

LETTER OF INTENT

This Letter of Intent (the “LOI”) is made as of the Effective Date, as this term is hereinafter defined, by and between the McCarter Theatre Company, a New Jersey nonprofit corporation, with an address at 91 University Place, Princeton, New Jersey 08540 (“McCarter”) and the Municipality of Princeton, a New Jersey municipal corporation, with an address at 400 Witherspoon Street, Princeton, New Jersey 08540 (the “Municipality”). McCarter and the Municipality are sometimes collectively referred to herein as the “Parties” and individually as a “Party.”

WITNESSETH:

Whereas, the Municipality has recently acquired the fee title to the former Westminster Choir College campus and the improvements thereon, known and designated Block 31.01, Lot 105 on the Municipality Tax Map, with a street address of 101 Walnut Lane, Princeton, New Jersey 08540 (the “Campus”), with the intent to cause it to be preserved and redeveloped for the benefit of the community; and

Whereas, both the Municipality and McCarter share the guiding value of preserving the artistic and educational core of the central campus, with the desire to redeploy some of the original buildings through adaptive reuse; and

Whereas, McCarter is exploring supporting this shared purpose by expanding its community arts education programs, artistic programs and performances, gatherings and events, in order to invite Princeton community members of all backgrounds to participate in arts learning and performance; as well as to support and provide temporary, short-term housing to guest artists and arts professionals associated with the company’s mission-driven work (the “Project”); and

Whereas, in connection therewith, McCarter is making application to the New Jersey Economic Development Authority (the “EDA”) for tax credits pursuant to the EDA’s Cultural Arts Incentives (CAFE) Program (the “Program”) to help fund said facility preservation, remediation, and improvements; and

Whereas, that portion of the Campus, consisting of the buildings, the land and the improvements thereon shown on Exhibit A, attached hereto and made a part hereof, is referred to in this LOI as the “Property”; and

Whereas, the Project is proposed to include the following on the Property: (a) the adaptive reuse of the Bristol Chapel with: a rehearsal space, arts education (including classrooms, a seminar room, lecture hall and practice room), administrative offices and a work area, production education and building support (all of which may be used to host community events for a fee); (b) the adaptive reuse of the Playhouse with a performance space, production support and building support (all of which may be used to host community events for a fee); and (c) adaptive reuse and new construction at the site of the Cottage building for short-term artist housing, which may also be used on a temporary, short-term basis by guests; and

Whereas, the Project aligns with the Municipality’s long-term goals for the Campus; and

Whereas, as part of its broader plans for the Campus, the Municipality intends to rezone the Campus in such a manner that it will ensure the Project will be a permitted use thereon; and

Whereas, the municipality is aware that the CAFE Program requires the cultural arts institution to complete the project and obtain a TCO within four years of the cultural art institution executing the tax credit agreement with the EDA; and

Whereas, McCarter represents that it is a nonprofit corporation that is recognized by the Internal Revenue Service as a 501(c)(3) organization; and

Whereas, subject to the conditions set forth below in this LOI, McCarter desires to purchase the Property from the Municipality and the Municipality desires to sell the Property to McCarter for the implementation of the Project thereon; and

Whereas, this Letter of Intent was approved and the Mayor was authorized to execute it by Resolution _____, adopted by the Municipality's Council at its regular meeting on July 28, 2025.

Accordingly, this LOI summarizes the primary terms and conditions of a Purchase and Sale Agreement for the Property (the "PSA") to be entered into between the Parties as follows:

1. Incorporation. The preamble to and the recitals of this LOI are hereby incorporated into and made a part of this LOI as if set forth at length in this LOI.
2. Property. The Property is an approximately 1.40-acre portion of the Campus as shown in Exhibit A.
3. Purchase Price. The appraised purchase price to be paid by McCarter to the Municipality for the Property is approximately \$4,000,000, subject to increase if the Municipality obtains an alternate appraisal (the "Appraisal") establishing a higher value for the Property, provided that McCarter can terminate this LOI if the Appraisal exceeds an amount which McCarter determines renders the Project unviable in McCarter's sole and absolute discretion.
4. Tax Credit Termination. This LOI shall be automatically terminated if the EDA does not approve McCarter's application, pursuant to N.J.S.A. 34:1B-383 – 393 and N.J.A.C. 19:31BB-1.1 et seq., to the EDA, made on or before August 11, 2025, and shall be terminable by McCarter if the EDA approves said application but at an amount of tax credits which McCarter determines makes the Project unviable in McCarter's sole and absolute discretion.
5. PSA. The Parties' obligations hereunder are subject to the Parties entering into the PSA on terms and conditions acceptable to each party in the sole and absolute discretion, which, among other things, shall include but not be limited to, the following provisions:

- a. A provision for the allocation of and the timing of the payment Purchase Price,

- b. A title provision,
 - c. A due diligence provision recognizing that the transaction shall be an “as-is, where-is” transfer in all respects including, without limitation, the environmental conditions of the Property,
 - d. Provisions requiring the approval of the Municipality Council of any sale by McCarter of the Property without the Municipality’s consent, and
 - e. A provision requiring the Municipality Planning Board to hear and decide McCarter’s application, pursuant to the Municipal Land Use Law, N.J.S.A. 40:55D- 1 et seq., for preliminary and final site plan approval of the Project, within twelve (12) months of the execution of the tax-credit agreement with the EDA, as described in 6(f) of this LOI.
 - f. Representations and warranties, and
 - g. Such other provisions as are standard for purchase and sales agreements in the Princeton area as agreed upon by the parties.
6. Conditions. In addition to and not in limitation of the foregoing, each party’s obligation to perform the PSA shall be conditioned upon the occurrence of all of the following:
- a. The EDA approving McCarter’s application to the EDA, pursuant to N.J.S.A. 34:1B-383 – 393 and N.J.A.C. 19:31BB-1.1 et seq., made on or before August 11, 2025, for an amount of tax credits to implement the Project, which McCarter determines makes the Project viable in McCarter’s sole and absolute discretion.
 - b. The Municipality subdividing the Campus into one or more separate and tax lots forming the Property.
 - c. The Municipality determining that the Property is in need of rehabilitation pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A-12A-1, et seq. (“LRHL”) if the Property meets the criteria therefor.
 - d. The Municipality adopts a Redevelopment Plan for or otherwise rezones the Property to permit the construction and use of the Project thereon.
 - e. All of the governmental approvals required to construct and use the Project on the Property, including but not limited to, Municipality Planning Board approval of a site plan for the Project, the applications of which shall first be reviewed and

approved by the Municipality, shall be received by McCarter within one year of the EDA board's approval of McCarter's application.

- f. McCarter's execution, within twelve (12) months of the EDA Board approval described in 6(a), of a tax-credit agreement with the EDA
 - g. McCarter's demonstration that it has secured the necessary financing and/or possesses the required equity to commence construction of the Project within eighteen (18) months of execution of the tax-credit agreement with the EDA, as described in 6(f) of this LOI.
 - h. Execution of the PSA by the Parties.
7. PSA. This Letter of Intent is nonbinding until the definitive PSA is executed and delivered by both parties.
8. Effective Date. The effective date (the "Effective Date") of this LOI is the date on which the later of the Parties to sign this LOI signs this LOI.

McCarter Theatre Company
a New Jersey nonprofit corporation

By: _____
Martin Miller
Executive Director
Date: July __, 2025

Municipality of Princeton.
a New Jersey municipal corporation

By: _____
Mark Freda
Mayor
Date: July __, 2025

Exhibit A
Property
[Attached]

