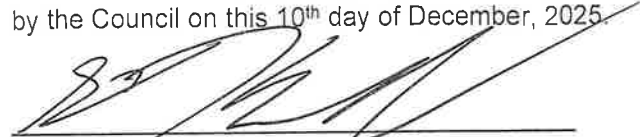
L-Dec 10, 2025-15

Approved as to Legal Form:



PETER S. PASCARELLA
ASSISTANT TOWNSHIP ATTORNEY

Certified as a true copy of the Resolution adopted
by the Council on this 10th day of December, 2025.



STEPHEN A. HENSEL
MUNICIPAL CLERK

MEDIATION AGREEMENT BEFORE THE AFFORDABLE HOUSING DISPUTE
RESOLUTION PROGRAM

In the Matter of the Application of the Township of Toms River, County of Ocean
Docket No. OCN-L-331-25

WHEREAS, the Township of Toms River (the “Township” or “Toms River”) having filed a resolution of participation in the Affordable Housing Dispute Resolution Program (the “Program”) and a declaratory judgment action pursuant to N.J.S.A. 52:27D-301 et. seq. (the “Fair Housing Act”) on January 30, 2025; and

WHEREAS, the Court entered an order on May 9, 2025 setting the Township’s Fourth Round fair share obligation and ordering the Township to file a Housing Element and Fair Share Plan (“HEFSP”) by June 30, 2025; and

WHEREAS, the Township having filed its Housing Element and Fair Share Plan on June 20, 2025 (“HEFSP”); and

WHEREAS, Fair Share Housing Center (“FSHC”) having filed a challenge pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) regarding the Township’s HEFSP on August 31, 2025, which was not processed by e-Courts and marked filed until September 2, 2025; and

WHEREAS, JD Jamestowne, LLC having filed a challenge pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) regarding the Township’s HEFSP on August 14, 2025; and

WHEREAS, 2008 Route 37 Associates, LLC, having filed a challenge pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) regarding the Township’s HEFSP on August 28, 2025; and

WHEREAS, Meridia Toms River 40 Urban Renewal, LLC, having filed a challenge pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) regarding the Township’s HEFSP on August 29, 2025; and

WHEREAS, the Township and FSHC have agreed to amicably resolve the issues set forth in the challenge through this mediation agreement and present this agreement for review by the Program and referral to the Mount Laurel judge pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) and Administrative Directive #14-24, which, if approved, will result in a Compliance Certification for the Township for the Fourth Round;

WHEREAS, in the Third Round declaratory judgment action pending under Docket No. OCN-L-1867-15, the Township moved to confirm its previously settled Third Round obligation and to cap such obligation, while FSHC filed a cross-motion asserting amongst other claims that the Township is not entitled to such cap and, further, must recalculate its obligation to include an additional 1,095 units attributable to the years 1999-2015 (the “Gap Period”), and the parties now desire to resolve those competing motions (the “Pending Third Round Motions”) as part of this settlement, without any admission by either party as to the legal or factual legitimacy of the positions asserted; and

WHEREAS, the parties have agreed that, upon execution of this Settlement Agreement, they will jointly withdraw their respective motions in OCN-L-1867-15 without prejudice, with such withdrawal becoming with prejudice upon entry of a Compliance Certification by the County-level Mount Laurel judge; and

THEREFORE, the Township and FSHC agree:

Fair Share Obligations

1. Pursuant to the Order entered by the Court on May 9, 2025, the Township’s Fourth Round obligation covering 2025-2035, consists of a **Prospective Need of 649** and a Present Need or Rehabilitation Obligation of 526 (the rehabilitation of existing deficient housing units).

2. The Township's prior Third Round obligation, covering 1999-2025, was previously settled at 1,285 units. As part of this settlement, and solely to resolve the pending motions without making any admission as to the legal basis for FSHC's asserted calculations, the parties agree to treat an additional seventy (70) units (the "Supplemental Third Round Calculation") as part of the Township's Third Round obligation attributable to the Gap Period which the parties agree is properly deferred for compliance purposes as set forth in this Agreement. This acknowledgment is made for settlement purposes only and is not a concession of the legal or factual basis for FSHC's position.

Satisfaction of Fair Share Obligations

3. The Township will address its **Fourth Round Present Need** via the mechanisms set forth in the HEFSP, namely the partnership with Northern Ocean Habitat for Humanity to run the Township's CDBG rehab program.
4. The Township will address its **Fourth Round Prospective Need** of 649 via the mechanisms identified in the chart attached and incorporated hereto at **Exhibit A**.
5. The Township will address the Supplemental Third Round Calculation of seventy (70) units through the extension of deed-restricted affordability controls on the currently deed-restricted units at Presbyterian Homes (Senior Rental units at 923 Oak Avenue; Block 414, Lot 9.01) which shall serve as the primary compliance mechanism for crediting those 70 units. The Township shall retain full discretion to determine the timing, financial structure, and method of providing any consideration associated with the extensions, including the ability to negotiate, secure, and execute extensions with an effective date beginning during either the Fourth Round or the Fifth Round, provided that the extensions are for a minimum of thirty (30) years from the date that is thirty (30) years after the deed restriction was

originally recorded, and the extensions otherwise comply with the Fair Housing Act and UHAC. The Township reserves the right to credit any units above the seventy (70) units from the extension of controls on Presbyterian Homes to its Fifth Round (2035–2045) obligation in accordance with then-applicable law. If the Township determines, in its discretion, to utilize currently deed-restricted units at Dover Chase (Rental units at Block 164, Lot 3) in place of, or in combination with, a portion of the seventy (70) extensions at Presbyterian Homes, the Township shall be permitted to extend deed-restricted controls on up to twenty-two (22) units at Dover Chase as a substitute compliance mechanism for a corresponding portion of the seventy (70) units otherwise proposed to be satisfied at Presbyterian Homes. If any portion of the Township's Supplemental Third Round Calculation cannot be secured through extensions at Presbyterian Homes or Dover Chase, the Township shall be entitled to secure and count alternative extensions of deed-restricted affordability controls yielding an equivalent number of affordable housing credits or alternative mechanisms to provide a realistic opportunity for an equivalent number of units, subject to review and approval by FSHC.

6. The Township will address the remainder of its **Third Round Prospective Need**, totaling 1,285 units, via the mechanisms identified in the chart attached and incorporated hereto at **Exhibit B**. Said chart, along with the obligation and mechanisms the Township is using to satisfy its First and Second Round Prospective Need which the parties agree is sufficient, was previously set forth in the HEFSP at Page 28-30.
7. Specifically, the Parties note the following as to several of the mechanisms comprising the Township's Fourth Round mechanisms incorporated in the chart attached at **Exhibit**

A. The Township agrees to the following in connection with its Fourth Round Prospective Need obligation:

a. Hope's Crossing (Block 534.51, Lot 13)

The Township will receive 110 credits and 83.25 bonus credits from the existing Hope's Crossing development, as set forth on the Compliance Chart attached as Exhibit A. The newly restricted units shall be restricted to qualifying households earning no more than eighty percent (80%) of the regional median income and shall be rented pursuant to the Uniform Housing Affordability Controls ("UHAC") at no more than a moderate-income rent calculated at sixty percent (60%) of area median income (60% AMI). The Township shall provide an agreement with the owner of Hope's Crossing reflecting these requirements no later than March 15, 2026.

b. 2008 Route 37 (Block 796, Lot 3)

The Township will adopt zoning no later than March 15, 2026 necessary to permit a two-floor expansion atop the existing development owned by Program challenger, 2008 Route 37, LLC, in order to permit the construction of an inclusionary mixed-use building consisting of a total of twenty (20) residential units, including four (4) deed-restricted affordable housing units (3 two-bedrooms and 1 three-bedroom).

c. Rt. 70 Inclusionary Development

The Township will adopt zoning no later than March 15, 2026 necessary to provide a realistic opportunity for an inclusionary residential development on Rt. 70, as reflected on the Compliance Chart attached as Exhibit A, at the below-listed properties providing 134 affordable housing units produced through a mandatory 20% set-aside. The properties to comprise said development include: B. 136, L.

199-218; B. 137, L. 219-223, 225-226, 228-231; B. 138, L. 133-152; L. 182-196; B. 139, L. 153-157, 159-178; B. 140, L. 67-77; 80-86; 113-132; B. 141, L. 87-101, 103-112; B. 142, L. 1-20; 47-66; B. 143, L. 21-47; B. 135.02, L. 106.02, 108.01, 109.01, 109.02, 109.03, 109.04, 110.01, 110.04. The affordable units in the development shall be required to be constructed, deed-restricted, and affirmatively marketed in compliance with UHAC, including all requirements regarding income distribution, phasing, bedroom mix, affordability controls, and affirmative marketing.

- d. Jamestowne Village Inclusionary Housing Project (Block 610, Lots 1, 2, 3, 5, 11, 30, 31, and 33)

The Township will adopt zoning no later than March 15, 2026 necessary to permit the creation of forty-two (42) affordable units at the Jamestowne Village property owned by Program challenger, JD Jamestowne, LLC, including twenty-eight (28) affordable housing units within a new construction component, representing a twenty percent (20%) set-aside. In addition to these twenty-eight (28) new affordable units, fourteen (14) existing market-rate units within the current Jamestowne complex will be converted to affordable units, resulting in a total of forty-two (42) newly deed-restricted affordable units, consistent with the Compliance Chart attached as Exhibit A. The parties acknowledge their shared expectation that the conversion of the market-rate units will occur upon vacancy, with such units to be affirmatively marketed as affordable housing. The parties further confirm that nothing in this Agreement is intended to provide a basis for eviction in violation of the Anti-Eviction Act. The developer shall be required to

satisfy the following: (i) all fourteen (14) market-to-affordable units shall be occupied as UHAC-compliant affordable units prior to the issuance of the first certificate of occupancy for the new construction portion of the project; and (ii) both the new construction affordable units and the converted units, individually and independently, satisfy UHAC, including but not limited to bedroom distribution and income distribution.

e. Highland Plaza (Block 1104, Lot 4)

The Township will receive 110 credits and 55 bonus credits from the existing Highland Plaza development, as set forth on the Compliance Chart attached as Exhibit A. All 110 deed extensions will be for thirty (30) years and restricted to low- and very-low-income households. The Township shall provide an agreement with the owner of Highland Plaza reflecting these requirements no later than March 15, 2026.

Unit Type and Income Distribution Requirements

8. The Township and FSHC agree that the Township's HEFSP, as amended above, satisfies the following standards set forth in P.L. 2024, c. 2, including but not limited to, with respect to the following, and that the Township shall maintain satisfaction with such requirements for the Fourth Round:

a. Age Restricted Cap. The Township agrees that it shall not exceed the age-restricted cap found in N.J.S.A. 52:27D-311(l), which requires age-restricted units to be capped at 30 percent of the overall Fourth Round affordable housing units that address the Fourth Round Prospective Need obligation exclusive of any bonus credits.

- b. Family units. Pursuant to N.J.S.A. 52:27D-211(l), the Township shall satisfy a minimum of 50 percent of the actual affordable housing units, exclusive of any bonus credits created to address its Fourth Round Prospective Need affordable housing obligation through the creation of housing available to families with children and otherwise in compliance with the requirements and controls established pursuant to Section 21 of P.L.1985, c.222 (C.52:27D-321).
- c. Rental and family rental units. Pursuant to N.J.S.A. 52:27D-311(l), at least 25 percent of the actual affordable housing units, exclusive of any bonus credits, created to address its Prospective Need affordable housing obligation shall be addressed through rental housing, including at least half as available to families with children.
- d. Very low-income units. Pursuant to N.J.S.A. 52:27D-329.1, 13 percent of all affordable units referenced in this Agreement addressing the Township's Prospective Need obligation shall be very low-income units for households earning 30 percent or less of the regional median income, with half of the very low-income units being available to families.
- e. All new construction units shall be adaptable in conformance with all applicable provisions of P.L.2005, c.350/N.J.S.A. 52:27D-311(a) and (b), and all other applicable law.
- f. All Prior Round and Third Round compliance shall continue to meet with the applicable percentages and standards for bonuses, family and senior housing, rental and family rental, very low-income units, and adaptability set forth in any prior

settlement agreement between FSHC and the Township, statutory requirements, and the Prior Round and Third Round regulations.

9. In all developments that produce new affordable housing construction, the Township and FSHC agree that, unless varied by a prior court order of the trial court, the below terms shall apply:

- a. All of the affordable units shall fully comply with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1, et seq. (“UHAC”), including but not limited to the required bedroom and income distribution, length of affordability controls, and phasing of affordable units.
- b. The applicability of the updated form of UHAC versus the prior form of UHAC shall be as set forth in the statute and most current form of UHAC adopted by HMFA. Any terms of a prior agreement, court order, judgment, or grant of substantive certification as to prior rounds of obligations modifying UHAC as to affordability controls or as to very low-income units shall remain in effect as to those prior rounds of obligations.
- c. The Township agrees that in order to meet the low-income and very low-income requirement of the Fair Housing Act, it shall adopt an ordinance requiring for all affordable housing developments in its HEFSP that 50 percent of the affordable units within each bedroom distribution shall be required to be for low-income households earning 50 percent or less of the regional median income, including 13 percent of the affordable units within each bedroom distribution shall be required to be for very low-income households earning 30 percent or less of the regional median income. This commitment shall not be construed to amend, modify, waive,

diminish, or impair any term of any prior agreement, judgment, or grant of substantive certification governing prior rounds of affordable housing obligations, nor shall it be interpreted to concede any position relating to such prior rounds.

- d. The Township agrees to review its Affordable Housing Ordinance and other ordinances to ensure that it complies with the most up to date requirements of UHAC and revise those ordinances accordingly as part of its HEFSP and implementing ordinances.
- e. The affordable units shall be affirmatively marketed in accordance with UHAC and applicable law. The affirmative marketing shall include posting of all affordable units on the New Jersey Housing Resource Center website in accordance with applicable law. The affirmative marketing plan shall include the following community and regional organizations: FSHC; the Latino Action Network; the Asbury Park/Neptune, Toms River, and Lakewood branches of the NAACP; and the Supportive Housing Association.

Pending Third Round Motions

10. Upon full execution of this Agreement, the Township and FSHC shall jointly withdraw, without prejudice, their respective motions pending in the Third Round declaratory judgment action under Docket No. OCN-L-1867-15. The period beginning on the date of execution of this Agreement and ending upon entry of a Compliance Certification by the County-level Mount Laurel judge shall be referred to as the "Interim Withdrawal Period." During the Interim Withdrawal Period, the Parties waive any defense based on laches, statute of limitations, or other timeliness objection that could otherwise bar the re-filing of the Pending Third Round Motions in the event the Compliance Certification is not entered.

The waiver in this paragraph shall apply solely to the Pending Third Round Motions and shall not be construed to revive or extend any other claim, challenge, or cause of action.

11. Upon entry of a Compliance Certification by the County-level Mount Laurel judge, the Parties shall submit a joint letter to the Court confirming that the Pending Third Round Motions are withdrawn with prejudice (the "With Prejudice Withdrawal.")
12. Pursuant to the withdrawal of its pending motion, FSHC agrees that it will not intervene in either matters pending at the trial court under Docket Nos. OCN-L-3326-24 or OCN-L-2065-24 (the "Litigation") while those matters remain pending before the trial court. FSHC reserves its rights upon the conclusion of the trial-court proceedings solely with respect to participation in any appeal, as it deems may be necessary to address issues of statewide concern that implicate the constitutional obligations articulated in the Mount Laurel doctrine, the Fair Housing Act, or duly promulgated regulations implementing and case law regarding either, and, in the event a decision issued in or settlement resolving the Litigation provides for any development being built on the subject site, which the Township in no way concedes, to ensuring that the previously agreed to affordable housing set-aside percentage and/or income and bedroom percentage distributions for the site are maintained. FSHC expressly waives any right to initiate or pursue separate litigation concerning whether the Township has any obligation to maintain zoning within the Water Street Redevelopment Area, except for its limited right to participate in support of any filed appeal arising from the Litigation as described above. This agreement does not otherwise modify, interpret, or alter any provision of the prior court-approved settlement concerning the Water Street Redevelopment Area, and no party shall be deemed to have conceded any interpretation of that settlement by entering into this agreement.

13. It is expressly acknowledged that, upon the With Prejudice Withdrawal, neither Party shall have the right to reinstate, refile, renew, reassert, or otherwise pursue their claims or relief sought in the Pending Third Round Motions, whether in the Third Round docket or in any other litigation, administrative proceeding, or forum, on the basis of any alleged non-compliance with this Agreement or any implementing action, other than the rights specifically reserved in paragraph 12. Any alleged non-compliance with this Agreement may be addressed solely through an enforcement motion or proceeding consistent with the terms of this Agreement and applicable law, and not through reinstatement of the claims asserted in the Pending Third Round Motions.
14. Upon fulfillment of all compliance items set forth in the Parties' Consent Order entered on March 5, 2025, the Parties shall jointly request that the Superior Court enter a final judgment of compliance and repose in Docket No. OCN-L-1867-15. This request shall confirm that the Township has satisfied its Third Round compliance obligations and that no further actions remain outstanding.

Process for Approval and Implementation

15. Pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) and Administrative Directive #14-24, the municipality and FSHC recognize that the Program and/or county level housing judge must still review this agreement and the resulting HEFSP and implementing ordinances and resolutions for compliance with the Fair Housing Act prior to issuing a Compliance Certification, as follows:
- a. The Township and FSHC shall present this mediation agreement to the Program member for review upon full execution by both parties.

- b. The Program Member shall review the agreement and if satisfied with compliance with the Fair Housing Act shall refer this matter to the Mount Laurel judge for review and entry of a Compliance Certification, conditioned on adoption of all implementing ordinances and resolutions. If an appeal is filed of the Court's grant or rejection of a Compliance Certification, the Parties agree to defend this Agreement and the HEFSP, as amended by this Agreement, on appeal, including in proceedings before the Superior Court, Appellate Division, or New Jersey Supreme Court, and to continue to implement the terms of the Compliance Certification if the Compliance Certification 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 and return to status quo ante. All Parties shall have an obligation to fulfill the intent and purpose of this Agreement.
- c. The Township shall adopt all implementing ordinances and resolutions no later than the statutory deadline of March 15, 2026, including but not limited to the outstanding items identified in paragraph 7, proposed forms of deed restrictions and supporting documentation for the extensions of controls referenced in Exhibit A, with all extensions of controls other than those referenced in paragraph 5 to be completed and recorded no later than December 31, 2026. No later than 48 hours after adoption or March 15, 2026, whichever is sooner, the Township shall file any adopted ordinances and resolutions on eCourts.
- d. In the event of a dispute as to whether any implementing actions remain outstanding, either Party may submit correspondence to the Court no later than

April 15, 2025 concerning the implementing actions alleged to be deficient along with the party's proposed approach for resolving them.

- e. Both parties agree to implement the terms of this Agreement. If the Program, county level housing judge, or any appellate court rejects this Agreement, the parties reserve their right to rescind any action taken in anticipation of the Program's approval and return to status quo ante. All parties shall have an obligation to fulfill the intent and purpose of this Agreement, unless to do so would be inconsistent with the final, unappealable adjudication of any Program or court ruling or judgment. The terms of this agreement may be enforced through an enforcement motion in this declaratory judgment or a separate action before the Program or the Superior Court, Law Division.

16. The Township and FSHC agree that following conditions shall be satisfied:

- a. The Township will adopt a Fourth Round Spending Plan in accordance with P.L. 2024, c. 2 and the forthcoming regulations at N.J.A.C. 5:99 and consistent with this Agreement before March 15, 2026.
- b. The Township will update and adopt its affordable housing ordinance, development fee ordinance, affirmative marketing plan, and other administrative documents in accordance with the forthcoming regulations at N.J.A.C. 5:80-26.1, et seq., and N.J.A.C. after they are adopted and, if adopted by March 15, 2026, before March 15, 2026.

17. The Township shall comply with all monitoring requirements within N.J.S.A. 52:27D-301 et. seq., and provide notice to FSHC of any action filed pursuant to the midpoint realistic opportunity review pursuant to N.J.S.A. 52:27D-313.

18. This Agreement shall be subject to approval by formal action of the Township Council of the Township of Toms River before December 31, 2025. If such action is not taken, this Agreement is null and void, unless otherwise agreed to in writing by the parties, and both parties return to status quo ante on all issues, including but not limited to having the full right to reinstate all litigation pending in the Third Round declaratory judgment action under Docket No. OCN-L-1867-15 and FSHC's challenge to the Township's Fourth Round HEFSP.
19. This Agreement may be executed in counterparts, all of which together shall constitute the same agreement, and any exhibits or schedules attached hereto shall be hereby made a part of this Agreement. This Agreement shall not be modified, amended or altered in any way except by a writing signed by each of the parties. Each party acknowledges that each has entered into this Agreement on its own volition without coercion or duress after consulting with its counsel, that each signatory is the proper person and possesses the authority to sign the Agreement, and that this Agreement was not drafted by any one of the parties, but was drafted, negotiated and reviewed by all parties, therefore, the presumption of resolving ambiguities against the drafter shall not apply. 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. No member, official or employee of the municipality 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.

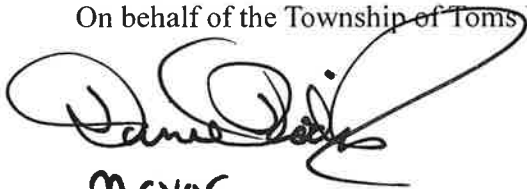
20. The Parties acknowledge that this Agreement shall fully resolve FSHC's pending challenge to the Township's HEFSP. FSHC agrees that it will not initiate, refile, support, endorse, assist, intervene in, or otherwise participate in any challenge or appeal concerning the Township's HEFSP, this Agreement, or any Compliance Certification issued by the County-level Mount Laurel judge, whether before the Program, any court, or any other forum, except for actions solely to enforce the express terms of this Agreement or the Township's HEFSP adopted pursuant to it and the rights specifically reserved in paragraph 12. FSHC likewise shall not support, endorse, intervene in, assist, or participate in any manner in any challenge or appeal initiated by a third party concerning the Township's HEFSP, this Agreement, or any Compliance Certification, except for enforcement actions as noted above and the rights specifically reserved in paragraph 12. Nothing in this paragraph shall be construed to expand, modify, or diminish the enforcement rights expressly preserved in this Agreement.
21. Except where otherwise set forth in this Settlement Agreement, nothing in this Agreement shall be construed to limit, modify, waive, diminish, or impair any right, protection, entitlement, defense, or procedural safeguard afforded to the Township under the Fair Housing Act as amended, including but not limited to N.J.S.A. 52:27D-301 et seq., the regulations promulgated thereunder, Administrative Directive #14-24, or any other applicable statute, regulation, or governing law, all of which are expressly preserved. Notwithstanding any outcome of the Litigation referenced in paragraph 12 or any other change in law,, the Township 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 fair share plan adopted pursuant to this Agreement; and otherwise fulfilling fully the fair share obligations as established herein.

Fees and Costs

22. Neither Party shall seek, demand, or be entitled to recover from the other any attorneys' fees, costs, or expenses in any court or administrative proceeding arising from or relating to the Pending Third Round Motions or the Township's Fourth Round matter before the Affordable Housing Dispute Resolution Program, except for any enforcement proceedings concerning this Agreement for which the Parties reserve all rights. Each Party shall bear its own attorneys' fees, costs, and expenses incurred in connection with those proceedings.

On behalf of the Township of Toms River:



Mayor

Date: 12/10/25

On behalf of Fair Share Housing Center:



Adam M. Gordon, Esq.

Date: December 12, 2025

EXHIBIT A

| Toms River Township Fourth Round Obligation = 649 | | | | | |
|---------------------------------------------------|-------|-------|-------|------|----------------------------------------------------------------------|
| Mechanism | Units | Bonus | Total | Diff | Notes |
| Third Round Carry over | 13 | 0 | 13 | | Credits moved over from 3rd round (1606 Lakewood Rd) |
| Extension of Controls | | | | | |
| Highland Plaza (rental - Seniors)*** | 110 | 55 | 165 | | Extension of Credits -- 20 years (change to 30 years), PILOT & Funds |
| Woods at Massachusetts (family-for-sale) | 13 | 0 | 13 | | Extension of credits -- 30 years, monetary contribution |
| Villages of Bey Lea (rental - seniors) | 48 | 24 | 72 | | Extension of Credits - Monetary contribution |
| North Pointe Hollow (family-for-sale)* | 7 | 0 | 7 | | Extension of Credits, monetary contribution |

| Redevelopment | | | | | |
|----------------------|---|---|---|--|------------------------------------------------------|
| Hooper-Caudina* | 6 | 0 | 6 | | Modify Redevelopment Plan (inclusionary development) |

| Inclusionary Housing | | | | | |
|-----------------------------|-----|---|-----|--|------------------------------------------------|
| Jamestown | 42 | 0 | 42 | | Zoning (30% inclusionary with PILOT Agreement) |
| 2008 Route 37 | 4 | 0 | 4 | | Inclusionary |
| Rt. 70 parcel | 134 | 0 | 134 | | Inclusionary (Zoning) |

| Market to Affordable | | | | | |
|-----------------------------------|-----|-------|--------|--|-----------------------------------------------------------------------------------------------------|
| Hope's Crossing (Rental - Family) | 110 | 83.25 | 193.25 | | Market Rate to affordable conversion with 30 year deed restriction, PILOT and monetary contribution |

125 actual units

| | | | | | |
|--------------------------|------------|---------------|---------------|--|-----|
| Total | 487 | 162.25 | 649.25 | | |
| Obligation | | | | | 649 |
| Balance | 0.0 | | | | |
| Maximum bonus credits | 162.25 | | 25% of 649 | | |
| Balance of bonus credits | 0 | | | | |

| GAP | | | | | |
|-------------------------------------|-----------|-----------|-----------|--|-------------------------------------------------|
| Dover Chase (rental)* | 0 | 0 | 0 | | Extension of Credits, and monetary contribution |
| Presbyterian Homes (senior rentals) | 70 | 0 | 70 | | Extension of Credits, and Monetary Contribution |
| Total | 70 | 70 | 70 | | |

*Hooper-Caudina housing if developed as Veteran preference supportive housing could get 6 additional bonus credits.

**Any North Pointe Hollow extension of credits exceeding 36 units required for 3rd round will be included in 4th round. There is a potential for a total of 15 total credits that could roll to the 4th round. 7 credits have been estimated, but could increase.

***Per Settlement Agreement, the Township reserves its discretion to utilize 22 extensions of existing deed restrictions at Dover Chase in place of 22 extensions of existing deed restrictions at Presbyterian Homes - See Settlement Agreement

| BONUS CREDIT INCENTIVES AND LIMITATIONS | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FOURTH ROUND BONUS CREDIT TYPES | |
| 1.0 Bonus Credit Per Affordable Unit | 0.5 Bonus Credit Per Affordable Unit |
| <ul style="list-style-type: none"> • Special needs or permanent supportive housing • Municipal contribution (land or funds for at least 3% of the cost) to a 100% affordable project. • Market-to-affordable program for rental or ownership units. | <ul style="list-style-type: none"> • Partnership sponsorship with non-profit developer for affordable ownership units. • Transit-oriented development within one-half mile of public transit stations. • Age-restricted housing (capped at 10% of age-restricted housing in local plan). • More three-bedroom units than required by State bedroom distribution rules. • Redevelopment of former or current retail office or commercial sites. • Extended affordability controls that preserve rental affordable housing. • More housing affordable to very low-income households than the minimum 13% required. |
| <p>The choice among these incentives is up to municipalities, with two caveats:</p> <ol style="list-style-type: none"> 1. The municipality may opt for only one bonus type per affordable housing unit. 2. A maximum of twenty-five percent (25%) of the municipality's Prospective Need may be satisfied by these bonus credits. | |

Source: Developing Effective Plans in the Fourth Round, December 2024

EXHIBIT B

| Toms River Township Third Round Obligation = 1,285 | | | | |
|-----------------------------------------------------------|--------------|--------------|--------------|-------------------------------------------------|
| Mechanism | Units | Bonus | Total | Notes |
| Extensions of Controls | | | | |
| Winteringham Village | 182 | | 182 | Family Rentals |
| Highland Plaza (seniors) | 110 | | 110 | Senior Rentals |
| North Pointe Hollow | 68 | | 68 | Family Sale |
| Woods at Massachusetts Avenue | 2 | | 2 | Family Sale |
| 100% Affordable Rentals | | | | |
| Project Freedom | 71 | 71 | 142 | |
| Meadow Green (seniors) | 79 | | 79 | |
| TR Senior Apartments (seniors) | 101 | | 101 | |
| Michaels | 49 | 49 | 98 | Built |
| TAS/Krupnick (60 units) | 0 | | 0 | FSHC agree req plan incl, no third round credit |
| Inclusionary Family For Sale | | | | |
| Autumn Ridge (0 of 10) | 0 | | 0 | All to prior round |
| Inclusionary Rentals | | | | |
| Dover Summit | 35 | 35 | 70 | |
| Grabrielle Run | 70 | 69 | 139 | |
| Colfax Street | 2 | 2 | 4 | |
| Autumn Ridge | 5 | 5 | 10 | |
| Lotano | 11 | 11 | 22 | |
| Nobility Crest | 50 | 50 | 100 | |
| Kaplan/Camelot (4 of 26) | 4 | | 4 | Built |
| Dover Shopping Center | 30 | 30 | 60 | Approved |
| 1606 Lakewood | 29 | | 29 | Built |
| Legion Court | 4 | | 4 | Approved |
| JSM Route 166 | 27 | | 27 | Zoned |
| K. Hovnanian Bimini Dr. | 28 | | 28 | Zoned |
| Residence Club at Cox Crow Crossing | 9 | | 9 | Not in adopted HEFSP, built |
| Redevelopment | | | | |
| Hooper-Caudina | 10 | | 10 | Not in adopted HEFSP |
| TOTALS | 976 | 322 | 1298 | |
| Third Round Surplus | | | 13 | = 1,298 - 1,285 |

Maximum Rental Bonuses: $0.25 (1,285) = 322$, round up; 322 requested
 Maximum Seniors: $0.25 (1,285) = 321$, round down; 290 provided