

**RESOLUTION 2020-1**  
**HIGHLANDS DEVELOPMENT CREDIT BANK**  
**AUTHORIZATION TO RESCIND**  
**HIGHLANDS DEVELOPMENT CREDIT PURCHASE OFFER**  
**UNDER THE HIGHLANDS DEVELOPMENT CREDIT PURCHASE PROGRAM,**  
**N.J.A.C. 7:70-1 et seq.**

**WHEREAS**, pursuant to Section 13.i of the Highlands Water Protection and Planning Act (Highlands Act), the Highlands Water Protection and Planning Council (Highlands 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 2009-05, the Bank has adopted Operating Procedures for the Bank's activities, including the purchase of HDCs; and

**WHEREAS**, in accordance with Resolution 2016-4 adopted on February 18, 2016, the Highlands Council adopted N.J.A.C.7:70-1 et seq. that created the Highlands Development Credit Purchase Program (HDC Program), under which the Bank may purchase HDCs from certain applicants on an open space priority basis; and

**WHEREAS**, Resolution 2016-2 adopted by the Bank Board on March 22, 2016 authorized and directed the Executive Director to accept applications under the HDC Program; and

**WHEREAS**, consistent with the criteria established in the HDC Program, the Executive Director made recommendations to the Bank for approval of HDC Program applications where the applicants' properties qualified for acquisition consideration as determined by the Highlands Council; and

**WHEREAS**, pursuant to Resolution 2017-2 adopted by the Bank Board on November 2, 2017, the Executive Director was authorized to make offers at \$16,000 per HDC to purchase the HDCs allocated by the Highlands Council to sixteen (16) properties on the basis that the owners satisfied the acquisition eligibility and priority criteria established by N.J.A.C. 7:70-1 et seq.; and

**WHEREAS**, pursuant to Resolution 2017-2, the Executive Director issued an offer letter on January 8, 2018 to the the owner of property located at Lot 4 in Block 51 in the Township of Alexandria, Hunterdon County (Property) for the purchase of the four (4.0) HDCs that had been allocated by the Highlands Council under Allocation #2016-0030, which offer was accepted on February 27, 2018; and

**WHEREAS**, the Executive Director issued closing instructions letters to the owner of said Property on March 23, 2018, which instructed the applicant to submit the information required under N.J.A.C. 7:70-4.1(a) in order to proceed with the HDC closing; and

**WHEREAS**, in accordance with Resolution 2017-2 adopted by the Bank Board on November 2, 2017, all offers authorized by the Bank Board for the purchase of HDCs allocated by the Highlands

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Council are contingent upon the owner providing the information required under N.J.A.C. 7:70-4.1(a) within six (6) months of the date of issuance of the closing instructions letter; and

**WHEREAS**, under Resolution 2017-2, if the owner fails to provide the required information by this deadline, the Bank may consider rescinding the offer and making the funds available to other applicants to the HDC Program; and

**WHEREAS**, the Chief Counsel issued additional correspondence on February 21, 2020 to the applicant requesting a decision on whether or not to proceed with the HDC closing by March 31, 2020; and

**WHEREAS**, the applicant has failed to provide all of the required information in accordance with the deadlines established under Resolution 2017-2 and has failed to indicate an intention to proceed with the closing by the deadline established by correspondence dated February 21, 2020; and

**WHEREAS**, the HDC transaction cannot be completed without receipt of this information; and

**WHEREAS**, pursuant to the Bank By-laws, a true copy of the Board's meeting minutes shall be prepared and forthwith delivered to the Highlands Council and no action taken at such meetings by the Board shall have effect until the Highlands Council's period of review has expired and the Governor's period of review for that Council meeting has expired pursuant to the following paragraph; and

**WHEREAS**, pursuant to the Highlands Act, at N.J.S.A. 13:20-5.j, no action authorized by the Highlands Council shall have force or effect until ten (10) days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the meeting of the Council has been delivered to the Governor for review, unless prior to expiration of the review period the Governor shall approve same, in which case the action shall become effective upon such approval.

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

The Executive Director is authorized to rescind the offer to purchase the four (4.0) HDCs allocated to the property under Allocation #2016-0030.

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**CERTIFICATION**

I hereby certify that the foregoing Resolution was adopted by the Highlands Development Credit Bank at its regular meeting held on the 5<sup>th</sup> day of November, 2020.

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Robert G. Walton, Chairman

| <b><u>Vote on the Approval of<br/>this Resolution</u></b> | <b><u>Motion</u></b> | <b><u>Second</u></b> | <b><u>Yes</u></b> | <b><u>No</u></b> | <b><u>Abstain</u></b> | <b><u>Absent</u></b> |
|---|----------------------|----------------------|-------------------|------------------|-----------------------|----------------------|
| Director Davis  |                      |                      |                   |                  |                       |                      |
| Director Fricke   |                      |                      |                   |                  |                       |                      |
| Director Holtaway   |                      |                      |                   |                  |                       |                      |
| Director McElroy  |                      |                      |                   |                  |                       |                      |
| Director Nieuwenhuis                                      |                      |                      |                   |                  |                       |                      |
| Director Payne  |                      |                      |                   |                  |                       |                      |
| Director Richko   |                      |                      |                   |                  |                       |                      |
| Director Romano   |                      |                      |                   |                  |                       |                      |
| Chairman Walton   |                      |                      |                   |                  |                       |                      |