

PREPARED BY THE AFFORDABLE HOUSING PROGRAM:

In the Matter of the Township of Morris	Superior Court of New Jersey Law Division, Civil Part Docket No. MRS-L-270-25 Program Decision Recommendation - Housing Element and Fair Share Plan
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THIS MATTER, having come before the Affordable Housing Dispute Resolution Program (Program), pursuant to the Complaint for Declaratory Judgment filed in this matter on January 30, 2025 (DJ Complaint) by the Petitioner, the Township of Morris (“Township” or “Morris”), pursuant to the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301, *et. seq.* (FHA), and in accordance with Administrative Directive #14-24 and its Addenda, seeking a certification of compliance with the FHA;

AND IT APPEARS that on May 2, 2025, the Hon. Janine M. Allen, J.S.C. entered an Order as follows:

- (a) Establishing the Municipality’s Fourth Round “present need” at 9;
- (b) Establishing the Municipality’s Fourth Round “prospective need” at 375 ;

(c) Directing the Municipality to prepare and adopt a Housing Element and Fair Share Plan on or before June 30, 2025; and

(d) Granting the Municipality immunity from exclusionary zoning litigation; and

AND IT APPEARS that the Municipality timely adopted and filed the Municipality's Proposed Fourth Round Housing Element and Fair Share Plan (HEFSP);

AND IT APPEARS that challenges to the Municipality's Fourth Round HEFSP were timely filed by interested parties:

- Russo Acquisitions, LLC and SL Acquisitions, LLC;
- Danbro Properties (dismissed); and
- Fair Share Housing Center;

AND the Program having appointed Special Adjudicator Kendra Lelie, PP, AICP;

AND the Program Member having conducted conferences on October 21, 2025, October 31, 2025, December 4, 2025, and December 12, 2025, at which time Russo Acquisitions, LLC and SL Acquisitions, LLC, Fair Share Housing Center and the Township reached a settlement. The Danbro Properties challenge was dismissed. The settlement terms include, but are not limited to the following:

- (a) The Municipality's Present Need (Rehabilitation) Obligation is 9;

- (b) The Municipality’s Prospective Need Obligation (2025-2035) is 375 ;
- (c) The Municipality’s First and Second Rounds Prospective Need Obligation is 293;
- (d) The Municipality’s Third Round Prospective Need Obligation (1999-2025) is 767 which was adjusted to a Realistic Development Potential (RDP) of 450;
- (e) The Municipality shall satisfy its Prior Round and Fourth Round Obligations as follows:

Prior Round Obligation

Table 20. Prior Round Affordable Housing Credits

Project	Block/Lot	Tenancy	Units	Bonus Credits	Total	Status
Prior Cycle Credits= 100 units						
Morris Mews	B: 1901/L: 3	Age-Restricted Rentals	100 ¹		100	Complete
100 Percent Affordable Projects= 21 units and 6 rental bonus credits						
Dean A. Gallo Congregate Living	B: 1901/L: 2	Age-Restricted Rentals	19	6	25	Complete
MLK/Emmett Avenue	B: 10311/L: 21	Sales	2		2	Complete
Inclusionary Development Projects= 200 units						
Moore Estate	B: 7902/L:1	Sales	64 ²		64	Complete
James St. Commons	B: 6705/L: 2	Sales	16 ²		16	Complete
Woodcrest (Oaks)	B: 9902/L: 48	Sales	21		21	Complete
Cory Road (Millrace)	B: 10311/L: 1	Sales	4		4	Complete
Village at Convent	B: 8301/L: 1	Sales	25		25	Complete
Rose Arbor	B: 1501/L: 1	Sales	70		70	Complete
Alternative Living/ Supportive and Special Needs Housing= 41 units and 41 rental bonus credits						
ARC House (1)	Confidential	Rental	15	15	30	Complete
Homeless Solutions Transitional Housing	Confidential	Rental	11	11	22	Complete
Allegro Autism School Group Home	Confidential	Rental	5	5	10	Complete
Delta Community Support	Confidential	Rental	4	4	8	Complete
ARC House (2)	Confidential	Rental	6	6	12	Complete
Total			362	47	409³	
³Surplus of 116 Units over 293 Unit Prior Round Obligation						

¹ Of the total 100 affordable units at the Morris Mews project, the Township applied 62 units toward addressing its Prior Round obligation and 38 units toward addressing its Third Round Prospective Need obligation as part of a Prior Round surplus.

² The Township applied the 64 units at Moore Estate and 14 of the 16 total units at James Street Commons toward addressing its Third Round Prospective Need obligation as part of a Prior Round surplus.

³ The Township applied a 116 Prior Round surplus units towards addressing its Third Round Prospective Need obligation. These units will be from Morris Mews (38 units), Moore Estate (64 units), and James Street Commons (14 units).

Third Round Obligation

RDP: 450

Table 21. Projects Addressing Third Round Realistic Development Potential of 450 Units

Project	Block/Lot	Tenancy	Units	Bonus Credits	Total	Status
Prior Round Surplus Credits= 116 units						
Morris Mews	B: 1901/L: 3	Age- Restricted Rentals	38 ¹		38	Complete
Moore Estate	B: 7902/L:1	Sales	64		64	Complete
James St. Commons	B: 6705/L: 2	Sales	14 ¹		14	Complete
100 Percent Affordable Projects= 80 units and 37 rental bonus credits						
MCHA- 19 Carlton	B: 10304/ L: 25	Sales	5		5	Complete
MCHA- 6 Monroe Street/227 MLK Ave	B: 10307/ L: 14	Rentals	6	6	12	Complete
Homeless Solutions- Jean Street Apartments	B: 901/ L: 4.01	Rentals	15	15	30	Complete
Homeless Solutions- 24 Walnut	B: 10306/ L: 7	Rentals	2	2	4	Complete
Homeless Solutions- 88 MLK Ave	B: 10314/ L: 1	Rentals	2	2	4	Complete
Morris Ketch Road, LLC	B: 1901/L: 1 and 1.01 (portions)	Rentals	50	12	62	In process
Inclusionary Development Projects= 147 units and 75 rental bonus credits						
Honeywell Site	B: 9101/ L: 6-7	Sales	24		24	Complete
Colgate	B: 10401/ L: 3	Rental	66	42	108	Complete
Sisters of Charity	Portion of B: 8801/ L: 1	Rental	33	33	66	Planned
95 Mt. Kemble Avenue	B: 5506/ L: 25 B: 5605/ L: 5-8	Rental	23		23	Planned
975-403 Mt. Kemble Avenue	B: 5101/ L: 4-7	Sales	7		7	No longer viable
Grant Homes a.k.a. 122 Mt. Kemble Avenue	B: 5604/ L: 1	Rental	1		1	Complete
Total			343	112	455	

Surplus of 5 Units over 450 Unit RDP

¹ The Township applied Prior Round "surplus credits" toward its Third Round Prospective Need obligation as follows: 38 of the total 100 affordable units at Morris Mews, 14 of the total 16 affordable units at James Street Commons, and all 64 of the affordable units at Moore Estate.

Unmet Need:

Block/Lot	Density (dwelling units/ acre)	Set-Aside (%)	Overlay Zone
B: 10401/L: 2	12/15	15/20	MF-12/AH Overlay Zone
B: 10312/L: 1 B: 10313/L: 13	12/15	15/20	MF-10/AH Overlay Zone
B: 10103/ L: 4	12/15	15/20	MF-10/AH Overlay Zone
B: 10103/ L: 5	12/15	15/20	MF-10/AH Overlay Zone
B: 10104/ L: 1	12/15	15/20	MF-10/AH Overlay Zone
B: 10104/ L: 13	12/15	15/20	MF-10/AH Overlay Zone
B: 10001/ L: 7	12/15	15/20	MF-10/AH Overlay Zone
B: 10001/ L: 8	12/15	15/20	MF-10/AH Overlay Zone

Fourth Round Obligation

PROJECT	TYPE	UNITS	BONUSES	TENURES	STATUS	TOTAL
4 Old Turnpike/ Community Hope	Special needs/Supportive	5	5	Rental	Proposed	
60 Columbia	Family	84	42	18 Sales/ 66 Rental	Proposed	
100 Southgate	Family	21	10	Sales	Proposed	
300 Madison Ave	Family	24	12	Sales	Proposed	
227 Sussex Ave	Family	35		Sales	Proposed	
291 James Street	Family	3		Sales	Proposed	
Extension of Controls	Sales	134		Sales	Completed	
TOTAL		306	69			375

AND the Township and interested parties FSHC, Russo Acquisitions, LLC and SL Acquisitions, LLC, having executed written mediation agreements memorializing these settlement terms and filed them with the court (attached hereto as Exhibits A and B respectively);

AND the Municipality having represented it intends to adopt an Amended HEFSP in accordance with the terms of the settlements;

And the Program Member having considered the recommendation of the Special Adjudicator and the submissions and argument of the parties;

AND the Program Member having determined that the terms of the settlement are fair, reasonable and adequately protect the interests of low and moderate-income residents of the Municipality;

AND the Program Member having determined that the terms of the settlement are constitutionally compliant and provide a fair and reasonable opportunity for the Municipality to meet its obligations under the FHA and Mount Laurel doctrine;

AND for all those reasons, as well as those set forth in the Statement of Reasons (attached hereto as Exhibit C), the Program Member hereby recommends an ORDER directing that:

- (a) The settlement terms as set forth above are approved; and
- (b) The challenge of Danbro is dismissed;
- (c) In accordance with N.J.S.A. §52:27D-304.1(f)(2)(c), on or before March 15, 2026, the Municipality shall adopt and file its Amended HEFSP that contains the terms of the settlement as well as the implementing ordinances and resolutions proposed within the Amended HEFSP; and
- (d) Thereafter, the court shall schedule a HEFSP Confirmation Hearing (or if deemed necessary by the court a Fairness and/or Compliance Hearing to

consider approval of the Municipality's Amended HEFSP and the issuance of a Certification of Compliance and Repose); and

- (e) Grant the Municipality continued immunity from exclusionary zoning litigation for the duration of the compliance process conditioned upon the Municipality's compliance with its order and good faith implementation of the Amended HEFSP and good faith participation in the compliance process.

Respectfully Submitted by the Program:

By:

/s/ Hon. Stephan C. Hansbury

Hon. Stephan C. Hansbury, J.S.C. (Ret.)

Dated: February 5, 2026



Suzanne V. Walsh
TOWNSHIP CLERK

TOWNSHIP OF MORRIS

50 WOODLAND AVENUE PO BOX 7603
CONVENT STATION, NJ 07961
WWW.MORRISTWP.COM

RESOLUTION 265-25

A RESOLUTION OF THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF MORRIS AUTHORIZING THE EXECUTION OF A REVISED MEDIATION AGREEMENT BEFORE THE AFFORDABLE HOUSING DISPUTE RESOLUTION PROGRAM

WHEREAS, the Township of Morris (the "Township") has been involved in matters related to affordable housing compliance under the New Jersey Fair Housing Act; and

WHEREAS, the Township Committee has determined it is in the best interest of the Township to participate in mediation through the Affordable Housing Dispute Resolution Program to resolve outstanding matters; and

WHEREAS, the Township previously authorized the execution of Mediation Agreement (the "Agreement") before the Affordable Housing Dispute Resolution Program via resolution adopted on December 8, 2025; and

WHEREAS, the Township has engaged in further negotiations and certain provisions of the Agreement have been revised; and

WHEREAS, the Township Committee believes that it is in the best interest of the Township to execute the revised agreement (the "Revised Agreement"); and

WHEREAS, the Township Committee desires to authorize the Mayor to execute the Revised Agreement and the Municipal Clerk to attest to the execution, in a manner substantially similar to that attached hereto as Exhibit "A"; and

NOW, THEREFORE, BE IT RESOLVED, by the Township Committee of the Township of Morris, County of Morris, State of New Jersey, that the Mayor is hereby authorized to execute any and all documents necessary to enter into the Revised Mediation Agreement before the Affordable Housing Dispute Resolution Program, in a manner substantially similar to that attached hereto as Exhibit "A", and the Municipal Clerk is authorized to attest to the execution of such documents.

BE IT FURTHER RESOLVED, that a certified copy of this resolution be provided to the Township Attorney, the Township Affordable Housing Attorney, Affordable Housing Dispute Resolution Program and Fair Share Housing Center (FSHC).

I, Suzanne V. Walsh, Clerk of the Township of Morris, County of Morris, State of New Jersey do hereby certify that the foregoing is a true copy of a resolution adopted by the Governing Body at a duly authorized meeting held on December 17, 2025.

ATTEST


Suzanne Walsh Township Clerk

MORRIS TOWNSHIP


Donna J. Guariglia, Mayor

REVISED MEDIATION AGREEMENT BEFORE THE AFFORDABLE HOUSING
DISPUTE RESOLUTION PROGRAM

In the Matter of the Application of the Township of Morris, County of Morris,
Docket No. MRS-L-270-25

WHEREAS, the Township of Morris (the "Township") and Fair Share Housing Center ("FSHC") entered into Mediation Agreement (the "Agreement") amicably resolving the issues between the parties relating to the Township's Fourth Round housing Element and Fair Share Plan ("HEFSP") as adopted, endorsed and submitted to the Affordable Housing Dispute Resolution Program (the "Program") which, if approved would result in a compliance certification for the Township for the Fourth Round; and

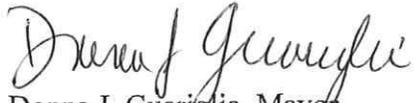
WHEREAS, the parties have now agreed to amend the Agreement as follows in light of modifications made to the HEFSP as a result of issues raised at the Program Session and further negotiations with FSHC and another challenger in the Program:

1. The Chart at Paragraph 5 of the Agreement shall be revised as follows: Extension of Controls shall be revised to increase the number of Units from 121 to 134 units and reduce the number of Bonus credits from 25 to zero, and the Total of all units shall be reduced from 387 units to 375 units.
2. The section entitled "95 Mt. Kemble Avenue" in Paragraph 4 of the Agreement shall be replaced with the following:

95 Mt. Kemble Avenue. Toll Brothers was originally designated developer of the Mt. Kemble site but subsequently withdrew from the project. Russo Acquisitions, LLC and SL Acquisitions, LLC (collectively, "Russo") filed a challenge to the Township's Housing Element and Fair Share Plan with regards to this site on August 29, 2025. The Township and Russo engaged in ongoing, good faith discussions to modify the project as set forth in the Township's Third Round Housing Element and Fair Share Plan so as to provide at least the same number of affordable units (23 units), if not more, at the Property. Russo presented viable proposals, both on a stand alone basis entirely within the borders of the Township, as well as combined with the portion of the tract that is located in Morristown. The Township and Russo have now entered into a settlement agreement, dated December 16, 2025, to provide for the aforementioned 23 affordable units pursuant to a unit count table and concept plan associated therewith, and FSHC has determined that such settlement agreement and concept plan provides for a realistic opportunity for the creation of 23 units of affordable housing in the Fourth Round and accepts and endorses same accordingly.

3. All other provisions of the Agreement shall remain in full force and effect as set forth therein.

On behalf of Morris Township:



Donna J. Guariglia, Mayor
Date: December 17, 2025

On behalf of Fair Share Housing Center:



Adam M. Gordon, Esq.
Date: December 17, 2025



Suzanne V. Walsh
Township Clerk
(973) 326-7430

TOWNSHIP OF MORRIS

50 WOODLAND AVENUE PO BOX 7603
CONVENT STATION, NJ 07961
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RESOLUTION 251 -25

A RESOLUTION OF THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF MORRIS AUTHORIZING THE EXECUTION OF A MEDIATION AGREEMENT BEFORE THE AFFORDABLE HOUSING DISPUTE RESOLUTION PROGRAM

WHEREAS, the Township of Morris (the "Township") has been involved in matters related to affordable housing compliance under the New Jersey Fair Housing Act; and

WHEREAS, the Township Committee has determined it is in the best interest of the Township to participate in mediation through the Affordable Housing Dispute Resolution Program to resolve outstanding matters; and

WHEREAS, execution of a mediation agreement is required to participate in the program (the "Agreement"); and

WHEREAS, the Township Committee desires to authorize the Mayor to execute Agreement and the Municipal Clerk to attest to the execution, in a manner substantiality similar to that attached hereto as Exhibit "A"; and

NOW, THEREFORE, BE IT RESOLVED, by the Township Committee of the Township of Morris, County of Morris, State of New Jersey, that the Mayor is hereby authorized to execute any and all documents necessary to enter into a Mediation Agreement before the Affordable Housing Dispute Resolution Program, in a manner substantially similar to that attached hereto as Exhibit "A", and the Municipal Clerk is authorized to attest to the execution of such documents.

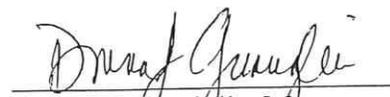
BE IT FURTHER RESOLVED, that a certified copy of this resolution be provided to the Township Attorney, Affordable Housing Dispute Resolution Program and Fair Share Housing Center (FSHC).

I, Suzanne V. Walsh, Clerk of the Township of Morris, County of Morris, State of New Jersey do hereby certify that the foregoing is a true copy of a resolution adopted by the Governing Body at a duly authorized meeting held on December 8, 2025.

ATTEST


Suzanne Walsh Township Clerk

MORRIS TOWNSHIP


Donna J. Guariglia, Mayor

FAIR SHARE HOUSING CENTER

Adam M. Gordon, Esq.
Laura Smith-Denker, Esq.
Joshua D. Bauers, Esq.
Ashley J. Lee, Esq.
Esmé M. Devenney, Esq.
Ariela Rutbeck-Goldman, Esq.
Joelle L. Paull, Esq.

December 3, 2025

Via eCourts and Electronic Mail

Hon. Stephan C. Hansbury, J.S.C. (ret.)
Affordable Housing Dispute Resolution Program
Richard J. Hughes Justice Complex
P.O. Box 037
Trenton, New Jersey 08625

Re: IMO the Application of the Morris Township, County of Morris,
Docket No. MRS-L-270-25

Dear Judge Hansbury:

Enclosed please find a mediation agreement between Fair Share Housing Center (FSHC) and Morris Township. This agreement has been executed by FSHC with expectation that it will be approved by the Township on or before its next committee meeting on December 17, 2025. Special Adjudicator Kendra Lelie, PP, AICP, LLA, has endorsed this agreement.

FSHC appreciate Your Honor and the Special Adjudicator's assistance in this matter.

Sincerely,



Esmé M. Devenney, Esq.
Counsel for Fair Share Housing Center

C: Special Adjudicator Lelie
All counsel of record

MEDIATION AGREEMENT BEFORE THE AFFORDABLE HOUSING DISPUTE
RESOLUTION PROGRAM

In the Matter of the Application of the Township of Morris, County of Morris,
Docket No. MRS-L-270-25

WHEREAS, the Township of Morris (the “Township” or “Morris” or “municipality”) 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 2, 2025 setting the Township’s Fourth Round fair share obligations as a Present Need of 9 units and a Prospective Need of 375 units, which no party appealed, 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 HEFSP on June 6, 2025 (“Adopted HEFSP”);
and

WHEREAS, FSHC having made a filing with the Program pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) regarding the Township’s HEFSP on August 25, 2025; and

WHEREAS, the Township and FSHC have agreed to amicably resolve the issues set forth in the filing 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;

THEREFORE, the Township and FSHC agree:

Fair Share Obligations

1. The Township's Present Need or Rehabilitation Obligation is 9, the Township's Prior Round Obligation (1987-1999) is 293, the Township's Third Round Obligation (1999-2025) is 767, the Township's Fourth Round Prospective Need (2025-2035) is 375 units.

Satisfaction of Fair Share Obligations

2. The Township will address its Present Need via participation in the Morris County Community Development Program and as otherwise administered by Rehabco, Inc., which has been appointed to administer Morris Township's rehabilitation program.
3. The Township's Prior Round Obligation is 293 and has been met with the following mechanisms:

Table 20. Prior Round Affordable Housing Credits

Project	Block/Lot	Tenancy	Units	Bonus Credits	Total	Status
Prior Cycle Credits= 100 units						
Morris Mews	B: 1901/L: 3	Ago-Restricted Rentals	100 ¹		100	Complete
100 Percent Affordable Projects= 21 units and 6 rental bonus credits						
Doan A. Gallo Congregate Living	B: 1901/L: 2	Ago-Restricted Rentals	19	6	25	Complete
MLK/Emmett Avenue	B: 10311/L: 21	Sales	2		2	Complete
Inclusionary Development Projects= 200 units						
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Woodcrest (Oaks)	B: 9902/L: 48	Sales	21		21	Complete
Cory Road (Millrace)	B: 10311/L: 1	Sales	4		4	Complete
Village at Convent	B: 8301/L: 1	Sales	25		25	Complete
Rose Arbor	B: 1501/L: 1	Sales	70		70	Complete
Alternative Living/ Supportive and Special Needs Housing= 41 units and 41 rental bonus credits						
ARC House (1)	Confidential	Rental	15	15	30	Complete
Homeless Solutions Transitional Housing	Confidential	Rental	11	11	22	Complete
Allogro Autism School Group Home	Confidential	Rental	5	5	10	Complete
Delta Community Support	Confidential	Rental	4	4	8	Complete
ARC House (2)	Confidential	Rental	6	6	12	Complete
Total			362	47	409³	

³Surplus of 116 Units over 293 Unit Prior Round Obligation¹ Of the total 100 affordable units at the Morris Mews project, the Township applied 62 units toward addressing its Prior Round obligation and 38 units toward addressing its Third Round Prospective Need obligation as part of a Prior Round surplus.² The Township applied the 64 units at Moore Estate and 14 of the 16 total units at James Street Commons toward addressing its Third Round Prospective Need obligation as part of a Prior Round surplus.³ The Township applied a 116 Prior Round surplus units towards addressing its Third Round Prospective Need obligation. These units will be from Morris Mews (38 units), Moore Estate (64 units), and James Street Commons (14 units).

4. The Township’s Third Round Obligation is 767 and shall be met with the following mechanisms:

Realistic Development Potential (RDP) of 450:

Table 21. Projects Addressing Third Round Realistic Development Potential of 450 Units

Project	Block/Lot	Tenancy	Units	Bonus Credits	Total	Status
Prior Round Surplus Credits= 116 units						
Morris Mews	B: 1901/L: 3	Age-Restricted Rentals	38 ¹		38	Complete
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100 Percent Affordable Projects= 80 units and 37 rental bonus credits						
MCHA- 19 Carlton	B: 10304/ L: 25	Sales	5		5	Complete
MCHA- 6 Monroe Street/227 MLK Ave	B: 10307/ L: 14	Rentals	6	6	12	Complete
Homeless Solutions- Jean Street Apartments	B: 901/ L: 4.01	Rentals	15	15	30	Complete
Homeless Solutions- 24 Walnut	B: 10306/ L: 7	Rentals	2	2	4	Complete
Homeless Solutions- 88 MLK Ave	B: 10314/ L: 1	Rentals	2	2	4	Complete
Morris Ketch Road, LLC	B: 1901/L: 1 and 1.01 (portions)	Rentals	50	12	62	In process
Inclusionary Development Projects= 147 units and 75 rental bonus credits						
Honeywell Site	B: 9101/ L: 6-7	Sales	24		24	Complete
Colgato	B: 10401/ L: 3	Rental	66	42	108	Complete
Sisters of Charity	Portion of B: 8801/ L: 1	Rental	33	33	66	Planned
95 Mt. Kemble Avenue	B: 5506/ L: 25 B: 5605/ L: 5-8	Rental	23		23	Planned
975-483 Mt. Kemble Avenue	B: 5404/ L: 4-7	Sales	7		7	No longer viable
Grant Homes a.k.a. 122 Mt. Kemble Avenue	B: 5604/ L: 1	Rental	1		1	Complete
Total			343	112	455	
Surplus of 5 Units over 450 Unit RDP						

¹ The Township applied Prior Round "surplus credits" toward its Third Round Prospective Nood obligation as follows: 38 of the total 100 affordable units at Morris Mews, 14 of the total 16 affordable units at James Street Commons, and all 64 of the affordable units at Moore Estate.

95 Mt. Kemble Avenue. Toll Brothers was originally designated developer of the Mt. Kemble site but subsequently withdrew from the project. Russo Acquisitions, LLC and SL Acquisitions, LLC (collectively, "Russo") filed a challenge to the Township’s Housing Element and Fair Share Plan with regards to this site on August 29, 2025. The Township and Russo have engaged in ongoing, good faith discussions with the Township to modify the project as set forth in the Township's Third Round Housing Element and Fair Share Plan so as to provide at least the same number of affordable units (23 units), if not more, at the Property. Russo has presented viable proposals that are being seriously considered by the Township, both on a stand alone basis entirely within the borders of the Township, as well as combined with the portion of the tract that is located in Morristown. No later than December 15, 2025, the Township shall present a proposed resolution of this challenge that creates a realistic opportunity for at least 23 affordable units on the site to FSHC and Russo, and regardless of Russo’s position on the same, FSHC will accept such proposal for the development of affordable housing in the 4th

Round as long as the proposal creates a realistic opportunity for at least 23 affordable units on the site.

Sisters of Charity. On October 16, 2025, S. Maureen Shaughnessy, SC, General Superior, Sisters of Charity of Saint Elizabeth provided an update confirming that the Sisters of Charity of Saint Elizabeth (SCSE) are not requesting any changes to the maximum permitted density or any other aspects of the existing inclusionary zoning applicable to the Sisters of Charity site. The letter explains that ongoing litigation at the Florham Park site delayed the development process in Morris Township and that the Sisters continue to support inclusionary zoning on the site. A supplemental letter from Thomas Carrol, III, Esq., of Hill Wallack, LLP, on behalf of SCSE, dated November 12, 2025, reiterated same and further confirmed that the present intention of the Sisters is to proceed with the sale and development of the Morris Township site during the Fourth Round, and further confirmed that, while a developer has not yet been formally identified, there have been expressions of interest from developers to purchase and develop the site. FSHC agrees that the Sisters of Charity site remains a realistic opportunity for the development of affordable housing in the 4th Round.

The RDP of 450 resulted in an unmet need of 317, which shall be addressed through the following mechanism:

On May 24, 2018, the Township adopted MF-10/AH Multifamily Affordable Housing Overlay Zone and MF-12/AH Multifamily Affordable Housing Overlay Zone by Ordinance No. 15-18 to provide a realistic opportunity for the development of affordable housing permitting multifamily housing sites each with a mandatory set aside.

Pursuant to the 2023 Global Agreement related to the Red Bulls soccer facility, the Township was required to increase the densities in the MF-10/AH zone to 12 dwelling units per acre (from 10 dwelling units per acre) with a 15 percent set-aside and a density of 15 units per acre with a 20 percent set aside. The Township adopted the revised overlay zoning on Jun 21, 2023 by Ordinance No. 13-23. Additionally, Block 10001, Lot 7 located on Lindsley Drive was added to the MF-10/AH zone.

A summary of the overlay zones adopted to address Morris Township's Third Round Unmet Need obligation pursuant to the 2017 Settlement Agreement and 2023 Global Agreement are provided below.

Block/Lot	Density (dwelling units/ acre)	Set-Aside (%)	Overlay Zone
B: 10401/L: 2	12/15	15/20	MF-12/AH Overlay Zone
B: 10312/L: 1 B: 10313/L: 13	12/15	15/20	MF-10/AH Overlay Zone
B: 10103/ L: 4	12/15	15/20	MF-10/AH Overlay Zone
B: 10103/ L: 5	12/15	15/20	MF-10/AH Overlay Zone
B: 10104/ L: 1	12/15	15/20	MF-10/AH Overlay Zone
B: 10104/ L: 13	12/15	15/20	MF-10/AH Overlay Zone
B: 10001/ L: 7	12/15	15/20	MF-10/AH Overlay Zone
B: 10001/ L: 8	12/15	15/20	MF-10/AH Overlay Zone

5. The Township shall satisfy its Fourth Round obligation of 375 with the following mechanisms:

MECHANISMS	TYPE	UNITS	BONUS	TENURES	STATUS	TOTAL
4 Old Turnpike/ Community Hope	Special needs/ Supportive	5	5	Rental	Proposed	
60 Columbia -- Inclusionary Development	Family	84	42	18 Sales/ 66 Rental	Proposed	
100 Southgate -- Inclusionary Development	Family	21	10	Sales	Proposed	
300 Madison Ave -- Inclusionary Development	Family	24	12	Sales	Proposed	
227 Sussex Ave -- Inclusionary Development	Family	35		Sales	Proposed	
291 James Street -- Inclusionary Development	Family	3		Sales	Proposed	
Extension of Controls	Sales	121	25	Sales	Completed	
TOTAL		293	94			387

Unit Type and Income Distribution Requirements

6. The Township and FSHC agree that the Township's HEFSP as presented 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:

- 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.

- Family units. Pursuant to N.J.S.A. 52:27D-311(l), the municipality 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).
 - 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.
 - Very Low-Income Units. Pursuant to N.J.S.A. 52:27D-329.1, thirteen percent (13%) of all affordable units referenced in this Agreement addressing the municipality's Prospective Need obligation shall be very-low-income units for households earning thirty percent (30%) or less of the median income, with half of the very low income units being available to families.
 - All new construction units shall be adaptable in conformance with P.L.2005, c.350/ N.J.S.A. 52:27D-311a and -311b and all other applicable law.
 - 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 municipality, statutory requirements, and the Prior Round and Third Round regulations.
7. In all developments that produce affordable housing, the Township and FSHC agrees 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, judgment, or grant of substantive certification as to prior rounds of obligations modifying UHAC as to affordability controls longer than the now-current regulations or as to very-low-income units shall remain in effect as to those prior rounds of obligations.
 - c. The municipality agrees that in order to meet the low income and very low income requirement of the Fair Housing Act that it shall adopt an ordinance requiring for all affordable housing developments in its HEFSP that fifty percent (50%) of the

affordable units within each bedroom distribution shall be required to be for low income households earning fifty percent (50%) or less of median income, including thirteen percent (13%) of the affordable units within each bedroom distribution shall be required to be for very low income households earning thirty percent (30%) or less of median income.

- d. The municipality 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 Fourth Round HEFSP and implementing ordinances.

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 New Jersey State Conference of the NAACP, the Latino Action Network, Morris County NAACP, Newark NAACP, East Orange NAACP, Housing Partnership for Morris County, Community Access Unlimited, Inc., Northwest New Jersey Community Action Program, Inc. (NORWESCAP), Homeless Solutions Morristown, and Supportive Housing Association.

Process for Approval and Implementation

8. 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:

- The municipality and FSHC shall present this mediation agreement to the Program member for review upon full execution by both parties.
- The Program member shall review the agreement and if satisfied with compliance with the Fair Housing Act shall refer this matter to the Mt. Laurel judge for review and entry of certification of compliance, conditioned on adoption of all implementing ordinances and resolutions.
- The municipality shall adopt all implementing ordinances and resolutions no later than March 15, 2026, including but not limited to the outstanding items identified in the next paragraph. No later than 48 hours after adoption or March 15, 2026, whichever is sooner, the Township shall file the information required by Paragraph 10 and any other adopted ordinances and resolutions on eCourts.

- No later than April 15, 2026, the Township and FSHC shall provide via filing on eCourts a form of consent order granting final compliance certification for the Court's review, or identify any remaining issues of compliance that may be disputed at which point the court shall schedule a conference to review any such areas.
 - 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.
9. The municipality and FSHC agree that following conditions remain to be met prior to March 15, 2026 as conditions of compliance certification, and that the municipality shall provide these documents to FSHC in draft form for comment by January 15. FSHC will submit comments to Morris Township by February 5, 2026:
- The Township will provide draft ordinances for the 100 Southgate Parkway, 300 Madison Avenue, 291 James Street, 60 Columbia Road, 227 Sussex Avenue, and 95 Mt. Kemble sites and adopt them by March 15, 2026.
 - The Township will provide the income distribution for the Ketch Road site.
 - The Township will provide a UHAC compliant deed restriction for Colgate.
 - The Township will provide resolutions appointing the Municipal Housing Liaison and Administrative Agent(s) in accordance with the forthcoming N.J.A.C. 5:99.
 - The Township will provide the affordability assistance program manual.
 - 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.
 - 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 before March 15, 2026.

10. The Township's Compliance Certification shall be subject to required ongoing monitoring

as follows:

- The Township by February 15, 2026, and annually, agrees to provide the Department of Community Affairs and to post a copy on the municipal website with a copy of such posting provided to Fair Share Housing Center with a detailed accounting of all development fees and any other payments into its trust fund that have been collected and expended in the previous year.
- The Township by February 15, 2026, and annually, agrees to provide the Department of Community Affairs and to post a copy on the municipal website with a copy of such posting provided to Fair Share Housing Center with an up-to-date municipal status report based on its collection and publication of information concerning the number of affordable of housing units actually constructed, construction starts, certificates of occupancy granted, the start and expiration dates of deed restrictions, and residential and non-residential development fees collected and expended, including purposes and amounts of such expenditures, along with the current balance in the municipality's affordable housing trust funds. With respect to units actually constructed, the information shall specify the characteristics of the housing, including housing type, tenure, affordability level, number of bedrooms, date and expiration of affordability controls, and whether occupancy is reserved for families, senior citizens, or other special populations.
- For the midpoint realistic opportunity review as of July 1, 2030, pursuant to N.J.S.A. 52:27D-313, the Township or other interested party may file an action through the program seeking a realistic opportunity review and shall provide for notice to the public, including a realistic opportunity review of any inclusionary development site in the housing element and fair share plan that has not received preliminary site plan approval prior to the midpoint of the 10-year round. Any such filing shall be through eCourts or any similar system set forth by the Program with notice to any party that has appeared in this matter.

11. 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.

On behalf of Morris Township:



Date: December 8, 2025

On behalf of Fair Share Housing Center:



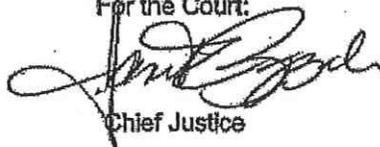
Adam M. Gordon, Esq.

Date: December 2, 2025

SUPREME COURT OF NEW JERSEY

Pursuant to Rule 1:13-2(a), it is ORDERED that the payment of filing fees, other fees, and charges of public officers for service of process in connection with actions filed by the Fair Share Housing Center shall be waived; this Order is effective immediately and until further order of the Court.

For the Court:

A handwritten signature in black ink, appearing to read "Robert G. Guterl", is written over a vertical line. The signature is cursive and stylized.

Chief Justice

Dated: January 16, 2007



Suzanne V. Walsh
TOWNSHIP CLERK

TOWNSHIP OF MORRIS

50 WOODLAND AVENUE PO BOX 7603
CONVENT STATION, NJ 07961
WWW.MORRISTWP.COM

RESOLUTION 264-25

(page 1 of 2)

A RESOLUTION OF THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF MORRIS AUTHORIZING THE EXECUTION OF A SETTLEMENT AGREEMENT BETWEEN THE TOWNSHIP OF MORRIS AND RUSSO ACQUISITIONS, LLC AND SL ACQUISITIONS, LLC

WHEREAS, the Township of Morris (the "Township") has been involved in matters related to affordable housing compliance under the New Jersey Fair Housing Act; and

WHEREAS, on January 30, 2025, the Township filed a 4th Round declaratory judgment action captioned I/M/O the Application of the Morris Township, Docket No. MRS- L-270-25 (the "**DJ action**"), seeking a determination that it complied with its 4th Round affordable housing obligations under the Amended Fair Housing Act (the "**AFHA**"), and the Township filed an adopted 4th Round Housing Element and Fair Share Plan (the "**4th Round HEFSP**") in the DJ action on June 17, 2025, and the Township filed its endorsement of the 4th Round HEFSP in the DJ action on June 19, 2025; and

WHEREAS, on August 29, 2025, Russo Acquisitions, LLC and SL Acquisitions, LLC (collectively, "Russo") filed a challenge to the 4th Round HEFSP ("Russo's Challenge"); and

WHEREAS, Russo is the contract purchaser of real property located in the Township and identified as Block 5506, Lot 25 ("Northern Parcel") and Block 5605, Lots 5, 6, 7 & 8 ("Southern Parcel") and located at 95, 102, 106 & 108 Mt Kemble Avenue (the Northern Parcel and Southern Parcel collectively the "Property"); and

WHEREAS, the Property is part of the Township's Third Round HEFSP and in order to implement the Township's Third Round HEFSP the Township adopted the Mt. Kemble Avenue Redevelopment Plan, dated May 2018 (the "Redevelopment Plan") which permitted development of the Property with up to 115 residential units including 23 affordable units; and

WHEREAS, to date no affordable housing has been constructed on the Property pursuant to the Redevelopment Plan; and

WHEREAS, Russo desires to develop the Property with an inclusionary development; and

WHEREAS, Russo is amenable to fully and finally resolving Russo's Challenge premised upon the Township's promise to zone the Property for a residential inclusionary development pursuant to the density and the terms set forth in a Settlement Agreement in a manner substantially similar to that attached hereto as **Exhibit "A"**; and

WHEREAS, the Township Committee has determined it is in the best interest of the Township to enter into the Settlement Agreement with Russo; and

WHEREAS, the Township Committee desires to authorize the Mayor to execute the Settlement Agreement and the Municipal Clerk to attest to the execution, in a manner substantially similar to that attached hereto as Exhibit "A"; and

NOW, THEREFORE, BE IT RESOLVED, by the Township Committee of the Township of Morris, County of Morris, State of New Jersey, that the Mayor is hereby authorized to execute any and all documents necessary to enter into the Settlement Agreement in a manner substantially similar to that attached hereto as Exhibit "A", and the Municipal Clerk is authorized to attest to the execution of such documents.



Suzanne V. Walsh
TOWNSHIP CLERK

TOWNSHIP OF MORRIS

50 WOODLAND AVENUE PO BOX 7603
CONVENT STATION, NJ 07961
WWW.MORRISTWP.COM

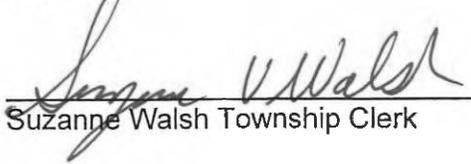
RESOLUTION 264-25

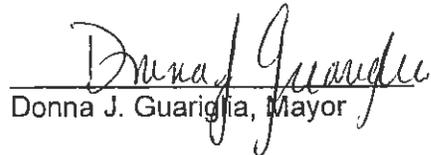
(page 2 of 2)

I, Suzanne V. Walsh, Clerk of the Township of Morris, County of Morris, State of New Jersey do hereby certify that the foregoing is a true copy of a resolution adopted by the Governing Body at a duly authorized meeting held on December 16, 2025.

ATTEST

MORRIS TOWNSHIP


Suzanne Walsh Township Clerk


Donna J. Guariglia, Mayor

**Settlement Agreement between Morris Township and Russo Acquisitions,
LLC and SL Acquisitions, LLC**

This settlement agreement is entered into on the 17th day of December, 2025 by and between Morris Township (the “Township”) and Russo Acquisitions, LLC and SL Acquisitions, LLC (collectively “Russo”) (the Township and Russo each being a “Party” or collectively “Parties”) in consideration of the mutual promises set forth below;

WHEREAS, on January 30, 2025, the Township filed a 4th Round declaratory judgment action captioned I/M/O the Application of the Morris Township, Docket No. MRS- L-270-25 (the “**DJ action**”), seeking a determination that it complied with its 4th Round affordable housing obligations under the Amended Fair Housing Act (the “**AFHA**”), and the Township filed an adopted 4th Round Housing Element and Fair Share Plan (the “**4th Round HEFSP**”) in the DJ action on June 17, 2025, and the Township filed its endorsement of the 4th Round HEFSP in the DJ action on June 19, 2025; and

WHEREAS, on August 29, 2025, Russo filed a challenge to the 4th Round HEFSP (“Russo’s Challenge”); and

WHEREAS, Russo is the contract purchaser of real property located in the Township and identified as Block 5506, Lot 25 (“Northern Parcel”) and Block 5605, Lots 5, 6, 7 & 8 (“Southern Parcel”) and located at 95, 102, 106 & 108 Mt Kemble Avenue (the Northern Parcel and Southern Parcel collectively the “Property”); and

WHEREAS, the Property is part of the Township's Third Round HEFSP and in order to implement the Township's Third Round HEFSP the Township adopted the Mt. Kemble Avenue Redevelopment Plan, dated May 2018 (the "Redevelopment Plan") which permitted development of the Property with up to 115 residential units including 23 affordable units; and

WHEREAS, to date no affordable housing has been constructed on the Property pursuant to the Redevelopment Plan; and

WHEREAS, Russo desires to develop the Property with an inclusionary development; and

WHEREAS, Russo has taken the position that, pursuant to N.J.S.A. 52:27D-304.1(f)(2)(a), referred to as the "look back" provision of the AFHA, the Redevelopment Plan applicable to the Property requires modifications to provide for a realistic opportunity for the production of affordable housing on the Property, and, while not conceding same, the Township is amicable to resolving Russo's Challenge as set forth below; and

WHEREAS, Russo is amenable to fully and finally resolving Russo's Challenge premised upon the right to construct a 139-unit residential inclusionary development on the Property pursuant to the terms set forth herein; and

WHEREAS, the Parties wish to enter into this Agreement setting forth the terms, conditions, responsibilities and obligations of the Parties, and seek the Program and County Mount Laurel Judge's approval of this Agreement as part of the DJ Action.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

A. General

1. By March 15, 2026, the Township will adopt an amendment to the Redevelopment Plan ("Redevelopment Plan Amendment") to implement the terms and conditions herein and permit Russo to develop the Property with the proposed inclusionary development shown on the concept plans attached hereto as **Exhibit A** and fully incorporated herein.
2. In the event of any legal challenges to this Settlement or the Redevelopment Plan Amendment, including a challenge by any third party, the Parties agree to diligently defend any such challenge and the Parties shall cooperate with each other regarding said defense. In addition, if any such challenge results in a modification of this Agreement or of the Redevelopment Plan Amendment, the Parties must negotiate in good faith with the intent to draft a mutually acceptable amended Agreement.
3. The Township shall maintain the rezoning of the Property (the Redevelopment Plan Amendment) for the duration of the Fourth Round, to July 1, 2035, and shall not amend the Redevelopment Plan Amendment unless mutually agreed upon by the Parties or required by court order, outside administrative body decision or resolution.

B. Zoning and Design Standards

1. The Northern Parcel will be zoned to permit multi-family rental housing and permit a total of up to 117 family rental units and the Southern Parcel will be zoned to permit townhomes, including stacked townhomes, and permit a total of up to 43 townhome/stacked townhome units, however, the combined total of units will not exceed 139 units on the Property.
2. It is understood that the Redevelopment Plan is still developing and certain parameters could not be quantified at the time of this Agreement. The Township will work in good faith to amend the Redevelopment Plan to permit the development of the project as presented in the attached **Exhibit A** and zoning table attached hereto as **Exhibit B**.
3. The Northern Parcel is designated an area in need of redevelopment and the Southern Parcel is designated an area in need of rehabilitation. Despite the obligation to amend the Redevelopment Plan, and notwithstanding the provisions contained above, the Parties agree that nothing in this agreement prevents the Township from studying and designating the Southern Parcel an area of need in redevelopment in a manner consistent with this agreement and the proposed zoning herein

C. Affordable Housing Requirements

1. The proposed development shall be an inclusionary development providing for twenty-three (23) affordable units located in the Township. The 23 affordable units will include between 16 and 20 family rental units on the Northern Parcel and between 3 and 7 stacked townhome affordable units on the Southern Parcel for a total of 23 affordable units.
2. The twenty-three (23) affordable units will comply with all applicable UHAC requirements, including, but not limited to, income and bedroom distribution requirements.
3. The project proposed for the Property is a Third Round site that was part of a final judgment of compliance and repose from Morris County Superior Court prior to the effective date of the 2024 UHAC

Amendments and as such, pursuant to N.J.A.C. 5:80-26.5 (a) is exempt from the unit size requirements of N.J.A.C. 5:80-26.5 (b)(2)(viii).

D. Parties' Obligations to Cooperate

1. Russo shall obtain, and the Township will reasonably cooperate with Russo's efforts to obtain, all necessary and applicable agreements, approvals, and permits from all outside public entities and utilities; such as, by way of example only, the County of Morris, the Morris County Planning Board, the New Jersey Department of Environmental Protection, the New Jersey Department of Transportation, the Town of Morristown, the Town of Morristown Planning Board, and all applicable utilities. The Township agrees to use all reasonable efforts to assist Russo in its undertakings to obtain all these approvals.
2. The Township and the Planning Board shall not impose any unnecessary cost generative requirements on the proposed development. "Unnecessary cost generative requirements" are defined as those requirements referenced in N.J.A.C. 5:93-10.2(a)(1) thru (6).
3. The Township will, after reasonable assurances are provided to the Township by way of documentation and the Township afforded a reasonable period of due diligence designate (i) Russo, (ii) any partnership, corporation, limited liability company, joint venture or other legal entity of which Russo or any affiliate thereof is a majority or controlling owner; (iii) any partnership, corporation, limited liability company or other legal entity to which Russo or any affiliate thereof is the beneficial owner or they are collectively the beneficial owners or (iv) any duly qualified entity which is owned, controlled by or is an affiliate of the Russo as redeveloper of the Property, within a reasonable time not to be less than 35 days or more than 60 days of a request by same.
4. While the Planning Board is not a party to this agreement, the Township will request the Planning Board process Russo's applications with reasonable diligence, expedite the processing of Russo's development applications and cooperate in scheduling special meetings, if necessary.

E. Utilities

1. The Township reasonably believes there is adequate potable water and sewer capacity to service the proposed project but same is the obligation of Russo/the developer and not the Township.

F. Procedure

1. The Parties will jointly present this settlement agreement to the Program for review and approval by the Program and County Mount Laurel Judge. Russo shall not directly or indirectly oppose or undertake any action to interfere with the Program or Court's adjudication of the Township's 4th Round HEFSP, or the entry of a Final Judgment regarding same. Russo shall also not directly or indirectly oppose or undertake any action to interfere with the Program or Court's approval and/or implementation of the 4th Round HEFSP, as it may be amended in any form, unless the 4th Round HEFSP deprives Russo of any rights created hereunder, or unless any other defendants or interested parties undertake any action to obstruct or impede Russo from securing such approvals as it needs to develop the Property as set forth herein and pursuant to the Redevelopment Plan Amendment.
2. The Township shall adopt the Redevelopment Plan Amendment required under this settlement agreement no later than March 15, 2026.
3. In the event of any legal challenges to the Court's approval of this Agreement including a challenge by any third party, the Parties agree to diligently defend any such challenge and the Parties shall cooperate with each other regarding said defense.
4. 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.

On behalf of the Township of Morris, with the authorization
of the governing body:

 Date: December 17, 2025
[Donna Guariglia, Mayor]

On behalf of Russo Acquisitions, LLC and SL Acquisitions, LLC

 Date: 12/17/25
Edward Russo, Manager

 Date: 12/17/25
Blake Silverman, Manager

95 Mt. Kemble

Morristown, NJ

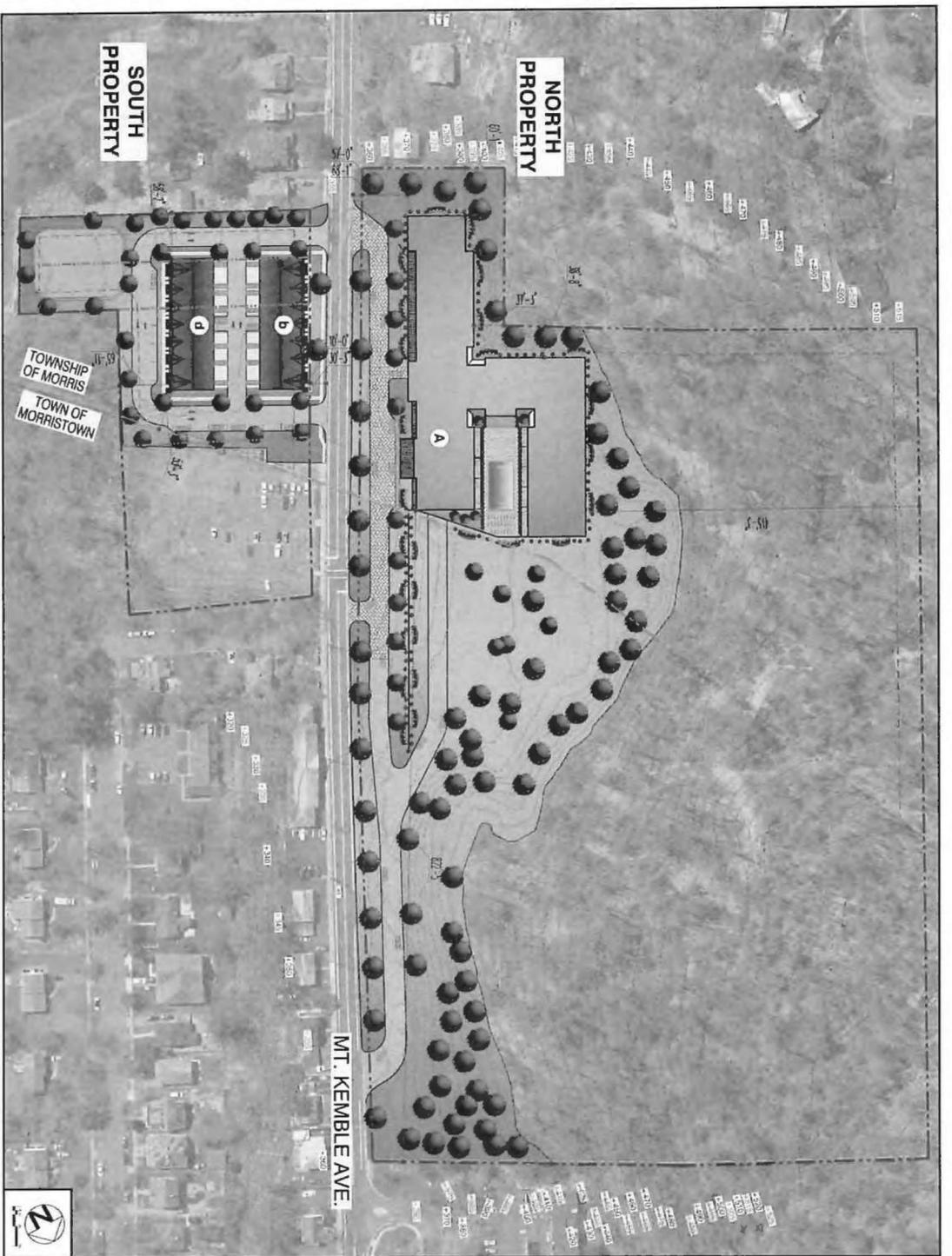
Density/Bulk Ratios

12.17.2025

Bulk Standard	2018 Redev Plan	Proposal	Notes	
Apartment District				
Market Rate Units	Unspecified	84 units	Den units & 3 BR units permitted.	
Affordable Units	23 units	17 units		
Total Units⁽¹⁾	Unspecified	101 units		
Total Units per Acre				
Minimum Setbacks				
To Mt. Kemble	50'	Unchanged		
To Municipal Line	0'	Unchanged		
To Western Neighbor (B: 5602 L: 36)	60'	Unchanged		
To All Other Property Lines	30'	Unchanged		
Landscape Requirements				
Landscape Buffer from (B: 5602 L: 36)	50'	Unchanged	Buffer requirements do not apply to Mt. Kemble Ave Property Line. Requirement applies only those steep sloped area post-construction.	
Landscape Buffer from all other sides	25'	Unchanged		
Steep Slopes greater than 15%	Conserv. Easement	Unchanged		
Minimum Lot Area	7.00 acres	7.00 acres		
Max Lot Coverage	40.00%	Unchanged		
Max Building Coverage	20.00%	21.00%		
Max Building Height	4 stories/45'	5 stories/60'		
Parking Spaces	177	Unchanged		
Parking Ratio	1BR = 1.5; 2BR/3BR = 2	Unchanged		
Townhome District				
Market Rate Units	Unspecified	32 units	Developer shall have the ability to do either stacked or conventional townhomes.	
Affordable Units	0 units	6 units		
Total Units⁽²⁾	26 units	38 units		
Total Units per Acre				
Setbacks				
to Mt. Kemble	20'	+/- 6' (26' to curb)		Measured to curb side parking.
To Municipal Line	5'	0'		
To Western Neighbor (B: 5605 L: 4)	25'	Unchanged		
To all other property lines	25'	Unchanged		
Parking	25'	Unchanged		
Lot Area	2.00 acres	Unchanged		
Lot Coverage	60.00%	Unchanged		
Building Coverage	40.00%	Unchanged		
Building Height	3 stories/35'	3 stories/40'		
Misc. Regulations				
Max Units in a group	10	15		
Parking Spaces	RSIS	Unchanged		
Parking	RSIS	Unchanged		

Notes:

1. Developer will have the right to increase the total apartment phase unit count up to a max of 16 units if the developer reduces the number of units in the townhome phase by an equal amount. In no event would the total units between the two phases equal more than 139 units.
2. Developer will have the right to increase the total townhome phase unit count up to a max of 5 units if the developer reduces the number of units in the apartment phase by an equal amount. In no event would the total units between the two phases equal more than 139 units.

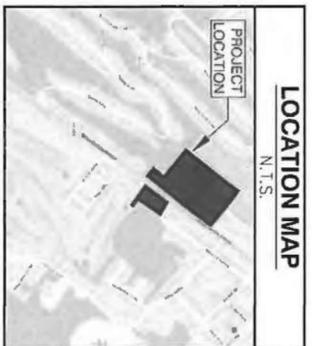
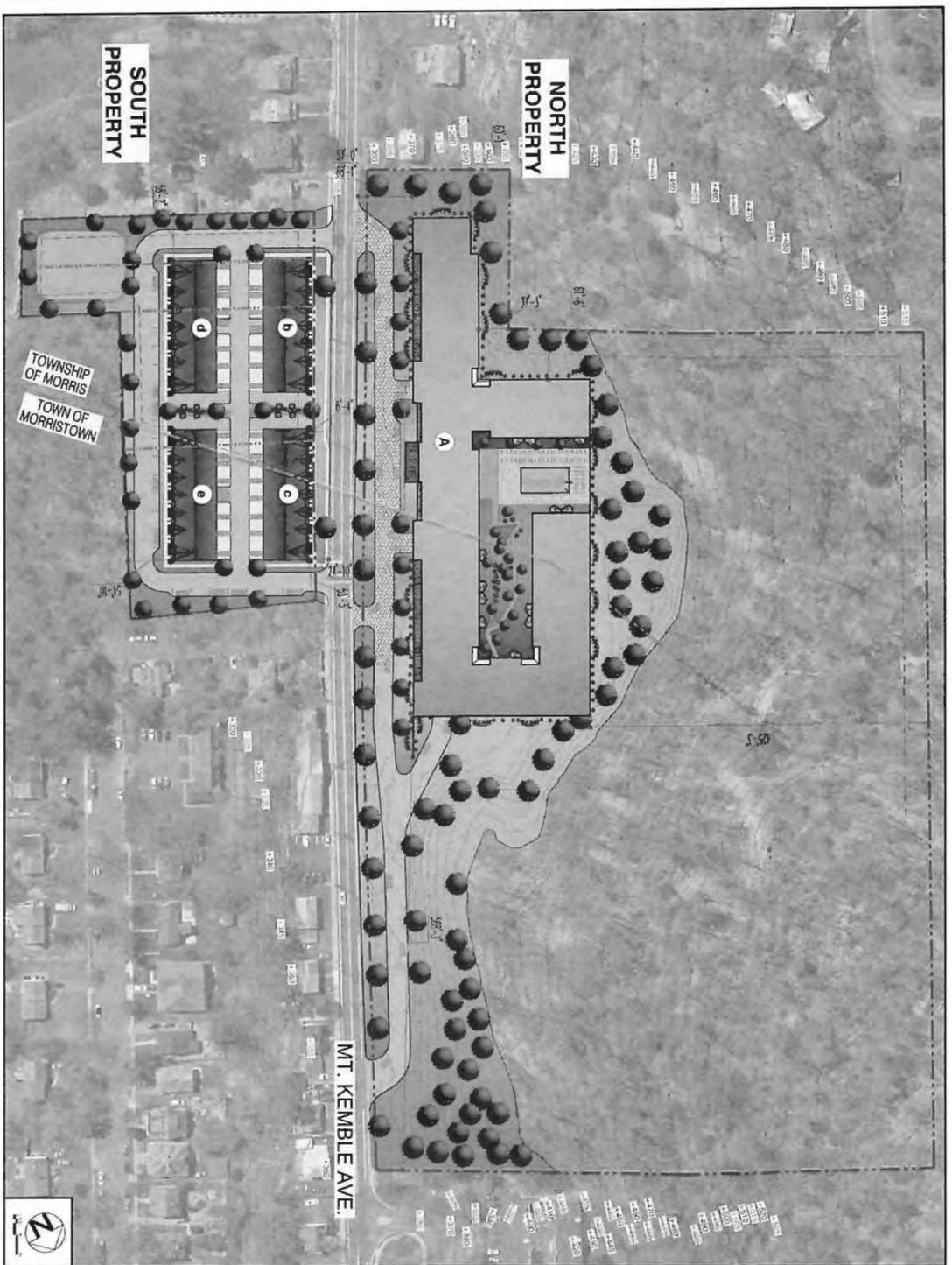


PROPOSED RESIDENTIAL AT
95 MOUNT KEMBLE AVE.

TOWNSHIP OF MORRIS & TOWN OF MORRISTOWN, MORRIS COUNTY, NEW JERSEY

CONCEPTUAL
 SITE PLAN
A1.1
 Date: 12/09/25

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95 MOUNT KEMBLE AVE.

PROPOSED RESIDENTIAL AT

TOWNSHIP OF MORRIS & TOWN OF MORRISTOWN, MORRIS COUNTY, NEW JERSEY

**CONCEPTUAL
SITE PLAN
A1.1**

Date: 12/05/25

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PREPARED BY THE AFFORDABLE HOUSING PROGRAM:

In the Matter of the Township of Morris	Superior Court of New Jersey Law Division, Civil Part Docket No. MRS-L-270-25
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Statement of Reasons

The FHA declared that the State’s “preference for the resolution of existing and future disputes involving exclusionary zoning is the mediation and review process set forth in this act and not litigation, and that it is the intention of this act to provide various alternatives to the use of the builder's remedy as a method of achieving fair share housing.” N.J.S.A. §52:27D-303. To that end, the FHA directed the Program to facilitate settlement between a municipality and any interested parties that filed a challenge to the municipality’s HEFSP and give the municipality until December 31, 2025, to commit to revise its HEFSP or provide an explanation for why it will not make all or some of the requested changes. N.J.S.A. §52:27D-304.1(f)(2)(b). Upon resolution of a challenge, the Program shall issue a compliance certification conditioned upon the municipality’s “commitment, as necessary, to revise its fair share plan and housing element in accordance with the

resolution of the challenge.” Ibid. The Program may also terminate immunity if it finds that the municipality is not in constitutional compliance at any point in the process. Ibid.

Despite the Legislature’s preference for settlement, it is still incumbent upon the Program to determine whether the Municipality’s proposed amended HEFSP enables the Municipality to satisfy its fair share obligation and is compliant with the FHA and the Mount Laurel doctrine. See N.J.S.A. §52:27D-304.1(f)(2)(b). The Program is mindful of the fact that the Municipality is permitted to use a variety of means and techniques to provide for its fair share of affordable housing as set forth in N.J.S.A. §52:27D-311 and that courts should employ flexibility in assessing a Municipality’s HEFSP for compliance with the FHA and Mount Laurel doctrine. In re Adoption of N.J.A.C. 5:96 & 5:97, 221 N.J. 1, 29-33 (2015).

Having reviewed all the written submissions of the parties, the recommendation of the Special Adjudicator, having presided over the settlement conferences and hearing argument, this Program Member is satisfied that the Municipality’s proposed Amended HEFSP provides a realistic opportunity for the construction of its fair share of low and moderate income housing and thus is compliant with the FHA and in accordance with S. Burlington Cnty. NAACP v. Mount Laurel, 92 N.J. 158, 220-22 (1983). This Program Member is also satisfied that the terms of the settlement between the Municipality and interested parties Fair

Share Housing Center, Russo Acquisitions, LLC and SL Acquisitions, LLC, are fair, reasonable and adequately protect the interests of low and moderate-income residents of the Municipality. Matter of Twp. Of Bordentown, 471 N.J. Super. 196, 218 (App. Div. 2022)(see mediation and settlement agreements attached as Exhibits A and B to the Program Decision Recommendation).

The challenge of interested party Danbro Properties must be decided by the Program. In Danbro's challenge, it is alleged that the Municipality's HEFSP fails to comply with the FHA and Mount Laurel doctrine. Danbro also argues that its proposed inclusionary development (that was excluded from the Municipality's HEFSP) situated at Block 9805 on Whippany Road is suitable, available, developable and approvable. The Program having concluded that the Municipality's proposed Amended HEFSP complies with the FHA and Mount Laurel doctrine without having to rely upon or include the Danbro site, the remaining challenge of Danbro is dismissed. See S. Burlington Cnty. NAACP v. Mount Laurel, 92 N.J. 158, 260 (1983) (Once a municipality has taken steps to affirmatively provide for a realistic opportunity for the construction of its fair share of lower income housing, "the Mount Laurel doctrine requires it to do no more."); Livingston Builders, Inc. v. Township of Livingston, 309 N.J. Super. 370, 381 (App. Div. 1998) (it is for the township to decide how to satisfy its affordable housing obligations and once it meets that obligation it is no longer a Mount Laurel issue)." Moreover, the Program

concludes that Danbro's challenge essentially amounts to an argument that its proposed site is better than the sites chosen by the Municipality for inclusion in its HEFSP, which argument is expressly prohibited by the FHA. See N.J.S.A. §52:27D-304.1(f)(2)(b).

Therefore, it is recommended that the settlement terms be approved by the Morris County Mt. Laurel Judge and the remaining challenge of Danbro be dismissed in accordance with the attached Program Decision Recommendation.

Respectfully Submitted by the Program:

By:

/s/ Hon. Stephan C. Hansbury

Hon. Stephan C. Hansbury, J.S.C. (Ret.)

Dated: February 5, 2026