

RESOLUTION 2009-06
HIGHLANDS DEVELOPMENT CREDIT BANK
INITIAL HDC PURCHASE PROGRAM

WHEREAS, pursuant to Section 13.i of the Highlands Water Protection and Planning Act (Highlands Act), the Highlands Water Protection and Planning Council established the Highlands Development Credit Bank (Bank) by Resolution 2008-24 adopted on June 26, 2008; and

WHEREAS, Resolution 2008-24 establishes the functions of the Bank, including serving as a buyer and seller of Highlands Development Credits (HDCs); and

WHEREAS, pursuant to Resolution 2008-24, the activities of the Bank must be guided by the Highlands Regional Master Plan; and

WHEREAS, Policy 7C6 of the Highlands Regional Master Plan requires that the Bank establish a program for the purchase of HDCs as soon as possible and Policy 7C7 states that the Bank “should seek to provide an opportunity for Sending Zone landowners to sell their HDCs in advance of the establishment of Receiving Zones;” and

WHEREAS, Objective 7C7b of the Highlands Regional Master Plan mandates that the Bank’s HDC purchase program give “priority to landowners who can demonstrate unique and extenuating financial circumstances as a direct result of the Highlands Act;” and

WHEREAS, pursuant to Resolution 2009-05, the Bank has adopted Operating Procedures for the Bank’s activities, including the purchase of HDCs; and

WHEREAS, the Operating Procedures authorize the Bank to acquire HDCs from property owners who are able to demonstrate an extenuating financial circumstance where:

1. The owner's equity in the land to which the HDCs are allocated is substantial in relation to the owner’s net worth; and
2. The owner is experiencing extraordinary financial hardship, including but not limited to imminent bankruptcy, extraordinary medical expenses, or loss of job.

WHEREAS, consistent with the policies established in the Highlands Regional Master Plan and the requirements of the Bank’s Operating Procedures, the Bank desires to institute an initial HDC Purchase Program to provide landowners who face an extenuating financial circumstance with a means of selling their HDCs;

NOW, THEREFORE, BE IT RESOLVED by the Highlands Development Credit Bank that:

1. The Bank hereby establishes its Initial HDC Purchase Program which shall prioritize the purchase of HDCs in the following manner:
 - a. The Bank shall give first priority consideration to any property that satisfies both of the following criteria:
 - i. comprises a major Highlands development that would have qualified for an exemption pursuant to paragraph (3) of subsection a. of section 30 of the

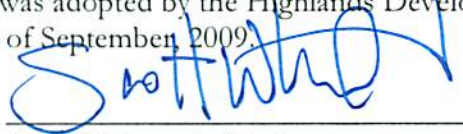
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Highlands Act but for the lack of a necessary State permit as specified in subparagraph (b) or (c), as appropriate, of paragraph (3) of subsection a. of section 30 of the Highlands Act; and for which an application for such a permit had been submitted to the Department of Environmental Protection and deemed by the department to be complete for review on or before March 29, 2004; and

- ii. which satisfies the extenuating financial circumstance criteria;
 - b. The Bank shall give second priority consideration to any parcel of land whose owner only satisfies the extenuating financial circumstance criteria;
 - c. The Bank shall give third priority consideration to any parcel of land that only satisfies the requirements of Sub-Paragraph (a)(i), above;
 - d. Within each of the priority levels set forth above, of paramount consideration is the protection of parcels of land which are of significant ecological or agricultural importance consistent with the Regional Master Plan.
2. The Executive Director, or her designee, is hereby authorized to begin the initial HDC Purchase Program consistent with this resolution, including the adoption of any necessary application form, the review of such applications, and the making of recommendations to the Bank for approval of HDC acquisitions.
3. The Bank shall make offers to acquire HDCs under this initial HDC Purchase Program beginning in January 2010 or upon the New Jersey State Treasury appropriating the funds necessary to effectuate this program, whichever is later.

CERTIFICATION

I hereby certify that the foregoing Resolution was adopted by the Highlands Development Credit Bank at its regular meeting held on the 3rd day of September, 2009.



Scott Whitenack, Chairman

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| <u>Vote on the Approval of this Resolution</u> | <u>Motion</u> | <u>Second</u> | <u>Yes</u> | <u>No</u> | <u>Abstain</u> | <u>Absent</u> |
|--|---------------|---------------|------------|-----------|----------------|---------------|
| Director Craft | _____ | _____ | _____ | _____ | _____ | ✓ |
| Director Davis | _____ | _____ | ✓ | _____ | _____ | _____ |
| Director Halpin | _____ | _____ | ✓ | _____ | _____ | _____ |
| Director Klipstein | _____ | _____ | _____ | _____ | _____ | ✓ |
| Director Maglione | _____ | ✓ | ✓ | _____ | _____ | _____ |
| Director Peterson | _____ | _____ | _____ | _____ | _____ | ✓ |
| Director Siegel | ✓ | _____ | _____ | _____ | ✓ | _____ |
| Director Weingart | _____ | _____ | ✓ | _____ | _____ | _____ |
| Director Whitenack | _____ | _____ | ✓ | _____ | _____ | _____ |