



BOROUGH OF HIGHLANDS
COUNTY OF MONMOUTH

RESOLUTION 24-221

DESIGNATING SCENIC HIGHLANDS OWNER, LLC AS THE CONDITIONAL REDEVELOPER FOR THE PROPERTY KNOWN AS TAX BLOCK 105.107, LOT 1.1 LOCATED WITHIN THE SHADOW LAWN MOBILE HOME PARK REDEVELOPMENT AREA AND AUTHORIZING THE EXECUTION OF AN INTERIM COSTS AGREEMENT WITH RESPECT THERETO

WHEREAS, the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.* (the "**Redevelopment Law**"), authorizes municipalities to determine whether certain parcels of land in the municipality constitute areas in need of redevelopment; and

WHEREAS, on March 21, 2018, the Council of the Borough of Highlands, a municipal corporation in the County of Monmouth and the State of New Jersey (the "**Borough**"), in accordance with the Redevelopment Law, duly adopted Resolution No. 18-069 designating certain real property commonly referred to as the Shadow Lawn Mobile Home Park and identified as Block 105.107, Lot 1.1 on the tax map of the Borough as an area in need of redevelopment (the "**Redevelopment Area**"); and

WHEREAS, on December 19, 2018, the Borough adopted the Shadow Lawn Mobile Home Park Redevelopment Plan for the Redevelopment Area (the "**Redevelopment Plan**"), establishing the development standards for the redevelopment of the Redevelopment Area; and

WHEREAS, Scenic Highlands Owner, LLC (the "**Company**") is the contract purchaser of the Redevelopment Area; and

WHEREAS, the Company proposes to develop the Redevelopment Area with up to five (5) six (6) story residential buildings, including two (2) stories below grade for parking with approximately (i) 300 rental units including a 15% set aside for affordable units; and (ii) associated parking, clubhouse, and amenity spaces (the "**Project**"); and

WHEREAS, the Borough wishes to engage in preliminary negotiations with the Company in furtherance of the redevelopment of the Redevelopment Area thereby, in particular to negotiate a more comprehensive agreement(s) that will memorialize the terms and conditions under which the Company will redevelop the Redevelopment Area (the "**Redevelopment Agreement**"); and

WHEREAS, the Borough has determined that in order to coordinate the redevelopment of the Redevelopment Area in the most timely and efficient manner, it is in the best interests of the Borough to designate the Company as the conditional redeveloper of the Redevelopment Area (the "**Conditional Redeveloper**"), pending the negotiation and execution of, among other agreements, a Redevelopment Agreement with the Borough; and

WHEREAS, the Borough desires to authorize the execution of an interim costs agreement with the Company (in the form attached hereto as **Exhibit A**, the "**Interim Costs Agreement**") for the purpose of creating a framework for the negotiation and execution of a Redevelopment Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Highlands as follows:

Section 1. The foregoing recitals are hereby incorporated by reference as if fully set forth herein.

Section 2. The Company is hereby designated as the Conditional Redeveloper of the Redevelopment Area pending the execution of a Redevelopment Agreement with the Borough.

Section 3. The within designation is hereby made for a limited period of one hundred eighty (180) days, or as otherwise may be extended in accordance with Section 4 hereof, during which time negotiation and execution of a redevelopment agreement and other related items with the Borough shall be completed.

Section 4. The Mayor or Borough Administrator (each an "**Authorized Officer**") in each of their sole discretion, after consultation with such counsel and any advisors to the Borough, may extend the time period set forth in Section 3 hereof for an additional period not to exceed ninety (90) days.

Section 5. The within designation is contingent upon (i) the Company providing any additional Project related information as may be requested by the Borough; (ii) the Company agreeing to reimburse the Borough for any and all Interim Costs (as defined in the Interim Costs Agreement) in accordance with the Interim Costs Agreement and (iii) negotiating and executing a Redevelopment Agreement between the Borough and the Company.

Section 6. In the event that the Company has not executed a redevelopment agreement with the Borough, all in accordance with the time periods set forth in Section 1 hereof, or as otherwise may be extended by an Authorized Officer, in such Authorized Officer's sole discretion, in accordance with Section 2 hereof, the Borough's conditional designation of the Company as redeveloper for the Redevelopment Area shall expire and be of no further force and effect and the Borough shall have no further obligation to the Company.

Section 7. The The Mayor and Borough Clerk are hereby authorized and directed to execute the Interim Costs Agreement, with such changes, omissions or amendments as

such officer deems appropriate in consultation with the Borough's redevelopment counsel and other professionals.

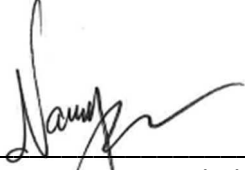
Section 8. This resolution shall take effect immediately.

Motion to Approve R 24-221:

	INTRODUCED	SECOND	AYE	NAY	ABSTAIN	ABSENT
CERVANTES						X
CHELAK		X	X			
MELNYK						X
OLSZEWSKI			X			
BROULLON	X		X			

This is a Certified True copy of the Original Resolution on file in the Municipal Clerk's Office.

DATE OF VOTE: December 18, 2024



Nancy Tran, Municipal Clerk
Borough of Highlands

INTERIM COSTS AGREEMENT (THE “INTERIM COSTS AGREEMENT”), DATED AS OF DECEMBER 19, 2024, (THE “EFFECTIVE DATE”) BY AND BETWEEN THE BOROUGH OF HIGHLANDS A MUNICIPAL CORPORATION OF THE STATE OF NEW JERSEY, WITH OFFICES AT 151 NAVESINK AVENUE, HIGHLANDS, NEW JERSEY 07732 AND ITS SUCCESSORS AND ASSIGNS (THE “BOROUGH”), AND SCENIC HIGHLANDS OWNER, LLC, C/O KRE GROUP WITH OFFICES AT 515 MARIN BLVD., JERSEY CITY, NEW JERSEY 07302 (THE “CONDITIONAL REDEVELOPER” AND TOGETHER WITH THE BOROUGH, THE “PARTIES” AND EACH INDIVIDUALLY A “PARTY”).

W-I-T-N-E-S-S-E-T-H:

WHEREAS, the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., as amended and supplemented (the “**Redevelopment Law**”) provides a process for municipalities to participate in the redevelopment and improvement of areas in need of redevelopment; and

WHEREAS, on March 21, 2018, the Council of the Borough, in accordance with the Redevelopment Law, duly adopted Resolution No. 18-069 designating certain real property commonly referred to as the Shadow Lawn Mobile Home Park and identified as Block 105.107, Lot 1.1 on the tax map of the Borough as an area in need of redevelopment (the “**Redevelopment Area**”); and

WHEREAS, on December 19, 2018, the Borough adopted the Shadow Lawn Mobile Home Park Redevelopment Plan for the Redevelopment Area (the “**Redevelopment Plan**”), establishing the development standards for the redevelopment of the Redevelopment Area; and

WHEREAS, the Conditional Redeveloper is the contract purchaser of the Redevelopment Area; and

WHEREAS, the Conditional Redeveloper proposes to develop the Redevelopment Area with up to five (5) six (6) story residential buildings, including two (2) stories below grade for parking with approximately (i) 300 rental units, including a 15% set aside for affordable units; and (ii) associated parking clubhouse, and amenity spaces (the “**Project**”); and

WHEREAS, the Borough wishes to engage in preliminary negotiations with the Conditional Redeveloper in furtherance of the redevelopment of the Redevelopment Area thereby, in particular to negotiate a more comprehensive agreement(s) that will memorialize the terms and conditions under which the Conditional Redeveloper will redevelop the Redevelopment Area (the “**Redevelopment Agreement**”); and

WHEREAS, the Parties have determined to establish an escrow fund with the Borough to provide for the payment of the Borough’s professional fees, costs and expenses related to the designation of Conditional Redeveloper as the conditional redeveloper of the Redevelopment Area and the negotiation and execution of a redevelopment agreement (“**Interim Costs**”); and

WHEREAS, on December 18, 2024, the Mayor Council adopted a resolution (i) designating the Conditional Redeveloper as the conditional redeveloper of the Redevelopment Area for a period of one hundred eighty (180) days, subject to the Conditional Redeveloper agreeing to reimburse the Borough for any and all Interim Costs in accordance with the Interim Costs Agreement and the successful negotiation of a formal redevelopment agreement, and (ii) authorizing the execution of this Interim Costs Agreement.

NOW, THEREFORE, for and in consideration of the mutual promises, representations, covenants and agreements contained herein and the undertakings of each Party to the other and such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound hereby and to bind its successors and assigns, do mutually promise, covenant and agree as follows:

1. **Payment of Interim Costs.**

a. Immediately upon the execution of this Interim Costs Agreement, Conditional Redeveloper shall deposit fifteen thousand dollars (\$15,000) with the Borough, which the Borough will deposit into an escrow account (the "**Escrow Account**") established by it for the payment of its Interim Costs. Prior to the Borough's withdrawal of funds from the Escrow Account for the payment of its Interim Costs, the Borough shall provide Conditional Redeveloper with a copy of each invoice reflecting Interim Costs to be paid. Unless Conditional Redeveloper promptly (within ten (10) days of its receipt of any such copy) provides a written objection that any invoiced item is not an Interim Cost, the Borough shall be free to withdraw funds from the Escrow Account for the payment of such invoiced services. If, when, and as often as may occur that the Escrow Account is drawn down to or below Five Thousand Dollars (\$5,000), then Conditional Redeveloper, upon the Borough's request, shall immediately provide to the Borough for deposit such additional funds as are necessary to increase the balance in the Escrow Account to fifteen thousand dollars (\$15,000) for use in accordance with these terms. In the event that this Interim Costs Agreement either expires or is cancelled by the Borough or Conditional Redeveloper, then all escrowed monies shall be returned to Conditional Redeveloper following the payment from the Escrow Account of the Borough's Interim Costs incurred up to the time of said expiration or cancellation.

b. Interim Costs, for the purposes of this Interim Costs Agreement, shall also include the Borough's reasonably incurred out-of-pocket fees, costs and expenses related to the designation of Conditional Redeveloper as the conditional redeveloper of the Redevelopment Area, the negotiation of the terms and conditions of a redevelopment agreement, amendments to the Redevelopment Plan required for the redevelopment of the Redevelopment Area, if any, and other documents related to the redevelopment of the Redevelopment Area including, but not limited to, fees for legal, accounting, engineering and planning services for employees, outside professionals or consultants retained by the Borough, including all such fees, costs, and expenses incurred prior to the execution of this Interim Costs Agreement.

2. Notice.

Any notice provided to the Borough hereunder shall be submitted in writing to:

Borough of Highlands
Attn: Borough Administrator
151 Navesink Avenue
Highlands, New Jersey 07732
Email: mmuscillo@highlandsnj.gov

with a copy to:

Frances C. McManimon, Esq.
McManimon, Scotland & Baumann, LLC
427 Riverview Plaza
Trenton, New Jersey 08611
Email: fmcmanimon@msbnj.com

Notices to Conditional Redeveloper shall be submitted in writing to:

Scenic Highlands Owner, LLC
c/o KRE Group,
Att: Jeremy Kaplan
515 Marin Blvd
Jersey City, New Jersey 07302

with a copy to:

David Kahan, Esq.
General Counsel 515 Marin Blvd
Jersey City, New Jersey 07302

and

Mike Bruno, Esq.
Giordano, Halleran & Ciesla, PC
125 Half Mile Road, Suite 300
Red Bank, NJ 07701
Email: mbruno@ghclaw.com

3. General. This Interim Costs Agreement (i) shall be in effect as long as the Conditional Redeveloper is designated as the conditional redeveloper of the Redevelopment Area or until it is cancelled by either Party upon written notice; and (ii) may be amended or supplemented only by an instrument in writing executed by Conditional Redeveloper and the

Borough. Conditional Redeveloper's obligation to fund the Escrow Account is not contingent upon the outcome of negotiations or the actual entering of a redevelopment agreement.

4. Termination. Either Party may terminate this Interim Costs Agreement at any time, for any reason, upon written notice to the other Party in accordance with the notice provisions set forth above.

5. Assignment. The Conditional Redeveloper shall have the right to assign this Interim Costs Agreement, without the consent of but on notice to the Borough, among partners or principals of Scenic Highlands Owner, LLC.

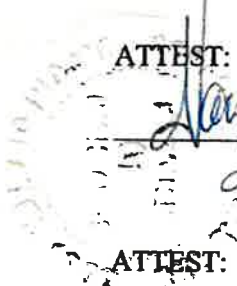

6. Binding. This Interim Costs Agreement shall be binding upon the respective Parties hereto and their successors and assigns.

7. Governing Law. This Interim Costs Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey. Any litigation arising out of this Interim Costs Agreement shall be brought in the Superior Court of New Jersey, Monmouth County vicinage.

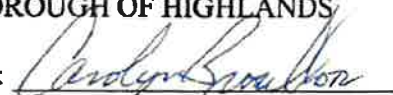
8. Counterparts. This Interim Costs Agreement may be executed in counterparts (including by email in portable document format (pdf)) by the Parties hereto, each of which, when so executed, shall be deemed an original, and all of which shall constitute but one and the same instrument.

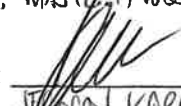
[Remainder of this page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the Parties hereto have caused this Interim Costs Agreement to be executed, all as of the date first above written.

ATTEST:  

ATTEST:
Lisa Vidal

BOROUGH OF HIGHLANDS
By: 
Carolyn Brouillon, Mayor

SCENIC HIGHLANDS OWNER,
LLC
By: MATCO INVESTMENT CORP., MONITOR
By: 
JEREMY KAPLAN, VICE PRESIDENT