

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (this “MOU”) dated as of AUGUST 2, 2023, is made by and between GMMW, LLC, a New Jersey corporation with offices located at 109 3rd Avenue, Haddon Heights, NJ 08035 and/or its assignee, (the “Conditional Redeveloper”), and the **BOROUGH OF HADDON HEIGHTS**, a Municipal Corporation of the State of New Jersey, having offices at 625 Station Avenue, Haddon Heights, New Jersey 08035 (the “Borough”), (collectively referred to herein as the “Parties”).

**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 rehabilitation and/or redevelopment; and

**WHEREAS**, pursuant to N.J.S.A. 40A:12-1 et seq., Resolution 2022:74, adopted April 5, 2022, of the Borough Council of the Borough of Haddon Heights (“Council”) declaring Block 29, Lot 2 within the Borough as a “Non-Condemnation Area in Need of Redevelopment” (the “Property”); and

**WHEREAS**, by way of Ordinance No. 2022:1517, adopted on June 21, 2022, the Borough adopted a redevelopment plan for the Redevelopment and Rehabilitation Areas within the Borough entitled “Redevelopment Plan for the Borough of Haddon Heights” dated March 2022 (the “Redevelopment Plan”), which sets forth, inter alia, the plans for the rehabilitation and redevelopment of the Redevelopment and Rehabilitation Areas; and

**WHEREAS**, the Borough has been in discussion with Conditional Redeveloper regarding rehabilitation and redevelopment of the Property; and

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**WHEREAS**, the Borough has been in discussion with Conditional Redeveloper regarding rehabilitation and redevelopment of the Property; and

WHEREAS, the Borough and Conditional Redeveloper desire that the Property be rehabilitated and redeveloped in accordance with the Redevelopment Plan and any amendments thereto; and

WHEREAS, the Redevelopment Law provides a process for redevelopment entities to enter into agreements with redevelopers to carry out and effectuate the terms of a redevelopment plan; and

WHEREAS, N.J.S.A. 40A:12A-8(f), authorizes the Borough to arrange or contract with a redeveloper for the planning, construction or undertaking of any project or redevelopment work in an area designated as an area in need of rehabilitation or redevelopment; and

WHEREAS, the Borough and Conditional Redeveloper have engaged in such preliminary negotiations and the Borough Council has determined that it is in the best interest of the Borough to enter into additional negotiations with Conditional Redeveloper, and therefore to enter into this MOU, for the rehabilitation and redevelopment of the Property including, but not limited to the development of a mixed use project and related improvements (the "Project" or "Project Improvements").

NOW, THEREFORE, in consideration of the Parties' promises and mutual representations, covenants and agreements set forth herein, the Parties, each binding itself, its successors and assigns, do hereby mutually promise, covenant and agree as follows:

1. Negotiations with Conditional Redeveloper. The Borough has, pursuant to Resolution, designated GMMW, LLC, as Conditional Redeveloper for the Project Improvements on the Property and, pursuant to this MOU, hereby agrees to negotiate solely with Conditional Redeveloper for a period of one hundred and eighty days (180) days, in good faith, for the

rehabilitation and redevelopment of the Property, which period can be extended by the Parties' mutual written agreement.

2. **Redevelopment Agreement**. The Parties hereby agree to immediately commence good faith negotiations of the intended terms and conditions of a Redevelopment Agreement and other agreements, which shall include, but not limited to, provisions for the following: financial guarantee(s); compliance with any redevelopment plan; local planning approval; and project oversight.

3. **The "Interim Period"**. Conditional Redeveloper shall pay the Borough all Interim Costs (as defined below) incurred by the Borough during the time period commencing when the Borough reviewed the Conditional Redeveloper's proposal to the time the Borough and Conditional Redeveloper enter into a Redevelopment Agreement or the time the Borough or the Conditional Redeveloper determines that a Redevelopment Agreement cannot be executed for any reason (hereinafter referred to as the "Interim Period"). Conditional Redeveloper shall pay all Interim Costs even if a Redevelopment Agreement cannot be executed for any reason.

4. **Payment of "Interim Costs"**.

A. "Interim Costs" shall include all reasonable fees and costs of any professional consultant, contractor, legal counsel, or vendor retained by the Borough during the Interim Period regarding the Borough's review of the Conditional Redeveloper's proposal and negotiation of the Redevelopment Agreement.

B. Interim Fund. Within three (3) business days of the execution of this MOU, Conditional Redeveloper shall establish a separate escrow account with the Borough by depositing the amount of Five Thousand Dollars (\$5,000), (the "Interim Fund") to be drawn down by the Borough to pay Interim Costs. If the

6. **Entire Agreement.** This MOU shall set forth all of the promises, covenants, agreements, conditions and undertakings between the Parties hereto with respect to the subject matter hereto, and supersedes all prior contemporaneous agreements and undertakings, inducements or conditions, express or implied, oral or written, between the Parties hereto.

7. **Not Binding on Individuals.** No covenant, condition or agreement contained in this MOU shall be deemed to be the covenant, condition or agreement of any past, present or future member, manager, trustee, official, officer, agent or employee of either Party, in his or her individual capacity, and neither the members, managers, trustees, officials, officers, agents or employees of such Party or Parties, nor any individual executing this MOU, shall be personally liable on this MOU or by reason of the execution hereof by such person, or arising out of any transaction or activity relating to this MOU.

8. **Governing Law.** The terms of this MOU shall be governed, construed, interpreted, and enforced in accordance with the laws of the State of New Jersey, including all matters of enforcement, validity, and performance.

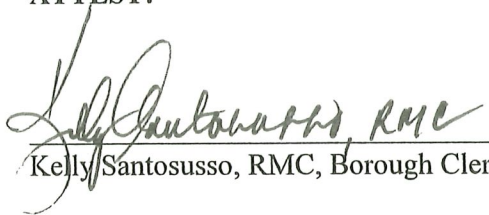
9. **Non-Binding Effect.** Except for the Borough's obligation to negotiate exclusively and in good faith with Conditional Redeveloper, as well as Conditional Redeveloper's obligation to negotiate in good faith, this MOU does not constitute a binding commitment between the Parties' respective rights and obligations, which remain to be fully defined in their Redevelopment Agreement.

10. **Counterparts.** This MOU may be executed in counterparts. All such counterparts shall be deemed to be originals and together shall constitute but one and the same instrument.


IN WITNESS WHEREOF, the parties have caused this Memorandum of Understanding to be properly executed and their corporate seals (where applicable) affixed and attested to as of the day and year first above written.

Date: August 2, 2023

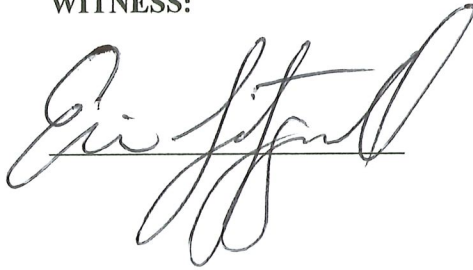
ATTEST:

  
Kelly Santosusso, RMC, Borough Clerk

BOROUGH OF HADDON HEIGHTS

By:   
Councilwoman Regina Philipps

WITNESS:



GMMW, LLC

By:   
Christopher Mrozinski