

McELROY, DEUTSCH, MULVANEY & CARPENTER, LLP
Three Gateway Center
100 Mulberry Street
Newark, New Jersey 07102-4079
(973) 622-7711
Attorneys for Plaintiff
Verge Properties Urban Renewal, LLC

VERGE PROPERTIES URBAN RENEWAL,
LLC,

Plaintiff,

v.

THE UNION COUNTY IMPROVEMENT
AUTHORITY, a body corporate and
politic of the State of New
Jersey, and THE CITY OF LINDEN,
a municipal corporation of the
State of New Jersey,

Defendants.

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION: UNION COUNTY
DOCKET NO.

CIVIL ACTION

SECOND AMENDED COMPLAINT

Plaintiff Verge Properties Urban Renewal, LLC by way of a
Second Amended Complaint against the above-named defendants
states as follows:

The Parties

1. Verge Properties Urban Renewal, LLC is a New Jersey
Limited Liability Company maintaining offices at 515 North Wood
Avenue, Suite 301, Linden, New Jersey 07036.

2. Defendant the Union County Improvement Authority
("Authority") is a body corporate and politic of the State of
New Jersey maintaining offices at 300 North Avenue, Westfield,

New Jersey 07090 and 10 Cherry Street, Elizabeth, New Jersey 07202-2147.

3. Defendant the City of Linden ("City" or "Linden") is a municipal corporation of the State of New Jersey maintaining offices at 301 North Wood Avenue, Linden, New Jersey 07036.

Factual Background

A. The Redevelopment of Linden

4. On or about April 18, 2000, the City Council of Linden, pursuant to a Resolution, authorized the Linden Planning Board to undertake a preliminary investigation to determine whether land known as the South Wood Avenue Redevelopment Project Area ("Redevelopment Area") was an "area in need of redevelopment" pursuant to the provisions of the New Jersey Redevelopment and Housing Law ("RHL").

5. The proposed Redevelopment Area included property roughly fronting South Wood Avenue from the railroad right-of-way to the west and Morris Avenue to the east, which land is designated as Block 254, a portion of Lot 14; Block 448, Lots 1, 2, 24, 25 and 26; Block 449, Lots 1, 2, 8, 9, 10, 11, 12, 13, 14 and 15; Block 457, a portion of Lot 39 and Lot 40; and Block 458, Lots 1, 2, 3, 4, 5.01, 5.02, 6, 7 and 8 on the official tax map of the City of Linden.

6. By Resolution adopted November 13, 2003, Linden authorized an amendment to the Interlocal Services Agreement

with the Authority to include, in the proposed Redevelopment Area, an additional parcel known as Block 448, Lot 23. Attached as Exhibit A is a true and accurate copy of Linden's November 13, 2003, Resolution.

7. Thereafter, the Linden Planning Board conducted a preliminary investigation of the Redevelopment Area in accordance with the guidelines in the RHL to determine whether the Redevelopment Area met the requirements to be designated as an "area in need of redevelopment."

8. By Resolution adopted November 6, 2000, the Linden Planning Board concluded that:

- the Redevelopment Area was an area having a generality of substandard buildings, which also exhibited significant deficiencies in one or more structural components;
- a significant number of the structures in the area exhibited some degree of functional deficiency and obsolescence as to use, operation and conformity to the area;
- the structures also exhibited physical, social and/or aesthetic factors adverse to the area; and
- a condition in the area that has resulted in a stagnant or not fully productive condition of the land that is potentially useful and valuable for

contributing to and serving the public health and welfare.

9. Based on its findings, the Planning Board concluded that the Redevelopment Area was an "area in need of redevelopment" pursuant to RHL and recommended that Linden approve its determination.

10. By Resolution adopted November 21, 2000, Linden approved the Planning Board's determination and found that the Redevelopment Area was "an area in need of redevelopment" pursuant to the RHL. Attached as Exhibit B is a true and accurate copy of Linden's November 21, 2000, Resolution.

B. Redevelopment Plan

11. After designating the Redevelopment Area to be in need of redevelopment, Linden authorized the Linden Planning Board to prepare a redevelopment plan for the Redevelopment Area and retained Planners Diversified, a private company, to assist in drafting the redevelopment plan.

12. Planners Diversified then prepared a Redevelopment Plan ("Redevelopment Plan"), which it submitted to Linden on or about January 11, 2001. Attached as Exhibit C is a true and accurate copy of Planners Diversified's Redevelopment Plan.

13. The Redevelopment Plan articulated the objectives of redeveloping the Redevelopment Area and how the redevelopment would reinvigorate Linden. Exh. C.

14. The Redevelopment Plan found that redevelopment would revive Linden by:

- Eliminating the substandard, functionally obsolete and adverse structures from the area.
- Stimulating private investment by assembling redevelopment sites to assist and support redevelopment.
- Encouraging mixed-use, multi-story development, new housing and retail spaces to provide for increased employment opportunities, tax ratables and economic growth. The mixed-use development would consist of retail spaces on the street level of the multi-story development and residential spaces on the upper floors, which would be an attractive and aesthetically pleasing environment for residents, workers, shoppers and commuters.
- Supporting public transportation by renovating and upgrading the Linden Railroad Station and improving public parking facilities.
- Promoting the health, safety and welfare of the area by redeveloping the parcels included in the Redevelopment Area. Exh. C.

15. By Ordinance passed October 17, 2001, Linden adopted the Redevelopment Plan for the Redevelopment Area. Attached as Exhibit D is a true and accurate copy of Linden's October 17, 2001, Ordinance.

C. Request for Developers' Proposals

16. After adopting the Redevelopment Plan, Linden issued a "Request for Developers' Proposals" ("RFP"). Attached as Exhibit E is a true and accurate copy of the RFP.

17. In the RFP, Linden requested "[p]roposals for the Purchase and Development of Approximately 90,000 Square Feet (Located in Blocks 254, 448, 449, 457 & 458) of Residential/Retail Commercial Zoned Land on South Wood Avenue, Linden, New Jersey." Exh. E.

18. The RFP included "Proposal Specifications," which included the "Project Description," "Submission Documentation Forms" and "Information for the Developer." Exh. E.

19. The "Project Description" invited "proposals for the purchase of certain parcels of commercially zoned land on South Wood Avenue;" set forth the selection criteria and the factors to be considered in evaluating proposals and explained the purpose and objectives of the redevelopment project. Exh. E.

20. The "Selection Criteria" section stated that proposals were to be evaluated on the basis of their conformity with the development objectives of the Redevelopment Plan, as well as the

demonstrated ability of the developer to complete the project.
Exh. E.

21. The "Submission Documentation Forms" included the "Developer's Organizational Statement" and the "Developer's Questionnaire," both of which required information about the developer, as well as the "Form of Offer," in which the potential developers were to set forth the basic terms of their offer to develop the Redevelopment Area. Exh. E.

D. Verge's Interest in Redeveloping Linden

22. On or about March 26, 2001, Dennis Valvano, III, submitted a proposal to Linden on behalf of "Dennis Valvano, III as Managing Member of a New Jersey limited liability company to be formed" to develop the Redevelopment Area. Attached as Exhibit F is a true and accurate copy of Dennis Valvano's Organizational Statement.

23. In the Developer's Questionnaire, Valvano indicated that he intended to acquire Parcel A (Block 448), Parcel B (Block 449) and Parcel C (Block 458) of the Redevelopment Area. Attached as Exhibit G is a true and accurate copy of Valvano's Response to the Developer's Questionnaire.

24. Valvano proposed the following uses for the land he intended to redevelop:

- Parcel A: Ground Floor: retail/commercial use; Floors 2-4: residential; also known as Phase I.

- Parcel B: Ground Floor: retail/residential; Floors 2-4: residential; also known as Phase II.
- Parcel C: Ground Floor: retail/residential; Floors 2-4: residential; also known as Phase III. Exh. G.

25. Valvano's proposed mixed-use development contemplated the creation of an "upscale space with a brownstone residential appeal and a 'Soho district' look," by constructing buildings where the ground floor would be brick with arched glass openings, and the second, third and fourth floors would be constructed of sections of brick and EFIS stucco. Residential doorways would be off of entry courts with garden areas. Instead of balconies, there would be private residential terraces and a common garden terrace at the rear of each structure. Exh. G.

26. Valvano estimated the total cost of construction to be \$16,037,000, and estimated that he would obtain site plan approval from the Linden Planning Board, as to Phase I, within 120 days after execution of the Redevelopment Agreement; that construction would commence within 30 days after acquisition of title; and that construction would be completed within 8 to 12 months. Exh. G.

27. Valvano's proposal intended "to develop the property in phases, which will be acquired and developed based upon the availability of the property to be provided by the City and the

prevailing market conditions," and predicted "that the Redevelopment Area, if developed properly, will be the cornerstone of a newly revitalized city." Exh. G.

28. On or about October 29, 2001, Verge Properties, LLC ("Verge") was formed with Dennis Valvano, III named as Managing Member to undertake development of the Redevelopment Area if retained by Linden. Attached as Exhibit H is a true and accurate copy of the Certificate of Formation of Verge Properties, LLC.

E. Verge's and the Authority's Designation as Redeveloper and Redevelopment Agency for the Linden Redevelopment

29. After reviewing responses to its RFP, by Resolution dated November 21, 2001, Linden awarded the development of the Redevelopment Area to Verge and authorized the Mayor to execute a redevelopment agreement. Attached as Exhibit I is a true and accurate copy of Linden's November 21, 2001, Resolution.

30. By Resolution adopted January 3, 2002, Linden designated the Authority as the redevelopment agency for the Redevelopment Area and authorized the Mayor and the City Clerk to execute an Interlocal Services Agreement ("Interlocal Agreement") setting forth the duties and obligations of Linden and the Authority relative to the development of the Redevelopment Area. Attached as Exhibit J is a true and

accurate copy of Linden's January 3, 2002, Resolution and an executed copy of the Interlocal Agreement.

31. As the designated Redevelopment Agency, the Authority agreed to complete the development of the Redevelopment Area by working with Verge and negotiating and implementing a redevelopment agreement. Exh. J.

32. More particularly, pursuant to the Interlocal Agreement, the Authority agreed to complete the following tasks "[i]n consultation with the City and with the assistance of an experienced project team:"

- negotiate with the owners of the properties to be redeveloped and to provide funding for the acquisition of the properties
- conduct environmental studies
- undertake demolition and clearance of the properties to be redeveloped
- provide financing for the project
- supervise project development

[Id.]

33. By Resolution adopted May 22, 2002, the Authority reaffirmed and approved Linden's designation of Verge as the redeveloper for the Redevelopment Area.

34. Thereafter, on September 18, 2002, the Authority authorized the execution of a redevelopment agreement between

the Authority, Linden and Verge for the development of the Redevelopment Area.

F. Execution of the Redevelopment Agreement

35. Due to a variety of factors, none of which were the fault of Verge, the Authority failed to finalize the terms and conditions of a redevelopment agreement until July 2003 - more than one year after the Authority reaffirmed Verge's designation as the developer for the Redevelopment Area. Attached as Exhibit K is a true and accurate copy of the Authority's August 27, 2003, Resolution.

36. By Resolution dated August 27, 2003, the Authority ratified the execution of a redevelopment agreement between the Authority, Linden, and Verge. Exh. K.

37. The August 27, 2003, Resolution further authorized the Chairman and Secretary of the Authority to execute any and all documents to effectuate the implementation and completion of the redevelopment project, subject to final review by counsel as to form and content. Exh. K.

38. In or around August 2003, the Authority, Linden and Verge executed the Redevelopment Agreement. Attached as Exhibit L is a true and accurate copy of the Redevelopment Agreement.

G. Verge's Obligations under the Redevelopment Agreement

39. At Section 2.01 of the Redevelopment Agreement, the Authority and Verge acknowledged that the redevelopment project

was to be developed in phases, with the timing of the Authority's acquisition of property coinciding with the phase of development to be constructed by Verge. Exh. L.

40. Section 2.05 of the Redevelopment Agreement provided that the purchase price for the land to be redeveloped would be \$3,000,000, which was to be allocated as follows: Phase I Property - \$1,100,000; Phase II Property - \$950,000; and Phase III Property - \$950,000. Exh. L.

41. The Redevelopment Agreement further provided that each phase of development was to commence by Verge providing a Notice of Determination to Proceed to the Authority and that Verge's execution of the Redevelopment Agreement constituted its Notice of Determination to Proceed with respect to Phase I. Exh. L.

H. The Authority's Obligations under the Redevelopment Agreement

42. Section 4 of the Redevelopment Agreement sets forth a majority of the Authority's obligations under the Redevelopment Agreement. Exh. L.

43. At Section 4.01, the Authority agreed to acquire the land to be redeveloped, complete any necessary relocation and complete the demolition and clearance of the property to be redeveloped. Exh. L.

44. Pursuant to Section 4.02 of the Redevelopment Agreement, the Authority agreed to complete all environmental sampling and remediation required to develop the properties.

45. Notably, the Authority also agreed that prior to conveying any land to Verge, it would apply for and seek to obtain a Letter of Non-Applicability ("LNA") from the New Jersey Department of Environmental Protection ("NJDEP"). Exh. L.

46. The Authority further agreed that if it could not obtain a LNA, it would obtain the NJDEP's "[a]pproval of the Authority's Negative Declaration Affidavit in the form of a No Further Action letter ("NFA") or (b) NJDEP's approval of a Remedial Action Work Plan ("RAWP") and shall remediate the affected Property in accordance with the RAWP." Exh. L, Section 4.04. Exh. L.

47. On the Authority's timely fulfillment of its obligations, a closing would be scheduled and property would be conveyed to Verge to begin development.

48. Upon completion of Phase I, Verge would have the option of providing the Authority with notice of its Determination to Proceed with the next phase of the project, provided Verge had not determined to accelerate the phases of development pursuant to Section 3.02 of the Redevelopment Agreement. Exh. L.

I. The City's Agreement to Cooperate and Effectuate the Redevelopment Agreement

49. At Sections 11.03(d), 15.01 and 15.02 of the Redevelopment Agreement, the City agreed to take no action that would impair Verge's ability to timely complete the Redevelopment Project and to cooperate with Verge and to "take all necessary actions to assure compliance with the terms of this Agreement and the Redevelopment Plan." Exh. L.

J. The Authority's Breaches of the Redevelopment Agreement

50. Following receipt of Verge's Notice of Determination to Proceed, Section 2.01 of the Redevelopment Agreement required the Authority to initiate the process of acquiring the Phase I Property no later than 30 days after the contract date of August 15, 2003.

51. The Authority, however, did not initiate the acquisition of the Phase I Property until on or about March 24, 2004, several months after the deadline in the Redevelopment Agreement.

52. Section 2.01 of the Redevelopment Agreement also required the Authority to complete all efforts to acquire good and marketable title to the Phase I Property either through negotiation and contract or through eminent domain within six months of the contract date or within nine months of the

contract date after obtaining an extension - - May 15, 2004, at the latest. Exh. L.

53. The Authority, however, failed to acquire good and marketable title to the Phase I Property by May 15, 2004.

54. Section 4.01 of the Redevelopment Agreement required the Authority to expeditiously complete the acquisition of the Phase I Property, any necessary relocation, demolition and clearance within six months of the contract date or within nine months of the contract date after obtaining an extension - - May 15, 2004, at the latest. Exh. L.

55. The Authority, however, failed to complete the demolition and clearance of the Phase I Property by May 15, 2004.

K. The Authority's and City's Failure to Fund Project Costs

56. While negotiating the Redevelopment Agreement, the Authority had to determine the amount of money that the City would ask it to finance for the redevelopment project's costs through the issuance of bonds.

57. The Authority's counsel, Frank Regan and Fred Michaeli, a consultant working on City's behalf, made a preliminary determination that the costs for acquiring the properties to be redeveloped, demolishing existing structures and completing any relocation to be \$4,472,000, excluding any costs to remediate the properties.

58. Thereafter, the Authority learned that the City's treasurer at that time, Joseph Suliga, did not want to finance "more debt" and that he wanted the Authority to only issue bonds in an amount that allowed the City to pay any debt service through the revenue it would receive from a Payment In Lieu Of Taxes agreement ("PILOT") entered into between the City and Verge.

59. To show the City the amount of debt service that different bond amounts would require, the Authority's financial advisor, NW Financial, prepared schedules showing the debt service required for bonds issued in the amount of \$7,300,000; \$4,000,000; \$3,500,000; \$3,920,000; \$4,475,000 and \$3,000,000. Attached is Exhibit M is a true and accurate copy of debt the service schedules prepared for the City.

60. At some time in 2003, Mr. Suliga informed the Authority that the City would be willing to have the Authority issue bonds in the amount of \$3,500,000.00 to pay for the redevelopment project's costs.

61. Section 2.06 of the Redevelopment Agreement, however, required the Authority to fund project costs in the amount of \$6,500,000 ("Project Costs"). Project Costs include:

- (a) the price paid or to be paid to the property owner of each parcel to be redeveloped;

- (b) costs associated with any demolition required to make property ready for development;
- (c) costs associated with the investigation and remediation of all environmental conditions necessary for preparing property for development and approval of all applicable regulatory agencies;
- (d) costs and fees incurred in complying with the RHL and the Eminent Domain Act, including but not limited to professional services, expert fees, inspections, appraisals, environmental investigations, court deposits and court costs and fees; (e) cost and fees incurred in complying with relocation assistance;
- (f) any other reasonable and appropriate out-of-pocket expenses incurred by the Authority and/or Linden, including all fees and costs of professional legal, technical or financial consultant, contractor or vendor necessary for the Project; and
- (g) if applicable, all financing costs incurred by Authority and/or Linden in the financing of Project Costs, including costs in connection with the sale of project notes, capitalized interest, bond counsel fees, underwriting costs, other financing consultant fees, printing and any rating agency fees. Exh. L.

62. The Authority and City contemplated that they would fund the remaining \$3,000,000 in Project Costs through Verge's purchase of the properties to be redeveloped.

63. Neither the Authority nor the City contemplated that all of the \$3,500,000 in bonded funds would be expended before any property could be conveyed to Verge and purchased.

64. By the end of 2005, however, the Authority had expended all of the \$3,500,000 in bonded funds.

65. The Authority, however, had yet to demolish or remediate any of the properties to be redeveloped, which Section 4.02 of the Redevelopment Agreement required it to complete before any land could be conveyed to Verge.

66. By e-mails dated August 30, 2006, and November 2, 2006, the Authority admitted that it needed to obtain additional funding because it was out of money and none of the properties had been demolished or remediated. Attached is Exhibit N is a true and accurate copy of the Authority's counsel's e-mails dated August 30, 2006, and November 2, 2006.

67. Neither the Authority nor the City ever obtained any additional financing or otherwise met their obligation to fully fund Project Costs in the amount \$6,500,000 as required by the Redevelopment Agreement.

68. As a result, the redevelopment project became dormant and to date no land has been remediated as required by the Redevelopment Agreement.

L. The Authority's Demolition of Asbestos Laden Buildings

69. By letter dated May 23, 2007, Verge informed the Authority of its breaches of the Redevelopment Agreement pursuant to Section 9.01 of the Redevelopment Agreement ("Notice of Default"). Attached as Exhibit O is a true and accurate copy of Verge's May 23, 2007, correspondence.

70. In response to Verge's Notice of Default, the Authority by letter dated May 31, 2007, denied that it had breached the Redevelopment Agreement and informed Verge that it intended to commence and complete the demolition of the Phase I properties. Attached as Exhibit P is a true and accurate copy of the Authority's May 31, 2007, correspondence

71. The Authority's May 31, 2007, correspondence further provides:

The Authority is diligently undertaking the steps necessary to convey the Phase I Properties to the Redeveloper. The Phase I Property is owned by the Authority and all tenants have been relocated. Asbestos abatement has been completed and demolition will commence shortly with underground storage tank removal and environmental remediation completed thereafter.

Exh. P.

72. Thereafter, in response to Verge's Notice of Default, on or about July 9, 2007, the Authority began demolishing building on the Phase I properties.

73. During the Authority's demolition activities, the New Jersey Department of Labor informed the Authority that it may be demolishing buildings containing asbestos and that the Authority should cease its demolition activities until all asbestos had been removed or abated.

74. The Authority, with the approval of Linden, continued demolition activities and its demolition contractor was fined for its demolition of buildings containing asbestos.

M. The Authority's Unjust Termination of the Redevelopment Agreement

75. In response to Verge's May 23, 2007, Notice of Default, and in addition to informing Verge that it intended to complete the demolition and remediation of the Phase I Properties, the Authority informed Verge, for the first time, that Project Costs would exceed \$6,500,000. Id. at Exh. P.

76. The Authority's May 31, 2007, letter, however fails to contain any source documentation or data supporting the Authority's statement that Project Costs would exceed \$6,500,000. Id.

77. To date, the Authority has failed to provide source documentation supporting its statement that Project Costs will exceed or have exceeded \$6,500,000.

78. At about the same time that Verge commenced this lawsuit, the Authority also filed lawsuits against the landowners of certain properties located in Phase I to require the landowners to pay the costs for remediating the Phase I properties ("Clean-up Lawsuits").

79. The Authority never provided Verge with any notice of the Clean-up Lawsuits and has never informed Verge of how any recovery in those lawsuits would impact the funding of Project Costs.

80. By letter dated, August 11, 2008, the Authority terminated the Redevelopment Agreement for Verge's purported failure to agree to incur Project Costs in excess of \$6,500,000.

N. Plaintiff's Damages

81. Due to the multi-phase sequencing of the redevelopment project, the parties' timely performance of their respective obligations under the Redevelopment Agreement was crucial to the project's successful completion.

82. At all times relevant hereto, Verge stood ready, willing and able to perform its contractual obligations.

83. Pursuant to Sections 3.08 and 3.09 of the Redevelopment Agreement, Verge obtained from the Linden Planning

Board approval of its concept plan for the redevelopment project and preliminary and final site plan approval for Phase I, which preliminary and final site approval had been extended.

84. At all times relevant hereto, the Authority and City failed to perform their obligations under Redevelopment Agreement.

85. As a result of the Authority's and City's failure to perform under the Redevelopment Agreement, Verge never had the opportunity to redevelop Linden as contemplated in the Redevelopment Agreement.

86. While it has waited for the Authority and Linden to meet their obligations under the Redevelopment Agreement, Verge has expended substantial funds.

87. The economic and market conditions that allowed Verge to undertake the redevelopment of Linden at the time that it executed the Redevelopment Agreement no longer exist because of the Authority's and City's failure to timely complete their obligations under the Redevelopment Agreement.

88. Due to the Authority's and City's breaches of the Redevelopment Agreement, Verge has been deprived of the ability to redevelop Linden and to perform under the terms of the Redevelopment Agreement.

COUNT I

(Breach of Contract by the Authority and the City)

89. Verge repeats the allegations in paragraphs 1 through 88 of the Complaint as if set forth at length herein.

90. On or about August 15, 2003, Verge, the Authority and Linden entered into the Redevelopment Agreement.

91. Defendants have breached the Redevelopment Agreement by failing to comply with the Redevelopment Agreement's and Interlocal Agreement's terms and conditions.

92. As a direct and proximate result of defendants' breaches of the Redevelopment Agreement, and Interlocal Agreement Verge has been damaged.

WHEREFORE, Verge demands that judgment be entered in its favor against defendants for compensatory damages, including out-of-pocket expenses, consequential damages and lost profits, costs, attorneys' fees, and such other relief as the Court deems just and proper.

COUNT II

(Breach of the Duty of Good Faith and Fair Dealing by the Authority and City)

93. Verge repeats the allegations in paragraphs 1 through 92 of the Complaint as if set forth at length herein.

94. Every contract in New Jersey contains an implied duty of good faith and fair dealing, which calls for the parties to a contract to refrain from doing anything that will have the

effect of destroying or injuring the right of the other party to receive the benefits of the contract.

95. Defendants had an obligation to deal in good faith with Verge pursuant to the Redevelopment Agreement.

96. Defendants breached the duty of good faith and fair dealing by failing to perform their obligations under the Redevelopment Agreement and by causing breaches of the Redevelopment Agreement.

97. As a direct and proximate result of defendants' breaches of the duty of good faith and fair dealing, Verge has been damaged.

WHEREFORE, Verge demands that judgment be entered in its favor against defendants for compensatory damages, including out-of-pocket expenses, consequential damages and lost profits, punitive damages, costs, attorneys' fees, and such other relief as the Court deems just and proper.

COUNT III

(Promissory Estoppel Against the Authority and City)

98. Verge repeats the allegations in paragraphs 1 through 97 of the Complaint as if set forth at length herein.

99. In executing the Redevelopment Agreement, defendants agreed to comply with the Redevelopment Agreement's terms and conditions.

100. Verge has reasonably relied on defendants' promise to comply with the Redevelopment Agreement's terms and conditions to its substantial detriment.

101. As a direct and proximate result of defendants' breach of their promise to comply with the Redevelopment Agreement's terms and conditions, Verge has been damaged.

WHEREFORE, Verge demands that judgment be entered in its favor against defendants for compensatory damages, including out-of-pocket expenses, consequential damages and lost profits, costs, attorneys' fees, and such other relief as the Court deems just and proper.

COUNT IV

(Declaratory Judgment)

102. Verge repeats the allegations in paragraphs 1 through 101 of the Complaint as if set forth at length herein.

103. On or about August 15, 2003, Verge, the Authority and Linden entered into the Redevelopment Agreement.

104. Defendants have breached the Redevelopment Agreement by failing to comply with the Redevelopment Agreement's terms and conditions.

105. As a result of defendants' breaches of the Redevelopment Agreement, Verge is excused of further obligations under the Redevelopment Agreement.

WHEREFORE, Verge demands that judgment be entered relieving Verge from any and all further obligations under the Redevelopment Agreement and such other relief as the Court deems just and proper.

McELROY, DEUTSCH, MULVANEY &
CARPENTER, LLP
Attorneys for Plaintiff
Verge Properties Urban Renewal,
LLC

By: 

Thomas P. Scrivo, Esq.

Dated: December 23, 2008

CERTIFICATION PURSUANT TO RULE 4:5-1(2)

I, Thomas P. Scrivo, hereby certify that the matter in controversy in the above dispute is not the subject of any other action pending in any other court or of a pending arbitration proceeding, and no other action or arbitration is contemplated at this time. Furthermore, I am aware of no other party needed to be joined in this action.

DEMAND FOR TRIAL BY JURY

Verge hereby demands a trial by jury on all issues so triable.

DESIGNATION OF TRIAL COUNSEL

Thomas P. Scrivo, Esq. is hereby designated as trial counsel for Verge.

McELROY, DEUTSCH, MULVANEY &
CARPENTER, LLP
Attorneys for Plaintiff
Verge Properties Urban Renewal,
LLC

By: _____

Thomas P. Scrivo, Esq.

Dated: December 23, 2008

Exhibit A

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDEN
AUTHORIZING AN AMENDMENT TO AN INTERLOCAL SERVICES
AGREEMENT WITH THE UNION COUNTY IMPROVEMENT AUTHORITY
FOR THE PROVISION OF SERVICES CONCERNING THE IMPLEMENTATION
OF A REDEVELOPMENT INITIATIVE IN THE SOUTH WOOD AVENUE
REDEVELOPMENT AREA IN THE CITY OF LINDEN**

WHEREAS, the Union County Improvement Authority (the "Authority") has been created by a Resolution of the Board of Chosen Freeholders of the County of Union (the "County") as a public body corporate and politic of the State of New Jersey, pursuant to, and in accordance with the County Improvement Authorities Law, N.J.S.A. 40:37A-44 et seq., and the acts amendatory thereof and supplemental thereto (the "Improvement Authorities Law"); and

WHEREAS, the City of Linden (the "City") has previously determined Block 254, a portion of Lot 14; Block 448, Lots 1, 2, 24, 25 and 26; Block 449, Lots 1, 2, 8, 9, 10, 11, 12, 13, 14 and 15; Block 457, a portion of Lot 39 and Lot 40; and Block 458, Lots 1, 2, 3, 4, 5.01, 5.02, 6, 7, and 8 to be an area in need of redevelopment pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., also known as the South Wood Avenue Redevelopment Area (the "Redevelopment Area") and has previously adopted a redevelopment plan for said Redevelopment Area (the "Redevelopment Plan"); and

WHEREAS, in order to, among other things, provide for the development and implementation of the Redevelopment Plan in an effective and efficient manner, the City and the Authority entered into an Interlocal Services Agreement, dated January 2, 2002, whereby the Authority was designated to act as the Redevelopment Agency for the Redevelopment Area and which provides for the Authority to undertake certain duties and obligations concerning the development of the Redevelopment Area; and

WHEREAS, pursuant to the Redevelopment Agreement by and between the City, the Authority and Verge Properties Urban Renewal, LLC, the Redeveloper of the Redevelopment Area, dated August 15, 2003, the Authority and the City have taken the necessary steps to expand the Redevelopment Area to include an additional property known as Block 448, Lot 23, and such property was not identified in the Interlocal Services Agreement and must now be included; and

WHEREAS, the Local Redevelopment and Housing Law and the County Improvement Authorities Law authorizes the City and the Authority to execute agreements by and among themselves providing for or relating to the planning, replanning and development of areas within their jurisdiction, and to amend such agreements as necessary; and

WHEREAS, the aforementioned laws authorize the City and the Authority to do all acts and things which are necessary, convenient or desirable to carry out and perform such agreements and to provide for the discharge of their respective obligations;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LINDEN that the City of Linden hereby authorizes an amendment to the Interlocal Services Agreement by and between the City of Linden and the Union County Improvement Authority, dated January 2, 2002, for the purpose of identifying and including Block 448, Lot 23 as being part of the Redevelopment Area and thus subject to the terms and conditions of the Interlocal Services Agreement; and

BE IT FURTHER RESOLVED that Block 448, Lot 23 has been determined as an area in need of redevelopment by the City Council of the City of Linden based upon a recommendation of the Linden Planning Board; and

BE IT FURTHER RESOLVED that the Mayor and the City Clerk are hereby authorized to execute any and all documents required to amend the Interlocal Services Agreement with the Union County Improvement Authority; and

BE IT FURTHER RESOLVED that all other terms and conditions of the Interlocal Services Agreement shall remain in full force and effect.

PASSED: November 13, 2003

APPROVED: November 14, 2003

ATTEST:

VAL D. IMBRIACO
City Clerk

ROBERT F. HUNK
President of Council

JOHN T. GREGORIO
Mayor

Certified to be a true and exact copy
Val D. Imbriaco

City Clerk, City of Linden, N. J.
Date: NOV 18 2003

Exhibit B

RESOLUTION OF THE COUNCIL OF THE CITY OF LINDEN, IN THE
COUNTY OF UNION, NEW JERSEY, DETERMINING THAT THE
~~AREA BOUNDARIES KNOWN AS THE SETH WOOD AVENUE~~
~~REDEVELOPMENT PROJECT AREA IS AN AREA IN NEED OF~~
REDEVELOPMENT PURSUANT TO THE PROVISIONS OF THE
REDEVELOPMENT AND HOUSING LAW

WHEREAS, pursuant to Resolution, the City Council authorized the Linden Planning Board to undertake a preliminary investigation to determine whether the area set forth on the map [attached hereto as Exhibit A] showing the boundaries of the proposed redevelopment area investigated by the Planning Board, is an area in need of redevelopment according to the criteria set forth in N.J.S.A. 40A:12A-5; and

WHEREAS, the Planning Board has conducted a preliminary investigation of the area in accordance with the guidelines set forth in N.J.S.A. 40A:12A-6 to determine whether the area delineated on the map is a "redevelopment area" according to the criteria set forth in N.J.S.A. 40A:12A-5; and

WHEREAS, pursuant to the requirements set forth in N.J.S.A. 40A:12A-6, the Planning Board caused notice of the hearing to be published in the Spectator Leader on October 19, 2000 and October 26, 2000, and caused a copy of the notice to be mailed via certified mail, at least ten (10) days prior to the date set for the hearing, to the last owner of the property within the area shown on the map according to the assessment records of the City; and

WHEREAS, as a result of its findings, the Planning Board, by Resolution adopted November 6, 2000 (the "Planning Board Resolution") concluded:

1. With respect to "the generality of buildings are substandard, unsafe, unsanitary, dilapidated, or obsolescent, or possess any such characteristics, or are so lacking in light, air or space as to be conducive to unwholesome living or working conditions".

The survey of the study area and related analysis of planning information documented the area as having a generality of substandard buildings, which also exhibited significant deficiencies in one or more structural components.

2. With respect to "areas with buildings or improvements, which by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light and sanitary facilities, excessive land coverage, deleterious land use or obsolete layout or any combination of these or other factors, are detrimental to the safety, health, morals or welfare of the community".

The survey of the study area and related analysis of planning information documented that a significant number of the structures in the area exhibited some degree of functional deficiency and obsolescence as to use, operation and conformity to the area, and that the structures also exhibited physical, social and/or aesthetic factors adverse to the area.

With respect to "a growing lack or total lack of proper utilization of areas caused by the condition of the title, diverse ownership of the real property therein, or other conditions, resulting in a stagnant or not fully productive condition of land potentially useful and valuable for contributing to and serving the public health, safety and welfare".

The survey of the study area and related analysis of planning information documented a condition in the area that has resulted in stagnant and not fully productive condition of land potentially useful and valuable for contributing to and serving the public health, safety and welfare.

WHEREAS, based upon the public hearing, the preliminary investigation and the factual findings of the Planning Board set forth in the Planning Board Resolution, the Planning Board determined that the area delineated on the map attached hereto as Exhibit A an "area in need of redevelopment" pursuant to the provisions of N.J.S.A. 40A:12A-5(a), (d) and (e) and 40A:12A-6, and recommended that the City Council approve such determination;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LINDEN, IN THE COUNTY OF UNION, NEW JERSEY, as follows:

Section 1. That the City Council hereby approves the determination of the Planning Board and finds that the area delineated on the map attached hereto as Exhibit A is an "area in need of redevelopment" pursuant to the provisions of the Redevelopment Act and Housing Law.

Section 2. That copies of this Resolution be served upon the parties set forth in Exhibits B, C, and D to the Planning Board Resolution.

PASSED: November 21, 2000

APPROVED: November 22, 2000

ROBERT F. BUNK

President of Council

JOHN T. GREGORIO

Mayor

ATTEST:

VAL D. EMERJACO

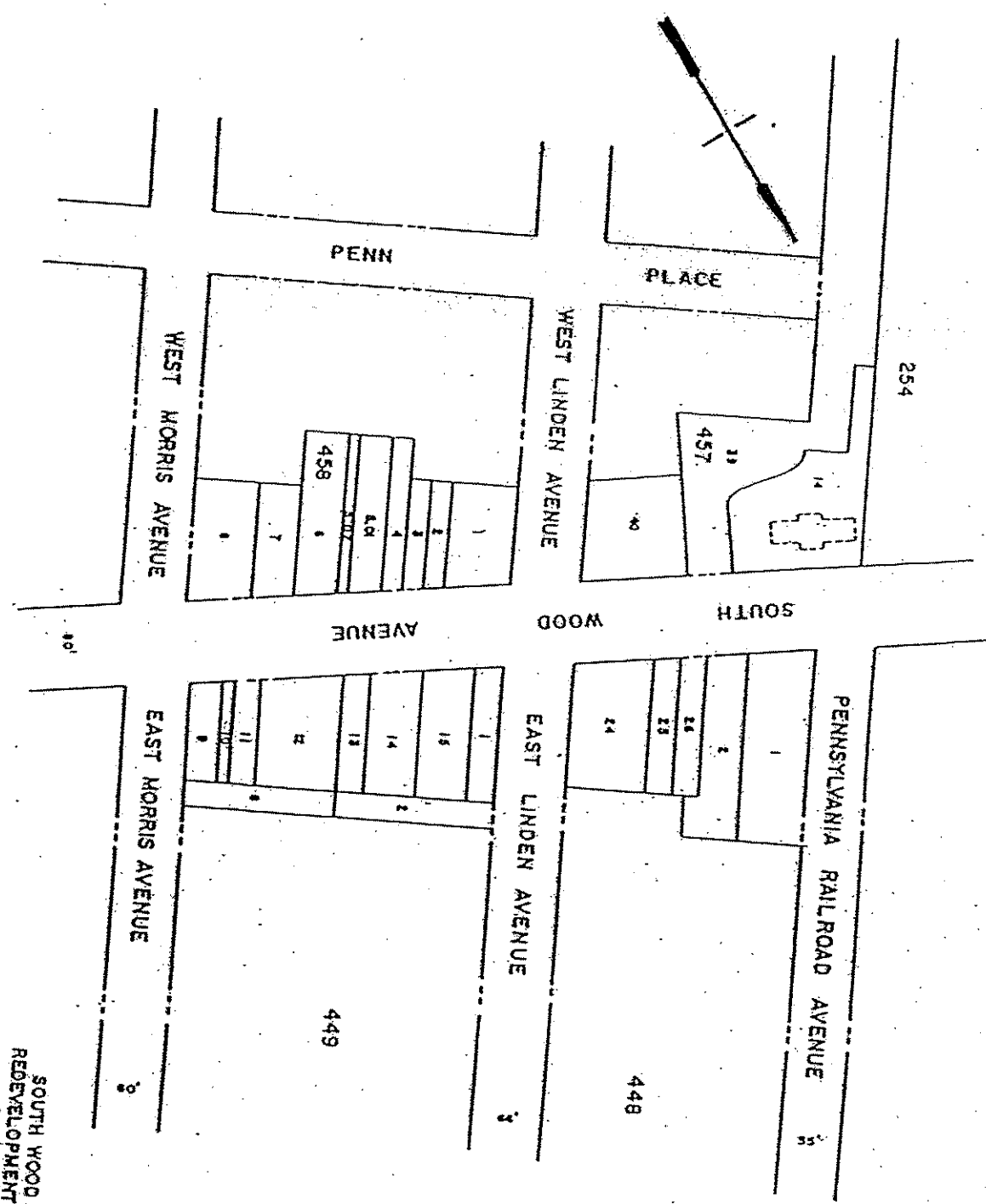
City Clerk

Certified to be a true and exact copy.

Val D. Emerjaco
City Clerk, City of Linden, N. J.

Date: JAN 10 2001

"EXHIBIT A"



SOUTH WOOD AVENUE
 REDEVELOPMENT PROJECT
 CITY OF LINDEN
 UNION COUNTY, NEW JERSEY
 30 JULY 1960
 CONSULTANTS PLANNERS DIVERSIFIC June 1960

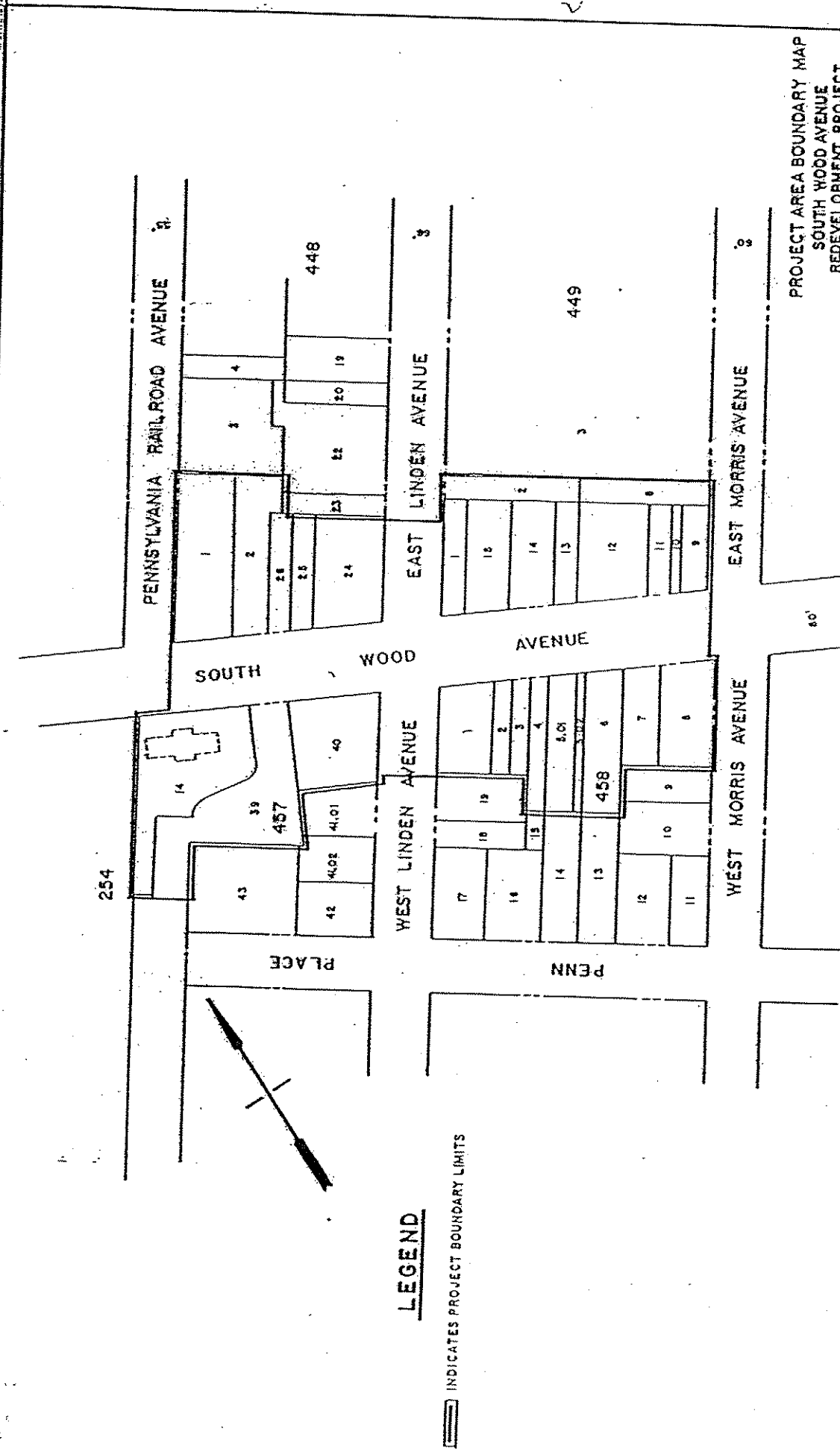
Exhibit C

**City of Linden, New Jersey
South Wood Avenue Redevelopment Project**

Redevelopment Plan

Prepared By:

**Planners Diversified
January 11, 2001
City of Linden, New Jersey**



PROJECT AREA BOUNDARY MAP
 SOUTH WOOD AVENUE
 REDEVELOPMENT PROJECT
 CITY OF LINDEN
 UNION COUNTY, NEW JERSEY
 SCALE: 1" = 100'

CONSULTANTS PLANNERS DIVERSIFIED JUNE 2000

LEGEND

▬▬▬ INDICATES PROJECT BOUNDARY LIMITS

South Wood Avenue Redevelopment Project

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VI. Identification of Proposed Land Acquisition and Building Demolition	8
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Maps

Project Area Boundary Map

Land Acquisition Map

Land Use Plan Map

Following the above noted maps are the following:

- Draft of the Resolution of the Planning Board of the City of Linden, New Jersey Recommending Approval of the Redevelopment Plan for the South Wood Avenue Redevelopment Project Area.
- Draft of the Ordinance of the City Council of the City of Linden, New Jersey Adopting the Redevelopment Plan for the South Wood Avenue Redevelopment Project Area

City of Linden, New Jersey

South Wood Avenue Redevelopment Project

I. Designation of Area and Plan Development

A. Designation of the Redevelopment Area

The process, consistent with applicable state statutes, followed by the City in the determination as to the area's qualification and designation as "an area in need of redevelopment" was:

1. The Linden City Council, on April 18, 2000, authorized the Linden Planning Board to conduct a preliminary investigation as to whether the study area qualifies as "an area in need of redevelopment".
2. To assist the Linden Planning Board in its preliminary investigation, the City of Linden retained Planners Diversified and Planners Diversified retained DeColiis, FitzPatrick, Gluck, Hayden & Cole to assist in conducting a study and survey of the area and prepare a report on the findings of the survey.
3. The Linden Planning Board held a public hearing on November 6, 2000, at which time the designation of the area as "an area in need of redevelopment" was considered.
4. Prior to the hearing, a legal notice was published in the City's official newspaper and a map of the area and statement as required by statute was prepared and the owners of record of the properties were duly notified of the hearing.
5. At the hearing, the Linden Planning Board considered information and objections both oral and written and incorporated them as part of the public record.
6. The Linden Planning Board, after due consideration of applicable documentation, recommended to the Linden City Council by resolution that the study area be designated as "an area in need of redevelopment".
7. After receiving the recommendation of the Linden Planning Board, the Linden City Council on November 21, 2000 adopted a resolution determining the area as "an area in need of redevelopment".

B. Redevelopment Plan Preparation Process

A Redevelopment Plan must be prepared and adopted by ordinance prior to undertaking any redevelopment project. The process, which is consistent with applicable state statutes, and followed by the City in the preparation of this Redevelopment Plan, may be summarized as follows:

1. The Linden City Council authorized the Linden Planning Board to prepare a Redevelopment Plan for the area.
2. To assist the Linden Planning Board, the City of Linden also retained Planners Diversified who drafted the required Redevelopment Plan.

3. The Redevelopment Plan is tentatively scheduled to be considered by the Planning Board at their March 13th, 2001 meeting.
4. The Linden Planning Board after considering the Redevelopment Plan will provide a report to the Linden City Council of its recommendation concerning the Redevelopment Plan.
5. The Linden City Council will subsequently consider the Redevelopment Plan for adoption as an ordinance.

II. Description of the Redevelopment Area

This Redevelopment Plan is applicable to the following properties as shown on the City's Tax Maps [# 101 & 104]; and is that area as shown on the attached "Project Area Boundary Map" and determined by the Linden Planning Board and the Linden City Council as "an area in need of redevelopment":

- Block 254 – A portion of Lot 14
- Block 448 – Lots 1, 2, 24, 25 and 26
- Block 449 – Lots 1, 2, 8, 9, 10, 11, 12, 13, 14 and 15
- Block 457 – A portion of Lot 39 and Lot 40
- Block 458 – Lots 1, 2, 3, 4, 5.01, 5.02, 6, 7 and 8

The South Wood Avenue Redevelopment Project Area is generally described as follows:

Beginning at a point at the northwest corner of property designated on the tax maps of the City of Linden as Block 448, Lot 1; thence northerly along the southerly right-of-way line of Pennsylvania Railroad Avenue to a point at the southeast corner of property designated on the tax maps of the City of Linden as Block 448, Lot 1; thence easterly along the rear property lines or the extension of the rear property lines of properties fronting on South Wood Avenue and located in said Block 448 to the northerly right-of-way line of East Linden Avenue at a point at the southeast corner of property designated on the tax maps of the City of Linden as Block 448, Lot 24; thence easterly to the southerly right-of-way line of East Linden Avenue at a point at the northeast corner of property designated on the tax maps of the City of Linden as Block 449, Lot 2; thence easterly along said property line to the northeast corner of property designated on the tax maps of the City of Linden as Block 449, Lot 8; then easterly along said property line to the northerly right-of-way line of East Morris Avenue at a point at the southeast corner of property designated on the tax maps of the City of Linden as Block 449, Lot 8; thence southerly along said right-of-way line to the northerly right-of-way line of West Morris Avenue at a point at the southeast corner of property designated on the tax maps of the City of Linden as Block 458, Lot 8; thence southerly along said right-of-way line to a point at the southwest corner of property designated on the tax maps of the City of Linden as Block 458, Lot 8; thence westerly along the rear property lines or the extension of the rear property lines of properties fronting on South Wood Avenue and located in said Block 458 to the southerly right-of-way line of West Linden Avenue at a point at the southwest corner of property designated on the tax maps of the City of Linden as Block 458, Lot 1; thence westerly to the northerly right-of-way line of West Linden Avenue to a point at the southwest corner of property designated on the tax maps of the City of Linden as Block 457, Lot 40; thence westerly along the rear property line of said property to a point at the northwest corner of said property; thence southerly along the rear property lines of properties designated on the tax maps of the City of Linden as Block 457, Lots 41.01 and 41.02 to a point at the southwest corner of property designated on

REQUIRED EVIDENCE
AFFIRMATIVE ACTION REGULATIONS
P.L. 1975, C. 127 (N.J.A.C. 17:27)

If awarded a contract, all procurement and service contractors will be required to comply with the requirements of P.L. 1975, C. (N.J.A.C. 17:27): Within seven (7) days after the receipt of the notification of intent to award the contract or receipt of the contract, whichever is sooner, the contractor should present one of the following to the Purchasing Agent:

- 3. A photocopy of a valid letter from the U.S. Department of Labor that the contractor has an existing federally-approved or sanctioned Affirmative Action Plan (good for one year from the date of the letter).

OR

- 4. A photocopy of their approved Certificate of Employee Information Report.

OR

- 5. An Affirmative Action Employee Information Report (Form AA302).

OR

- 6. All successful construction contractors must submit within three (3) days of the signing of the contract an Initial Project Manning Report (AA201) for any contract award that meets or exceeds the Public Agency bidding threshold (available upon request).

No firm may issue a contract unless it complies with the Affirmative Action Regulations of P.L. 1975, C127.

The following questions must be answered by all bidders:

- 1. Do you have a federally-approved or sanctioned Affirmative Action Program?

_____ YES

_____ NO

- 2. Do you have a State Certificate of Employee Information Report Approval?

_____ YES

_____ NO

If yes, please submit a copy of such a certificate.

The undersigned contractor certifies that he is aware of the commitment to comply with the requirements of P.L. 1975, C.127 and agrees to furnish the required documentation pursuant to the law.

COMPANY: _____ SIGNATURE: _____

TITLE: _____

Note: A contractor's bid shall be rejected as non-responsive if a contractor fails to comply with the requirements of P.L. 1975, C127, within the time frame.

EXHIBIT A
P.L. 1975, c. 127 (N.J.A.C. 17:27)
MANDATORY AFFIRMATIVE ACTION LANGUAGE
PROCUREMENT, PROFESSIONAL AND SERVICE CONTRACTS

During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation. The contractor will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation;

The contractor or subcontractor, where applicable, will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer advising the labor union or workers' representative of the contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor, where applicable, agrees to comply with the regulations promulgated by the Treasurer pursuant to P.L. 1975, c. 127, as amended and supplemented from time to time and the Americans with Disabilities Act.

The contractor or subcontractor agrees to attempt in good faith to employ minority and female workers consistent with the applicable county employment goals prescribed by N.J.A.C. 17:27-5.2 promulgated by the Treasurer pursuant to P.L. 1975, c. 127, as amended and supplemented from time to time or in accordance with a binding determination of the applicable county employment goals determined by the Affirmative Action Office pursuant to N.J.A.C. 17:27-5.2 promulgated by the Treasurer pursuant to P.L. 1975, c. 127, as amended and supplemented from time to time.

The contractor or subcontractor agrees to inform in writing appropriate recruitment agencies in the area, including employment agencies, placement bureaus, colleges, universities, labor unions, that it does not discriminate on the basis of age, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

The contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation, and conform with the applicable employment goals, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

The contractor and its subcontractors shall furnish such reports or other documents to the Affirmative Action Office as may be requested by the office from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Affirmative Action Office for conducting a compliance investigation pursuant to Subchapter 10 of the Administrative Code (N.J.A.C. 17:27)

AFFIRMATIVE ACTION
MANDATORY LANGUAGE FOR CONSTRUCTION CONTRACT
Exhibit B

During the performance of this contract, the contractor agrees as follows:

a. The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation. The contractor will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation. Such action shall include but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this non-discrimination clause.

b. The contractor or subcontractor, where applicable, will in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation.

c. The contractor or subcontractor, where applicable, will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

d. The contractor or subcontractor, where applicable, agrees to comply with any Regulations promulgated by the Treasurer pursuant to P.L. 1975, c. 127, as amended and supplemented from time to time.

e. When hiring workers in each construction trade, the contractor or subcontractor agrees to attempt in good faith to employ minority and female workers in each construction trade consistent with the applicable employment goal prescribed by section N.J.A.C. 17:27-7.3 provided, however, that the Affirmative Action Office, may, in its discretion, exempt a contractor or subcontractor from compliance with the good faith procedures prescribed by the following provisions A, B, and C, as long as the Affirmative Action Office is satisfied that the contractor is employing workers provided by a union which provides evidence, in accordance with standards prescribed by the Affirmative Action Office, that its percentage of active "card carrying" members who are minority and female workers is equal to or greater than the applicable employment goal prescribed by section N.J.A.C. 17:27-7.3 of the Regulations promulgated by the Treasurer pursuant to P.L. 1975, c. 127, as amended and supplemented from time to time. The contractor or subcontractor agrees that

a good faith effort shall include compliance with the following procedures:

(A) If the contractor or subcontractor has a referral agreement or arrangement with a union for a construction trade, the contractor or subcontractor shall, within three (3) days of the contract award, seek assurances from the union that it will cooperate with the contractor or subcontractor as it fulfills its affirmative action obligations under this contract and in accordance with the Regulations promulgated by the Treasurer pursuant to P.L. 1975, c. 127, as it is supplemented and amended from time to time. If the contractor or subcontractor is unable to obtain said assurances from the construction trade union at least five (5) days prior to the commencement of construction work, the contractor or subcontractor agrees directly to attempt to hire minority and female workers consistent with the applicable employment goal. If the contractor's or subcontractor's prior experience with a construction trade union, regardless of whether the union has provided said assurances indicates a significant possibility that the trade union will not refer sufficiently minority and female workers consistent with the applicable employment goal, the contractor or subcontractor agrees to be prepared directly to hire minority and female workers consistent with the applicable employment goal by complying with the following hiring procedures prescribed under (B) below, and the contractor or subcontractor further agrees immediately to take said action if it determines or is so notified by the Affirmative Action Office that the union is not referring minority and female workers consistent with the applicable employment goal.

(B) If the hiring of a workforce consistent with the employment goal has not or cannot be achieved for each construction trade, by adhering to the procedures of the preceding provisions (A) above, or if the contractor or subcontractor does not have a referral agreement or arrangement with a union for a construction trade, the contractor or subcontractor agrees to take the following actions consistent with the applicable county employment goal:

(1) To notify the Public Agency Compliance Officer, Affirmative Action Office and at least one approved minority referral organization of its manpower needs, and request the referral of minority workers and female workers.

(2) To notify any minority and female workers who have been listed with it as awaiting available vacancies.

(3) Prior to commencement of work, to request the local construction trade union, if the contractor or subcontractor has a referral agreement or arrangement with a union for the construction trade, to refer minority and female workers to job openings.

(4) To leave standing requests for additional referral of minority and female workers with the local construction trade union if the contractor or subcontractor has a referral agreement or arrangement with a union for the construction trade.

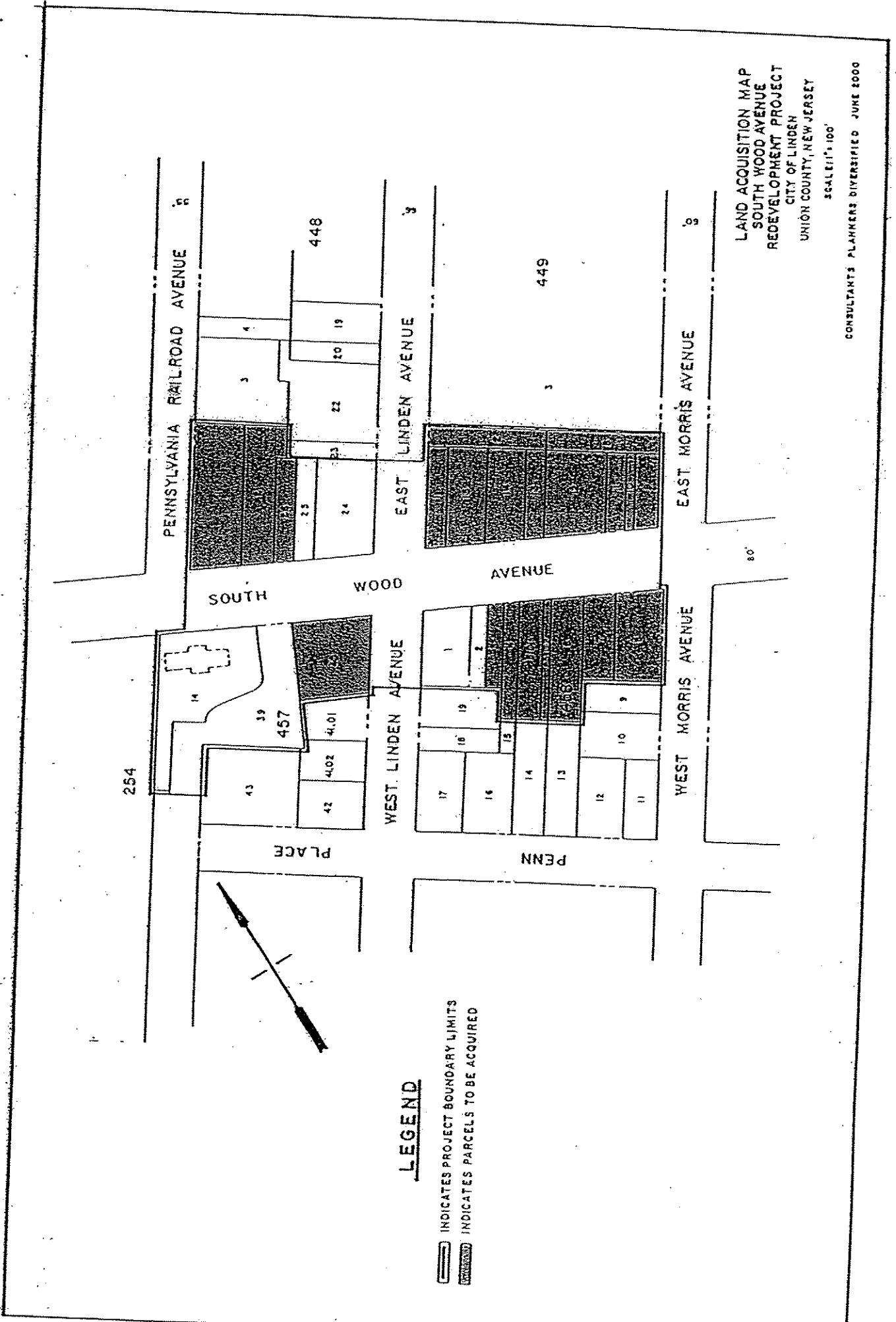
AMERICANS WITH DISABILITIES
Equal Opportunity for Individuals with Disability.

The CONTRACTOR and the OWNER do hereby agree that the provisions of Title II of the Americans With Disabilities Act of 1990 (the "ACT") (42 U.S.C. S12101 et seq.), which prohibits discrimination on the basis of disability by public entities in all services, programs, and activities provided or made available by public entities, and the rules and regulations promulgated pursuant thereto, are made a part of this contract. In providing any aid, benefit, or service on behalf of the OWNER pursuant to this contract, the CONTRACTOR agrees that the performance shall be in strict compliance with the Act. In the event that the Contractor, its agents, servants, employees, or subcontractors violate or are alleged to have violated the Act during the performance of this contract, the CONTRACTOR shall defend the OWNER in any action or administrative proceeding commenced pursuant to this Act. The Contractor shall indemnify, protect, and save harmless the OWNER, its agents, servants, and employees from and against any and all suits, claims, losses, demands, or damages, of whatever kind or nature arising out of or claimed to arise out of the alleged violation. The CONTRACTOR shall, at its own expense, appear, defend, and pay any and all charges for legal services and any and all costs and other expenses arising from such action or administrative proceeding or incurred in connection therewith. In any and all complaints brought pursuant to the OWNER grievance procedure, the CONTRACTOR agrees to abide by any decision of the OWNER which is rendered pursuant to said grievance procedure. If any action or administrative proceeding results in an award of damages against the OWNER or if the OWNER incurs any expense to cure a violation of the ADA which has been brought pursuant of its grievance procedure, the CONTRACTOR shall satisfy and discharge the same at its own expense.



The OWNER shall, as soon as practicable after a claim has been made against it, give written notice thereof to the CONTRACTOR along with full and complete particulars of the claim. If any action or administrative proceedings is brought against the OWNER or any of its agents, servants, and employees, the OWNER shall expeditiously forward or have forwarded to the CONTRACTOR every demand, complaint, notice, summons, pleading, or other process received by the Township or its representatives.

It is expressly agreed and understood that any approval by the OWNER of the services provided by the CONTRACTOR pursuant to this contract will not relieve the CONTRACTOR of the obligation to comply with the Act and to defend, indemnify, protect, and save harmless the OWNER pursuant to this paragraph.

It is further agreed and understood that the OWNER assumes no obligation to indemnify or save harmless the CONTRACTOR, its agents, servants, employees and subcontractors for any claim which may arise out of their performance of this Agreement. Furthermore, the contractor expressly understands and agrees that the provisions of this indemnification clause shall in no way limit the CONTRACTOR'S obligations assumed in this Agreement, nor shall they be construed to relieve the CONTRACTOR from any liability, nor preclude the OWNER from taking any other actions available to it under any other provisions of the Agreement or otherwise at law.



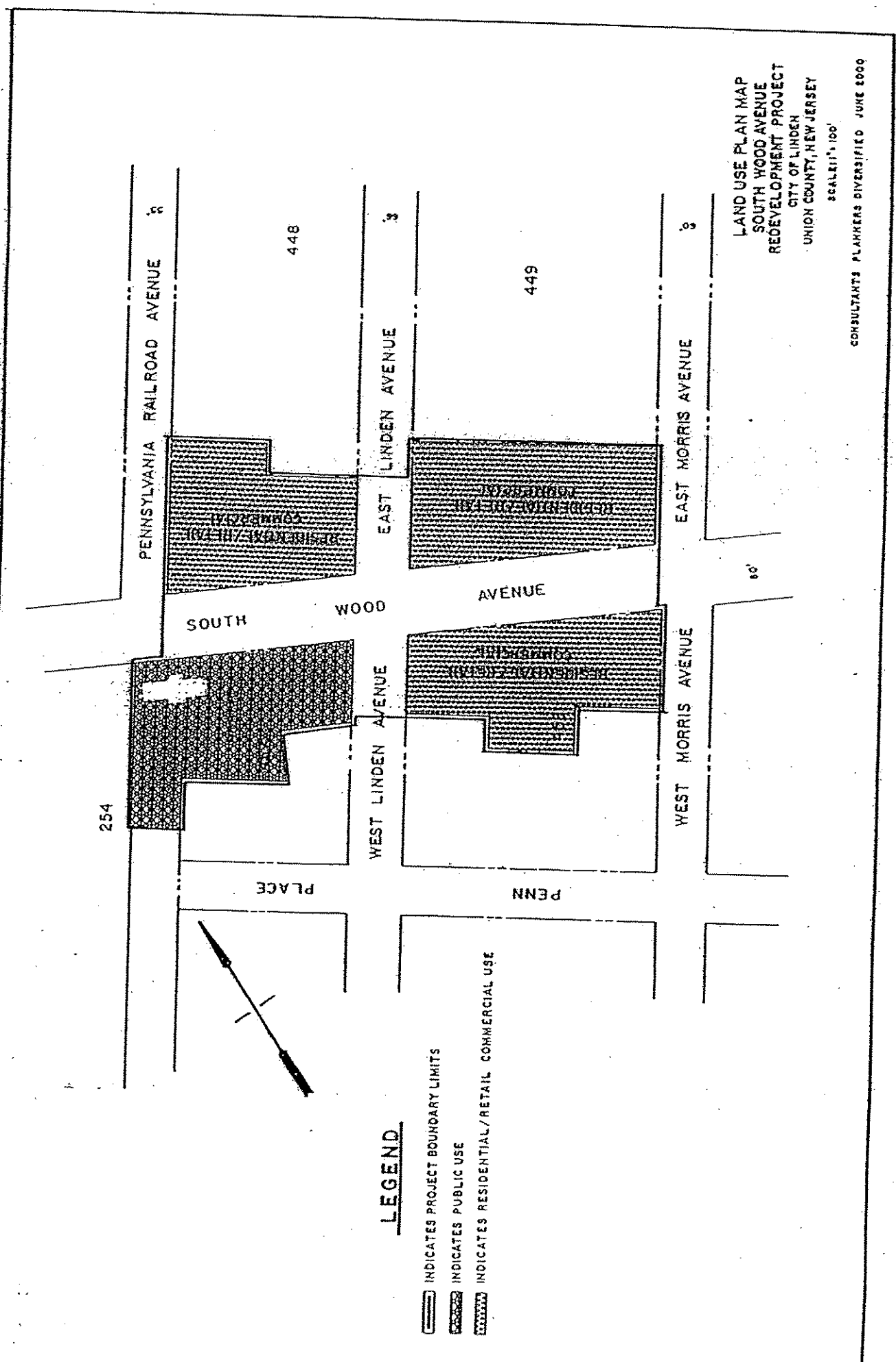
LEGEND

-  INDICATES PROJECT BOUNDARY LIMITS
-  INDICATES PARCELS TO BE ACQUIRED




LAND ACQUISITION MAP
 SOUTH WOOD AVENUE
 REDEVELOPMENT PROJECT
 CITY OF LINDEN
 UNION COUNTY, NEW JERSEY

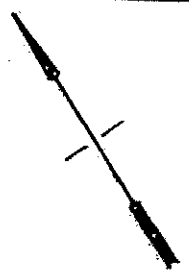
SCALE: 1" = 100'

CONSULTANTS: PLANNERS DIVERSIFIED - JUNE 2000



LEGEND

-  INDICATES PROJECT BOUNDARY LIMITS
-  INDICATES PUBLIC USE
-  INDICATES RESIDENTIAL/RETAIL COMMERCIAL USE



LAND USE PLAN MAP
 SOUTH WOOD AVENUE
 REDEVELOPMENT PROJECT
 CITY OF LINDEN
 UNION COUNTY, NEW JERSEY
 SCALE 1" = 100'

CONSULTANTS PLANNERS DIVERSIFIED JUNE 2000

Landmark Community
72 Autumn Hill Road
Princeton, NJ 08540
Attn: Joel Schwartz
609-924-5527
609-924-7230

Tucker Enterprises
57 Brant Avenue
Suite 200
Clark, NJ 07066
Attn: Allen Tucker

Development Directions
428 Rosehill Place
Elizabeth, NJ
908-351-2008
F: 908-355-6290

JGT Real Estate
10 Woodbridge Center Drive
Woodbridge, NJ
908-403-5666

DeCotiis, FitzPatrick, Gluck, Hayden & Cole, LLP
Glenpointe Centre West
500 Frank W. Burr Boulevard
Teaneck, New Jersey 07666
(201) 928-0588 (fax)

File # 00-230

NO. OF PAGES: 16

FAX COVER SHEET

DATE: January 8, 2001
TO: Dennis Valvano
FAX NO.: 908/862-7226
FROM: Francis X. Regan, Esq.
RE:

IF YOU DO NOT RECEIVE ALL PAGES OR HAVE A PROBLEM WITH RECEIVING THIS TRANSMISSION, PLEASE CONTACT Drea Kaplon at (201) 928-1100, Extension 6254

- Please Call Me May I Have Your Comments Per Our Conversation
 For Your Information As You Requested
 IMMEDIATE ATTENTION REQUESTED

REMARKS:

Dennis - as discussed - please call to discuss with me if you have any questions

FXR

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- The original of this fax is being sent to you via: _____
 This will be the only form of delivery of this faxed document.

Exhibit D

FIRST READING 9/18/2001
2nd & Final Reading 10/16/2001

ORD. NO. 44-20

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
LINDEN, NEW JERSEY, CONCERNING THE
PLAN FOR THE SOUTH WOOD AVENUE REDEVELOPMENT
PROJECT AREA.

WHEREAS, pursuant to a resolution approved November 21, 2000, the City Council determined that the area generally known as the South Wood Avenue Redevelopment Area is an area in need of redevelopment pursuant to the provisions of the Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (The "Act"); and

WHEREAS, the City Council authorized the preparation of a Redevelopment Plan for such area, a copy of which is attached hereto as Exhibit A (The "Redevelopment Plan"); and

WHEREAS, pursuant to the Act, specifically N.J.S.A. 40A:12A-7(e), the Planning Board at its meeting of September 11, 2001, reviewed the Redevelopment Plan and directed its consultant to prepare a report, a copy of which is attached hereto as Exhibit B, to include an identification of the provisions, if any, in the proposed Redevelopment Plan which are inconsistent with the Master Plan of the City and any recommendations concerning any inconsistencies and any other matters deemed appropriate; and

WHEREAS, pursuant to the Act, the Planning Board has transmitted to the City Council a copy of its report for the review of the City Council prior to the adoption of the Redevelopment Plan;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LINDEN, NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring) as follows:

Section 1. The Redevelopment Plan and the report of the Planning Board was discussed by the City Council upon receipt of said report, and said Redevelopment Plan, as set forth in Exhibit A, is hereby adopted.

Section 2. This Ordinance shall take effect at the time and in the manner provided by law.

PASSED: October 16, 2001

Robert F. Bunk
President of Council

APPROVED: October 17, 2001

John T. Gregorio
Mayor

ATTEST:

Val D. Imbriaco
City Clerk

Certified to be a true and exact copy

Val D. Imbriaco
City Clerk, City of Linden, N. J.

Date: JAN 8 2001

Exhibit E

REQUEST FOR DEVELOPERS' PROPOSALS

PROPOSAL SPECIFICATIONS

CITY OF LINDEN, NEW JERSEY

SOUTH WOOD AVENUE REDEVELOPMENT AREA

TO BE SUBMITTED BY: FEBRUARY 23, 2001

RESPONSE TO BE SUBMITTED TO:

CITY OF LINDEN
CITY HALL
301 NORTH WOOD AVENUE
LINDEN, NEW JERSEY 07036

ATTENTION: JOSEPH C. BODEK
PURCHASING AGENT

TELEPHONE: 908-474-8443

DC

~~Handwritten mark~~

5/11

DC:

REQUEST FOR PROPOSALS
CITY OF LINDEN
UNION COUNTY, NEW JERSEY
SOUTH WOOD AVENUE REDEVELOPMENT

Proposals will be received by the Purchasing Agent of the City of Linden at City Hall, 301 N. Wood Avenue, Linden, NJ 07036 on February 23, 2001, at 5:00 pm prevailing time for the following described work:

ITEM #1 THE CITY OF LINDEN REQUESTS PROPOSALS FOR THE PURCHASE AND DEVELOPMENT OF APPROXIMATELY 90,000 SQUARE FEET (LOCATED IN BLOCKS 254, 448, 449 457 & 458) OF RESIDENTIAL/RETAIL COMMERCIAL ZONED LAND ON SOUTH WOOD AVENUE, LINDEN, NEW JERSEY.

THE COMPLETE REQUEST FOR DEVELOPER'S PROPOSALS MAY BE OBTAINED BY SENDING OR DELIVERING A NON-REFUNDABLE FEE OF \$10.00 (PAYABLE TO THE CITY OF LINDEN) TO JOSEPH C. BODEK, PURCHASING AGENT, CITY HALL, 301 NORTH WOOD AVENUE, LINDEN, NEW JERSEY 07036, (908) 474-8443.

PROPOSALS ARE DUE FEBRUARY 23, 2001, AND IT IS THE CITY'S INTENTION TO SELECT A DEVELOPER(S) BY MARCH 30, 2001.

Proposals must be submitted in a sealed envelope clearly marked ITEM #1 and bearing the name and address of the Proposer on outside, addressed to the Purchasing Agent, City of Linden, City Hall, 301 N. Wood Avenue, Linden, NJ 07036.

All Proposals shall conform to the intention and provisions of affirmative action in Public Contracts Laws of the State of New Jersey R.S. 10:2-1 of 7/23/75, Assembly Bill No. #2227.

Proposers are required to comply with the requirements of PL. 1975, c127. (N.J.A.C. 17:27).

The City of Linden reserves the right to reject any and all bids should it be in the interest of the City to do so.

By: Joseph C. Bodek
Purchasing Agent

PUBLICATION DATE:

SOUTH WOOD AVENUE REDEVELOPMENT AREA
CITY OF LINDEN, NEW JERSEY

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SOUTH WOOD AVENUE REDEVELOPMENT AREA
CITY OF LINDEN, NEW JERSEY

PROJECT DESCRIPTION

INTRODUCTION

The City of Linden is inviting proposals for the purchase of certain parcels of commercially zoned land on South Wood Avenue in Linden, New Jersey. The Proposal Specifications have been prepared to furnish prospective developers with information regarding the various development opportunities that exist at the South Wood Avenue Redevelopment site; provide developers with required proposal submission documents; and establish proposal specifications.

The proposals are due by 5:00 PM on February 23, 2001, after which time the Linden City Council, acting as the City's Redevelopment Agency, will evaluate the various proposals received and select the proposal best suited for the proposed redevelopment project.

While the purchase price offered will be a consideration, the City will, in reviewing the various development proposals, also consider other factors as follows:

- The economic and financial feasibility of the proposed project.
- The financial strength and relevant experience of the development principals.
- The employment opportunities created by the proposed project.
- The financial benefits accruing to the City from the proposed project, including increased property tax revenues.
- The nature and amount of private investment committed to the project.

The City of Linden reserves the right to waive any irregularity or nonconformity with the terms of this Request For Proposals, to reject any or all proposals and to select that proposal which it deems in its sole discretion to be responsive to this Request for Proposals.

THE REDEVELOPMENT PROJECT

In the past year, the City has [1] declared the South Wood Avenue Area as "an area in need of redevelopment" and [2] drafted a Redevelopment Plan pursuant to which the City is prepared to acquire certain privately owned parcels in the four-block redevelopment area and demolish all of the structures on the properties that will be acquired. As shown in the Redevelopment Plan, certain parcels will not be acquired. Specifically, Lot 14 in Block 254; Lots 24 & 25 in Block 448; Lot 39 in Block 457 and Lots 1 & 2 in Block 458. Those parcels will be subject to the continued enforcement of all applicable codes and ordinances of the City of Linden and probably will be upgraded under the City's Special Improvement District façade improvement program.

The City will acquire and retain ownership of Lot 40 in Block 457 and will develop additional parking facilities on that parcel for use by commuters utilizing the Linden Railroad Station

The total site area that is available pursuant to this Redevelopment Plan for development by the private sector developer(s) is approximately 90,000 square feet.

The permitted use of the redevelopment area is Residential / Retail Commercial. As defined in the Redevelopment Plan, Retail Commercial is limited to ground floor personal and business service establishments, offices, and restaurants. The Redevelopment Plan sets forth the various development restrictions that apply to the redevelopment area. The permitted uses and other development standards of the Redevelopment Plan supercedes the zoning ordinance regulations of the City.

The redevelopment area is fully served by municipal utilities as well as Public Service Electric and Gas Company, and Elizabethtown Water and Gas Companies; and developer needs can be accommodated by these facilities.

DEVELOPMENT OBJECTIVES

The City will consider proposals that envision development of a Residential / Retail complex that takes advantage of the sites proximity to the Linden Railroad Station. An overriding concern of the City is that proposals incorporate quality development concepts that incorporate high quality residential and retail commercial uses. The City is prepared to work with the selected developer to design an attractive project, which, in addition to meeting the private sector's requirements, will also fulfill the following public objectives:

- The stimulation of private investment in the redevelopment area by assembling the redevelopment site and assisting as necessary or appropriate to support redevelopment.
- The encouragement of a mixed-use development, which will include new housing and retail uses; and which will provide for increased employment opportunities; tax rates and economic growth in this area of the City.
- The continued support of transportation initiatives through the renovation and upgrading of the Linden Railroad Station and the continued improvement of public parking facilities.
- The enhancement of the area by supporting a mixed-use development that can include retail commercial uses on the ground floor and residential uses on the upper floors. This type of development can serve as a means of expanding the urban vitality of the area, and developing an attractive and aesthetically pleasing environment for residents, workers, shoppers and commuters.
- The promotion of the health, safety and general welfare of the area through redevelopment of the various parcels included in the redevelopment area.

SELECTION CRITERIA

The City will evaluate the developers' proposals giving consideration to the following criteria:

- Conformance with Development Objectives

Proposals will be evaluated on the basis of their conformity with the above stated development objectives and the Redevelopment Plan.

- Experience and Past Achievements

Proposals will be evaluated on the demonstrated ability of the developer to carry out the project as established by the developer's technical and financial resources, and record of achievements.

the tax maps of the City of Linden as Block 457, Lot 39; thence westerly along the property line of property designated on the tax maps of the City of Linden as Block 457, Lot 43 to a point at the northeast corner of said property; thence southerly along the side property line of property designated on the tax maps of the City of Linden as Block 457, Lot 43 for approximately 60 feet or to a point directly opposite the southwest corner of property designated on the tax maps of the City of Linden as Block 254, Lot 14; thence westerly to a point at the southwest corner of property designated on the tax maps of the City of Linden as Block 254, Lot 14; thence westerly to a point at the northwest corner of said property along the Pennsylvania Railroad right-of-way; thence northerly along the Pennsylvania Railroad right-of-way to a point at the northeast corner of property designated on the tax maps of the City of Linden as Block 254, Lot 14; thence northerly to the point or place of BEGINNING.

III. Statement of Redevelopment Goals and Objectives

The South Wood Avenue Redevelopment Project Area contains a number of structures that exhibit structural and functional deficiencies and obsolescence. These conditions result in underutilized, stagnant or not fully productive properties that could be potentially more useful and a valuable resource contributing to and serving the community and region.

The City seeks to alleviate the conditions found in the redevelopment area and supports the use of property in the area in a manner that will better contribute to and serve the public health, safety and welfare of the community. To achieve this overall goal, the following redevelopment goals and objectives have been established:

A. Redevelopment Goals

The redevelopment goals the City wishes to achieve in the South Wood Avenue Redevelopment Project Area are as follows:

- The elimination of substandard structures which, by reason of dilapidation, deterioration, age, obsolescence and related factors, are unsafe and/or substantially impair the sound growth, planning and functioning of this area of the City.
- The revitalization of the area with the inclusion of land uses of appropriate type, scope and scale to meet the demands of the market area and taking into consideration the proximity of the area to the Linden Railroad Station.
- The stimulation of private investment in the area and the development of an attractive and visually appealing environment.
- The establishment of an economically viable area conducive to a wholesome living and working environment and beneficial to the safety, health and welfare of the community.

B. Redevelopment Objectives

Activities to be initiated in the South Wood Avenue Redevelopment Project Area will be undertaken in conformity with and will be designed to meet the following objectives of this Redevelopment Plan:

- The primary objective of this Redevelopment Plan is to eliminate those conditions that cause the area to be considered as an "area in need of redevelopment", i.e. structures that are either substandard, functionally obsolete, or exert an adverse influence on the area.
- The stimulation of private investment in the redevelopment area by assembling redevelopment sites and assisting as necessary and appropriate to support redevelopment.
- The encouragement of a mixed-use development, which will include new housing and retail uses, and which will provide for increased employment opportunities, tax revenues and economic growth in this area of the City.
- The continued support of transportation initiatives through the renovation and upgrading of the Linden Railroad Station and the continued improvement of public parking facilities.
- The enhancement of the area by supporting a mixed-use development that can include retail commercial uses on the ground floor and residential uses on the upper floors. This type of development can serve as a means of expanding the urban vitality of the area, and developing an attractive and aesthetically pleasing environment for residents, workers, shoppers and commuters.
- The promotion of the health, safety and general welfare of the area through the redevelopment of the parcels included in the redevelopment area.

IV. Proposed Redevelopment Area Land Uses and Building Requirements

The following permitted land uses and building requirements shall be applicable to the various development parcels in the South Wood Avenue Redevelopment Project Area:

A. Permitted Land Uses

The permitted uses are as shown on the attached "Land Use Plan Map". The uses permitted in the redevelopment area are:

- 1) Residential/Retail Commercial. This land use designation contemplates a mixed-use development that may include retail commercial uses on the ground floor and residential uses on the upper floors. The retail commercial uses are limited to ground floor personal and business service establishments, offices and restaurants. The residential uses may be either rental or condominium units. At least two-thirds of the residential units shall be one-bedroom units and the remainder of the units shall not have more than two -bedrooms. None of the units shall have any form of rent subsidy.
- 2) Public. This land use designation contemplates renovation and upgrading of facilities at the Linden Railroad Station and the provision of additional public parking to supplement the parking that is already available for commuters utilizing the Linden Railroad Station.

B. Additional Building Requirements

The following requirements shall be applicable to all development in the Residential / Retail Commercial area.

1) Building Height Requirements

The maximum building height shall be four stories or 48 feet.

2) Density Requirements

The maximum dwelling unit density shall be 75 units per acre for buildings in excess of three stories and 50 units per acre for buildings not exceeding three stories in height.

3) Front, Side and Rear Yard Setback Requirements

There is no minimum front yard setback.

Each side yard shall be a minimum of 10 feet, and the rear yard shall be a minimum of 15 feet.

4) Open Space and Landscaping Requirements

The minimum lot area devoted to landscaped open space shall be 10 percent of the total lot area.

5) Off-Street Parking Requirements

Off-street parking serving the residential uses shall be provided in a ratio of one off-street parking space for each one bedroom dwelling unit and one and three-quarters off-street parking spaces for each two bedroom dwelling unit. One off-street parking space shall be provided on-site for each dwelling unit and any additional off-street parking spaces that may be required may be provided off-site but within 500 feet of the proposed development.

Off-street parking serving the retail commercial uses shall be provided on-site in a ratio of one off-street parking space for each 500 square feet of gross building floor area devoted to retail commercial use.

Each off-street parking space shall have a minimum width of 9 feet, a minimum length of 18 feet and shall have direct access to an aisle that is no less than 24 feet in width. No parking space shall be located in the front yard setback area.

6) Off-Street Loading Requirements

Off-Street loading shall be provided for all buildings in excess of three stories in height in accordance with the following schedule:

- One off-street loading space for the first 25,000 square feet of total gross building floor area.
- One additional off-street loading space for each additional 50,000 square feet of total gross building floor area.

Each off-street loading space shall be at least 12 feet in width, 50 feet in length and have a height clearance of at least 14 feet and shall be separate from off-street parking facilities.

C. Additional Development Standards and Regulations

Development proposals for the South Wood Avenue Redevelopment Project Area shall comply with the following additional development standards and regulations.

1) Building Design

All buildings in their design and layout shall be an integral part of the total development for the parcel. The design of buildings must endeavor to achieve excellence in scale, form, functional utility, appropriateness, and relationship to adjoining buildings.

2) Off-Street Parking Facilities

Off-street parking facilities shall be provided with convenient and safe access to public rights-of way and shall be illuminated so as to reflect light away from any adjoining property.

3) Signage

Signage shall be an essential and permanent component of the building design and shall be compatible with building materials and colors. Only signs that identify uses within the building are permitted.

V. Proposed Redevelopment Actions

All properties in the South Wood Avenue Redevelopment Project Area designated for acquisition in Section VI hereof will be acquired by the City of Linden; all site occupants will be provided with relocation assistance in accordance with applicable State law; and all structures on the acquired lands will be demolished.

The assembled sites that are designated as Residential/Retail Commercial will be sold to a redeveloper(s) who will be required to redevelop the sites in accordance with the provisions of this Redevelopment Plan. The City of Linden will retain ownership of the site designated as Public [Lot 40 in Block 457] and will develop additional parking facilities on the site.

VI. Identification of Proposed Land Acquisition and Building Demolition

Pursuant to this Redevelopment Plan, all parcels shown for acquisition on the "Land Acquisition Map" are to be acquired, any structures thereon demolished, and the assembled sites developed in accordance with the provisions of this Redevelopment Plan.

The following properties as shown on the "Land Acquisition Map" will be acquired:

- Block 448 – Lots 1, 2 & 26
- Block 449 – Lots 1, 2, 8, 9, 10, 11, 12, 13, 14 & 15
- Block 457 – Lot 40
- Block 458 – Lots 3, 4, 5.01, 5.02, 6, 7 & 8

The following properties as shown on the "Land Acquisition Map" will not be acquired, but will be subject to the continued enforcement of all applicable codes and ordinances of the City of Linden.

- Block 254 – A portion of Lot 14
- Block 448 – Lot 24 & 25
- Block 457 – A portion of Lot 39
- Block 458 – Lots 1 & 2

VII. Relationship of the Redevelopment Plan to Other Plans

• Relationship to Plans of Contiguous Municipalities

The area covered by this Redevelopment Plan lies in the central portion of the City of Linden. There is no conflict with the plans of the adjacent communities of Rahway, Winfield, Clark, Cranford, Roselle, and Elizabeth.

• Relationship to Union County Master Plan

The Land Use Plan of Union County, adopted by the Union County Planning Board on September 9, 1998, shows the area as commercial. There is no conflict with the County plan.

• Relationship to State Development and Redevelopment Plan

The Resource Planning and Management Map (RPMM) of the State Development and Redevelopment Plan indicates that the City of Linden is a Regional Center and Town that lies within Planning Area PA1-Metropolitan Planning Area. The Redevelopment Plan fully conforms to the State plan's goals and strategies. Implementation of this Redevelopment Plan will assist in the revitalization of the State's urban centers and areas, as well as meeting the State plan's goals of promoting beneficial economic growth, development and renewal.

VIII. Relationship of the Redevelopment Plan to Municipal Development Regulations

The land use controls and building restrictions set forth in this Redevelopment Plan shall apply to all development within the redevelopment area and shall supercede any requirements set forth in the City of Linden Zoning Ordinance. All other development regulations of the City of Linden shall remain applicable.

IX. Obligations of Developer(s)

Land acquired within the Redevelopment Area will either be retained by the City of Linden for public purposes or sold to a private developer(s) who will be required to:

- A. Submit development plans which include, but are not limited to, drawings of site and building plans and elevations in sufficient detail to show building layout, building construction, road access, etc. In accordance with the Linden Land Development Ordinance. These documents shall be submitted to the Linden Planning Board and the Linden City Council, acting as the Redevelopment Entity, for review and approval to determine compliance of such plans with the Redevelopment Plan before working drawings are prepared.

It is expressly understood that the approval of any plans by either the Linden Planning Board or the Redevelopment Entity applies to any and all features shown thereon. Any and all subsequent additions, deletions or other modifications of the plans must be submitted to the Planning Board for final approval before construction can begin.

B. Submit a written development schedule and commence the undertaking of the development in accordance with the development schedule.

C. Agree that no covenant, conveyance agreement or other instrument relating to the property shall be effected or executed on the basis of race, creed, sex, religion, color, age, national origin, or ancestry in the lease, use or occupancy thereof.

D. Maintain the structures and facilities in accordance with all codes and ordinances of the City of Linden.

X. Duration of Redevelopment Plan Restrictions

This Redevelopment Plan and any modifications thereof, shall be in force and effect for a period of 20 years from the date that the Linden City Council first approved the Redevelopment Plan.

The termination of this Redevelopment Plan shall in no way permit the project land or any part thereof to be restricted on the basis of race, creed, sex, religion, color, age, national origin or ancestry.

XI. Amendments to the Approved Redevelopment Plan

This Redevelopment Plan may be amended from time to time in accordance with the provisions of the Local Redevelopment and Housing Law of 1992, as same may be, from time to time, amended and supplemented.

- Financial Feasibility

The City will require reasonable evidence that the economic aspects of the proposal are sound and that the financial considerations are in the best interests of the City. In this review, consideration will be given to:

- 1) Economic Feasibility - Proposals will be evaluated on their likelihood of ultimate financial success in relation to development costs, competitive markets and market rentals, available financing and equity.
- 2) Financial Considerations - The City does not seek to obtain a maximum monetary return on the project site, but rather is interested in obtaining the best possible development for the various parcels. Proposals will, therefore, be evaluated in terms of the contribution to the economy of the City of Linden.

SUBMISSION PROCEDURES

The City wishes to encourage all developers interested in the project to submit proposals. The procedure is summarized as follows:

- Complete the developer's proposal documents and submit them to the City at the following address as soon as possible, but in any event, no later than the close of business, 5:00 pm on Friday, February 23, 2001.

City of Linden
City Hall
301 North Wood Avenue
Linden, New Jersey 07036
Attention: Joseph C. Bodek, Purchasing Agent

RE: South Wood Avenue Redevelopment Area

- An appointment for inspection of the site and meeting with City officials will be scheduled, if requested. If such an inspection/meeting is requested, please contact the Mayor's Office at 908-474-8493.

ACCEPTANCE OF PROPOSALS AND EXECUTION OF DEVELOPMENT AGREEMENT

The City will [1] review all responses to this Request for Proposals, [2] conduct interviews with the leading contenders and [3] notify the successful developer by certified mail no later than March 30, 2001. The developer will, at that time be presented with a development contract and which will contain the detailed terms and conditions and schedule under which the City is prepared to proceed with the transfer of property to the developer.

The development contract will require the developer to proceed with the development of the project in accordance with the proposed schedule, or as that schedule may be amended during the negotiation of the development contract. Failure to proceed in a timely fashion or to achieve the target dates set forth in the development schedule may, at the City's option, result in termination of the contract.

If the City and the developer selected by the City are unable to agree on the specific terms and conditions required for the execution of the development contract within one month of the notification of the award, the City may terminate negotiations and award the project to any other developer who has responded to this Request for Proposals.

SOUTH WOOD AVENUE REDEVELOPMENT AREA
CITY OF LINDEN, NEW JERSEY

PART I - SUBMISSION DOCUMENTATION FORMS

- o Developer's Organizational Statement
- o Developer's Questionnaire
- o Form of Offer

SOUTH WOOD AVENUE REDEVELOPMENT AREA
CITY OF LINDEN, NEW JERSEY

DEVELOPER'S ORGANIZATIONAL STATEMENT

1. Name of Developer: _____

Address of Developer: _____

Telephone Number: _____ Fax Number: _____

Contact Person: _____

Title/Position: _____

Address: _____

Telephone Number: _____ Fax Number: _____

2. If the developer is not an individual doing business under his own name, the developer has the status indicated below and is organized or operating under the laws of:

A corporation known as: _____

A partnership known as: _____

A business association or a joint venture known as: _____

Give date of organization: _____

3. Names, addresses, title or position (if any), and nature and extent of the interest of the officers, principal members, shareholders, and investors of the developer are set forth as follows:

a. If the developer is a corporation, list each officer, directors or trustees, and each stockholder owning more than 10% of any class of stock.

b. If the developer is a partnership, list each partner, whether a general or limited partner, and either the percent of interest or a description of the character and extent of interest.

c. If the developer is a business association or a joint venture, list each participant and either the percent of interest or a description of the character and extent of interest.

CERTIFICATION*

I (We) _____ certify
that this Developer's Organizational Statement is true and correct to the best of my (our)
knowledge and belief.

Dated: _____ Dated: _____

Signature _____ Signature _____

Title _____ Title _____

Address _____ Address _____

Address & Zip Code _____ Address & Zip Code _____

If the developer is an individual, this statement should be signed by such individual; if a partnership, by one of the partners; if a corporation or other entity, by one of its chief officers having knowledge of the facts required by this statement.

SOUTH WOOD AVENUE REDEVELOPMENT AREA
CITY OF LINDEN, NEW JERSEY

DEVELOPER'S QUESTIONNAIRE

Name of Developer: _____

Address of Developer: _____

Telephone Number: _____

Fax Number: _____

Contact Person: _____

Title/Position: _____

Address: _____

Telephone Number: _____

Fax Number: _____

A. General Instructions

This questionnaire has been provided to establish a reasonably structured framework upon which the City may base its evaluation of development proposals. The degree of detail required to fully respond to the questions will vary depending on the developer and the development proposal. It is requested that each question be answered fully and concisely. If additional space is required, additional pages may be attached.

B. Developer Experience and Capability

Provide background information that establishes the developer's capacity to construct the proposed project. This should include an individual, partnership or corporate background statement, as well as a listing of comparable projects and an indication of ongoing project management capacity. For reference projects, quantitative information is requested, including such data as location, project size, type construction, cost, uses/tenants, and current financial and management relationship to the project.

B. Developer's Experience and Capability (continued)

C. Site and Development Plan

Submit a preliminary schematic site plan (at a scale of 50 feet to the inch) that shows the general layout (building and parking) of the proposed development. Also provide responses to the following:

1. Name and address of proposed architect: _____

2. Name and address of proposed engineer: _____

3. Indicate which parcels that you intend to acquire in order for you to implement your development proposal:

✓ In Block 448, Lots 1, 2 and 26 as shown on the Land Acquisition Map.

✓ In Block 449, Lots 1, 2, 8, 9, 10, 11, 12, 13, 14, and 15 as shown on the Land Acquisition Map.

✓ In Block 458, Lots 3, 4, 5.01, 5.02, 6, 7 and 8 as shown on the Land Acquisition Map.

4. Describe the proposed uses for each development parcel by contemplated use:
5. Describe the general type of construction proposed, including type of material envisioned on building exteriors:
6. Indicate the anticipated cost of the project by major construction elements:
7. Describe any deviations that are envisioned from the City's approved Redevelopment Plan:

D. Marketing Program

Provide a narrative that describes your marketing/leasing approach and provide a listing, to the extent possible, of prospective tenant types for the retail commercial uses.

E. Project Financing

1. How do you propose financing this project? Provide an estimate of the equity and the financing and, if available, an indication of a lending institution's interest in funding the project. Also provide references from financial institutions with whom you most frequently deal.
2. If selected, you will be required to provide a financial guarantee that will insure the completion of the project. Describe the method of the guarantee that you would propose.

F. Project Construction/Management

1. Will the project be built by you _____ or a general contractor _____
2. Will the general contractor and major subcontractors be required to provide Performance Bonds: Yes _____ No _____
3. Do you envision managing the project: Yes _____ No _____
 - (a) If yes, describe your management experience:
 - (b) If no, describe how you propose to manage the project:
4. Will you retain ownership of the project once construction is completed and the project occupied? Yes _____ No _____

G. General Timetable

During the month of March, the City of Linden will review the various development proposals received and anticipates selecting a developer by March 30, 2001. On the assumption you are designated as the developer by that date, provide a forecast of the following dates.

1. Execute a development contract with the City.

2. Take title to the property [Allow six months for the City to acquire the properties and to relocate the site occupants].

3. Obtain site plan approval from Linden Planning Board.

4. Commence construction

5. Completion of construction and occupancy.

H. Identify Any and All Financial Incentives That You Contemplate Seeking From the City of Linden, the County of Union, the State of New Jersey and / or the Federal Government.

I. Additional Comments

Provide additional comments you feel appropriate or necessary to more fully explain your proposal:

This questionnaire was completed by the undersigned who certifies that the information contained herein and appended hereto is accurate to the best of the undersigned's knowledge.

By: _____
(Name of Developer)

(Authorized Signature)

(Official Position)

(Date)

SOUTH WOOD AVENUE REDEVELOPMENT AREA
CITY OF LINDEN, NEW JERSEY

FORM OF OFFER

TO: City of Linden
City Hall
301 North Wood Avenue
Linden, New Jersey 07036

Attention: Joseph C. Bodek, Purchasing Agent

RE: South Wood Avenue Redevelopment Area
City of Linden, New Jersey

The undersigned hereby offers to purchase and develop the subject property specified below under the following terms and conditions:

1. This offer is for the purchase of:

- [] Block 448, Lots 1, 2 and 26 as shown on the Land Acquisition Map for a total purchase price of \$ _____.
- [] Block 449, Lots 1, 2, 8, 9, 10, 11, 12, 13, 14, and 15 as shown on the Land Acquisition Map for a total purchase price of \$ _____.
- [] Block 458, Lots 3, 4, 5.01, 5.02, 6, 7 and 8 as shown on the Land Acquisition Map for a total purchase price of \$ _____.

Based on the forgoing, the total offered purchase price is \$ _____.

Ten percent of the offered purchase price of \$ _____, or \$ _____, will be paid at the time the development contract is executed and the remaining balance of \$ _____ will be paid at the time of conveyance of the property.

2. This offer is subject to terms and conditions established by the City, as set forth in the approved Redevelopment Plan, and the undersigned agrees to comply with those terms and conditions.

(Company or Corporate Name)

(Official Position)

By: _____
(Authorized Signature)

(Witness)

(Date)

SOUTH WOOD AVENUE REDEVELOPMENT AREA
CITY OF LINDEN, NEW JERSEY

PART II - INFORMATION FOR DEVELOPERS

- o Land Acquisition Map
- o City Tax Map
- o Redevelopment Plan

Contacts for clarification / additional information are as follows:

> Development controls such as permitted uses, building heights, off-street parking requirements, and other regulations may be found in the Redevelopment Plan. Questions regarding the Redevelopment Plan may be addressed to:

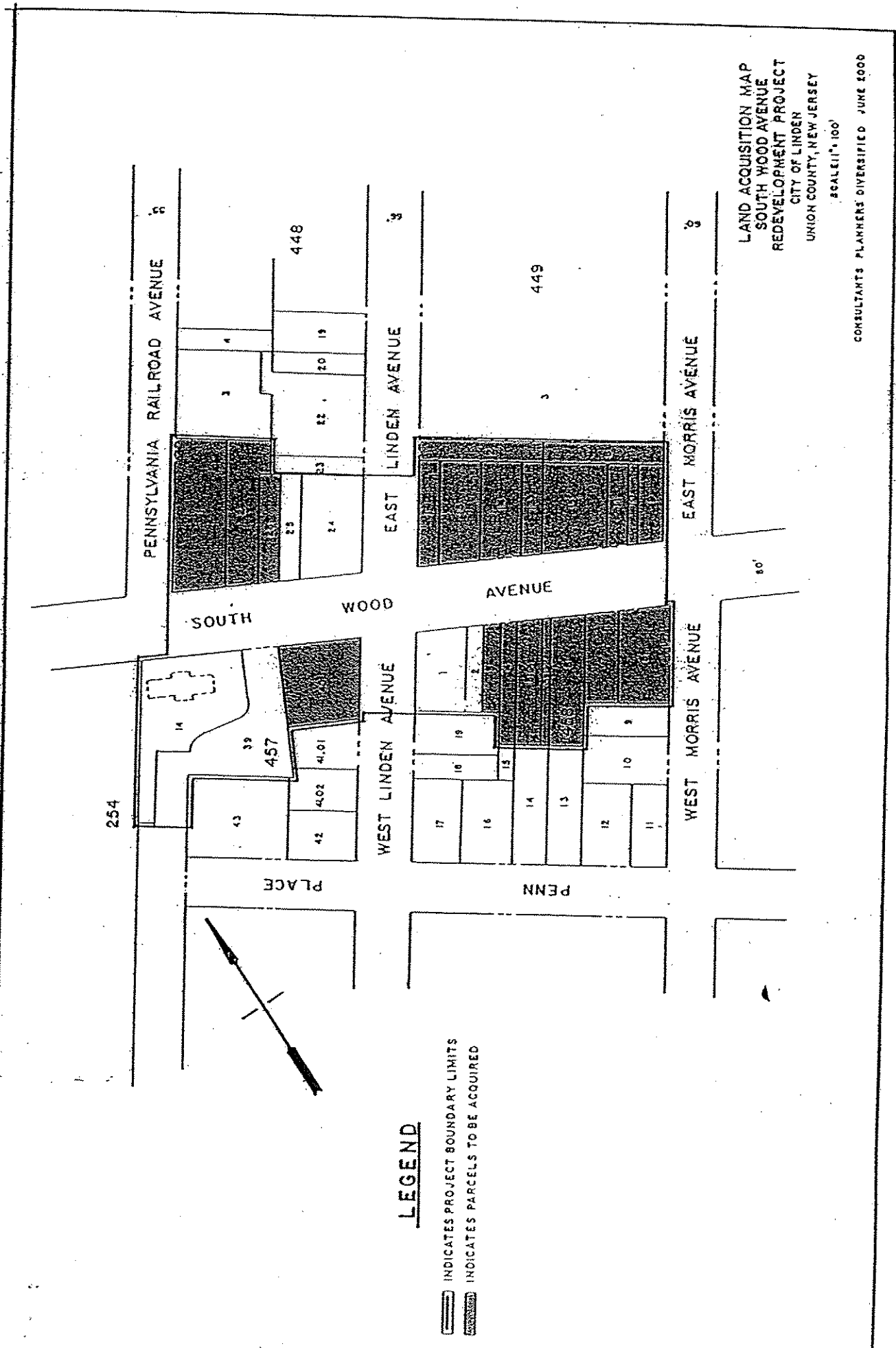
Fred C. Michaeli, Special Consultant
Planners Diversified
382 Springfield Avenue
Summit, NJ 07901
Phone: (908) 273-2600
Fax: (908) 273-7481
Mobile: (908) 803-2064

> Public utilities, including gas, water, sewer and electric are available and there is adequate capacity to service the maximum development that can be built in accordance with the terms of the Redevelopment Plan. Questions regarding utilities and related matters can be addressed to:



John A. Ziemian, City Engineer
City Hall
301 North Wood Avenue
Linden, NJ 07036
Phone: (908) 474-8470
Fax: (908) 486-0725

> The Redevelopment Area is within a Special Improvement District established by the City of Linden and as such is subject to certain special taxation and benefits. Questions regarding these matters can be addressed to:

Michael Bono, Director
City of Linden Special Improvement District
City Hall
301 North Wood Avenue
Linden, NJ 07036
Phone: (908) 474-8405
Fax: (908) 474-8497
Mobile: (908) 419-1515



LEGEND

-  INDICATES PROJECT BOUNDARY LIMITS
-  INDICATES PARCELS TO BE ACQUIRED

LAND ACQUISITION MAP
 SOUTH WOOD AVENUE
 REDEVELOPMENT PROJECT
 CITY OF LINDEN
 UNION COUNTY, NEW JERSEY
 SCALE 1" = 100'

CONSULTANTS PLANNERS DIVERSIFIED JUNE 2000

Exhibit F

**SOUTH WOOD AVENUE REDEVELOPMENT AREA
CITY OF LINDEN, NEW JERSEY**

DEVELOPER'S ORGANIZATIONAL STATEMENT

1. Name of Developer: Dennis J. Valvano, III as Managing Member of a New Jersey limited liability company to be formed

Address of Developer: 16 West Elizabeth Avenue, Linden, New Jersey 07036

Telephone Number: (908) 862-5652 Fax Number: (908) 862-7226

Contact Person: Dennis J. Valvano, III

Title/Position: Managing Member

Address: 16 West Elizabeth Avenue, Linden, New Jersey 07036

Telephone Number: (908) 862-5652 Fax Number: (908) 862-7226

2. If the developer is not an individual doing business under his own name, the developer has the status indicated below and is organized or operating under the laws of: State of New Jersey.

A corporation known as:

A partnership known as:

A business association or a joint venture known as: A New Jersey limited liability company.

Give date of organization: To be formed

3. Names, addresses, title or position (if any), and nature and extent of the interest of the officers, principal members, shareholders, and investors of the developer are as set forth as follows:

a. If the developer is a corporation, list each officer, directors or trustees, and each stockholder owning more than 10% of any class of stock.

Not applicable.

- b. If the developer is a partnership, list each partner, whether a general or limited partner, and either the percent of interest or a description of the character and extent of interest.

Not applicable.

- c. If the developer is a business association or a joint venture, list each participant and either the percent of interest or a description of the character and extent of interest.

Developer is a New Jersey limited liability company to be formed. Ownership of the developer entity shall be as follows:

<u>Name:</u>	<u>Interest (to be determined):</u>
Dennis J. Valvano, III	Controlling Interest
Dennis J. Valvano, Jr.	Minority Interest


Developer anticipates that there will be other minority interest participants.

CERTIFICATION*

I (We) Dennis J. Valvano, III certify that this Developer's Organizational Statement is true and correct to the best of my (our) knowledge and belief.

Dated: March 26, 2001

Dated:



 Signature

Signature

Managing Member

Title

Title

16 West Elizabeth Avenue

Address

Address

Linden, New Jersey 07036

Address & Zip Code

Address & Zip Code

If the developer is an individual, this statement should be signed by such individual; if a partnership, by one of the partners; if a corporation or other entity, by one of its chief officers having knowledge of the facts required by this statement.

Exhibit G

**SOUTH WOOD AVENUE REDEVELOPMENT AREA
CITY OF LINDEN, NEW JERSEY**

DEVELOPER'S QUESTIONNAIRE

Name of Developer: Dennis J. Valvano, III as Managing Member of a New Jersey limited liability company to be formed

Address of Developer: 16 West Elizabeth Avenue, Linden, New Jersey 07036

Telephone Number: (908) 862-5652 Fax Number: (908) 862-7226

Contact Person: Dennis J. Valvano, III

Title/Position: Managing Member

Address: 16 West Elizabeth Avenue, Linden, New Jersey 07036

Telephone Number: (908) 862-5652 Fax Number: (908) 862-7226

A. General Instructions

This questionnaire has been provided to establish a reasonably structured framework upon which the City may base its evaluation of development proposals. The degree of detail required to fully respond to the questions will vary depending on the developer and the development proposal. It is requested that each question be answered fully and concisely. If additional space is required, additional pages may be attached.

B. Developer Experience and Capability

Provide background information that establishes the developer's capacity to construct the proposed project. This should include an individual, partnership or corporate background statement, as well as a listing of comparable projects and an indication of ongoing project management capacity. For reference projects, quantitative information is requested, including such data as location, project size, type construction, cost, uses/tenants, and current financial and management relationship to the project.

B. Developer's Experience and Capability (continued)

Dennis J. Valvano, III is the Managing Member of Developer and Dennis J. Valvano, Jr. is the holder of a minority interest in Developer. The Messrs. Valvano have been involved in the acquisition, development and sale of residential (single- and multi-family), commercial and retail/residential real estate in and around the Linden, New Jersey area since 1965. The Valvanos have also owned and operated the Valvano Real Estate Agency, an independent real estate agency in Linden, since 1945.

The following are comparable projects within a one (1) mile radius of the Redevelopment Area which have been developed by companies with ownership common to the Developer:

<u>Location:</u>	<u>Size:</u>	<u>Construction:</u>	<u>Tenants:</u>
203 East Elizabeth Avenue	77 Units	Brick/Frame	Residential/Rental
28 West Elizabeth Avenue	18 Units	Brick/Frame	Residential/Rental
413 East Elizabeth Avenue	12 Units	Brick/Frame	Residential/Rental
417 East Elizabeth Avenue	12 Units	Brick/Frame	Residential/Rental
300 West Munsell Avenue	32 Units	Brick/Frame	Condominium
10 North Wood Avenue	150 Units	Brick/Concrete	Condominium
	17,000 sq. ft.	Brick/Concrete	Commercial
100 West Elizabeth Avenue	30 Units	Brick/Frame	Residential/Rental
35 East Elizabeth Avenue	60 Units	Brick/Frame	Residential/Rental

For each of the above projects, the Valvanos acquired property and submitted applications for municipal approvals. The Valvanos secured the construction financing and permanent loan financing; provided construction, oversight and management of the projects from commencement through completion; and administered the rental and sale of the residential units and commercial space.

C. Site and Development Plan

Submit a preliminary schematic site plan (at a scale of 50 feet to the inch) that shows the general layout (building and parking) of the proposed development. Also provide responses to the following:

1. Name and address of proposed architect: Proposals will be requested from the following four (4) architectural firms:
 - (a) Minno & Wasko Architects, Contact: Dave Minno, 80 Lambert Lane, Suite 105, Lambertville, New Jersey 08530, (908) 397-9009;
 - (b) Kanalstein Danton Associates, Contact: Dave Danton, 1940 Route 70 East, Cherry Hill, New Jersey 08008, (856) 424-6060;
 - (c) DeWitt Tishman Architects, Contact: Peter DeWitt, 770 Lexington Avenue, 12th Floor, New York, New York 10021, (212) 317-0088; and
 - (d) Clarke Caon & Hintz, Contact: John Clarke, Station Place, 400 Sullivan Way, Trenton, New Jersey 08628, (857) 883-8383.

2. Name and address of proposed engineer: Najarian Associates, 1 Industrial Way West, Eatontown, New Jersey 07724.

3. Indicate which parcels that you intent to acquire in order for you to implement your development proposal:

In Block 448, Lots 1, 2 and 26 as shown on the Land Acquisition Map. (Referred to hereafter as Parcel A.)

In Block 449, Lots 1, 2, 8, 9, 10, 11, 12, 13, 14 and 15 as shown on the Land Acquisition Map. (Referred to hereafter as Parcel B.)

In Block 458, Lots 3, 4, 5.01, 5.02, 6, 7 and 8 as shown on the Land Acquisition Map. (Referred to hereafter as Parcel C.)

4. Describe the proposed uses for each development parcel by contemplated use:

Parcel A: Ground floor: retail/commercial use; Floors 2-4: residential.

Parcel B: Ground floor: retail/residential; Floors 2-4: residential.

Parcel C: Ground floor: retail/residential; Floors 2-4: residential.

5. Describe the general type of construction proposed, including type of material envisioned on building exteriors:

Developer is desirous of creating upscale space with a brownstone residential appeal and a "Soho district" look. The ground floor of the project will be brick with arched glass openings, and the second, third and fourth floors will be constructed of sections of brick and EFIS stucco. Residential doorways will be off of entry courts with garden areas. Instead of balconies, there will be private residential terraces and a common garden terrace at the rear of each structure.

6. Indicate the anticipated cost of the project by major construction elements:

Retail/Office	\$ 1,903,000.00
Residential	\$12,128,000.00
Site Improvements (Includes Parking, Curb and Sidewalks)	\$ 1,414,000.00
Park (Buffer Area)	\$ 75,000.00
<u>Professional Fees</u>	<u>\$ 517,000.00</u>
TOTAL CONSTRUCTION COST	\$16,037,000.00

7. Describe any deviations that are envisioned from the City's approved Redevelopment Plan:

Developer is hereby requesting that the City acquire the following lots in addition to those presently included in the City's approved Redevelopment Plan: Lots 1 and 2 in Block 458 (Laundromat) and Lots 24 and 25 in Block 448 (tavern/rooming house). Also, after the City acquires and clears Lot 40 in Block 457, the Developer would propose to improve said lot as open space, to be maintained by the City.

D. Marketing Program

Provide a narrative that describes your marketing/leasing approach and provide a listing, to the extent possible, of prospective tenant types for the retail commercial uses.

Developer intends to take advantage of the Redevelopment Area's proximity to the railroad and market same as a new transit-oriented city neighborhood. Given the current construction/development trend to combine higher density housing with commercial and retail streetscapes, Developer believes that the Area can be developed into a cohesive residential community as well as a successful commercial and retail destination. Prospective retail commercial tenants who would combine well with area residents include professional offices (doctors, real estate); personal and business service establishments; restaurants and coffee shops.

Developer, being a long-time resident of the City of Linden and therefore sensitive to the concerns of established businesses in the Redevelopment Area which will be uprooted as a result of the project, will make every effort to relocate said businesses within the project site.

E. Project Financing

- 1. How do you propose financing this project? Provide an estimate of the equity and the financing and, if available, an indication of a lending institution's interest in funding the project. Also provide references from financial institutions with whom you most frequently deal.**

Developer will finance the project with institutional financing (20% equity, subject to the requirements of institutional lenders) and private investment. Developer has dealt with and continues a relationship with the following institutions: Amboy National Bank; Fleet Savings Bank; Independence Savings Bank; Spencer Savings Bank; Drexel, Lambert, Jenrette; and Commerce Bank.

- 2. If selected, you will be required to provide a financial guarantee that will insure the completion of the project. Describe the method of the guarantee that you would propose.**

Developer will provide a performance bond and/or a letter of credit.

F. Project Construction/Management

1. Will the project be built by you X or a general contractor _____
2. Will the general contractor and major subcontractors be required to provide Performance Bonds: Yes _____ No _____

Not applicable.

3. Do you envision managing the project: Yes X. No _____

(a) If yes, describe your management experience:

As set forth under Article B, Dennis J. Valvano, III and Dennis J. Valvano, Jr., both of whom are Members of Developer, have been involved in the sale of real estate since 1945 and the acquisition and development of residential (single- and multi-family), commercial and retail/residential real estate in and around the Linden, New Jersey area since 1965. The Valvanos have experience in securing municipal approvals, construction financing and end loan financing. They have managed the construction of numerous projects in the Linden area from commencement through completion, and have administered the rental and sale of the units.

(b) If no, describe how you propose to manage the project:

Not applicable.

4. Will you retain ownership of the project once construction is completed and the project occupied? Yes X No _____

G. General Timetable

During the month of March, the City of Linden will review the various development proposals received and anticipates selecting a developer by March 30, 2001. On the assumption you are designated as the developer by that date, provide a forecast of the following dates.

1. Execute a development contract with the City. Forty five (45) days after selection by the City.
2. Take title to the property [Allow six months for the City to acquire the properties and to relocate the site occupants]. Thirty (30) days after acquisition, site clearance and environmental compliance by the City, and the receipt of all development approvals by the Developer.

- 3. Obtain site plan approval from Linden Planning Board. As to Phase I, within one hundred twenty (120) days after execution of the Development Contract.
- 4. Commence construction. Thirty (30) days after acquisition of title.
- 5. Completion of construction and occupancy. Eight (8) to twelve (12) months after commencement of construction.

H. Identify Any and All Financial Incentives That You Contemplate Seeking From the City of Linden, the County of Union, the State of New Jersey and/or the Federal Government.


Developer will be seeking tax abatement from the City of Linden. From the State of New Jersey, Developer will be seeking development grants including, but not limited to, Community Development Block Grants, Home Investments Partnership Program (HOME) funds and New Jersey Office of Sustainability (NJOS) funds, to the extent same are available for projects of this nature.

I. Additional Comments

Provide additional comments you feel appropriate or necessary to more fully explain your proposal:

It is the intention of Developer to develop the property in phases, which will be acquired and developed based upon the availability of the property to be provided by the City and the prevailing market conditions. Developer believes that the Redevelopment Area, if developed properly, will be the cornerstone of a newly revitalized city. This new transit-oriented city neighborhood could become the heart of downtown Linden, as people relocate there, taking advantage of the convenience of the nearby railroad, and shop there to take advantage of the pleasant commercial retail establishments.

This questionnaire was completed by the undersigned who certifies that the information contained herein and appended hereto is accurate to the best of the undersigned's knowledge.

By: 

 DENNIS J. VALVANO, III, as Designee of a New
 Jersey Limited Liability Company To Be Formed

March 26, 2001
 Date

**SOUTH WOOD AVENUE REDEVELOPMENT AREA
CITY OF LINDEN, NEW JERSEY**

FORM OF OFFER

TO: City of Linden
City Hall
301 North Wood Avenue
Linden, New Jersey 07036

Attention: Joseph C. Bodek, Purchasing Agent

RE: South Wood Avenue Redevelopment Area
City of Linden, New Jersey

The undersigned hereby offers to purchase and develop the subject property specified below under the following terms and conditions:

1. This offer is for the purchase of:

Block 448, Lots 1, 2 and 26 as shown on the Land Acquisition Map for a total purchase price of \$950,000.00* (includes additional Lots 24 and 25).


Block 449, Lots 1, 2, 8, 9, 10, 11, 12, 13, 14 and 15 as shown on the Land Acquisition Map for a total purchase price of \$1,100,000.00*.

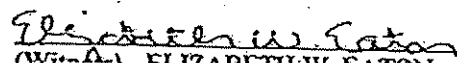
Block 458, Lots 3, 4, 5.01, 5.02, 6, 7 and 8 as shown on the Land Acquisition Map for a total purchase price of \$950,000.00* (includes additional Lots 1 and 2).

Based on the foregoing, the total offered purchase price is \$3,000,000.00*.

Ten percent of the offered purchase price of \$3,000,000.00*, or \$300,000.00*, will be paid at the time the development contract is executed and the remaining balance of \$2,700,000.00* will be paid at the time of conveyance of the property.

2. This offer is subject to terms and conditions established by the City, as set forth in the approved Redevelopment Plan, and the undersigned agrees to comply with those terms and conditions.

By: 
DENNIS F. VALVANO, III, as Designee of a New Jersey Limited Liability Company To Be Formed


(Witness) ELIZABETH W. EATON
Attorney at Law of New Jersey

March 26, 2001
(Date)

* These figures are based upon Developer's assumption that the property will be delivered in a condition ready for development, with site clearance and environmental approvals.

Exhibit H

**WILSON
GOLDMAN
& SPITZER**
ATTORNEYS AT LAW

A PROFESSIONAL CORPORATION

Kelly A. Ehardt
(732) 865-6416
E-mail: kehawk@wilson.com

90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07096-0958
Tel: (732) 865-8000
Fax: (732) 865-8117
<http://www.nowjerseylaw.com>

October 29, 2001

VIA UPS OVERNIGHT

New Jersey Department of State
Commercial Recording
Division of Revenue
Business Services
3rd Floor
225 West State Street
Trenton, New Jersey 08608-1001

Re: Certificate of Formation
Verge Properties, LLC

Dear Sir or Madam:

Enclosed please find for filing an original and one copy of the Certificate of Formation for Verge Properties, LLC.

Please file same on an expedited basis, and charge our account number 54528 for your fees in this regard. Kindly provide us with a certified copy of the Certificate in the self-addressed envelope enclosed for your convenience.

Very truly yours,


JEFFREY R. RICH

JRR/daa

Enclosures

cc: Mr. Dennis Valvano (w/encl.)

CERTIFICATE OF FORMATION
OF
VERGE PROPERTIES, LLC

THIS IS TO CERTIFY that pursuant to Section 11 of the New Jersey Limited Liability Company Act there is hereby formed a limited liability company.

1. The name of the limited liability company is VERGE PROPERTIES, LLC (the "Company").

2. The address of the registered office of the Company is c/o Wilentz, Goldman & Spitzer, 90 Woodbridge Center Drive, Woodbridge, New Jersey 07095 and the name of the registered agent at such address for service of process is Jeffrey R. Rich.

3. The Company has one (1) or more members.

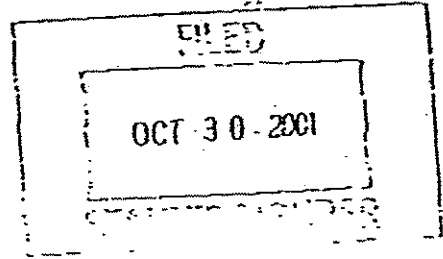
4. This Certificate shall be effective upon filing.

IN WITNESS WHEREOF, the undersigned, an authorized person, has signed this certificate this 29th day of October, 2001.



JEFFREY R. RICH, ESQ.
WILENTZ, GOLDMAN & SPITZER
A Professional Corporation
90 Woodbridge Center Drive
Woodbridge, New Jersey 07095

CERTIFICATE OF FORMATION
OF
VERGE PROPERTIES, LLC



THIS IS TO CERTIFY that pursuant to Section 11 of the New Jersey Limited Liability Company Act there is hereby formed a limited liability company.

1. The name of the limited liability company is VERGE PROPERTIES, LLC (the "Company").
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JEFFREY R. RICH, ESQ.
WILENTZ, GOLDMAN & SPITZER
A Professional Corporation
90 Woodbridge Center Drive
Woodbridge, New Jersey 07095

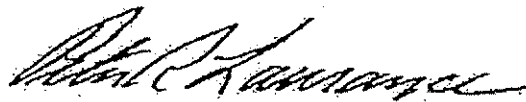
0600125842

STATE OF NEW JERSEY
DEPARTMENT OF TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

VERGE PROPERTIES, LLC
0600125842

I, the Treasurer of the State of New Jersey,
do hereby certify, that the above named business
did file and record in this department a
Certificate of Formation on October 30th, 2001
and that the attached is a true copy of this
document as the same is taken from and compared
with the original(s) filed in this office and now
remaining on file and of record.

IN TESTIMONY WHEREOF, I have
hereunto set my hand and
affixed my Official Seal
at Trenton, this
31st day of October, 2001



Peter R Lawrance
Acting State Treasurer

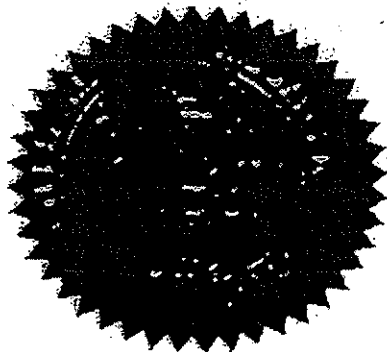


Exhibit I

10

**RESOLUTION OF THE CITY OF LINDEN, NEW JERSEY
DESIGNATING VERGE PROPERTIES, L.L.C. AS
REDEVELOPER OF THE SOUTH WOOD AVENUE
REDEVELOPMENT PROJECT AND AUTHORIZING
THE MAYOR TO EXECUTE A REDEVELOPMENT AGREEMENT WITH
VERGE PROPERTIES, L.L.C.**

WHEREAS, the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., as amended and supplemented (the "Act") promotes the social and economic improvement of the State and its several municipalities, in part, by providing a process for the redevelopment, rehabilitation and improvement of commercial and industrial facilities; and

WHEREAS, pursuant to the provisions of the Act, the City, after investigation, notice and hearing as provided in the Act, has concluded by resolution of the City Council that the area generally known as the South Wood Avenue Redevelopment Project (the "Project"), consisting a portion of Lot 14, in Block 254; Lots 1, 2, 23, 24, 25 and 26 in Block 448; Lots 1, 2, 8, 9, 10, 11, 12, 13, 14 and 15 in Block 449; a portion of Lot 39 and Lot 40 in Block 457; and Lots 1, 2, 3, 4, 5.01, 5.02, 6, 7 and 8 in Block 458, is an "area in need of redevelopment" due to the fact that (1) the generality of buildings are substandard, unsafe, unsanitary, dilapidated, or obsolescent, or are so lacking in light, air or space as to be conducive to unwholesome living or working conditions; (2) there are buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light and sanitary facilities, excessive land coverage, deleterious land use or obsolete layout are detrimental to the safety, health, morals, or welfare of the community and (3) there is a growing lack or total lack of proper utilization of areas caused by the condition of the title, diverse ownership of the real property resulting in a stagnant or not fully productive condition of land potentially useful and valuable for contributing to and serving the public health, safety and welfare; and

WHEREAS, in furtherance of and pursuant to the provisions of the Act, the City has declared the Project a "Redevelopment Area" and has adopted a Redevelopment Plan, as amended and supplemented (the "Redevelopment Plan"), for the redevelopment of the Redevelopment Area; and

WHEREAS, in order to move forward with the redevelopment of the Redevelopment Area, the City prepared a Request for Proposals (the "RFP") in connection with the redevelopment of the South Wood Avenue Redevelopment Project property located in the Redevelopment Area (the "Project Site"), advertised the availability of the RFP and forwarded copies to thirteen developers requesting the RFP; and

WHEREAS, after reviewing three (3) responses to the RFP, the City determined that the proposal of Verge Properties, L.L.C. was the most responsive to the RFP with respect to the redevelopment of the Project Site; and

WHEREAS, the City desires to designate Verge Properties, L.L.C. as the redeveloper (the "Redeveloper") of the Project Site contingent upon the City and Redeveloper negotiating a mutually acceptable Redevelopment Agreement within six (6) months of the date of this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF LINDEN, IN THE COUNTY OF UNION, NEW JERSEY, as follows:

Section 1. The City Council determines it is in the best interests of the City to designate Verge Properties, L.L.C. as the redeveloper of the Project Site; provided, however, that such designation shall automatically terminate if the City and the Redeveloper have not entered into a redevelopment agreement in form and substance satisfactory to the City on or prior to a date six (6) months from the adoption of this Resolution.

Section 2. The Mayor is hereby authorized to execute, on behalf of the City, a Redevelopment Agreement with the Redeveloper after said Agreement has been approved by resolution of the City Council, such approval to be conclusively evidenced by the Mayor's execution thereof.

Section 3. If any portion or clause of this resolution is declared invalid for any reason whatsoever, the same shall not affect the validity or constitutionality of any other part or portion of this resolution.

Section 4. This resolution shall take effect pursuant to law.

PASSED: NOV 20 2001

APPROVED: NOV 21 2001

ATTEST:

ROBERT F. BUNK

President of Council

JOHN T. GREGORIO

Mayor

VAL D. IMBRIACO

City Clerk

Certified to be a true and correct copy of the original.
Val D. Imbriaco
City Clerk, City of Danvers, VT.
Date: JAN - 8 2001

Exhibit J

16

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDEN AUTHORIZING AN INTERLOCAL SERVICES AGREEMENT WITH THE UNION COUNTY IMPROVEMENT AUTHORITY FOR THE PROVISION OF SERVICES CONCERNING THE IMPLEMENTATION OF A REDEVELOPMENT INITIATIVE IN THE CITY OF LINDEN

WHEREAS, the Union County Improvement Authority (the "Authority") has been created by a resolution of the Board of Chosen Freeholders of the County of Union (the "County") as a public body corporate and politic of the State of New Jersey, pursuant to, and in accordance with the County Improvement Authorities Law, N.J.S.A. 40:37A-44, et seq., and the acts amendatory thereof and supplemental thereto (the "Improvement Authorities Law"); and

WHEREAS, the City of Linden (the "City") has previously determined Block 254, a portion of Lot 14; Block 448 Lots 1, 2, 24, 25 and 26; Block 449, Lots 1, 2, 8, 9, 10, 11, 12, 13, 14 and 15; Block 457, a portion of Lot 39 and Lot 40; and Block 458, Lots 1, 2, 3, 4, 5.01, 5.02, 6, 7 and 8 to be an area in need of redevelopment pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq., also known as the South Wood Avenue Redevelopment Project Area (the "Redevelopment Area") and has previously adopted a redevelopment plan for said Redevelopment Area (the "Redevelopment Plan"); and

WHEREAS, in order to, among other things, provide for the development and implementation of the Redevelopment Plan in an effective and efficient manner, the City would like to designate the Authority as the Redevelopment Agency for the Redevelopment Area so that the Authority can take an active and primary role in the development of the Redevelopment Area, and assume certain other responsibilities necessary to carry out the City's redevelopment initiative; and

WHEREAS, the Authority has agreed to complete the development and redevelopment of the Redevelopment Area and will work with the designated developer for said Redevelopment Area and thereafter negotiate an appropriate agreement with said developer; and

WHEREAS, the Local Redevelopment and Housing Law and the County Improvement Authorities Law authorizes the City and the Authority to execute agreements by and among themselves providing for or relating to the planning, replanning and development of areas within their jurisdiction; and

WHEREAS, the aforementioned laws authorize the City and the Authority to do all acts and things which are necessary, convenient or desirable to carry out and perform such agreements and to provide for the discharge of their respective obligations; and

WHEREAS, in order to facilitate the planning and implementation of this redevelopment initiative, the City and the Authority have each determined that it will be economical, efficient and otherwise advantageous to each of them and the residents and taxpayers of the City and Union County to designate the Authority as the Redevelopment Agency for this Redevelopment Area and to enter into an agreement which provides for the Authority to undertake certain duties and obligations concerning the development of the Redevelopment Area.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Linden that the Union County Improvement Authority is designated as the Redevelopment Agency for the Redevelopment Area; and

BE IT FURTHER RESOLVED that the Mayor and the City Clerk are hereby authorized to execute the attached Interlocal Services Agreement with the Union County Improvement Authority which sets forth the duties and obligations of the City and the Authority relative to the development of the Redevelopment Area in substantially the form attached hereto.

I hereby certify that the foregoing is a true copy of the Resolution adopted by the City Council of Linden at a meeting held on Jan. 2, 2002.

PASSED: JAN 2 2002

APPROVED: JAN 3 2001

ATTEST:

Nadine [Signature]
CITY CLERK

[Signature]
PRESIDENT OF COUNCIL
[Signature]
MAYOR

INTERLOCAL SERVICES AGREEMENT BY AND BETWEEN
THE UNION COUNTY IMPROVEMENT AUTHORITY AND
THE CITY OF LINDEN FOR THE PROVISION OF SERVICES
CONCERNING THE IMPLEMENTATION OF A
REDEVELOPMENT INITIATIVE IN THE CITY OF LINDEN

THIS INTERLOCAL SERVICES AGREEMENT, made this 2nd day of JAN, 2002 (the "Agreement") by and between the Union County Improvement Authority, a public body corporate and politic of the State of New Jersey (the "Authority") and the City of Linden, a municipal corporation in the State of New Jersey (the "City").

WITNESSETH:

WHEREAS, the Authority has been created by a resolution of the Board of Chosen Freeholders of the County of Union, New Jersey (the "County"), as a public body corporate and politic of the State of New Jersey, pursuant to and in accordance with the County Improvement Authorities Law, N.J.S.A. 40:37A-44 et seq., and the acts amendatory thereof and supplemental thereto (the "Improvement Authorities Law"); and

WHEREAS, the City has previously determined Block 254, a portion of Lot 14; Block 448, Lots 1, 2, 24, 25 and 26; Block 449, Lots 1, 2, 8, 9, 10, 11, 12, 13, 14 and 15; Block 457, a portion of Lot 39 and Lot 40; and Block 458, Lots 1, 2, 3, 4, 5.01, 5.02, 6, 7 and 8 to be an area in need of redevelopment pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq., also known as the South Wood Avenue Redevelopment Project Area (the "Redevelopment Area") and has previously adopted a redevelopment plan for said Redevelopment Area (the "Redevelopment Plan"); and

WHEREAS, in order to, among other things, provide for the development and implementation of a Redevelopment Plan in an effective and efficient manner, the City would like designate the Authority as Redevelopment Agency for the Redevelopment Area so that the Authority can take an active and primary role in the development of the Redevelopment Area, and assume certain other responsibilities necessary to carry out the City's redevelopment initiative; and

WHEREAS, the Authority would like to proceed with the planning, clearance, replanning, development and redevelopment of the Redevelopment Area and will work with the designated developer for said Redevelopment Area; and

WHEREAS, the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq. and the County Improvement Authorities Law authorize the City and the Authority to execute agreements by and among themselves providing for or relating to the planning, replanning and redevelopment of areas within their jurisdiction and to amend such agreements; and

WHEREAS, the City and the Authority have each duly authorized its proper officials to enter into and execute this agreement;

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

SCOPE

Section 1.01. Duties of the City. The City shall designate the Authority as the Redevelopment Agency for Block 254, a portion of Lot 14; Block 448, Lots 1, 2, 24, 25 and 26; Block 449, Lots 1, 2, 8, 9, 10, 11, 12, 13, 14 and 15; Block 457, a portion of Lot 39 and Lot 40; and Block 458, Lots 1, 2, 3, 4, 5.01, 5.02, 6, 7 and 8 (the "Redevelopment Area"). The City shall, at all times, act diligently upon, and work and cooperate with the Authority, to obtain the necessary approvals for all matters pertaining to this redevelopment initiative. The City shall, at all times, cooperate fully with the Authority and expeditiously respond to all Authority requests pertaining to this project. Notwithstanding the foregoing, it is understood by the parties that this Agreement shall in no way waive the City's statutory review and approval rights and obligations pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq.

Section 1.02. Duties of the Authority. As the Redevelopment Agency, the Authority shall, in consultation with the City, and with the assistance of an experienced project team:

- (1) negotiate a favorable Developers Agreement by and among the designated developer, the City and the Authority;
- (2) negotiate with the current property owners; and provide funding for, the acquisition of the property located within the Redevelopment Area;
- (3) exercise its eminent domain powers and assume responsibility for the relocation of tenants should the attempt at private negotiations fail;
- (4) conduct environmental studies as may be required or appropriate;
- (5) undertake demolition and clearance as may be required or appropriate;
- (6) provide project financing as may be required or appropriate;
- (7) supervise project development; and
- (8) anything else necessary to facilitate the Authority's active and primary role in the planning and implementation of the Redevelopment Plan.

The cost of such services by the Authority shall be repaid by the City after completion of the project pursuant to the terms and conditions of a repayment agreement between the City and the

Authority. Notwithstanding the foregoing, however, the Authority shall not be precluded from recovering the Authority's costs and expenses from any plan or project financing or from any source other than the City. During the performance of its duties, the Authority shall provide copies of all documents to the City and permit the City to participate in the negotiation process. The Authority shall, at all times, cooperate fully with the City and expeditiously respond to all City requests pertaining to this project.

Section 1.03. The parties agree to hold each other harmless for any loss, damage or claim incurred or asserted resulting from the negligence of either party in performing their duties and responsibilities under this Agreement.

ARTICLE II

MISCELLANEOUS

Section 2.01. Modifications. The provisions of this Agreement shall (a) constitute the entire agreement between the parties for or with respect to the matters described herein, and (b) be modified, unless provided herein to the contrary, only by written agreement duly executed by both parties.

Section 2.02. Headlines. Captions and headings in this Agreement are for ease of reference only and do not constitute a part of this Agreement.

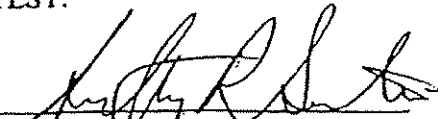
Section 2.03. Governing Law. This Agreement and any questions concerning its validity, construction or performance shall be governed by the laws of the State of New Jersey, irrespective of the place of execution of the Agreement or of the place or places of performance.

Section 2.04. Severability. In the event that any provision of this Agreement shall, for any reason, be determined to be invalid, illegal, or unenforceable in any respect, the parties hereto shall negotiate in good faith and agree to such amendments, modifications, or supplements of or to this Agreement or to such other appropriate actions as shall, to the maximum extent practicable in light of such determination, implement and give effect to the intentions of the parties as reflected herein, and the other provisions of this Agreement shall, as so amended, modified, supplemented, or otherwise affected by such action, remain in full force and effect.

Section 2.05. Execution of Counterparts. This Agreement may be executed in any number of counterparts each of which shall be executed by the City and by the Authority and all of which shall be regarded for all purposes as one original and shall constitute and be but one and the same.

IN WITNESS WHEREOF, the City and the Authority have caused their respective corporate seals to be hereunto affixed hereto and attested and this Agreement to be signed by their respective officers duly authorized and this Agreement to be dated as of the day and year first above written.

ATTEST:

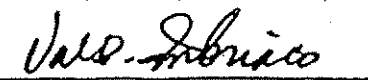
By: 
Anthony R. Scutari, Secretary

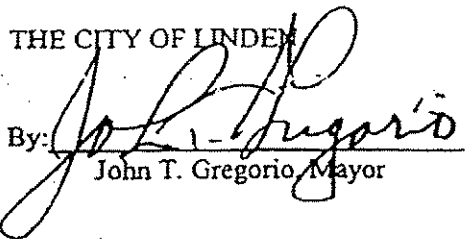
THE UNION COUNTY IMPROVEMENT
AUTHORITY

By: 
Walter Boright, Chairperson

[SEAL]

ATTEST:

By: 
Val D. Imbriaco, City Clerk

THE CITY OF LINDEN
By: 
John T. Gregorio, Mayor

[SEAL]

Exhibit K

RESOLUTION NO. 64-2003

Member Mesbiewicz introduced and moved the adoption of the following resolution and Member Scutari seconded the motion:

RESOLUTION OF THE UNION COUNTY IMPROVEMENT AUTHORITY ~~CONFIRMING THE DESIGNATION OF~~ VERGE PROPERTIES URBAN RENEWAL, LLC AS REDEVELOPER AND RATIFYING THE EXECUTION OF A REDEVELOPMENT AGREEMENT BETWEEN THE AUTHORITY, THE CITY OF LINDEN AND VERGE PROPERTIES URBAN RENEWAL, LLC FOR THE SOUTH WOOD AVENUE REDEVELOPMENT PROJECT IN THE CITY OF LINDEN

WHEREAS, the Union County Improvement Authority (the "Authority") has been created by a resolution of the Board of Chosen Freeholders of the County of Union (the "County") as a public body corporate and politic of the State of New Jersey, pursuant to, and in accordance with the County Improvement Authorities Law, N.J.S.A. 40:37A-44, et seq., and the acts amendatory thereof and supplemental thereto (the "Improvement Authorities Law"); and

WHEREAS, the City of Linden (the "City") has previously determined Block 254, a portion of Lot 14; Block 448 Lots 1, 2, 24, 25 and 26; Block 449, Lots 1, 2, 8, 9, 10, 11, 12, 13, 14 and 15; Block 457, a portion of Lot 39 and Lot 40; and Block 458, Lots 1, 2, 3, 4, 5.01, 5.02, 6, 7 and 8 to be an area in need of redevelopment pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq., also known as the South Wood Avenue Redevelopment Project Area (the "Redevelopment Area") and has previously adopted a redevelopment plan for said Redevelopment Area (the "Redevelopment Plan"); and

WHEREAS, the Authority and the City entered into an Interlocal Services Agreement in January 2002, whereby the Authority agreed to act as the Redevelopment Agency for the Redevelopment Area on behalf of the City of Linden; and

WHEREAS, on November 21, 2002, the City designated Verge Properties, LLC as the redeveloper of the South Wood Avenue Redevelopment Project; and

WHEREAS, on May 22, 2002, the Authority designated Verge Properties, LLC as the redeveloper of the South Wood Avenue Redevelopment Project since the Authority and redeveloper were making substantive progress negotiating the terms and conditions of a redevelopment agreement; and

WHEREAS, on September 18, 2002, the Authority authorized the execution of a redevelopment agreement between the Authority, the City and Verge Properties, LLC for the Redevelopment Area; and

WHEREAS, due to a variety of factors, the terms and conditions of the redevelopment agreement were only finalized in July 2003; and

WHEREAS, due to the passage of time between designation of Verge Properties, LLC, the authorization to execute the redevelopment agreement and the execution of the redevelopment agreement by the parties, the Authority must confirm the designation of Verge Properties Urban Renewal, LLC, the new entity created for purposes of entering into a Financial Agreement with the City for a long term tax exemption for the project and ratify the execution of the Redevelopment Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Union County Improvement Authority that it hereby confirms the designation of Verge Properties, LLC and Verge Properties Urban Renewal, LLC for the period from July 2002 to July 2003 and ratifies the execution of a redevelopment agreement between the Authority, the City of Linden and Verge Properties Urban Renewal, LLC, as the redeveloper, for the South Wood Avenue Redevelopment Project in the City of Linden.

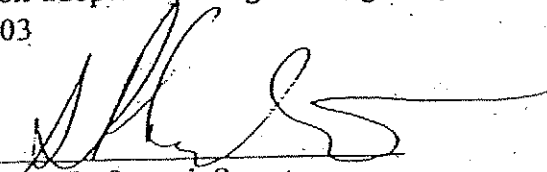
BE IT FURTHER RESOLVED, that the Chairman and Secretary are hereby authorized to execute any and all documents in order to effectuate the implementation and completion of the redevelopment project, subject to final review by counsel as to legal form and content.

The foregoing resolution was adopted by the following roll call vote:

Recorded Vote

NAMES	AYE	NO	ABSTAIN	ABSENT
Walter Boright, Chairman				✓
Peter Corvelli, Vice Chairman	✓			
Anthony R. Scutari, Secretary	✓			
Joseph Miskiewicz, Treas.	✓			
Sebastian D'Elia, Member				✓
John Salerno, Member	✓			
Linda Hines, Member	✓			
Joan Ladines, Member				✓
Carolyn Vollero, Member	✓			

The foregoing is a true copy of a resolution adopted by the governing body of the Union County Improvement Authority on August 27, 2003


 Anthony R. Scutari, Secretary

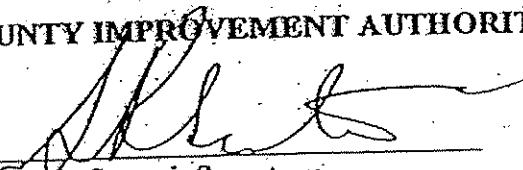
[Seal]

CERTIFICATION

I, ANTHONY R. SCUTARI, Secretary of the Union County Improvement Authority, HEREBY CERTIFY that the foregoing RESOLUTION OF THE UNION COUNTY IMPROVEMENT AUTHORITY CONFIRMING THE DESIGNATION OF VERGE PROPERTIES URBAN RENEWAL, LLC AS REDEVELOPER AND RATIFYING THE EXECUTION OF A REDEVELOPMENT AGREEMENT BETWEEN THE AUTHORITY, THE CITY OF LINDEN AND VERGE PROPERTIES URBAN RENEWAL, LLC FOR THE SOUTH WOOD AVENUE REDEVELOPMENT PROJECT IN THE CITY OF LINDEN is a true copy of a resolution adopted by the governing body of the Improvement Authority on August 27, 2003.

UNION COUNTY IMPROVEMENT AUTHORITY

By: _____


Anthony R. Scutari, Secretary

Dated: _____, 2003

8-27 -

2003

Exhibit L

REDEVELOPMENT AGREEMENT

BETWEEN AND AMONG

**THE UNION COUNTY IMPROVEMENT AUTHORITY,
Designated as the Redevelopment Entity
for the South Wood Avenue Redevelopment Area
by the City of Linden, New Jersey**

AND

THE CITY OF LINDEN

AND

VERGE PROPERTIES URBAN RENEWAL, LLC, as Redeveloper

DATED: August 15, 2003

Record & Return To:

Francis X. Regan, Esq.
DeCotiis, FitzPatrick, Cole & Wisler, LLP
GlenPointe Centre West
500 Frank W. Burr Boulevard
Teaneck, New Jersey 07666

THIS AGREEMENT (the "Agreement") made as of this 15th day of August, 2003 by
and among

THE UNION COUNTY IMPROVEMENT AUTHORITY, a body corporate and politic of the State of New Jersey, having its offices at 300 North Avenue, Westfield, New Jersey 07090, designated as the redevelopment entity by the City of Linden New Jersey (hereinafter referred to as the "Authority");

and

THE CITY OF LINDEN, a municipal corporation of the State of New Jersey, having an address 301 North Wood Avenue, Linden, New Jersey 07036 (hereinafter referred to as the "City");

and

VERGE PROPERTIES URBAN RENEWAL, LLC, formerly known as Verge Properties, LLC, a New Jersey Limited Liability Company, having its offices at 16 West Elizabeth Avenue, Linden, New Jersey 07036 (hereinafter referred to as the "Redeveloper")

WITNESSETH:

WHEREAS, in accordance with the criteria set forth in the Local Redevelopment and Housing Law, as amended and supplemented, N.J.S.A. 40A:12A-1 et seq. (the "Local Redevelopment and Housing Law"), the City of Linden, New Jersey (the "City") by Resolution dated November 22, 2000 designated an area in need of redevelopment now known as the South Wood Avenue Redevelopment Area (the "Redevelopment Area"), and by Ordinance #44-20

approved on October 17, 2001, the City adopted a redevelopment plan for the area entitled the South Wood Avenue Redevelopment Plan (as may be further amended and supplemented from time to time, the "Redevelopment Plan"); and

WHEREAS, a copy of the Redevelopment Plan, as constituted on the effective date of this Agreement, has been filed in the Office of the Clerk of the City located at 301 North Wood Avenue, Linden, New Jersey and is annexed hereto as Exhibit A; and

WHEREAS, the Redevelopment Area presently includes certain lands roughly fronting on South Wood Avenue from the railroad right-of-way to the west and Morris Avenue to the east, which is also known as Block 254, a portion of Lot 14; Block 448, Lots 1, 2, 24, 25 and 26; Block 449, Lots 1, 2, 8, 9, 10, 11, 12, 13, 14 and 15; Block 457, a portion of Lot 39 and Lot 40; and Block 458, Lots 1, 2, 3, 4, 5.01, 5.02, 6, 7 and 8, as shown on the official tax map of the City ; and

WHEREAS, by Resolution adopted on January 3, 2002, the City authorized the execution of an Interlocal Services Agreement wherein the City designated the Authority as the redevelopment agency for the Redevelopment Area for the purpose of selecting a redeveloper and negotiating a redevelopment agreement for the implementation of the Redevelopment Plan; and

WHEREAS, the Local Redevelopment and Housing Law authorizes the Authority 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 redevelopment; and

WHEREAS, in response to the City's request for developer proposals, the Redeveloper has made application to the City to be designated as the redeveloper for the Redevelopment Area

in accordance with the relevant provisions of the Redevelopment Plan, a copy of which application is annexed hereto as Exhibit B; and

WHEREAS, in furtherance of the objectives of the Redevelopment Plan, the Redeveloper has submitted a proposal for construction of approximately one hundred thirty four (134) units of residential development, 25,500 square feet of commercial space and approximately two hundred forty three (243) on-site parking spaces, together with related improvements and facilities (hereinafter referred to as the "Project" and defined more specifically below); and

WHEREAS, the City has reviewed the proposal of the Redeveloper and the concept plans and related submissions and has determined that it is in the City's best interests to select the Redeveloper as the designated redeveloper of the Redevelopment Area, subject to the negotiation and execution of an appropriate redevelopment agreement between Redeveloper, the City and the Authority; and

WHEREAS, by Resolution adopted by the City on November 21, 2001, the City conditionally designated the Redeveloper as the designated redeveloper for the Redevelopment Area for purposes of negotiating an agreement for the redevelopment of the designated area; and

WHEREAS, by Resolution adopted by the Authority on May 22, 2002, the Authority reaffirmed and approved the City's designation of the Redeveloper as the designated redeveloper for the Redevelopment Area for purposes of negotiating an agreement for the redevelopment of the designated area; and

WHEREAS, the Authority, the City and the Redeveloper have engaged in such negotiations, and the Authority and the City have determined that in furtherance of the

Authority's and the City's objectives to implement the redevelopment contemplated in the Redevelopment Plan, it is appropriate for the Authority, the City and the Redeveloper to enter into this Agreement for the construction of the Project; and

WHEREAS, as of the effective date of this Agreement, all of the parcels in the Redevelopment Area are privately owned by third parties; and

WHEREAS, in connection with the implementation of the Project, the Authority shall acquire all of the parcels in the Redevelopment Area and in accordance with the terms and conditions set forth in this Agreement, the Authority agrees to utilize the power of eminent domain which the Authority possess pursuant to the Local Redevelopment and Housing Law for the purpose of assisting in the redevelopment proposed in the Redevelopment Area; and

WHEREAS, in accordance with the terms of this Agreement, the Redeveloper will acquire from the Authority the parcels comprising the Redevelopment Area; and

WHEREAS, the Authority agrees to clear the Redevelopment Area and relocate any utility improvements or other infrastructure improvements located within the Redevelopment Area and Redeveloper agrees to construct the Project as generally depicted in the plans and related materials submitted to the Authority and the City in connection with the Authority's and City's selection of the Redeveloper as the redeveloper of the Redevelopment Area; and

WHEREAS, the parties desire to enter into this Agreement for the purpose of setting forth in greater detail their respective undertakings, rights and obligations in connection with the construction of the Project, all in accordance with the Redevelopment Plan, applicable law and the terms and conditions of this Agreement hereinafter set forth.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties, and for the benefit of the parties hereto and the general public, and further, to implement the purposes of the Local Redevelopment and Housing Law and the Redevelopment Plan, the parties hereto each binding itself, its successors and assigns, do hereby covenant and agree each with the others as follows:

ARTICLE 1. DEFINITIONS

1.01. Definitions. The parties hereto agree that, unless the context otherwise specifies or requires, the following terms shall have the meanings specified below, such definitions to be applicable equally to both the singular and plural forms of such terms and to both the use of the upper or lower case initial letter of each word contained in such terms:

"Agreement" - means this Agreement for the South Wood Avenue Redevelopment Area, including all exhibits and schedules attached hereto, by and among the Authority, the City and Redeveloper as defined herein.

"Applicable Law" - means the federal, state and local laws, rules, regulations, statutes and ordinances applicable to the Project.

"Approved Final Site Plan" - means a site plan for construction of all or a portion of the Project, prepared and submitted by the Redeveloper, and approved by memorialized resolution of the Planning Board pursuant to the Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq., as required by the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-13.

"Authority" - means the Union County Improvement Authority, a public body corporate and politic of the State of New Jersey created by the Board of Chosen Freeholders of the County of Union, New Jersey, pursuant to and in accordance with the County Improvement Authorities Law, N.J.S.A. 40:37A-44 et seq. and the redevelopment entity designated by the City of Linden for the South Wood Avenue Redevelopment Area, together with any successors thereto.

"Certificate of Completion" - means a certificate acknowledging that the Redeveloper has performed its duties and obligations pursuant to this Agreement.

"Certificate of Occupancy" - means the certificate as defined in Chapter 23 of Title 5 of the New Jersey Administrative Code.

"Certificate of Regularity" - means a certificate acknowledging that the Authority has acquired property through condemnation in accordance with the Eminent Domain Law, N.J.S.A. 20:3-1 et seq. Such certificates are issued by State Capital Title and Abstract Company, 830 Bear Tavern Road, Trenton, New Jersey or a similar company which issues such certificates and may be required by a title company prior to the issuance of a title insurance policy for a property that has been acquired through condemnation.

"City" - means the City of Linden, a municipal corporation of the State of New Jersey.

"Contract Date" - means the date of full execution of this Agreement.

"County" - means the County of Union, New Jersey.

"Day" - means a calendar day of twenty-four hours measured from midnight to the next midnight. Whenever the word "days" is used in computing any period of time in this Agreement, the day of the act or event from which the designated period begins to run is not to be included.

The last day of the period so computed is to be included, unless it is a Saturday, Sunday or legal holiday, in which event the period runs until the end of the next day which is neither a Saturday, a Sunday or a legal holiday. In computing a period of time of less than seven (7) days, Saturday, Sunday and legal holidays shall be excluded.

"Eminent Domain" - means the "Eminent Domain Law", N.J.S.A. 20:3-1 et seq.

"Environmental Documents" - means all environmental documentation in the possession or control of the Authority concerning the Properties as defined herein, including, without limitation, all sampling plans, cleanup plans, sampling results, sampling result reports, data, diagrams, charts, maps, analyses, conclusions, quality assurance/quality control documentation, correspondence to or from any municipal, county, state or federal governmental authority, submissions or any other directives, orders, approvals and disapproval's issued by any municipal, county, state or federal governmental authority.

"Financial Agreement" - means the Financial Agreement dated June 17, 2003 between the City and the Redeveloper pursuant to the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., providing a tax abatement for the Project.

"Financial Institution" - means a bank, savings bank, savings and loan association, mortgage lender or insurance company, pension fund, real estate investment trust, investment bank or similarly recognized reputable source of construction and permanent financing for the Project, chartered under the laws of the United States of America or any State thereof.

"FIRPTA" - means the "Foreign Investment in Real Property Tax Act of 1980".

"Force Majeure" - means an act or acts of God, acts of the public enemy, floods, fires, epidemics, quarantine restrictions, earthquake, explosion, the elements, unusually severe

weather, war, blockage, security problems, insurrections, riots, mob violence or civil disturbance, acts of the federal government, acts of other parties, inability to procure or a general shortage of labor, equipment or facilities, energy, materials or supplies in the open market, failure of transportation, strikes, walkouts, boycotts, picketing, slow-downs, work stoppages or other labor actions affecting the rights or obligations of the Redeveloper, the City or the Authority hereunder, court orders, laws, rules, regulations or orders of governmental or public agencies, bodies and authorities, or any other similar cause not within the control of the Redeveloper.

“Good and Marketable Title” – means fee simple absolute title that is insurable at regular rates without special premium by the Title Insurer, subject only to title exceptions which the Redeveloper determines do not prevent the construction of the Project (the “Permitted Exceptions”).

“Governmental Approvals” – means any approvals, authorizations, permits, licenses and certificates needed from governmental authorities having jurisdiction, whether federal, state, county or local, to the extent necessary to implement the Project in accordance with the Redevelopment Plan and this Agreement.

“Interlocal Services Agreement” – means the Interlocal Services Agreement by and between the City and the Authority, dated January 2, 2002.

“NJDEP”: - means the New Jersey Department of Environmental Protection.

“Off-Site Improvements” - means all off-site improvements not within the Project Site, and any incidental work associated therewith, necessary for construction and operation of the Project, as reasonably determined by the City and the Redeveloper, limited to storm drainage, sewers and utilities.

“On-Site Improvements” - means all improvements within the Project Site, and any incidental work associated therewith, necessary for construction of the Project, as reasonably determined by the City, the Authority and the Redeveloper, including but not limited to grading, site drainage, walkways, hook-ups and service laterals from a building to the curb for water, storm and sanitary sewers, and other utilities, subsurface excavation and other site preparatory work, off-street parking, lighting within parking areas, landscaping and fire hydrants as shown on the Approved Final Site Plan.

“Phase” – means a portion of the Project designated as either Phase I, Phase II or Phase III.

“Phase I” – means the development of the Phase I Property.

“Phase II” – means the development of the Phase II Property.

“Phase III” – means the development of the Phase III Property.

“Phase I Property” – means the portion of the Redevelopment Area known and designated as Lots 1, 2 and 8 through 15 in Block 449 as shown on the official tax maps of the City.

“Phase II Property” – means the portion of the Redevelopment Area known and designated as Lots 1 through 4, 5.01, 5.02 and 6 through 8 in Block 458 as shown on the official tax maps of the City.

“Phase III Property” – means the portion of the Redevelopment Area known and designated as Lots 1, 2 and 24 through 26 in Block 448 as shown on the official tax maps of the City. Lot 23 in Block 448 shall also be included within the Phase III Property upon a finding that it constitutes an “area in need of redevelopment” pursuant to the Local Redevelopment and

Housing Law, provided that the Redevelopment Plan is first amended to reflect its inclusion within the Project Site.

"Planning Board" – means the Planning Board of the City of Linden and any successor thereto exercising similar functions in accordance with the Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq.

"Project Site" - means certain lands roughly fronting on South Wood Avenue from the railroad right-of-way to the west and Morris Avenue to the east, including the property known as all of Block 254, a portion of Lot 14; Block 448, Lots 1, 2, 24, 25 and 26; Block 449, Lots 1, 2, 8, 9, 10, 11, 12, 13, 14 and 15; Block 457, a portion of Lot 39 and Lot 40; and Block 458, Lots 1, 2, 3, 4, 5.01, 5.02, 6, 7 and 8, as shown on the official tax map of the City of Linden. Lot 23 in Block 448 shall also be included within the Project Site upon a finding that it constitutes an "area in need of redevelopment" pursuant to the Local Redevelopment and Housing Law, provided that the Redevelopment Plan is first amended to reflect its inclusion therein.

"Project" - means the development of the Project Site by the Redeveloper for the construction of approximately one hundred thirty four (134) residential units, 25,500 square feet of commercial space and approximately two hundred forty three (243) on-site parking spaces, together with related improvements and facilities, including On-Site Improvements.

"Properties" - means all parcels of real property within the Redevelopment Area to be acquired by the Authority and conveyed to the Redeveloper hereunder.

"Redeveloper" - means Verge Properties Urban Renewal, LLC, the redeveloper for the Redevelopment Area, and any permitted assignee or transferee in accordance with the provisions of this Agreement.

"Redevelopment Area" - means the South Wood Avenue Redevelopment Area designated as a redevelopment area by a resolution, adopted by the City Council of the City of Linden on November 22, 2000, as may in the future be amended by the City Council of the City for purpose of amending the Redevelopment Plan to include within the Redevelopment Area an additional parcel known and designated as Lot 23 in Block 448 on the official tax map of the City.

"Redevelopment Plan" - means the South Wood Avenue Redevelopment Plan prepared by Planners Diversified and adopted by Ordinance #44-20 of the City Council of the City of Linden on October 17, 2001, together with any amendments thereto.

"Relocation Assistance" - means relocation assistance required pursuant to the Workable Relocation Assistance Plan for the Redevelopment Area approved pursuant to N.J.S.A. 20:4-1 et seq., and other applicable laws and regulations.

"State" - means the State of New Jersey.

"Title Insurer" - means a title insurance company selected by the Redeveloper which is authorized to transact business in the State.

"Unforeseen Events" - means: any act, events or conditions or any combination thereof that is (i) unforeseeable as of the Contract Date; and (ii) outside of the control of the party relying thereon for justification for not performing an obligation or complying with any condition required of such party under the Agreement, including but not limited to acts of Force Majeure.

"Year" - means a period of time consisting of three hundred sixty-five (365) days, or 366 days in case of a leap year.

1.02. Interpretation. Whenever the context may require, any pronoun that is used in this Agreement shall include the corresponding masculine, feminine and neuter forms, and the singular shall include the plural and vice versa. Unless otherwise noted, the words "include", "includes" and "including" when used in this Agreement shall be deemed to be followed by the phrase "without limitation". The words "agree", "agreements", "approval" and "consent" when used in this Agreement shall be deemed to be followed by the phrase "which shall not be unreasonably withheld or unduly delayed", except or unless the context may otherwise specify.

1.03. Construction.

(a) All approvals, consents and acceptances required to be given or made by any person or party hereunder shall not be unreasonably withheld or delayed.

(b) Unless otherwise specifically provided for in this Agreement, all actions, approvals, consents and acceptances required by or for the Authority, shall require the approval, consent or acceptance, as applicable, of the Board of Commissioners.

(c) Unless otherwise specifically provided for in this Agreement, all actions, approvals, consents and acceptances required by or for the City, shall require the approval, consent or acceptance, as applicable, of the City Council.

(d) All notices to be given hereunder shall be given in writing and, unless a certain number of days is specified, within a reasonable time.

ARTICLE 2.

ACQUISITION AND CONVEYANCE OF PROPERTY

2.01. Purchase Agreement. The Authority and the Redeveloper acknowledge that the Project will be developed as a phased development in accordance with the terms of this Agreement, with the timing of the Redeveloper's obligation to acquire the parcels within the Redevelopment Area to correspond to the Phase of development to be implemented by the Redeveloper. Initially, Redeveloper will commence development of Phase I of the Project, with the order of development for subsequent Phases of the Project to be determined within the sole discretion of the Redeveloper. The Authority agrees that the Authority will initiate the process no later than thirty (30) days after the Contract Date and complete all efforts to acquire good and marketable title to the Phase I Property either through negotiation and contract or through the exercise of the power of eminent domain within six (6) months after the Contract Date. Upon notice by the Authority to the Redeveloper, with a copy to the City, that the Authority has been unable to complete all efforts to acquire title to the Phase I Property within six (6) months after the Contract Date, the Authority shall be given a three (3) month extension. For purposes of this Agreement, the Authority acknowledges and agrees that the Redeveloper's execution of this Agreement shall constitute the Notice of Determination to Proceed as to the Phase I Property as required by Section 3.07 herein. Subject to the terms and conditions of this Agreement, the Authority agrees to sell the Properties to the Redeveloper and the Redeveloper agrees to purchase the Properties described herein from the Authority and to pay the purchase price as set forth in this Agreement.

2.02. Properties. The Properties to be conveyed to the Redeveloper under this Agreement shall be delivered as vacant land, free of all improvements except certain utility infrastructure improvements identified by the Redeveloper as an acceptable appurtenance to the Properties and free of all materials, personal property and debris. The conveyance to the Redeveloper shall include any and all of the Authority's rights, title and interest relating to the Properties.

2.03. Project Site. The Project Site will include all of the Properties as described in this Agreement, however, the Redeveloper's obligation to develop the Project Site shall be limited only to those Properties the Authority conveys to the Redeveloper in accordance with the phasing schedule set forth in this Agreement.

2.04. The Project. The Project to be developed by the Redeveloper, as defined in Section 1.01 hereof, is the construction of a mixed-use development consisting of approximately one hundred thirty four (134) residential apartment units, 25,500 square feet of retail space, approximately two hundred forty three (243) off-street parking spaces, common areas, and the On-Site Improvements as defined in Section 3.15 hereof. The actual number of apartment units, square footage of retail space and parking spaces to be constructed is subject to the approval of the Planning Board.

2.05. Purchase Price. The purchase price for the Properties is Three Million Dollars (\$3,000,000), subject to adjustments in accordance with the terms of this Agreement. The purchase price shall be allocated to the Phases of the Project in accordance with the purchase price allocation as follows:

Phase I	\$1,100,000.00
Phase II	\$ 950,000.00
Phase III	\$ 950,000.00.

The purchase price shall be deemed to be a reimbursement to the Authority of all of the costs of acquisition of the Properties incurred by the Authority and shall be considered Project Costs (as defined in Section 2.06, below). The parties agree that irrespective of the actual costs incurred by the Authority in acquiring the Properties and conveying such Properties to the Redeveloper, the consideration to be paid by the Redeveloper for title to the Properties shall not exceed the purchase price set forth in the Section 2.05, except as set forth in Section 2.06.

2.06. Project Costs. The parties acknowledge that there will be various costs associated with the Project, which shall include, but not be limited to, the following:

(a) the price paid or to be paid to the property owner of each parcel making up the Properties, which shall be the just compensation value determined by the condemnation process either in bona-fide negotiations with the property owner or as a result of the proceedings before the condemnation commissioners or court;

(b) costs associated with any demolition required on the Property;

(c) costs associated with the investigation and remediation of all environmental conditions on the Property necessary for the implementation of the Redevelopment Plan and approval of all applicable regulatory agencies;

(d) costs and fees incurred in complying with the Local Redevelopment and Housing Law and the Eminent Domain Law, including but not limited to professional services, expert fees, inspections, appraisals, environmental investigations, court deposits (required by

N.J.S.A. 20:3-18) and court costs and fees associated with bona-fide negotiations, commissioner hearings, court proceedings and challenges to Property acquisitions;

(e) costs and fees incurred in complying with Relocation Assistance, including but not limited to, the relocation assistance paid to residents and businesses displaced by the Project, the fees of the relocation consultant, legal fees and all costs and fees of governmental agencies overseeing the relocation process;

(f) any other reasonable and appropriate out-of-pocket expenses incurred by the Authority and/or the City which are associated with the Project, which shall include, but not be limited to, all fees and costs of professional legal, technical or financial consultant, contractor or vendor necessary for the Project; and

(g) if applicable, all financing costs incurred by Authority and/or the City in the financing of the Project Costs, including, but not limited to, costs in connection with the sale of project notes, capitalized interest, bond counsel fees, underwriting costs, other financing consultant fees, printing, and any rating agency fees (hereinafter subparagraphs (a) through (g) shall be collectively referred to as the "Project Costs").

Project Costs may include any costs incurred by the Authority or the City prior to the execution of this Agreement, including any costs related to the acquisition of the Property by the Authority prior to effective date of this Agreement.

The Authority agrees that all Project Costs will be funded by the Authority to an amount not to exceed the sum of Six Million Five Hundred Thousand Dollars (\$6,500,000.00), to be offset in part by a reimbursement from the Redeveloper upon payment of the purchase price set forth in Section 2.05 herein. The City agrees to repay the Authority up to Three Million Five

Hundred Thousand Dollars (\$3,500,000) of Project Costs pursuant to the terms of a repayment agreement and repayment schedule to be approved by the City and the Authority, which shall be required as part of the financing to be undertaken by the Authority to fund the Project Costs, as contemplated by the Interlocal Services Agreement. Said repayment agreement shall provide for a credit to the City in the amount of all Project Costs incurred directly by the City.

Should the Project Costs exceed \$6,500,000.00, the Redeveloper, at its option shall have the right to continue the Project, provided that the Redeveloper agrees to reimburse the Authority for the Project Costs that exceed \$6,500,000.00. However, in the event the Authority provides written notification to the Redeveloper, with a copy to the City, that the Project Costs have or will exceed \$6,500,000.00 (the "Cost Notification") and the Redeveloper does not exercise its option to continue the Project and agree to reimburse the Authority within thirty (30) days of the Redeveloper's receipt of the Cost Notification, the Authority may notify the Redeveloper and the City of its intent to terminate this Agreement immediately with respect to phases that have not commenced and the parties will have no further obligations, except as set forth in this Agreement.

The City shall not be responsible for any costs associated with any improvements necessary for the development and construction of the Project. Except as specifically set forth herein, the costs of developing the Project Site and of constructing all improvements thereon, including all required infrastructure improvements, shall be borne by the Redeveloper.

2.07. Payment of Purchase Price. The Redeveloper will pay the purchase price as follows:

- (a) Upon signing of this Agreement, the Redeveloper shall deposit a sum equivalent to five (5%) percent of the purchase price attributable to the Phase I Property. This sum, together with all other sums paid pursuant to Section 2.07(b), herein shall be referred to as the "Deposit".
- (b) Upon written notification to the Authority of the Redeveloper's intention to proceed with another Phase of development, the Redeveloper shall deposit a sum equivalent to five (5%) percent of the purchase price attributable to that particular Phase of the Project to be acquired by the Redeveloper.
- (c) Upon closing of title to a portion of the Property attributable to a particular Phase of development, the Authority shall be entitled to the release of the portion of the Deposit applicable to that Phase of the Project, which shall be credited against the purchase price to be paid for the applicable portion of the Property.
- (d) The balance of the Purchase Price is to be paid at closing of title for the Property in each Phase as follows:

Phase I	\$1,045,000.00
Phase II	\$ 902,500.00
Phase III	\$ 902,500.00

2.08. Deposit. The Deposit will be held in trust by DeCotiis, FitzPatrick, Cole & Wisler, LLP, attorneys for the Authority, until the closing of title as set forth in this Agreement or until otherwise directed in writing by the Redeveloper and Authority. The Deposit shall be held in an interest bearing account with all accrued interest to be credited to the purchase price at the time of the closing of title. Upon termination of the Agreement, in the absence of a default by the Redeveloper, the Deposit shall be returned to the Redeveloper by the Authority.

2.09. Time and Place of Closing. The closing of title to any Phase of the Property (the "Closing") will be scheduled upon the satisfaction of all contingencies contained in this Agreement, unless Redeveloper and Authority are not able to perform pursuant to the terms and conditions contained herein. Redeveloper and Authority agree that closing of title will occur within ten (10) days after notification by either party that all contingencies in this Agreement applicable to the Phase of the Property to be conveyed have been fully satisfied and forty-six (46) days have elapsed after publication of all Governmental Approvals; that the City has authorized the Planning Board to undertake a preliminary investigation with respect to whether Block 448, Lot 23 constitutes an "area in need of redevelopment" in accordance with the requirements of Section 4.07 herein; that the condition of the Property has not changed between the Contract Date and the time of Closing, other than as provided for in this Agreement; that all environmental compliance by the Authority has occurred; and that the representations of the Redeveloper and Authority, between the Contract Date and the time of Closing, have not changed and remain the same. The Closing will occur at 10:00 a.m. at the offices of the Authority or at such other time and place as the parties may agree.

2.10. Transfer of Ownership. At the Closing, the Authority will transfer ownership of the applicable portion of the Property to the Redeveloper. The Authority will give to the Redeveloper a properly executed Bargain and Sale Deed with Covenants Against Grantors Acts, an Affidavit of Title and any and all necessary documents required to satisfy the Title Insurer in order to receive good and marketable title to the Property. The Authority agrees that it shall present at the Closing a properly authorized resolution of the Board of Commissioners of the Authority authorizing the sale of the Property, together with any and all necessary documents required by the Title Insurer. The Property is sold free and clear of any encumbrances such as deeds of trust and mortgages, liens, judgments and any other similar charges for the payment of money, as well as the removal of any and all liens or other encumbrances, other than as provided for in this Agreement; and to the best of Authority's knowledge, is free of any matters which would unreasonably and substantially interfere with the use and development of the Property.

Title shall be as set forth in a title report secured by the Authority for the Redeveloper from the Title Insurer within thirty (30) days after acquisition of each parcel of the Property, subject to Redeveloper's reasonable approval. If the examination of the title report by the Redeveloper reveals objections and/or defects not constituting Permitted Exceptions, the Redeveloper shall give notice in writing to the Authority within twenty (20) days after the receipt of such examination of title (the "Title Notification"), which written notice shall specify such objections and/or defects. Upon receipt of the Title Notification, the Authority agrees to use its best efforts to invoke the powers to eminent domain pursuant to the Local Redevelopment and Housing Law to cure any title defects; however, in the circumstances in which the Authority is unable to remove any such objections to title or is unable to convey title to those portions of the

Project Site, the Redeveloper may accept title without abatement of the price or the cost attendant to the acquisition of that Phase of the Project.

ARTICLE 3.

REDEVELOPER'S RESPONSIBILITY

3.01. Planning, Design, Marketing and Redevelopment of Project. Upon making the determinations described in Section 3.06 below, the Redeveloper will undertake to plan, design, develop, market, and construct the particular Phase of the Project which the Redeveloper has decided is appropriate for development, except that pursuant to Section 2.01 and 3.07 hereof, execution of this Agreement by Redeveloper shall constitute the Notice of Determination to Proceed as to the Phase I Property. The Redeveloper shall develop and construct the Project in strict accordance with the Approved Final Site Plan, as may be amended from time to time with the written approval of the Planning Board pursuant to Section 3.17 hereof, and to the reasonable satisfaction of the City Engineer (as well as any other entity having jurisdiction) and shall not be deemed complete until approved as complete by the City. The Redeveloper shall use its best efforts to comply with the commencement dates and substantial completion dates for the Phase as indicated on the "Phased Development Schedule", below. The Redeveloper shall have the right to proceed with development of any Phase of the Project, or part thereof, sooner than the time of commencement of the development as set forth in the Phased Development Schedule with respect to that Phase. The dates listed below are subject to the assumptions referenced in this Agreement. Whenever projected dates included in the Phased Development Schedule are

referenced, the reference is to the schedule as it originally appeared in this Agreement, and any permitted extensions thereof.

PHASED DEVELOPMENT SCHEDULE*

<u>PHASE</u>	<u>COMMENCEMENT OF CONSTRUCTION NO LATER THAN</u>	<u>SUBSTANTIAL COMPLETION NO LATER THAN</u>
Phase I The Phase I Property (Lots 1, 2 and 8 through 15 in Block 449)	Three (3) months after obtaining Governmental Approvals for the Phase I Property and completion of Authority's acquisition of the Phase I Property on which that development will be undertaken (the "Phase I Approval Date")	Twenty four (24) months after the Phase I Approval Date
Phase II The Phase II Property (Lots 1, 2, 3, 4, 5.01, 5.02 and 6 through 8 in Block 458)	Three (3) months after obtaining Governmental Approvals for the Phase II Property and completion of Authority's acquisition of the Phase II Property on which that development will be undertaken (the "Phase II Approval Date")	Twenty four (24) months after the Phase II Approval Date
Phase III the Phase III Property (Lots 1, 2, and 23 through 26 in Block 448)	Three (3) months after obtaining Governmental Approvals for the Phase III Property and completion of Authority's acquisition of the Phase III Property on which that development will be undertaken (the "Phase III Approval Date")	Twenty four (24) months after the Phase III Approval Date

* The type of uses indicated for each Phase may vary as the Project proceeds and more is known about the market. Therefore, the uses indicated here are only the uses planned as of this time and the final uses to be developed will be controlled by the Redevelopment Plan and Section 3.01 herein.

Substantial Completion, as such term is used in this subsection, is defined to mean the issuance of certificates of occupancy or temporary certificates of occupancy for ninety (90%) percent of the residential units applicable to the Phase which was scheduled to have been completed by the Redeveloper in a given Phase, pursuant to the Phased Development Schedule set forth above. If Substantial Completion is achieved on or before the dates set forth on the Phased Development Schedule, the Redeveloper shall be granted an additional four (4) month period in which to complete the remainder of the development for that particular Phase of the Project. However, in the event that Substantial Completion of any Phase is prevented by adverse conditions affecting the real estate market, the Redeveloper shall, at least three (3) months prior to the date set forth on the Phased Development Schedule for completion of the Phase, make application to the Authority for a reasonable extension of time to complete the Phase. Upon presentation by the Redeveloper of evidence demonstrating, to the reasonable satisfaction of the Authority, that market conditions prevent Substantial Completion of the aforesaid Phase by the dates set forth on the schedule above, the Authority shall grant the Redeveloper a reasonable extension of time in which to complete the remainder of the Phase. The time for commencement or completion of any Phase of development shall, in any event, be extended for a period of time equal to any delay due to any of the causes set forth in Article 12 hereof, or as a result of any pending or threatened administrative procedures or litigation that may interfere with the Redeveloper's ability to begin or complete the construction of the Project.

The Authority agrees that if the Redevelopment Plan is not consistent with the Concept Plan submitted by the Redeveloper pursuant to Section 3.08 of this Agreement, it will request the City to consider and act upon amendments to the Redevelopment Plan. The Authority shall also request the City to complete such consideration and act upon the

amendments within three (3) months after receipt by the City of such an amendment request, including providing for an opportunity for referral to the Planning Board within that three (3) month time period. The Redeveloper's development will be in accordance with the Redevelopment Plan, as amended, and the Governmental Approvals described in Section 3.08 below.

3.02. Phasing; Acceleration. The Redeveloper will undertake development of the Project in order to meet the dates for completion of the portions of the Project described above in Section 3.01. The Redeveloper may accelerate the development of any Phase, regardless of the amount or percentage of work completed on the prior Phase or Phases, should Redeveloper elect to do so, by sending written notice to the Authority.

3.03. Acquisition of Property for Phased Development. Title to any portion of the Property will not be transferred by the Authority to the Redeveloper before (1) the Governmental Approvals described in Article 3 have been obtained; (2) the Redeveloper has submitted to the Authority reasonably satisfactory evidence that the Redeveloper has received conditional commitment(s) from financial institutions for construction and/or permanent financing for the development of the Properties in question; and (3) the Redeveloper has commenced marketing that Phase of the Project.

3.04. License Agreement for Marketing and Other Purposes. One (1) month after the Contract Date, the Authority agrees, subject to the provision of adequate insurance, to enter into a license agreement for the purpose of allowing Redeveloper or its representatives and/or agents onto the Property for any reasonable purpose related to development of the Property, including, but not limited to, testing, surveying, planning, designing, and marketing (for

marketing purposes, it is agreed that Redeveloper will be allowed to install and maintain on the licensed premises a trailer or other structure, subject to any required Governmental Approvals, for the purpose of marketing the development on any property owned by the City or the Authority at that time). In addition, one (1) month after the acquisition of Lots 5.01 and 5.02 in Block 458, the Authority agrees, subject to the provision of adequate insurance, to allow the Redeveloper to use the aforementioned portion of the Phase II Property for construction staging associated with the development of the Phase I Property, subject to any required Governmental Approvals. It being agreed by the Redeveloper that should it not proceed with Phase II of the Project, the Redeveloper shall be obligated to purchase Lots 5.01 and 5.02 in Block 458 from the Authority. The purchase price shall be determined by the Project Costs incurred by the Authority in acquiring Lots 5.01 and 5.02 in Block 458.

3.05. Amendments to Plan and Schedule. The parties acknowledge that, in light of changing economic conditions and changes in the relevant commercial and residential markets, as well as other factors, it may be appropriate to alter the type of development and the timing of the development required by the Redevelopment Plan and/or as set forth in the Phased Development Schedule.

It is agreed that the Phased Development Schedule shall be amended to extend the projected Substantial Completion dates if the tasks to be accomplished prior to the Redeveloper's performance are not completed by the dates anticipated. The extension should be limited to the amount of time by which the previously scheduled performance or event was delayed.

The Authority hereby confirms that it will, upon request of the Redeveloper, consider changes in the dates set forth in the Phased Development Schedule set forth in Section

3.01. The Authority agrees to consider and render a decision with respect to such a modification within forty-five (45) days of a written request by Redeveloper.

3.06. Determination Regarding Each Phase. Except with respect to the Phase I Property, for which execution of this Agreement by Redeveloper shall constitute the Notice of Determination to Proceed pursuant to Section 2.01 and 3.07 hereof, the Redeveloper shall determine whether to proceed with each Phase of the Project (including a separate determination for each phase) within ninety (90) days after the occurrence of the following conditions: (1) receipt of the Final Environmental Report (or if the NJDEP requires remediation to be undertaken, receipt of NJDEP's approval of a Remediation Plan, if that approval will be received later than the date when the Final Remediation Report is completed); (2) the completion of all of the Authority's Responsibilities described in Article 4 related to the Property for the Phase in question which would then be due to have been performed (excluding the acquisition of title as to all Properties); and (3) the receipt of conditional financing commitments for the financing of the construction of the Phase (provided, however, that the Redeveloper will be allowed no more than ninety (90) days after obtaining the Approved Final Site Plan with respect to that Phase to obtain such financing commitments). Notwithstanding anything stated above in this paragraph, the Redeveloper will not be required to commence construction of the Project on any given Phase until any and all necessary Environmental Remediation has been completed with respect to that Phase of the Project. Nothing contained in this Agreement shall prohibit the Redeveloper, in its sole discretion, from electing to proceed with a given Phase even if Environmental Remediation is ongoing.

In the event that the Redeveloper or the Authority elects in writing, within forty-five (45) days of receipt of the Final Environmental Report, to undertake an independent environmental testing and analysis ("Independent Analysis") which will involve testing and procedures which cannot reasonably be anticipated to be completed within one hundred eighty (180) days, the party electing to do the Independent Analysis shall be entitled to such additional time as may reasonably be required to complete the Independent Analysis and all scheduled dates which were to run from the receipt of the Final Environmental Report, including the dates for notice under this Section, will run from the date which is ninety (90) days after receipt of the Independent Analysis.

3.07. Notice. Notice of the Redeveloper's determination under Section 3.06 shall be in writing and shall be given to the Authority, with a copy to the City, no later than the dates described above in Section 3.06 ("Notice of Determination to Proceed"). In the event that a Notice of Determination to Proceed is not given on or before the expiration of the dates described above, the Authority may notify the Redeveloper and the City of its intent to terminate this Agreement sixty (60) days thereafter with respect to the particular Phase with which Redeveloper has not elected to proceed. Unless the Redeveloper sends a Notice of Determination to Proceed regarding that Phase before the exercise by the Authority of such termination right, after expiration of the sixty (60) day notice period, this Agreement shall be terminated consistent with the terms of Section 9.02 with respect to that Phase of the Project, whereupon this Agreement shall be deemed null and void with respect to such Phase, or part thereof.

3.08. Concept Plan and Permits. The Redeveloper shall submit to the Planning Board for its review an overall concept plan for development of the Redevelopment Area ("Concept

Plan"). The Concept Plan, as previously prepared by the Redeveloper and submitted to the City for consideration in conjunction with the Redeveloper's proposal to develop the Project Site, shall be submitted no later than sixty (60) days after the Contract Date. The submission and the review of the Concept Plan by the Planning Board pursuant to the Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq., shall not be binding upon the Planning Board or the Redeveloper and shall convey no legal rights to the Redeveloper. The Concept Plan, which represents the development proposal originally prepared and submitted to the City at the time of designation of the Redeveloper, may be modified to reflect the Redeveloper's increased familiarity with the site and the Authority's objectives relative thereto. The Concept Plan shall indicate the Redeveloper's most current plans for the Project, addressing the various planning considerations set forth in N.J.S.A. 40A:12A-7 which are relevant to the Project. With respect to land uses, the Concept Plan shall include alternative uses for specific sites, where Redeveloper is considering alternative uses, to allow flexibility to respond to increasing knowledge and information regarding the market. The Concept Plan shall include a preliminary phasing plan. To the extent that the Concept Plan is inconsistent with the Redevelopment Plan, the Authority agrees to request the City to consider amendment of the Redevelopment Plan, as referenced in Section 3.01.

The Redeveloper shall diligently prepare and file with those governmental authorities having jurisdiction, whether federal, state, county or local, applications for the Governmental Approvals for the Phases of the Project as defined herein, and the timing of those applications shall be designed to enable the Redeveloper to adhere to the projected Substantial Completion dates on the Phased Development Schedule. The Redeveloper shall pay all fees for

all permits and approvals required by any governmental agency, including the City, for the construction and development of the Project. The Redeveloper shall also timely pay to the City the payments in lieu of taxes as required by the Financial Agreement.

The City agrees to expedite processing of Redeveloper's applications for such Governmental Approvals issued by the City, and to support and encourage other governmental bodies or agencies that have jurisdiction to expedite processing of such applications within their respective jurisdictions, recognizing the public interest to be served by the Project. In the case of site plan applications, the Authority will make good faith efforts to encourage the Planning Board to cause such applications to be reviewed and acted upon within: four (4) weeks in the case of the model units and two (2) months in the case of the other Phase I, Phase II and Phase III development. In the case of building permit applications, the Authority will make good faith efforts to encourage the City to cause such applications to be reviewed and acted upon within: two (2) weeks in the case of the model units, and three (3) weeks in the case of the other Phase I, Phase II and Phase III development. The time periods in this subsection shall run from the time of submission of a completed application.

3.09. Preparation of Preliminary and Final Site Plan Applications. The Redeveloper shall, at its own cost, cause applications for preliminary and final site plan approval (respectively referred to as "Preliminary Site Plan Approval" and "Final Site Plan Approval") to be prepared by a licensed surveyor and/or engineer of the State of New Jersey (to be selected by Redeveloper) and submitted to the Planning Board. The Redeveloper shall submit with said applications all plans and other supporting materials necessary to have the applications deemed

complete in accordance with the ordinances of the City and the Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq., as the same may be amended from time to time.

The Redeveloper will be obligated to submit application for Preliminary Site Plan Approval within sixty (60) days after the Authority completes the necessary Property acquisition. At the time the Redeveloper submits its application for Preliminary Site Plan Approval, it further agrees to submit to the Authority and the City for approval, a construction cost breakdown for all ~~On-Site Improvements and Off-Site Improvements~~ applicable to the Phase of the Project evidenced in the application for development submitted for consideration. The construction cost breakdown for each Phase shall be attached to this Agreement as Exhibit C.

The parties have agreed to establish these time periods, which are triggered upon acquisition of Phases of the Property by the Authority, based upon the understanding that the Authority will not acquire the Phases of the Property for the Project until the following conditions have been met (and therefore the following conditions will also have been met prior to the time that the Redeveloper is required to submit site plan applications): (i) the completion of the Planning Board's review of the Concept Plan submitted pursuant to Section 3.06 of this Agreement; (ii) consideration and action by the City Council on any amendments of the Redevelopment Plan requested by the Redeveloper, if necessary, in order to permit development to proceed consistent with the Concept Plan; and (iii) the receipt of the Final Environmental Report for the particular Phase of the Property (or if NJDEP requires remediation to be undertaken, receipt of NJDEP's approval of a Remediation Plan, if that approval will be received later than the date when the Final Remediation Report is completed) and the commencement of Environmental Remediation for the applicable Phase of the Property (pursuant to a contract

which incorporates deadlines for completion and which has been fully funded). (The completion of Environmental Remediation will be a condition which must be satisfied before the Redeveloper shall be compelled to commence construction on such Phase of the Property). The timing of the submission of applications for Preliminary Site Plan Approval and Final Site Plan Approval shall also be designed to permit the Redeveloper to adhere to the requirement to substantially complete redevelopment consistent with the projected dates set forth in the Phased Development Schedule in Section 3.01. Nothing contained in this Agreement shall prohibit the Redeveloper from making application for such approvals at an earlier date than the date when all of the above listed conditions are met, if the Redeveloper elects to do so.

3.10. Applications: Extension. The times within which the Redeveloper is required to prepare applications for Governmental Approvals, including completion of preparation of applications for Preliminary Site Plan Approval and Final Site Plan Approval, are based upon current assumptions of the Redeveloper and the Authority as of the date hereof. If the Redeveloper is unable to meet such time deadlines due to delays not contemplated in such assumptions and/or to delays caused by circumstances beyond its control, the Redeveloper shall be entitled to extensions of time within which the preparation of such applications may be completed subject to the consent of the Authority, which consent shall not be unreasonably withheld.

3.11. Approvals: Extensions. It is anticipated that the Redeveloper shall be granted approval of its applications for Preliminary Site Plan Approval and Final Site Plan Approval on an expedited basis as described in Section 3.08 ("Approval Period"). If the Redeveloper shall be diligently pursuing, but shall not yet have obtained, final and unappealable approvals of all such

matters within the Approval Period, and shall not otherwise be in default under any provisions of this Agreement, the Redeveloper shall be entitled, without the payment of any charge or fee for such extension, to an extension of the Approval Period for a period of up to six (6) months, which extension shall be exercised by notice to the Authority, with a copy to the City, given at least ten (10) days prior to the end of the Approval Period (said six (6) month period being the "First Approval Extension Period"). If the Redeveloper shall still be diligently pursuing, but shall not yet have obtained, final and unappealable approval of all such matters within the First Approval Extension Period, and shall not otherwise be in default under any other provisions of this Agreement, the Redeveloper shall be further entitled, without the payment of any fee, to an extension of the Approval Period for an additional period of up to six (6) months, which extension shall be exercised by notice to the Authority with a copy to the City, given at least ten (10) days prior to the end of the First Approval Extension Period (said additional extension period being the "Second Approval Extension Period"). Notwithstanding the above, if the Approval Period or any extension thereof shall have expired, and the Redeveloper shall not have obtained the final and unappealable approval of any of the above applications, the Redeveloper shall have the right, exercisable by notice to the Authority, to terminate this Agreement, consistent with the terms of Section 9.02, whereupon this Agreement shall be null and void with respect to the Phase which was the subject of the application(s) which was not approved as aforesaid.

3.12. Required Amendments: Extension. Any provision of this Agreement to the contrary notwithstanding, in the event that, at any time prior to the expiration of the Second Approval Extension Period, the Redeveloper shall be required by any governmental authority to

make such amendments to any of the applications submitted as would constitute a substantial conceptual deviation from the Redevelopment Plan, the Redeveloper shall be entitled, by notice to the Authority, given at least thirty (30) days prior to the end of the Second Approval Extension Period, to extend the duration of the Second Approval Extension Period by an additional six (6) months so that the Second Approval Extension Period shall have a total duration of twelve (12) months. In such event, all other provisions of Section 3.11 shall be applicable with respect to the Second Approval Extension Period, as extended.

3.13. Reporting; Conditions of Approval. The Redeveloper shall, during the processing of the applications to obtain the Governmental Approvals, submit to the Authority with a copy to the City, at such times as the Authority may reasonably request, but not more frequently than monthly, a written report describing the status of the Governmental Approvals. If during the processing of such applications, the granting of such Governmental Approvals is conditioned upon any acts or forbearances on the part of the Redeveloper, and the Redeveloper determines, in its reasonable business judgment, that such condition or conditions, collectively or individually, prevent any Phase from being commercially viable, Redeveloper shall be under no obligation to accede to such conditions. In the event that the Governmental Approval is so conditioned as aforesaid, the Redeveloper may terminate this Agreement consistent with the terms of Section 9.02, provided that the Redeveloper sends written notice to the Authority, with a copy to the City, of the factors (including, but not necessarily limited to, time, amounts, results and reasoning) which led the Redeveloper to the conclusion to terminate and setting forth what conditions the Authority may oblige itself to perform which would change the Redeveloper's determination ("Authority's Additional Obligations"), within ninety (90) days of the event (or the

last event) which created the condition (or collective conditions) resulting in the absence of commercial viability. Upon the delivery of written notice to the Redeveloper of the Authority's agreement to perform the Authority's Additional Obligations, the Redeveloper's termination of this Agreement shall be rendered null and void.

3.14. Reciprocal Easements. All site plans maps prepared in accordance with this Agreement shall contain or reference appropriately located reciprocal easements pursuant to which the owners of any of the other Properties within the Redevelopment Area: (i) shall have, during the term of this Agreement, for use by themselves, their successors, assigns, invitees and guests, easements for access on, over, under and across the sidewalks and walkways within the Redevelopment Area for use by pedestrian traffic; and (ii) shall have the right of flow and passage through common utility facilities. As appropriate, declarations of reciprocal (or cross) easements, in form and content prepared by the Redeveloper, and subject to the approval of the Authority and the City, which approval shall not unreasonably be withheld or delayed, shall be executed and recorded for the purposes of implementing the provisions of this Section 3.14.

3.15. On-Site Improvements. The Redeveloper shall install and maintain, at its own expense, all On-Site Improvements. In the construction of these On-Site Improvements, the Redeveloper agrees to comply with the relevant municipal laws and regulations setting forth specifications applicable thereto. In addition, should the Redeveloper desire to relocate the above ground utilities underground as part of the Project, the Redeveloper shall do so at its own expense. The Authority and the City agree to cooperate with the Redeveloper in securing the necessary approvals to do such work.

3.16. Off-Site Public Improvements. The Redeveloper agrees to pay its pro-rata share to install any Off-Site Improvements necessary for construction and operation of the Project.

3.17. Project Modifications.

(a) The Redeveloper hereby acknowledges and agrees that the development and construction of the Project shall be in accordance with the Redevelopment Plan and in the event the Project undertaken is changed or modified, notwithstanding the fact that such change or modification is authorized by the Redevelopment Plan, the City's prior written approval must be secured prior to development of the altered Project. The City reserves its rights to contest any material modifications that may potentially arise in the course of the construction of the Project.

(b) The Redeveloper may not modify, alter or amend the Approved Final Site Plan at any time without the express prior written approval of the City and the Planning Board, subject to the provisions of Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq.; provided, however, that the Redeveloper may make those modifications, alterations and amendments to the Approved Final Site Plan that have been mutually deemed to be "minor" by the City (as evidenced by the prior written approval of the City Engineer and the City's Zoning Officer that such proposed modification is indeed minor) and Redeveloper.

3.18. Certificate of Occupancy and Certificate of Completion. Upon completion of the construction of any Phase of the Project in accordance with the Governmental Approvals, the Redeveloper may apply to the City for a Certificate of Occupancy for the improvements within the applicable Phase of the Project. The Certificate of Occupancy, when issued, shall constitute evidence that the Redeveloper has fully performed its obligations to construct the particular Phase of the Project. In addition, if requested by Redeveloper, the Authority agrees to issue a

Certificate of Completion, in proper form for recording, which shall acknowledge that the Redeveloper has performed all of its duties and obligations under this Agreement and has completed construction of the Phase of the Project in accordance with the requirements of this Agreement. The Certificate of Completion shall constitute a recordable conclusive determination of the satisfaction and termination of the agreements and covenants in this Agreement and in the Redevelopment Plan with respect to the Redeveloper's obligation to construct that Phase of the Project in accordance with this Agreement. Upon issuance of a Certificate of Completion, the conditions determined to exist at the time that portion of the Project Site was determined to be in need of redevelopment shall be deemed to no longer exist, and the land and improvements constituting that Phase of the Project and that portion of the Project Site shall no longer be subject to eminent domain, and the Redeveloper shall be released from the prohibition against assignment and transfer set forth in Article 7. If the Authority shall fail or refuse to provide the Certificate of Completion within thirty (30) days after written request by the Redeveloper, the Authority shall provide to the Redeveloper a written statement setting forth in detail the respects in which it believes that the Redeveloper has failed to complete the particular Phase of the Project in accordance with the provisions of this Agreement or is otherwise in default under this or any other applicable agreement and what reasonable measures or acts will be necessary in order for the Redeveloper to be entitled to a Certificate of Completion.

3.19. Option to Redevelop a Portion of Lot 39 and Lot 40 in Block 457. Upon the Redeveloper's determination to proceed with Phase III of the Project, the Redeveloper shall also determine whether it will exercise the option to redevelop a portion of Lot 39 and Lot 40 in Block 457, consistent with the Redevelopment Plan and this Agreement. The Redeveloper's

determination to exercise this option shall be contingent on the Authority's determination it will be unable to acquire all or a portion of the Phase III Property, for redevelopment due to unforeseen circumstances. It is hereby acknowledged and agreed by the Redeveloper that what is an unforeseen circumstance shall be in the sole determination of the Authority. The Authority shall be obligated to provide notice to the Redeveloper, with a copy to the City, that it will be unable to acquire all or a portion of the Phase III Property for redevelopment upon completion of **Phase II of the Project.**

3.20. Right of Access. The Redeveloper agrees that the City, the Authority and their duly authorized agents shall have such rights of access to the Project as may be reasonably necessary to perform inspections and for the proper maintenance of the Project in the event of failure by the Redeveloper to perform its obligations under this Agreement.

3.21. No Warranty of Condition or Suitability by City. The Redeveloper specifically acknowledges that the City makes no representation or warranty, expressed or implied or otherwise, as to the Project or the fitness for use for any particular purpose, condition or durability thereof, or that it will be suitable for the Redeveloper's purposes

3.22. Certificate of No Default. The Redeveloper shall deliver to the City, with a copy to the Authority on each anniversary of the date of delivery hereof, a certificate signed by its authorized representative to the effect that (a) the Redeveloper is not aware of any condition, event or act which constitutes a violation of this Agreement or which would constitute a default pursuant to Article 9 or Article 10 hereof, and (b) no condition, event or act exists which, with notice or lapse of time, or both, would constitute such a violation or default pursuant to Article 9 or Article 10 hereof; or (c) if any such condition, event or act exists, specifying the same.

ARTICLE 4.

AUTHORITY'S RESPONSIBILITIES

4.01. Timing of Land Acquisition, Relocation, Demolition and Clearance. The Authority agrees to complete the acquisition of Property, and any necessary relocation, and demolition and clearance by the following dates: (i) for Phase I, by the date which is six (6) months after the Contract Date, provided that upon notice by the Authority to the Redeveloper, with a copy to the City, that the Authority has been unable to complete all efforts to acquire title to the Phase I Property within six (6) months after the Contract Date, the Authority shall be given a three (3) month extension; (ii) for Phase II, within ninety (90) days after receipt of a Notice of Determination to Proceed issued with respect to the Phase II Property; and (iii) for Phase III, within ninety (90) days after receipt of a Notice of Determination to Proceed issues with respect to the Phase III Property.

If the Authority shall receive written notice from the Redeveloper of the Redeveloper's election to accelerate the development of any Phase or Phases, or part thereof, the Authority shall (1) commence the acquisition of the relevant Properties upon receipt of the Notice of Determination to Proceed from the Redeveloper, and expeditiously proceed to complete such acquisition and (2) commence and expeditiously proceed to the completion of the Authority's responsibilities with respect to said Phase(s), or portion thereof; provided, however, that the Authority may request further assurance that the Redeveloper will complete any uncompleted prior Phase(s).

The Authority agrees to immediately commence relocation efforts, demolition and clearance of the Phase of the Property which is the subject of a Notice of Determination to

Proceed. In connection with the Authority's obligation to provide for the demolition and clearance of the Property, the Authority agrees that in the interest of time and in an effort to minimize Project Costs, the Redeveloper shall have an opportunity to submit a written proposal for demolition and clearance services (the "Demolition Proposal"). Within ten (10) days of the issuance of a Notice of Determination to Proceed, the Authority shall request a written Demolition Proposal from the Redeveloper. If the Demolition Proposal is accepted by the Authority, upon completion of the demolition and clearance work by the Redeveloper the cost of such work shall be a credit against the purchase price for the particular Phase of the Property upon which such work was performed.

4.02. Environmental Testing. The Authority represents that it will cause a preliminary environmental study of the Redevelopment Area to be conducted and a report prepared ("Preliminary Study") and to cause to be prepared a Sampling and Analysis Plan ("Sampling Plan"). The Authority will also enter into an agreement, if necessary, for implementation of the Sampling Plan and for provision of a report which will: (a) summarize the results of all investigations; (b) compare the results with State cleanup standards and guidelines in order to determine whether remediation may be required; (c) determine whether additional investigation is required to further identify or delineate potential contamination; and (d) develop remedial measures based upon the investigation results ("Phase I Environmental Test Boring Report"), which report shall be completed within four (4) months of the Contract Date. If the Phase I Environmental Test Boring Report states that additional investigation is required to further identify or delineate potential contamination and to develop remedial measures ("Remedial Investigation"), or if either the Authority or the Redeveloper elects to undertake such additional

Remedial Investigation, a report shall be prepared following such additional testing, which report, if it contains the final results of the Remedial Investigation, shall be called the "Final Environmental Report." The Final Environmental Report (or receipt of NJDEP's approval of a Remediation Plan if NJDEP requires remediation to be undertaken and if that NJDEP approval will be received later than the date when the Final Remediation Report is completed) shall be completed within six (6) months of the Contract Date. (If the report does not contain the final results of the Remedial Investigation, it shall be called an "Interim Environmental Report" and shall be followed by further testing, investigation and another report which shall be called the "Final Environmental Report.")

4.03. Environmental Remediation. In the event that the Environmental Testing or the Environmental Reports described in Sections 3.06 and 4.02 above and/or any Independent Analysis or additional Remedial Investigation pursuant to the referenced Sections undertaken by either party, reveals the need for any remedial work, or in the event that it is necessary to undertake environmental remediation to comply with State or Federal statutes, including those imposing conditions on the transfer of land (in connection with ISRA compliance or otherwise (see Section 3.11)), the Authority shall, in accordance with the Authority's responsibility set forth in Section 4.04, pay for and implement the remediation of the affected Properties in accordance with a remediation plan which will satisfy relevant state and/or federal environmental standards, subject to the provisions of Section 4.04 below as to cost ("Environmental Remediation"). For the purposes of this Agreement, asbestos removal is included within the definition of Environmental Remediation. The Environmental Remediation of the Property is anticipated to be completed within four (4) months from receipt of the Final Environmental

Report (or receipt of NJDEP's approval of a Remediation Plan if NJDEP requires remediation to be undertaken and if that NJDEP approval will be received later than the date when the Final Remediation Report is completed).

4.04. ISRA Compliance. Prior to the Closing, the Authority shall apply for and seek to obtain a Letter of Non-Applicability ("LNA") from the NJDEP under the Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq. ("ISRA"), which concludes that ISRA is not applicable to the Phase of the Property to be transferred to the Redeveloper. In the event that the Authority is unable to obtain an LNA, then prior to the Closing and under the terms and conditions set forth below, the Authority shall obtain either (a) NJDEP's approval of the Authority's Negative Declaration Affidavit in the form of a No Further Action Letter, or (b) NJDEP's approval of a Remedial Action Work Plan ("RAWP") and shall remediate the affected Property in accordance with the RAWP.

4.05. Authority Responsibility For Costs of Environmental Remediation. The cost responsibility for Environmental Remediation shall be determined as to each Phase within the Project. The cost of Environmental Remediation required by this Agreement shall be paid by the Authority (i.e., the "Authority Responsibility"). If a portion of the Property within a Phase is in need of Environmental Remediation, it is agreed that the Authority will not be obligated to pay the owner(s) the full value for that Property as if the Property did not require remediation. Under those circumstances, therefore, the Authority will make the following amount available to remediate the Property: (a) the difference between the Fair Market Value of the Properties within the Phase as if clean, and (b) the value of the Property as it exists, i.e., in need of remediation. If the cost of Environmental Remediation exceeds the sum available, the Authority shall be

responsible for the same as a Project Cost, provided the costs of Environmental Remediation when added to other Project Costs, as defined in Section 2.06 herein, do not exceed \$6,500,000.00, in which case the provisions of Sections 2.05 and 2.06 herein shall apply.

4.06. Procedures for Authority's Property Acquisition. The Authority will acquire the Redevelopment Area parcels and, where applicable, will remove and relocate any tenants, licensees or other occupants thereof in full compliance with the requirements of the Relocation Assistance Law of 1967, N.J.S.A. 52:31B-1 et seq. and the Relocation Assistance Act of 1971, N.J.S.A. 20:4-1 et seq., as amended from time to time, and all rules, regulations and requirements promulgated pursuant to said law and act. The acquisition of parcels within the Redevelopment Area shall be subject to the following procedures:

(A) With respect to the acquisitions of Properties which are to be made by purchase, the Authority shall prepare a standard form of purchase agreement to be employed by it in such acquisitions and submit same to the Redeveloper and the Redeveloper's counsel for their consent, together with copies of any available appraisals, prior to execution by the Authority.

(B) In the event that the Authority is unable, for any reason, to purchase any Property within the Redevelopment Area necessary for the Project, the Authority shall institute condemnation proceedings for the acquisition of said Property in accordance with Eminent Domain and other applicable statutes. In connection with the condemnation proceedings, the Authority agrees to cause Certificates of Regularity, as defined herein to be obtained from the State by a title company licensed to do business in the State.

(C) The Authority shall promptly record any deeds of acquisition or other indicia of title in the land records of Union County.

(D) Prior to Authority's transfer of any portion of the Property to the Redeveloper, the Authority agrees to furnish to the Redeveloper such title reports, title insurance binders, maps, and any other title or survey information related to the specific Property to be transferred as the Authority has in its possession.

4.07. Amendment To Redevelopment Plan and Redevelopment Area. The City agrees, contemporaneously with execution of this Agreement, to authorize the Planning Board to undertake a preliminary investigation pursuant to the Local Redevelopment and Housing Law to determine whether the parcel known and designated as Lot 23 in Block 448 as shown on the official tax map of the City is an "area in need of redevelopment". If the Planning Board recommends that Lot 23 in Block 448 be declared an "area in need of redevelopment", the City Council promptly will make a determination in that regard and, if Lot 23 in Block 448 is deemed to be an "area in need of redevelopment", promptly will amend the Redevelopment Plan as may be appropriate to include said lot within the Redevelopment Plan. Irrespective of proceedings with respect to Lot 23 in Block 448, the City also agrees to introduce an ordinance to substitute within the Redevelopment Plan any reference to the number of stories in the buildings with a reference to the maximum building height not to exceed sixty (60') feet as defined in the Uniform Construction Code of the State, N.J.A.C. 5:23.. The Authority shall request the City to complete such consideration and act upon the amendments within sixty (60) days after the Contract Date.

ARTICLE 5.

DEED AND COVENANTS.

5.01. Declaration of Covenants and Restrictions. The Redeveloper agrees for itself, its successors and assigns that the Deeds from the Authority to the Redeveloper shall contain the covenants set forth in Section 5.02 and Article 7 of this Agreement, and those required by N.J.S.A. 40A:12A-9a, irrespective of whether or not included in Section 5.02 and Article 7 hereof, to be observed by the Redeveloper, its successors and assigns.

5.02. Description of Covenants. The covenants to be imposed upon the Redeveloper, its successors and assigns, and recorded in the Deeds, shall set forth that the Redeveloper and its successors and assigns shall:

- (a) Devote the Project Site to the uses specified in the Redevelopment Plan, as may be amended, and shall not devote the Project Site to any other use(s).
- (b) Not discriminate upon the basis of age, race, color, creed, religion, ancestry, national origin, sex, disability, or marital status in the sale, lease, rental, use or occupancy of the Project Site or any buildings or structures erected or to be erected thereon, or any part thereof; and
- (c) In the sale, lease or occupancy of the Project, not effect or execute any covenant, agreement, lease, conveyance or other instrument whereby the Project Site or any building or structure erected or to be erected thereon is restricted upon the basis of age, race, color, creed, religion, ancestry, national origin, sex, disability, or marital status, and the Redeveloper, its successors and assigns shall comply with all State and local laws prohibiting

discrimination or segregation by reason of age, race, color, creed, religion, ancestry, national origin, sex, disability or marital status.

5.03. Effect and Term of Covenants. It is intended and agreed, and the Deeds shall so expressly provide, that the agreements and covenants set forth in Section 5.02 shall be covenants running with the land and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Agreement, be binding, to the fullest extent permitted by law and equity, for the benefit and in favor of, and enforceable by, the Authority, its successors and assigns; and the Authority and any successor in interest to the Project Site, or any part thereof, against the Redeveloper, its successors and assigns and every successor in interest therein, and any party in possession or occupancy of the Project Site or any part thereof. It is further intended and agreed that the agreements and covenants set forth in Section 5.02(a) shall remain in effect until the expiration of the Redevelopment Plan (at which time such agreements and covenants shall cease and terminate) and that the agreements and the covenants provided in Sections 5.02(b) and (c) shall remain in effect without limitation as to time. The agreements and covenants provided in Section 5.02 shall be binding on the Redeveloper itself, each successor in interest to the Project, the Project Site, or any part thereof, and with respect only to Section 5.02(a), each party in possession or occupancy, only for such period as each respective party shall have title to, or an interest in, or possession or occupancy of the Project Site, the buildings and structures thereon or any part thereof.

5.04. Enforcement by Authority. In amplification, and not in restriction of, the provisions of this Article 5, it is intended and agreed that the Authority, the City and their successors and assigns shall be deemed beneficiaries of the agreements and covenants set forth in Section 5.02, both for and in their own right but also for the purposes of protecting the interests of the community and other parties, public or private, in whose favor or for whose benefit such agreements and covenants shall (and the Deeds shall so state) run in favor of the Authority for the entire period during which such agreements and covenants shall be in force and effect, without regard to whether the Authority or the City has at any time been, remains, or is an owner of any land or interest therein to or in favor of which such agreements and covenants relate. The Authority and the City shall have the right, in the event of any breach of any such agreement or covenant, to exercise all the rights and remedies and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which they or any other beneficiaries of such agreement or covenant may be entitled.

ARTICLE VI.

INSURANCE AND INDEMNIFICATION

6.01. Insurance. At all times following the execution of this Agreement and until the Project is available for its intended use, Redeveloper shall maintain or cause to be maintained at its own cost and expense, with responsible insurers, the following kinds and the following amounts of insurance with respect to the Project and any portion of the Project Site that may be owned or controlled by the Redeveloper, with such variations as shall reasonably be required to conform to customary insurance practice:

a. Builder's Risk Insurance for the benefit of Redeveloper, the Authority and the City, as their interests may appear, during the term of construction which will protect against loss or damage resulting from fire and lightning, the standard extended coverage perils, and vandalism and malicious mischief. The limits of liability will be equal to one hundred percent (100%) of the insurable value of the Project, including items of labor and materials connected therewith, whether in or adjacent to the structure insured, and materials in place or to be used as part of the permanent construction.

b. Comprehensive General Public Liability Insurance for the benefit of the Redeveloper, the Authority and the City, as their interests may appear, during the term of the Agreement and until the Project is available for its intended use, which shall protect against claims for personal injury (including but not limited to bodily injury or death of any person) or property damage occurring in or about the Project and any portion of the Project Site that may be owned or controlled by the Redeveloper, with limits of not less than Five Million and 00/100ths (\$5,000,000.00) Dollars for personal injury (including but not limited to bodily injury or death) to any number of persons, and property damage with limits of not less than Five Hundred Thousand and 00/100ths (\$500,000.00) Dollars.

c. Redeveloper's obligation to carry such insurance as to any particular Property shall commence when it acquires title to that Property and may terminate when a Certificate of Completion is issued for the improvements on that Property.

d. All insurance to be provided and kept in force by Redeveloper under the provisions hereof shall name as an additional insured the Authority and the City, as their respective interests may appear.

e. Unless otherwise agreed by the parties to this Agreement, or provided by its terms:

(1) all policies required hereunder shall be obtained by Redeveloper and certificates thereof shall be delivered to the Authority and the City at or before the acquisition of title to any Properties;

(2) all policies required hereunder shall be issued by insurance companies licensed to do business in the State of New Jersey with general policyholder's ratings of at least A and a financial rating of at least XI in the most current Best's Insurance Reports available on the Contract Date. If the Best's ratings are changed or discontinued, the Authority shall reasonably select an equivalent method of rating insurance companies.

(3) Redeveloper shall procure and pay for renewals of such insurance from time to time and the Redeveloper shall promptly deliver to the Authority and the City certificates thereof at least thirty (30) days before the expiration thereof; and

(4) all policies shall be for periods of not less than one (1) year and shall contain a provision whereby the same cannot be canceled unless the Authority and the City are given at least thirty (30) days prior written notice of such cancellation.

6.02. **Indemnification.** (a) Redeveloper agrees to indemnify and hold harmless the Authority and the City, their agents, servants, employees and/or representatives, as well as the general public, against, and the Redeveloper shall pay any and all liability, loss, cost, damage, claims, judgments or expenses, of any and all kinds or nature and however arising, imposed by law, which the Authority and the City may sustain, be subject to or be caused to incur by reason of any claim, suit or action based upon personal injury, death, or damage to property, whether

real, personal or mixed, relating to the Redeveloper's activities in constructing the Project or based upon or arising out of contracts entered into by Redeveloper which relate to construction of the Project, whether as a result of Redeveloper's default or out of the Redeveloper's acquisition, construction or installation of the Project, including but not limited to any and all claims by workmen, employees and agents of Redeveloper and unrelated third parties, which claims arise from the construction of the Project, the maintenance and functioning of the Project improvements, or any other activities of Redeveloper within the Project Site during the construction of the Project. The parties agree that neither the Authority nor the City, nor their directors, officers, agents, servants or employees shall be liable in any event for any action performed under this Agreement and that Redeveloper shall save the Authority and the City, their directors, officers, agents and employees harmless from any claim or suit by a third party in connection with Redeveloper's obligations under this Agreement, except for any claim or suit arising from the intentional or willful acts of the Authority or the City.

(b) Redeveloper, at its own cost and expense, shall defend any and all claims, suits and actions, as described in the preceding Section, which may be brought or asserted against the Authority and the City, their directors, officers, agents, servants or employees; but this provision shall not be deemed to relieve any insurance company which has issued a policy of insurance as may be provided for in this Agreement from its obligation to defend Redeveloper, the Authority and the City and any other insured named in such policy of insurance in connection with claims, suits or actions covered by such policy.

(c) Any cost for reasonable attorneys' fees in situations where it is necessary for the Authority and the City to engage their own attorneys, experts' testimony cost, and all

costs to defend the Authority and the City or any of its directors, officers, agents, servants, or employees shall be reimbursed to them by Redeveloper in connection with such indemnification claim.

(d) The Redeveloper releases the City and the Authority from, agrees that the City and the Authority shall not be liable for, and agrees to hold the City and the Authority harmless against any expense or damages incurred because of any lawsuit commenced as a result of any action taken by the City or the Authority in good faith with respect to this Agreement and the Project.

(e) Upon the commencement of any lawsuit referred to in this Section, or if and when the City or the Authority incurs any costs, expenses or damages described in this Section, the entity incurring same shall give the Redeveloper prompt written notice thereof.

(f) All covenants, stipulations, promises, agreements and obligations of the City contained in this Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any member, officer or employee of the City in his individual capacity and no recourse shall be had for any claim based hereunder against any member, officer or employee of the City or any natural person executing this Agreement.

(g) The covenants and other provisions of this Section 6.2 shall survive the termination of this Agreement as to claims arising prior to its termination.

ARTICLE 7.

PROHIBITION AGAINST ASSIGNMENT AND TRANSFER.

7.01. Prohibition Against Speculative Development. Due to the importance of the development of the Project Site to the general welfare of the community and the public aids that have been made available by law for the purpose of making such development possible, the Redeveloper represents and agrees that its acquisition of the Project Site, and its other undertakings pursuant to this Agreement are, and will be used for, the purpose of the redevelopment of the Project Site as provided herein and not for speculation in land holding.

7.02. Prohibition Against Transfers. The Redeveloper further represents and agrees for itself, its successors and assigns, that prior to completion of the Project and except only by way of security for and only for the purpose of obtaining the financing necessary to enable the Redeveloper or any successor in interest to the Project Site, or any part thereof, to perform its obligations with respect to completing the Project and any other purpose authorized by this Agreement, that the Redeveloper has not made or created, and that it will not, prior to the completion of the Project, make or create, or suffer to be made or created, any sale, lease, conveyance or other transfer, in any other mode or form, of the Project, the Project Site, or any portion thereof, or any interest therein, without the prior reasonable written approval of the Authority, excepting the transfers identified in Section 7.03 hereof.

7.03 Permitted Transfers and Encumbrances. The following transfers and encumbrances are exceptions to the prohibition set forth in Section 7.02 and shall not require prior approval by the Authority: (a) a mortgage or mortgages and other liens and encumbrances for the purposes of financing costs associated with the acquisition, development, construction

and marketing of the Project subject to Articles 7 and 8 hereof; (b) utility and other development easements; (c) leases to residential or commercial tenants of the individual residential units or commercial space within the Project, (d) any contract or agreement with respect to any of the foregoing exceptions, (e) environmental covenants and restrictions imposed by a regulatory agency as a condition of any permit or approval, and (f) a voluntary, involuntary, direct or indirect transfer or assignment of no more than ten percent (10%) of the partnership interests, membership interests, stock or other ownership interest in the Redeveloper, or any entity directly or indirectly owning no more than ten percent (10%) of the Redeveloper, in one or a series of transactions.

7.04. Restraints Against Transfer and Unauthorized Encumbrances. The Deeds shall contain a restriction against transfers as set forth in Section 7.02 and, in addition, shall provide that in the event of any attempted transfer in violation of the restriction in Section 7.02, the Authority, having power to approve the designation of any Redeveloper pursuant to the Interlocal Services Agreement, shall be entitled to the ex parte issuance of an injunction restraining such transfer, and the recovery of legal fees and related expenses of the Authority in connection with any such legal action. Upon the recording of the Deeds in the Office of the Union County Clerk, the provision affording such injunctive relief shall have the same force and effect as a Notice of Lis Pendens. The Authority acknowledges that upon the issuance of a Certificate of Completion as referenced in Section 3.17 herein as to any Phase of the Project, the prohibitions against transfer set forth in this Article 7 shall be of no further force and effect with respect to that particular Phase of the Project.

7.05. Conditions of Transfer. Except as otherwise provided in this Agreement, and except with respect to transfers permitted under Section 7.03 (a "Transfer"), the Authority shall be entitled to require, as conditions to the approval of any Transfer for which consent is required pursuant to Section 7.02, that:

(a) Any proposed transferee shall have the qualifications and financial responsibility, as reasonably determined by the Authority, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Redeveloper; and

(b) Any proposed transferee, by instrument in writing satisfactory to the Authority and in recordable form, shall, for itself and its successors and assigns, and expressly for the benefit of the Authority and the City, have expressly assumed all of the obligations of the Redeveloper under this Agreement and agreed to be subject to all the conditions and restrictions to which the Redeveloper is subject; and

(c) All instruments and other legal documents involved in effecting any transfer shall be submitted to the Authority for review and, if approved by the Authority, approval shall be indicated to the Redeveloper in writing with a copy to the City; and

(d) Any Transfer approved by the Authority shall release the Redeveloper from any further obligation under this Agreement from and after the closing of the approved Transfer, except as to any liability or obligation of the Redeveloper incurred prior to such Transfer and except as otherwise provided in this Agreement or in the written approval by the Authority; and

(e) The Redeveloper and its transferees shall comply with any other reasonable conditions that the Authority may find necessary in order to achieve and safeguard the purposes of the Redevelopment Plan; and

(f) Any proposed Transfer shall include a transfer of the rights and obligations under the Financial Agreement to another urban renewal entity pursuant to Paragraph 13 of the Financial Agreement and N.J.S.A. 40A:20-1 et seq., as same may be amended from time to time.

ARTICLE 8.

MORTGAGE FINANCING: RIGHTS OF MORTGAGEE.

8.01. Notice to Authority. Prior to the completion of any particular Phase of the Project, as certified by the Authority, neither the Redeveloper nor any successor in interest to that portion of the Project Site or any part thereof shall engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon that portion of the Project Site, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attach to the Project Site, except for the purpose of obtaining funds in connection with the Project. The Redeveloper or its successor in interest shall notify the Authority in advance of any financing, secured by mortgage or other lien instrument, which it proposes to enter into with respect to the Project Site or any part thereof and, in any event, the Redeveloper shall promptly notify the Authority of any encumbrance or lien that has been created on or attached to the Project Site, whether by voluntary act of the Redeveloper or otherwise, upon obtaining knowledge or notice of same. The provisions of this Section 8.01 shall not be deemed to grant to the Authority the right to approve or review the terms of any such proposed financing.

8.02. Completion of Project. Notwithstanding any of the provisions of this Agreement, including but not limited to those which are or are intended to be covenants running with the land, the holder of any mortgage authorized by this Agreement (including (a) any such holder who obtains title to the Project Site or such part from or through such holder or (b) any purchaser at foreclosure sale other than the holder of the mortgage itself) shall in no way be obligated by the provisions of this Agreement to construct or complete the Project or to guarantee such construction or completion; nor shall any covenant or any other provision in the Deeds be construed to so obligate such holder, provided that nothing in this Section or any other Section or provision of this Agreement shall be deemed or construed to permit or authorize any such holder to devote the Project Site or any part thereof to any uses, or to construct any improvements thereon, other than those set forth in the Redevelopment Plan and this Agreement.

8.03. Notice to Mortgagee. Whenever the Authority shall deliver any notice or demand to the Redeveloper with respect to any breach or default by the Redeveloper of its obligations or covenants under this Agreement, the Authority shall at the same time forward a copy of such notice or demand to each holder of any mortgage authorized by this Agreement at the last know address of such holder shown in the records of the Authority.

8.04. Mortgagee's Right to Cure Default and Assume Redeveloper's Obligations. After any breach or default referred to in Section 8.03 above, each holder of a mortgage authorized by this Agreement shall (insofar as the rights of the Authority are concerned) have the right, at its option, to cure or remedy such breach or default and to add the cost thereof to the mortgage, provided that, if the breach or default is with respect to construction of the Project, nothing contained in this Section or any other Section of this Agreement shall be deemed to

permit or authorize such holder, either before or after foreclosure or action in lieu thereof, to undertake or continue the construction or completion of the Project (beyond the extent necessary to conserve or protect the holder's security, including the improvements or construction already begun) without first having expressly assumed the obligation to the Authority and the City, by written agreement satisfactory to the Authority and the City, to complete, in the manner provided in this Agreement, the Project on the Project Site or the part thereof to which the lien or title of such holder relates. A holder who assumes the Redeveloper's obligations under this Agreement may request, and the Authority and the City shall consider, reasonable amendments to this Agreement. Any such holder who shall properly complete the Project or applicable part thereof shall be entitled to apply to the City for Certificates of Occupancy for the individual commercial structures and a comprehensive Certificate of Occupancy for the Project, and upon written request made to the Authority, to receive the Certificate of Completion as set forth in Section 3.17.

ARTICLE 9.

DEFAULT PRIOR TO CONVEYANCE TO REDEVELOPER.

9.01. **Initial Remedy.** Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement or any of its terms or conditions by any party hereto or any successor to such party, such party (or successor) shall, within thirty (30) days of receiving written notice from another, proceed to commence to cure or remedy such default or breach. In case such action is not taken or not diligently pursued, or the default or breach shall not be cured or remedied within a reasonable time, the aggrieved party may institute such proceedings as may

be necessary or desirable in its opinion to cure and remedy such default or breach, including, but not limited to, proceedings to compel specific performance by the party in default or breach of its obligations.

9.02. Remedies in the Event of Termination of Agreement. In the event that, prior to the conveyance of any particular Phase of the Project to the Redeveloper and in violation of this Agreement, the Redeveloper (or any successor in interest) assigns or attempts to assign this Agreement or any rights in the Project or the Project Site, contrary to the provisions of this Agreement, or does not accept the Deeds to the Property upon tender thereof by the County and/or the Authority pursuant to this Agreement, and if any default or failure referred to in this Section 9.02 shall not be cured within thirty (30) days after the date of written demand by the Authority, then this Agreement, and any rights of the Redeveloper or its assignee or transferee in this Agreement, or arising therefrom with respect to the Authority or the Project Site, shall, at the option of the Authority, be terminated and there shall be no further rights or obligations of the parties, except as expressly set forth in this Section 9.02. In the event of such termination, the Authority shall terminate the Redeveloper's designation as the Redeveloper of the Project and shall have the right to withdraw, to the extent possible, from purchase agreements and condemnation proceedings heretofore undertaken. The Redeveloper shall pay over to the Authority all of the costs and/or damages (including reasonable counsel fees) incurred by the Authority on account of the default of the Redeveloper and/or arising out of or resulting from the withdrawal of the Authority from any purchase agreement and/or condemnation proceeding. The Authority shall have the right to apply to the costs or damages incurred by the Authority as aforesaid, any funds of the Redeveloper in the hands of the Authority at the time of such default

and termination or returned to the Authority as the result of the Authority's termination or withdrawal from any purchase agreement or condemnation proceeding.

ARTICLE 10.

DEFAULT AFTER CONVEYANCE TO REDEVELOPER.

10.01. Authority's Remedies. In the event that, subsequent to the conveyance of a Phase of the Project Site by the Authority to the Redeveloper and prior to completion of that Phase of the Project as certified by the Authority:

(a) The Redeveloper or its successor in interest shall default in or violate its obligations with respect to the construction of the Project in a material respect (including failure to comply with the dates for the beginning and completion thereof), or shall abandon or substantially suspend construction work (unless such suspension arises out of delay set forth in Section 12.01 hereof), and any such default, violation, abandonment, or suspension shall not be cured, ended, or remedied within six (6) months (twelve (12) months if the default is with respect to the date for completion of the improvements) after written demand by the Authority to do so or such longer period if incapable of cure within such 6- or 12-month period, provided that Redeveloper has commenced and is diligently prosecuting such cure; or

(b) The Redeveloper or its successor in interest shall be in default of the Financial Agreement, fail to pay any real estate taxes, payments in lieu of taxes, or assessments on the Project Site or any part thereof when due, or shall place thereon any encumbrance or lien unauthorized by this Agreement, or shall suffer any levy or attachment to be made, or any materialmen's or mechanics' lien, or any other unauthorized encumbrance or lien to attach and

such real estate taxes, in-lieu payments, or assessment shall not have been paid, or the encumbrance or lien removed or discharged or provision satisfactory to the Authority made for such payment, removal, or discharge, within ninety (90) days after written demand by the Authority to do so, which 90-day period may be extended, at the Authority's sole discretion, if Redeveloper has diligently proceeded to remove the encumbrance; or

(c) There is, in violation of this Agreement, any transfer of the fee title to the Project or the Project Site and such violation shall not be cured within thirty (30) days after written demand served upon the Redeveloper by the Authority, unless extended in writing;

Then the Authority shall have the right at its sole and absolute discretion, upon ninety (90) days' notice to the Redeveloper and any mortgagee of the Redeveloper, with a copy to the City, to enter and take possession of the uncompleted portion of the Project and the Project Site. The Redeveloper shall, simultaneously with the Authority's entering and taking of possession of the uncompleted portion of the Project, execute and deliver a Deed to the Authority for that portion of the Project and, upon the failure of the Redeveloper to do so within fifteen (15) days after written demand therefor by the Authority, the Authority shall have the right as the attorney-in-fact for the Redeveloper to execute and deliver a Deed to the Authority for the applicable portion of the Project, the Redeveloper hereby irrevocably appointing the Authority as its attorney-in-fact for the purpose of making such conveyance, this power of attorney being a power coupled with an interest. Upon the occurrence of such conveyance, this Agreement shall be deemed terminated and there shall be no further rights or obligations of the parties except as expressly set forth in this Section 10.01 and Section 10.02. This provision shall be entered in the Deeds. Any vesting of the title in the Authority as aforesaid shall always be subject to and

limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by this Agreement for the protection of the holders of such mortgage.

10.02. Resale of Project. Upon the vesting in the Authority of the title to any portion of the Project as provided in Section 10.01, the Authority shall, pursuant to the responsibilities under New Jersey law, use its best efforts to resell that portion of the Project (subject to such permitted mortgage liens as may exist against the Project). Such sale shall be made, as soon and in such manner as the Authority shall find feasible and consistent with the objectives of New Jersey law and of the Redevelopment Plan, to a qualified and responsible party or parties as determined by the Authority, who will assume the obligation of completing the Project or such other improvement in its stead as shall be satisfactory to the Authority and in accordance with the uses specified for the Project Site in this Agreement and the Redevelopment Plan. Upon any resale of the Project, the proceeds thereof shall be applied:

(a) First, to all reasonable costs and expenses incurred by the Authority, including but not limited to legal fees and related expenses incurred by the Authority and salaries of personnel, in connection with the possession of and revesting of title to the Project and the Authority's management and resale of the Project; all taxes, assessments, and water and sewer charges with respect to the Project or any part thereof; any payments made or necessary to be made to discharge any encumbrances or liens existing on the Project at the time of the vesting of title thereto in the Authority or to discharge or prevent from attaching, or being made, any subsequent encumbrances or liens due to obligations, defaults, or acts of the Redeveloper, its successors or transferees; any expenditures made or obligations incurred by the Authority with respect to the completion of the Project or any part hereof; and any amount otherwise owed to the Authority by

the Redeveloper and its successors or transferees in accordance with the terms of this Agreement;
and

(b) Second, to all reasonable costs and expenses incurred by the City, including but not limited to Project Costs and legal fees and related expenses incurred by the City in connection with the Project; all taxes, payments in lieu of taxes pursuant to the Financial Agreement, special assessments, and water and sewer charges owed to the City with respect to the Project, the Project Site or any part thereof; any expenditures made or obligations incurred by the City with respect to the completion of the Project or any part thereof; and any amount otherwise owed to the City by the Redeveloper and its successors or transferees in accordance with the terms of this Agreement or the terms of the Financial Agreement; and

(c) Third, to reimburse the Redeveloper, its successor or transferee, up to the amount equal to the Redeveloper's actual costs associated with the Project, including land acquisition, engineering, planning, site improvement, environmental review and cleanup, marketing and other project development costs, plus the reasonable value of all improvements constructed and paid for by the Redeveloper. Any balance remaining after such reimbursements shall be retained by the Authority as its property.

ARTICLE 11.

REPRESENTATIONS.

11.01. Redeveloper's Representations. The Redeveloper hereby makes the following representations and covenants:

(a) It has the legal capacity to enter into this Agreement and perform each of its undertakings herein set forth and as set forth in the Redevelopment Plan existing on the date of this Agreement.

(b) It is a duly organized and validly existing legal entity under the laws of the State of New Jersey and has duly adopted the necessary resolutions authorizing the execution and delivery of this Agreement and authorizing and directing the persons executing this Agreement to do so for and on its behalf.

(c) It agrees to accept title to the Properties as contemplated by and in this Agreement.

(d) To the best of its knowledge, there is no action, proceeding or investigation now pending, nor any basis therefor, known or believed to exist which (i) questions the validity of this Agreement or any action or act taken or to be taken by them pursuant to this Agreement; or (ii) is likely to result in a material adverse change in its authority, property, assets, liabilities or condition which will materially and substantially impair its ability to perform pursuant to the terms of this Agreement.

(e) The execution, delivery, or performance of this Agreement will not constitute a violation of any partnership and/or stockholder agreement or of any agreement, mortgage, indenture, instrument or judgment, to which it is a party.

(f) It shall diligently pursue and undertake the construction and development of the Project in a good, workmanlike manner and assure the completion of the Project within the time periods specified in this Agreement.

(g) It shall undertake the Project in strict accordance with the Local Redevelopment and Housing Law, the Approved Final Site Plan and the Redevelopment Plan, including those provisions restricting the permitted uses established therein which, pursuant to Article 5 hereof, shall be a covenant running with the land.

(h) It shall, in order to effectuate the purposes of this Agreement, make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions with any other persons, firms or corporations and in general do all things which may be requisite or proper for the construction and development of the Project in accordance with the approved site plan, this Agreement and the Redevelopment Plan.

(i) It shall use diligent efforts to obtain all Governmental Approvals requisite to the construction and development of the Project, including evidence satisfactory to the Authority and the City that the use of the Project is in compliance with all applicable State and Federal environmental statutes. The Redeveloper shall provide the City with copies of all Governmental Approvals necessary to construct and develop the Project within ten (10) days of their receipt. No construction in any Phase shall commence until the Redeveloper has secured and submitted to the City all Governmental Approvals necessary to develop and construct the Phase in question.

(j) It shall construct, improve, operate and maintain the Project in strict compliance with all governmental laws, ordinances, approvals, rules, regulations and requirements applicable thereto including, but not limited to, such zoning, sanitary, pollution and other environmental safety ordinances, laws and such rules and regulations thereunder as shall be binding upon the Redeveloper under applicable laws except during any period in which the Redeveloper, at its expense and in its name, shall be diligently, in good faith and by appropriate proceedings contesting such compliance with any of the aforesaid laws, ordinances, approvals, rules, regulations and requirements. This covenant shall survive the termination of this Agreement.

(k) It shall, upon completion of the construction and development of the Project, obtain all required occupancy permits and authorizations from appropriate authorities, if any be required, authorizing the occupancy and uses of the Project for the purposes contemplated hereby. It promptly shall provide to the City copies of all such required occupancy permits and authorizations (other than those issued by the City).

(l) It shall not suspend or discontinue its performance of its obligations under this Agreement or terminate this Agreement (other than in the manner provided for herein) for any reason, including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, commercial frustration of purpose, or any damage to or destruction of the Project; provided, however, nothing contained herein shall be construed to prevent or restrict the Redeveloper from asserting any rights which the Redeveloper may have against the Authority or City under this Agreement at law or in equity.

(m) Commencing on the date of the full execution of this Agreement and until a Certificate of Completion is issued by the City, it (i) shall maintain its existence; (ii) shall

continue to be an entity either organized under the laws of or duly qualified to do business in the State; (iii) shall not in one or more transactions dissolve, sell or otherwise dispose of all or substantially all of its assets or interest (direct or indirect) in the Project Site or Project; (iv) shall not consolidate with or merge into another business entity or permit one or more other business entities to consolidate with or merge into it; and (v) without the prior written consent of the City and the Authority, shall make no change (directly or indirectly) in its present ownership or operating control of greater than forty-nine percent (49%). With the express prior written consent of the City and the Authority, the Redeveloper without violating the provisions of this Section may consolidate with or merge into another business entity or permit one or more other business entities to consolidate with or merge into it provided that the net worth after such merger, consolidation, sale or transfer is at least equal to or greater than that of the Redeveloper immediately prior to such merger, sale, consolidation or transfer; and, in the event the Redeveloper is not the surviving, resulting or transferee entity, as the case may be, such business entity (i) is a business entity either organized under the laws of or duly qualified to do business in the State and (ii) assumes in writing all of the obligations of the Redeveloper herein pursuant to an assumption agreement in form and substance satisfactory to the City and the Authority.

(n) It shall employ, or cause its contractors and subcontractors to employ, union labor which shall pay or cause to be paid to all workers employed in connection with the construction and completion of the "public work" (as such terms are defined in N.J.S.A. 34:11-56.26) portion of the Project (if any), not less than the prevailing rates of wages, as provided in the statutes applicable to the City's public work contracts, including without limitation N.J.S.A. 34:11-56.25, et seq. and valid regulations promulgated thereunder, to the extent legally required.

(o) It shall ensure that all consultants, professionals, employees, agents, contractors engaged by the Redeveloper or any of its affiliates shall have the skill and judgment necessary to implement the Project in compliance with the terms and conditions of this Agreement.

(p) All information and statements included in the application submitted by Redeveloper to the City for designation as redeveloper, a copy of which is annexed hereto as Exhibit B, is true and correct in all respects. The Redeveloper acknowledges that the facts and representations contained in said application are a material factor in the decision of the City and the Authority to designate the Redeveloper as redeveloper of the Redevelopment Area.

11.02. Authority's Representations. The Authority hereby makes the following representations and covenants:

(a) It has the legal capacity to enter into this Agreement and perform each of its undertakings herein set forth and as set forth in the Redevelopment Plan existing on the date of this Agreement.

(b) To the best of its knowledge, there is no action, proceeding or investigation now pending, nor any basis therefor, known or believed to exist which (i) questions the validity of this Agreement or any action or act taken or to be taken by it pursuant to this Agreement; or (ii) is likely to result in a material adverse change in its property, assets, liabilities or other conditions which will materially and substantially impair its ability to perform pursuant to the terms of this Agreement.

(c) The execution, delivery, or performance of this Agreement will not constitute a violation of any partnership and/or stockholder agreement or of any agreement, mortgage, indenture, instrument or judgment, to which it is a party.

(d) It will take no action to impair Redeveloper's completion of the Project within the time periods specified in this Agreement.

11.03. City's Representations. The City hereby makes the following representations and covenants:

(a) It has the legal capacity to enter into this Agreement and perform each of its undertakings herein set forth and as set forth in the Redevelopment Plan existing on the date of this Agreement.

(b) To the best of its knowledge, there is no action, proceeding or investigation now pending, nor any basis therefor, known or believed to exist which (i) questions the validity of this Agreement or any action or act taken or to be taken by it pursuant to this Agreement; or (ii) is likely to result in a material adverse change in its property, assets, liabilities or other conditions which will materially and substantially impair its ability to perform pursuant to the terms of this Agreement.

(c) The execution, delivery, or performance of this Agreement will not constitute a violation of any partnership and/or stockholder agreement or of any agreement, mortgage, indenture, instrument or judgment, to which it is a party.

(d) It will take no action to impair Redeveloper's completion of the Project within the time periods specified in this Agreement. The foregoing notwithstanding, nothing shall curtail the City's police power or its authority and jurisdiction over the issuance of permits and approvals required for the Project.

ARTICLE 12.

DELAYS.

12.01. Delays. For the purposes of any of the provisions of this Agreement, neither the Authority nor the City nor the Redeveloper, as the case may be, nor any successor in interest, shall be considered in breach of, or in default with respect to its obligations hereunder because of any enforced delay in the performance of such obligations, i.e., delay arising from causes beyond its reasonable control and without its fault or negligence, including, but not restricted to, Force Majeure and actions or inactions by any federal, state or local governmental or quasi-governmental authority with respect to the Governmental Approvals or the development of the Project (including, without limitation, a failure of the Authority to perform in accordance with the terms of this Agreement), if such actions or inactions are not caused by the Redeveloper. It is the purpose and intent of this provision that in the event of the occurrence of any such enforced delay, the time or times for performance of the obligations of the Authority, the City or the Redeveloper shall be extended for the period of the enforced delay.

ARTICLE 13.

WAIVER.

13.01. Waivers. No waiver made by any party with respect to the performance, or manner or time thereof, or any obligation of any other party or any condition to its own obligation of any other party or any condition to its own obligation under this Agreement shall be considered a waiver of any rights of the party making the waiver with respect to the particular

obligation of any other party or condition to its own obligation beyond those expressly waived in writing and to the extent thereof, or a waiver in any respect in regard to any other rights of the party making the waiver or any other obligations of any other party.

ARTICLE 14.

OTHER CONDITIONS OF AGREEMENT

14.01. Hiring of Contractors and Subcontractors. The Redeveloper, its contractors and subcontractors shall comply with all Federal, State, County and City statutes, ordinances, rules and regulations relating to affirmative action programs. In addition Redeveloper, its contractor and subcontractors shall to the extent permitted by law, make a good faith effort to use qualified City and/or Union County based contractors for construction of the Project. The Redeveloper shall encourage any tenants or occupants of the premises to do the same.

14.02. Redeveloper as "Good Neighbor". The Redeveloper will be affirmatively encouraged to become a "Good Neighbor" by participating in neighborhood, City and County civic organizations, community activities, job training programs, educational programs and youth and community service organizations.

14.03. Local Purchase of Supplies, Materials and Equipment. Whenever possible and/or and practicable, and to the extent permitted by law, the Redeveloper, its contractors and subcontractors shall purchase supplies, materials and equipment from businesses within the City and/or the County.

ARTICLE 15.

COOPERATION AND COMPLIANCE.

15.01. **Implementation of Agreement and Redevelopment Plan.** The parties hereto agree to cooperate with each other and to provide all necessary and reasonable documentation, certificates, and consents in order to satisfy the terms and conditions hereof and the terms and conditions of this Agreement. The Authority further agrees to take such action as may be reasonably requested by any mortgagee of Redeveloper in connection with obtaining financing for the Project; provided, however, that the reasonable cost of such action shall be borne by the Redeveloper.

15.02. **Enforcement of Agreement and Redevelopment Plan.** The parties hereto agree to cooperate with each other, furnish all necessary and reasonable documentation and take all necessary actions to assure compliance with the terms of this Agreement and the Redevelopment Plan.

ARTICLE 16.

PROVISIONS NOT MERGED WITH THE DEEDS.

16.01. **Non-Merger.** None of the provisions of this Agreement are intended to or shall be merged by reason of the Deeds transferring title to the Properties in the Project Site from the Authority to the Redeveloper or any successor in interest, and any such Deeds shall not be deemed to affect or impair the provisions and covenants of this Agreement.

ARTICLE 17.

NOTICES AND DEMANDS.

17.01. Notice. A notice, demand or other communication under this Agreement by any party to the other shall be sufficiently given or delivered if dispatched by United States Registered or Certified Mail, postage prepaid and return receipt requested, or delivered by overnight courier or delivered personally (and receipt acknowledged) to the parties at their respective addresses set forth herein, or at such other address or addresses with respect to the parties or their counsel as any party may, from time to time, designate in writing and forward to the others as provided in this Article 17.

Union County Improvement Authority
300 North Avenue
Westfield, NJ 07090
Attn: Executive Director

Copy to: Francis X. Regan, Esq.
DeCotiis, FitzPatrick Cole & Wisler, LLP
Glenpointe Centre West
500 Frank W. Burr Boulevard
Teaneck, NJ 07666

City of Linden
301 North Wood Avenue
Linden, New Jersey 07036
Attn: City Treasurer

Copy to: Lawrence A. Goldman, Esq.
Gibbons, Del Deo, Dolan, Griffinger & Vecchione
One Riverfront Plaza
Newark, New Jersey 07102-5496

Verge Properties Urban Renewal, LLC
16 West Elizabeth Avenue
Linden, NJ 07036
Attn: Dennis Valvano, III

Copy to: Jeffrey R. Rich, Esq.
Wilentz Goldman & Spitzer
90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095-0958

ARTICLE 18.

TITLE OF ARTICLES.

18.01. Title. The titles of the several Articles and Sections of this Agreement as set forth in the Table of Contents or at the heads of said Articles and Sections, are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

ARTICLE 19.

SEVERABILITY.

19.01. Severability. The validity of any Article, Section, clause or provision of this Agreement shall not affect the validity of the remaining Articles, Sections, clauses or provisions hereof.

ARTICLE 20.

SUCCESSORS BOUND.

20.01. Successors. The Agreement shall be binding upon the respective parties hereto and their successors.

ARTICLE 21.

GOVERNING LAW.

21.01. Governing Law. This Agreement shall be governed by and construed by the laws of the State of New Jersey.

ARTICLE 22.

SCHEDULES AND EXHIBITS

22.01. Schedules and Exhibits. Any and all Schedules and Exhibits annexed to this Agreement are hereby made a part of this Agreement by this reference thereto.

ARTICLE 23.

ENTIRE AGREEMENT.

23.01. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto and supersedes all prior oral and written agreements between the parties with respect to the subject matter hereof except as otherwise provided herein.

ARTICLE 24.

EFFECTIVE DATE.

24.01 **Effective Date.** Anything herein contained to the contrary notwithstanding, the effective date of this Agreement shall be the Contract Date as defined herein. The date of this Agreement shall be for identification purposes only and shall not be construed to imply that this Agreement was executed on any date other than the dates next to the respective signatures of the parties hereto.

24.02. **Term.** Unless otherwise terminated as provided herein, this Agreement shall remain in full force and effect from the Contract Date until the development and construction of the Project has been completed, as evidenced by the issuance of the Certificate of Completion, in accordance with the terms of this Agreement and the requirements of the approved final site plan.

ARTICLE 25.

MISCELLANEOUS PROVISIONS.

25.01. **Prior Agreements Superseded.** This Agreement, together with all agreements executed by the parties concurrently herewith, shall completely and fully supersede all other prior understandings or agreements, both written and oral, between the City and the Redeveloper relating to the construction of the development of the Project, the sole exceptions being the Financial Agreement and the Interlocal Services Agreement, both of which shall remain in full force and effect.

25.02. No Other Reliance. Each of the parties represents by execution of this Agreement that it has not relied upon any representations, oral or otherwise, of any of the other parties or their officers, agents or representatives, except for those representations which are explicitly set forth in this Agreement.

25.03. Conflict With Financial Agreement. To the extent any provisions of the Financial Agreement and this Agreement are inconsistent, both shall be given full force and effect to the greatest extent reasonably practicable. To the extent an actual conflict arises, the terms of the Financial Agreement shall control.

25.04. Conflict With Interlocal Services Agreement. To the extent any provisions of the Interlocal Services Agreement and this Agreement are inconsistent, both shall be given full force and effect to the greatest extent reasonably practicable. To the extent an actual conflict arises, the terms of this Agreement shall control.

25.05. Work Product. In the event this Agreement is terminated for any reason, all work product of the Redeveloper and of all other persons or firms with which the Redeveloper contracted in the performance of this Agreement, including but not limited to books; records; reports; architectural, engineering, and planning designs; environmental assessments; plans; and land use and development plans, shall, to the extent permissible pursuant to the agreements pursuant to which said work product was generated, be the property of the Authority and the City, and either shall be free to implement and otherwise use the ideas, knowledge, and work product in the ongoing development of the Project Site.

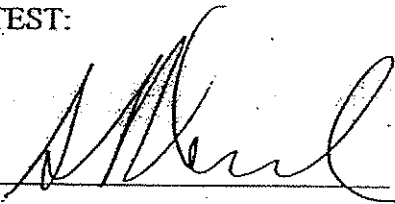
25.06. Recording and Filing. The Redeveloper shall promptly record this Agreement in the Union County Register's Office and pay the cost of recording. Said Redeveloper shall submit proof of recordation to the City as soon as reasonably possible.

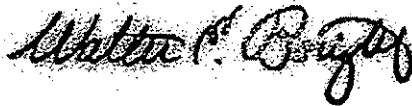
25.06. Execution of Counterparts. This Agreement may be executed in one or more counterparts and when each party has executed and delivered at least one counterpart, this Agreement shall become binding on the parties and such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have duly caused this Agreement to be executed and delivered as of the day and year first above written.

**THE UNION COUNTY
IMPROVEMENT AUTHORITY**

ATTEST:



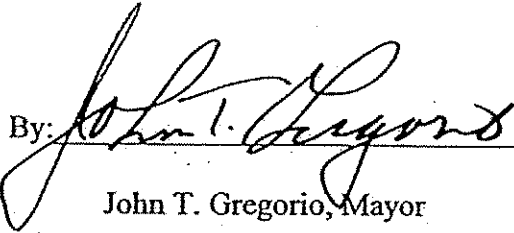

By: _____

Walter Boright, Chairperson

CITY OF LINDEN

ATTEST:

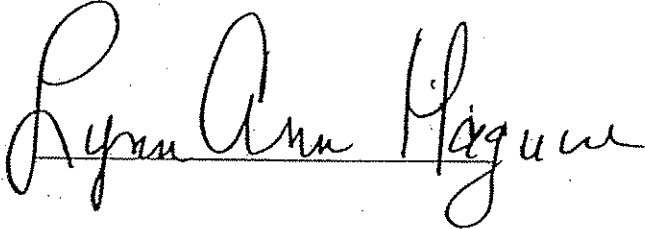



By: _____

John T. Gregorio, Mayor

**VERGE PROPERTIES URBAN
RENEWAL, LLC**

ATTEST:




By: _____

Dennis Valvano, III

Managing Member

STATE OF NEW JERSEY:

: SS

COUNTY OF UNION:

I CERTIFY that on the 27th day of August, 2003,

Anthony R. Scutari personally came before me, and this person acknowledged under oath, to my satisfaction, that:

- (a) this person is the Secretary of the Union County Improvement Authority, the authority named in this document;
- (b) this person is the attesting witness to the signing of this document by the proper officer who is, Walter Boright, the Chairman of the Union County Improvement Authority;
- (c) this document was signed and delivered by the Authority as its voluntary act duly authorized by a proper resolution of the Board of Commissioners of the Union County Improvement Authority;
- (d) this person knows the proper seal of the Authority which was affixed to this document seal; and
- (e) this person signed this proof to attest to the truth of these facts.

Signed and sworn to before me on

Aug. 27, 2003.

Ann Marie Carle

STATE OF NEW JERSEY:

: SS

COUNTY OF UNION:

I CERTIFY that on the 15th of August, 2003,

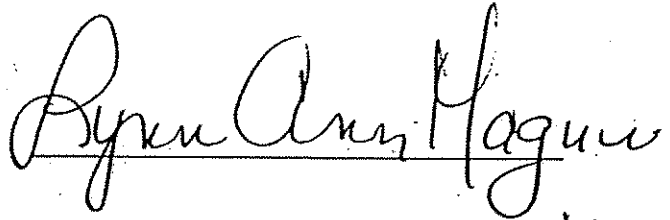
Val D. Imbriaco personally came before me, and this person acknowledged under oath, to my satisfaction, that:

- (a) this person is the Municipal Clerk of the City of Linden, the municipal corporation named in this document;
- (b) this person is the attesting witness to the signing of this document by the proper officer who is, John T. Gregorio, the Mayor of the City of Linden;
- (c) this document was signed and delivered by the City as its voluntary act duly authorized by a proper resolution of its City Council;
- (d) this person knows the proper seal of the City which was affixed to this document seal; and
- (e) this person signed this proof to attest to the truth of these facts.

Signed and sworn to before me on

Aug 15, 2003.

LYNN ANN MAGUIRE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires April 19, 2005



STATE OF NEW JERSEY:

: ss.

COUNTY OF UNION:

BE IT REMEMBERED, that on this 15th day of August, 2003, before me, the subscriber, personally appeared Dennis Valvano, III, who, I am satisfied, is the person who executed the within instrument as the Managing Member of Verge Properties Urban Renewal, LLC, a limited liability company of the State of New Jersey and the Company named in the within instrument, and thereupon acknowledge that the said instrument made by said Company, for the uses and purposes therein expressed, is the voluntary act and deed of said Company.

Dennis Valvano III

Wald. Imbricco

City Clerk of City of Linden

a _____, as the _____

of _____ (Seal)

EXHIBIT A
REDEVELOPMENT PLAN

Exhibit A

FIRST READING: 9/18/2001
2nd & FINAL READING: 10/16/2001

ORD. NO. 44-20

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
LINDEN, NEW JERSEY ADOPTING THE REDEVELOPMENT
PLAN FOR THE SOUTH WOOD AVENUE REDEVELOPMENT
PROJECT AREA.**

WHEREAS, pursuant to a resolution approved November 21, 2000, the City Council determined that the area generally known as the South Wood Avenue Redevelopment Area is an area in need of redevelopment pursuant to the provisions of the Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., (The "Act"); and

WHEREAS, the City council authorized the preparation of a Redevelopment Plan for such area, a copy of which is attached hereto as Exhibit A (The "Redevelopment Plan"); and

WHEREAS, pursuant to the Act, specifically N.J.S.A. 40A:12A-7(e), the Planning Board at its meeting of September 11, 2001, reviewed the Redevelopment Plan and directed its consultant to prepare a report, a copy of which is attached hereto as Exhibit B, to include an identification of the provisions, if any, in the proposed Redevelopment Plan which are inconsistent with the Master Plan of the City and any recommendations concerning any inconsistencies and any other matters deemed appropriate; and

WHEREAS, pursuant to the Act, the Planning board has transmitted to the City Council a copy of its report for the review of the City Council prior to the adoption of the Redevelopment Plan;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LINDEN, NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring) as follows:

Section 1. The Redevelopment Plan and the report of the Planning Board was discussed by the City Council upon receipt of said report, and said Redevelopment Plan, as set forth in Exhibit A, is hereby adopted.

Section 2. This Ordinance shall take effect at the time and in the manner provided by law.

PASSED: October 16, 2001

Robert F. Burk
President of Council

APPROVED: October 17, 2001

John T. Gregorio
Mayor

ATTEST:

Val D. Imbriaco
City Clerk

Certified to be a true and exact copy.

Val D. Imbriaco
City Clerk, City of Linden, N. J.

Date: JAN 8 2001

City of Linden, New Jersey
South Wood Avenue Redevelopment Project

EXHIBIT A

Redevelopment Plan

Prepared By:

Planners Diversified
September 2001
Revised September 12, 2001

City of Linden, New Jersey
South Wood Avenue Redevelopment Project

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Maps

Project Area Boundary Map

Land Acquisition Map

Land Use Plan Map

I. Designation of Area and Plan Development

A. Designation of the Redevelopment Area

The process, consistent with applicable state statutes, followed by the City in the determination as to the area's qualification and designation as "an area in need of redevelopment" was:

1. The Linden City Council, on April 18, 2000 authorized the Linden Planning Board to conduct a preliminary investigation as to whether the study area qualifies as "an area in need of redevelopment".
2. To assist the Linden Planning Board in its preliminary investigation, the City of Linden retained Planners Diversified and Planners Diversified retained DeCotiis, FitzPatrick, Gluck, Hayden & Cole to assist in conducting a study and survey of the area and prepare a report on the findings of the survey.
3. The Linden Planning Board held a public hearing on November 6, 2000, at which time the designation of the area as "an area in need of redevelopment" was considered.
4. Prior to the hearing, a legal notice was published in the City's official newspaper and a map of the area and statement as required by statute was prepared and the owners of record of the properties were duly notified of the hearing.
5. At the hearing, the Linden Planning Board considered information and objections both oral and written and incorporated them as part of the public record.
6. The Linden Planning Board, after due consideration of applicable documentation, recommended to the Linden City Council by resolution that the study area be designated as "an area in need of redevelopment".
7. After receiving the recommendation of the Linden Planning Board, the Linden City Council on November 21, 2000 adopted a resolution determining the area as "an area in need of redevelopment".

B. Redevelopment Plan Preparation Process

A Redevelopment Plan must be prepared and adopted by ordinance prior to undertaking any redevelopment project. The process, which is consistent with applicable state statutes, and followed by the City in the preparation of this Redevelopment Plan, may be summarized as follows:

1. The Linden City Council authorized the Linden Planning Board to prepare a Redevelopment Plan for the area.
2. To assist the Linden Planning Board, the City of Linden also retained Planners Diversified who drafted the required Redevelopment Plan.

3. The Linden Planning Board at their September 11, 2001 meeting considered the Redevelopment Plan and provided a report to the Linden City Council of its recommendation concerning the Redevelopment Plan including the specific recommendation that Lot 23 in Block 448 be added to the redevelopment area.
4. The Linden City Council will at their September 18, 2001 meeting consider the Redevelopment Plan for adoption as an ordinance.

II. Description of the Redevelopment Area

This Redevelopment Plan is applicable to the following properties as shown on the City's Tax Maps [# 101 & 104]; and is that area as shown on the attached "Project Area Boundary Map" and determined by the Linden Planning Board and the Linden City Council as "an area in need of redevelopment".

- Block 254 – A portion of Lot 14
- Block 448 – Lots 1, 2, 23, 24, 25 and 26
- Block 449 – Lots 1, 2, 8, 9, 10, 11, 12, 13, 14 and 15
- Block 457 – A portion of Lot 39 and Lot 40
- Block 458 – Lots 1, 2, 3, 4, 5.01, 5.02, 6, 7 and 8

The South Wood Avenue Redevelopment Project Area is generally described as follows:

Beginning at a point at the northwest corner of property designated on the tax maps of the City of Linden as Block 448, Lot 1; thence northerly along the southerly right-of-way line of Pennsylvania Railroad Avenue to a point at the southeast corner of property designated on the tax maps of the City of Linden as Block 448, Lot 1; thence easterly along the rear property lines or the extension of the rear property lines of properties fronting on South Wood Avenue and located in said Block 448 to the northerly right-of-way line of East Linden Avenue at a point at the southeast corner of property designated on the tax maps of the City of Linden as Block 448, Lot 23; thence easterly to the southerly right-of-way line of East Linden Avenue at a point at the northeast corner of property designated on the tax maps of the City of Linden as Block 449, Lot 2; thence easterly along said property line to the northeast corner of property designated on the tax maps of the City of Linden as Block 449, Lot 8; then easterly along said property line to the northerly right-of-way line of East Morris Avenue at a point at the southeast corner of property designated on the tax maps of the City of Linden as Block 449, Lot 8; thence southerly along said right-of-way line to the northerly right-of-way line of West Morris Avenue at a point at the southeast corner of property designated on the tax maps of the City of Linden as Block 458, Lot 8; thence southerly along said right-of-way line to a point at the southwest corner of property designated on the tax maps of the City of Linden as Block 458, Lot 8; thence westerly along the rear property lines or the extension of the rear property lines of properties fronting on South Wood Avenue and located in said Block 458 to the southerly right-of-way line of West Linden Avenue at a point at the southwest corner of property designated on the tax maps of the City of Linden as Block 458, Lot 1; thence westerly to the northerly right-of-way line of West Linden Avenue to a point at the southwest corner of property designated on the tax maps of the City of Linden as Block 457, Lot 40; thence westerly along the rear property line of said property to a point at the northwest corner of said property; thence southerly along the rear property lines of properties designated on the tax maps of the City of Linden as Block 457, Lots 41.01 and 41.02 to a point at the southwest corner of property designated on the tax maps of the City of Linden as Block 457, Lot 39; thence westerly along the

property line of property designated on the tax maps of the City of Linden as Block 457, Lot 43 to a point at the northeast corner of said property; thence southerly along the side property line of property designated on the tax maps of the City of Linden as Block 457, Lot 43 for approximately 60 feet or to a point directly opposite the southwest corner of property designated on the tax maps of the City of Linden as Block 254, Lot 14; thence westerly to a point at the southwest corner of property designated on the tax maps of the City of Linden as Block 254, Lot 14; thence westerly to a point at the northwest corner of said property along the Pennsylvania Railroad right-of-way; thence northerly along the Pennsylvania Railroad right-of-way to a point at the northeast corner of property designated on the tax maps of the City of Linden as Block 254, Lot 14; thence northerly to the point or place of BEGINNING.

III. Statement of Redevelopment Goals and Objectives

The South Wood Avenue Redevelopment Project Area contains a number of structures that exhibit structural and functional deficiencies and obsolescence. These conditions result in underutilized, stagnant or not fully productive properties that could be potentially more useful and a valuable resource contributing to and serving the community and region.

The City seeks to alleviate the conditions found in the redevelopment area and supports the use of property in the area in a manner that will better contribute to and serve the public health, safety and welfare of the community. To achieve this overall goal, the following redevelopment goals and objectives have been established:

A. Redevelopment Goals

The redevelopment goals the City wishes to achieve in the South Wood Avenue Redevelopment Project Area are as follows:

- The elimination of substandard structures which, by reason of dilapidation, deterioration, age, obsolescence and related factors, are unsafe and/or substantially impair the sound growth, planning and functioning of this area of the City.
- The revitalization of the area with the inclusion of land uses of appropriate type, scope and scale to meet the demands of the market area and taking into consideration the proximity of the area to the Linden Railroad Station.
- The stimulation of private investment in the area and the development of an attractive and visually appealing environment.
- The establishment of an economically viable area conducive to a wholesome living and working environment and beneficial to the safety, health and welfare of the community.

B. Redevelopment Objectives

Activities to be initiated in the South Wood Avenue Redevelopment Project Area will be undertaken in conformity with and will be designed to meet the following objectives of this Redevelopment Plan:

- The primary objective of this Redevelopment Plan is to eliminate those conditions that cause the area to be considered as an "area in need of

redevelopment", i.e. structures that are either substandard, functionally obsolete, or exert an adverse influence on the area.

- The stimulation of private investment in the redevelopment area by assembling redevelopment sites and assisting as necessary and appropriate to support redevelopment.
- The encouragement of a mixed-use development, which will include new housing and retail uses, and which will provide for increased employment opportunities, tax ratables and economic growth in this area of the City.
- The continued support of transportation initiatives through the renovation and upgrading of the Linden Railroad Station and the continued improvement of public parking facilities.
- The enhancement of the area by supporting a mixed-use development that can include retail commercial uses on the ground floor and residential uses on the upper floors. This type of development can serve as a means of expanding the urban vitality of the area, and developing an attractive and aesthetically pleasing environment for residents, workers, shoppers and commuters.
- The promotion of the health, safety and general welfare of the area through redevelopment of the parcels included in the redevelopment area.

IV. Proposed Redevelopment Area Land Uses and Building Requirements

The following permitted land uses and building requirements shall be applicable to the various development parcels in the South Wood Avenue Redevelopment Project Area:

A. Permitted Land Uses

The permitted uses are as shown on the attached "Land Use Plan Map". The uses permitted in the redevelopment area are:

- 1) Residential/Retail Commercial. This land use designation contemplates a mixed-use development that may include retail commercial uses on the ground floor and residential uses on the upper floors. The retail commercial uses are limited to ground floor personal and business service establishments, offices and restaurants.

The residential uses may be either rental or condominium units. At least two-thirds of the residential units shall be one-bedroom units and the remainder of the units shall not have more than two-bedrooms. None of the units shall have any form of rent subsidy.

- 2) Public. This land use designation contemplates renovation and upgrading of facilities at the Linden Railroad Station.

B. Additional Building Requirements

The following requirements shall be applicable to all development in the Residential / Retail Commercial area.

1) Building Height Requirements

The maximum building height shall be four stories and not exceeding 60 feet.

2) Density Requirements

The maximum dwelling unit density shall be 75 units per acre for buildings in excess of three stories and 50 units per acre for buildings not exceeding three stories in height.

3) Front, Side and Rear Yard Setback Requirements

There are no minimum setbacks.

4) Open Space and Landscaping Requirements

The minimum area devoted to landscaped open space shall be 10 percent of the total lot area however landscaped roof areas shall be considered as open space.

5) Off-Street Parking Requirements

Off-street parking serving the residential uses shall be provided in a ratio of one off-street parking space for each one bedroom dwelling unit and one and three-quarters off-street parking spaces for each two bedroom dwelling unit.

One off-street parking space shall be provided on-site for each dwelling unit and any additional off-street parking spaces that may be required may be provided off-site but within 500 feet of the proposed development.

Off-street parking serving the retail commercial uses shall be provided on-site in a ratio of one off-street parking space for each 500 square feet of gross building floor area devoted to retail commercial use.

Each off-street parking space shall have a minimum width of 9 feet, a minimum length of 18 feet and shall have direct access to an aisle that is no less than 24 feet in width. No parking space shall be located in the front yard setback area.

6) Off-Street Loading Requirements

Off-Street loading shall be provided for all buildings in excess of three stories in height in accordance with the following schedule:

- One off-street loading space for the first 25,000 square feet of total gross building floor area.
- One additional off-street loading space for each additional 50,000 square feet of total gross building floor area.

Each off-street loading space shall be at least 12 feet in width, 50 feet in length and have a height clearance of at least 14 feet and shall be separate from off-street parking facilities.

Additional Development Standards and Regulations

Development proposals for the South Wood Avenue Redevelopment Project Area shall comply with the following additional development standards and regulations.

1) Building Design

All buildings in their design and layout shall be an integral part of the total development for the parcel. The design of buildings must endeavor to achieve excellence in scale, form, functional utility, appropriateness and relationship to adjoining buildings.

2) Off-Street Parking Facilities

Off-street parking facilities shall be provided with convenient and safe access to public rights-of way and shall be illuminated so as to reflect light away from any adjoining property.

3) Signage

Signage shall be an essential and permanent component of the building design and shall be compatible with building materials and colors. Only signs that identify uses within the building are permitted.

V. Proposed Redevelopment Actions

Properties in the South Wood Avenue Redevelopment Project Area designated for acquisition in Section VI hereof may be acquired by either the Redeveloper or the City of Linden and all structures on the acquired lands will be demolished.

The Redeveloper will be required to redevelop the sites in accordance with the provisions of this Redevelopment Plan.

VI. Identification of Proposed Land Acquisition and Building Demolition

Pursuant to this Redevelopment Plan, all parcels shown for acquisition on the "Land Acquisition Map" may be acquired, structures thereon demolished, and the assembled sites developed in accordance with the provisions of this Redevelopment Plan.

The following properties as shown on the "Land Acquisition Map" will be acquired:

- Block 448 – Lots 1, 2, 23, 24, 25 & 26
- Block 449 – Lots 1, 2, 8, 9, 10, 11, 12, 13, 14 & 15
- Block 457 – Lot 40
- Block 458 – Lots 1, 2, 3, 4, 5.01, 5.02, 6, 7 & 8

The following properties as shown on the "Land Acquisition Map" will not be acquired, but will be subject to the continued enforcement of all applicable codes and ordinances of the City of Linden.

- Block 254 – A portion of Lot 14
- Block 457 – A portion of Lot 39

VII. Relationship of the Redevelopment Plan to Other Plans

• **Relationship to Plans of Contiguous Municipalities**

The area covered by this Redevelopment Plan lies in the central portion of the City of Linden. There is no conflict with the plans of the adjacent communities of Rahway, Winfield, Clark, Cranford, Roselle, and Elizabeth.

• **Relationship to Union County Master Plan**

The Land Use Plan of Union County, adopted by the Union County Planning Board on September 9, 1998, shows the area as commercial. There is no conflict with the County plan.

• **Relationship to State Development and Redevelopment Plan**

The Resource Planning and Management Map (RPMM) of the State Development and Redevelopment Plan indicates that the City of Linden is a Regional Center and Town that lies within Planning Area PA1-Metropolitan Planning Area. The Redevelopment Plan fully conforms to the State plan's goals and strategies. Implementation of this Redevelopment Plan will assist in the revitalization of the State's urban centers and areas, as well as meeting the State plan's goals of promoting beneficial economic growth, development and renewal.

VIII. Relationship of the Redevelopment Plan to Municipal Development Regulations

The land use controls and building restrictions set forth in this Redevelopment Plan shall apply to all development within the redevelopment area and shall supercede any requirements set forth in the City of Linden Zoning Ordinance. All other development regulations of the City of Linden shall remain applicable.

IX. Obligations of Developer(s)

The Redeveloper will be required to:

- A. Submit development plans that include, but are not limited to, drawings of site and building plans and elevations in sufficient detail to show building layout, building construction, road access, etc. in accordance with the Linden Land Development Ordinance. These documents shall be submitted to the Linden Planning Board and the Linden City Council, acting as the Redevelopment Entity, for review and approval to determine compliance of such plans with the Redevelopment Plan before working drawings are prepared.

It is expressly understood that the approval of any plans by either the Linden Planning Board or the Redevelopment Entity applies to any and all features shown thereon. Any and all subsequent additions, deletions or other modifications of the plans must be submitted to the Planning Board for final approval before construction can begin.

- B. Submit a written development schedule and commence the undertaking of the development in accordance with the development schedule.

- C. Agree that no covenant, conveyance agreement or other instrument relating to the property shall be effected or executed on the basis of race, creed, sex, religion, color, age, national origin, or ancestry in the lease, use or occupancy thereof.
- D. Maintain the structures and facilities in accordance with all codes and ordinances of the City of Linden.

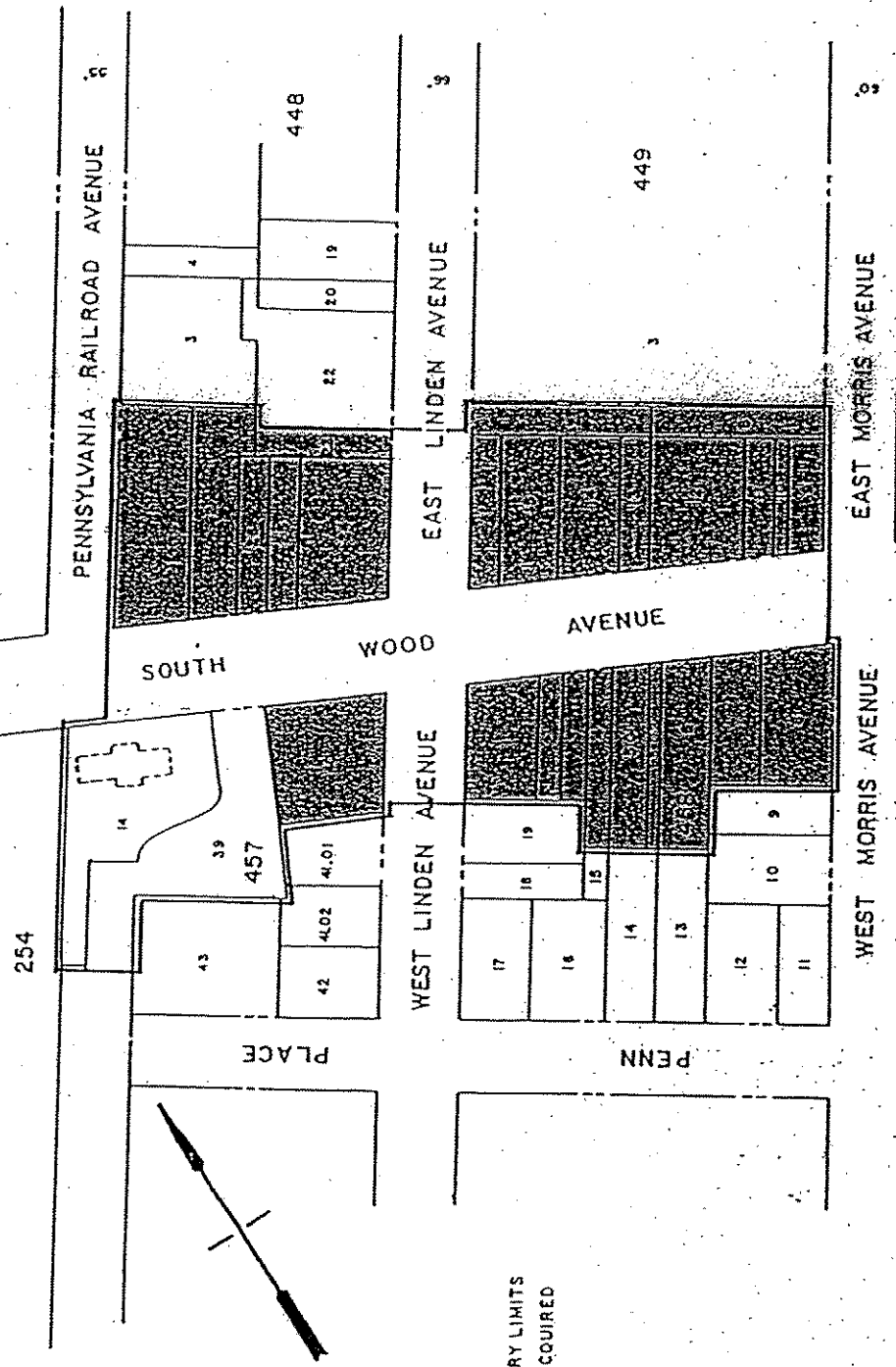
X. Duration of Redevelopment Plan Restrictions

This Redevelopment Plan and any modifications thereof, shall be in force and effect for a period of 20 years from the date that the Linden City Council first approved the Redevelopment Plan.



The termination of this Redevelopment Plan shall in no way permit the project land or any part thereof to be restricted on the basis of race, creed, sex, religion, color, age, national origin or ancestry.

XI. Amendments to the Approved Redevelopment Plan

This Redevelopment Plan may be amended from time to time in accordance with the provisions of the Local Redevelopment and Housing Law of 1992, as same may be, from time to time, amended and supplemented.

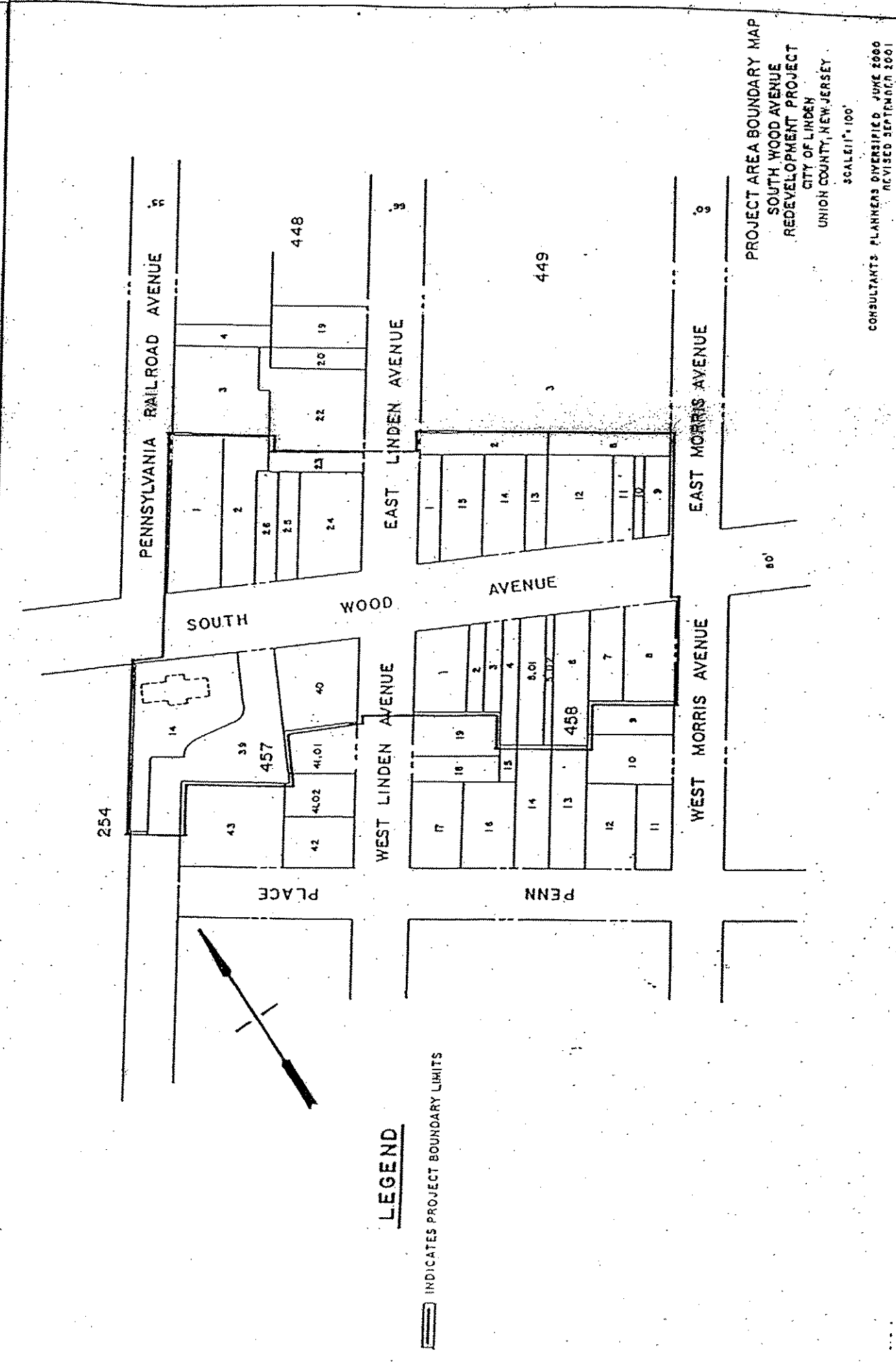


LEGEND

-  INDICATES PROJECT BOUNDARY LIMITS
-  INDICATES PARCELS TO BE ACQUIRED

LAND ACQUISITION MAP
 SOUTH WOOD AVENUE
 REDEVELOPMENT PROJECT
 CITY OF LINDEN
 UNION COUNTY, NEW JERSEY
 SCALE 1" = 100'

CONSULTANTS: PLANNERS DIVERSIFIED, JUNE 2000
 REVISED: SEPTEMBER 2001



254

PENNSYLVANIA RAILROAD AVENUE

SOUTH WOOD AVENUE

EAST LINDEN AVENUE

WEST LINDEN AVENUE

EAST MORRIS AVENUE

WEST MORRIS AVENUE

PLACE

PENN

4

448

449

3

2

26

25

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1

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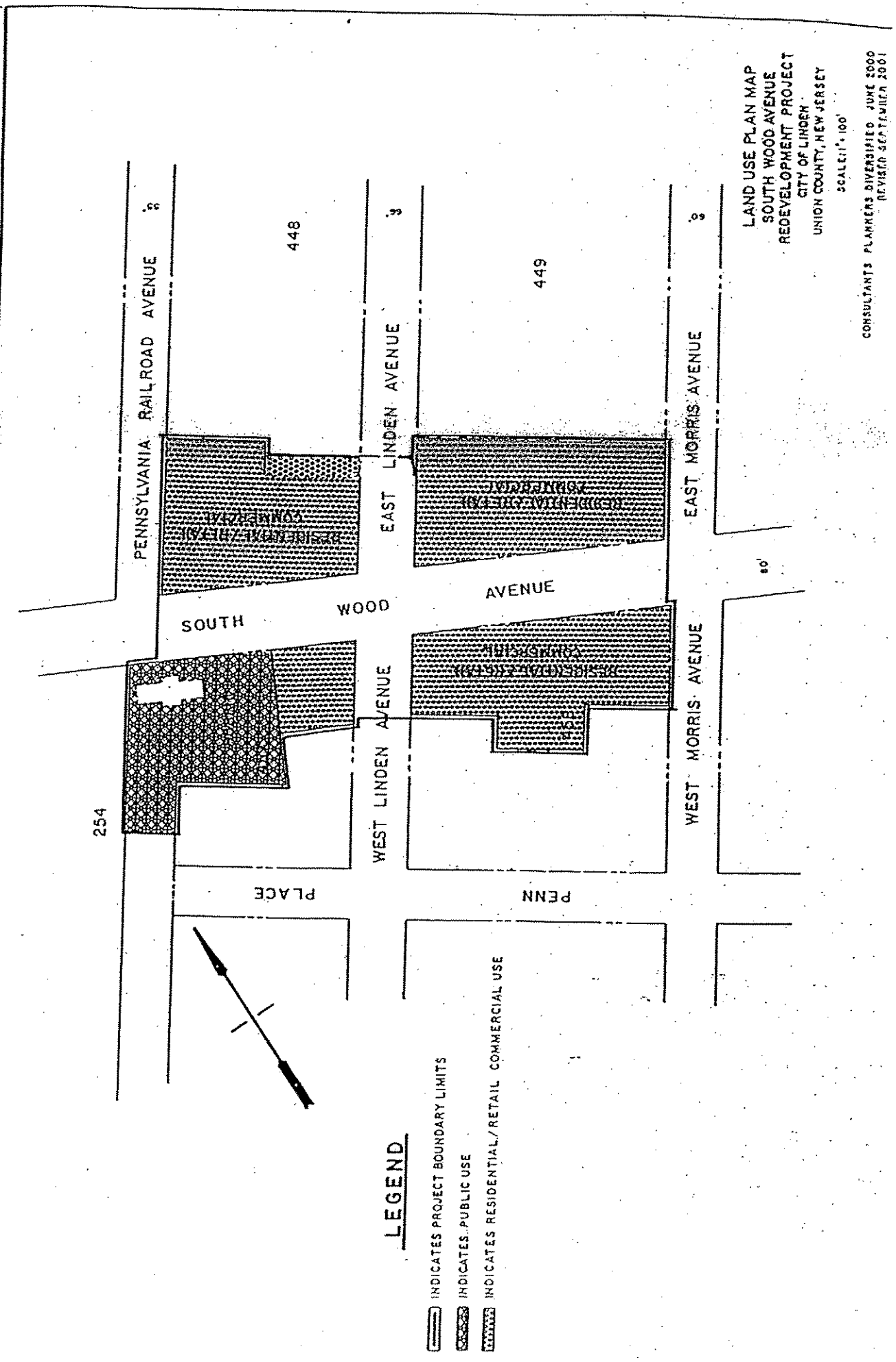
LEGEND

INDICATES PROJECT BOUNDARY LIMITS




PROJECT AREA BOUNDARY MAP
 SOUTH WOOD AVENUE
 REDEVELOPMENT PROJECT
 CITY OF LINDEN
 UNION COUNTY, NEW JERSEY

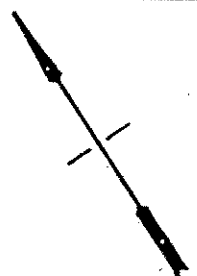
SCALE 1" = 100'

CONSULTANTS: PLANNERS DIVERSIFIED, JUNE 2000
 REVISED SEPTEMBER 2001



LEGEND

-  INDICATES PROJECT BOUNDARY LIMITS
-  INDICATES PUBLIC USE
-  INDICATES RESIDENTIAL/RETAIL COMMERCIAL USE



LAND USE PLAN MAP
 SOUTH WOOD AVENUE
 REDEVELOPMENT PROJECT
 CITY OF LINDEN
 UNION COUNTY, NEW JERSEY
 SCALE: 1" = 100'

CONSULTANTS PLANNERS DIVERSIFIED JUNE 2000
 REVISED SEPTEMBER 2001

City of Linden, New Jersey
South Wood Avenue Redevelopment Project
Redevelopment Plan

EXHIBIT B

Report on Proposed Redevelopment Plan for the South Wood Avenue
Redevelopment Project Area

ELEVEN TINDALL ROAD, MIDDLETOWN, NJ 07748-2792
(732) 671-6400 * fax (732) 671-7365 * www.tandmassociates.com



LNPB-G0101

September 10, 2001

VIA FAX (908) 477-8470

City of Linden Planning Board
City Hall
301 N. Wood Avenue
Linden, NJ 07036


Re: *South Wood Avenue Redevelopment Plan, Prepared by Planners Diversified, September 2001*
Conceptual Site Plan, Conceptual Site Plan Street Level, Conceptual Site Plan 2nd Level, & Conceptual Sections - South Wood Avenue Redevelopment Area, prepared by Melillo and Bauer Associates, dated February 23, 2001

Dear Chairman and Board Members:

We have reviewed the South Wood Avenue Redevelopment Plan, Prepared by Planners Diversified, September 2001 and the Conceptual Site Plan, South Wood Avenue Redevelopment Area, prepared by Melillo and Bauer Associates, dated February 23, 2001. In our opinion, redevelopment of this area, as proposed and illustrated in the referenced plans with mixed retail and residential uses and streetscape improvements on South Wood Avenue, will be beneficial to the community and substantially improve the station area of the City.

Should you have any questions, please contact us.

Very truly yours,


RICHARD S. CRAMER, P.P., A.I.C.P.
PLANNING CONSULTANT

cc: Fred Michaeli, Planners Diversified (FAX (908) 273-2600)

RSC:lfm

HALNPB\Corresp\South Wood Avenue Redevelopment Plan.doc

EXHIBIT B

REDEVELOPER'S APPLICATION FOR DESIGNATION AS REDEVELOPER

Exhibit B

494

**SOUTH WOOD AVENUE REDEVELOPMENT AREA
CITY OF LINDEN, NEW JERSEY**

DEVELOPER'S ORGANIZATIONAL STATEMENT

1. Name of Developer: Dennis J. Valvano, III as Managing Member of a New Jersey limited liability company to be formed

Address of Developer: 16 West Elizabeth Avenue, Linden, New Jersey 07036

Telephone Number: (908) 862-5652 Fax Number: (908) 862-7226

Contact Person: Dennis J. Valvano, III

Title/Position: Managing Member

Address: 16 West Elizabeth Avenue, Linden, New Jersey 07036

Telephone Number: (908) 862-5652 Fax Number: (908) 862-7226

2. If the developer is not an individual doing business under his own name, the developer has the status indicated below and is organized or operating under the laws of: State of New Jersey.

A corporation known as:

A partnership known as:

A business association or a joint venture known as: A New Jersey limited liability company.

Give date of organization: To be formed

3. Names, addresses, title or position (if any), and nature and extent of the interest of the officers, principal members, shareholders, and investors of the developer are as set forth as follows:

a. If the developer is a corporation, list each officer, directors or trustees, and each stockholder owning more than 10% of any class of stock.

Not applicable.

- b. If the developer is a partnership, list each partner, whether a general or limited partner, and either the percent of interest or a description of the character and extent of interest.

Not applicable.

- c. If the developer is a business association or a joint venture, list each participant and either the percent of interest or a description of the character and extent of interest.

Developer is a New Jersey limited liability company to be formed. Ownership of the developer entity shall be as follows:

<u>Name:</u>	<u>Interest (to be determined):</u>
Dennis J. Valvano, III	Controlling Interest
Dennis J. Valvano, Jr.	Minority Interest

Developer anticipates that there will be other minority interest participants.

CERTIFICATION*

I (We) Dennis J. Valvano, III certify that this Developer's Organizational Statement is true and correct to the best of my (our) knowledge and belief.

Dated: March 26, 2001

Dated:

Signature

Signature

Managing Member

Title

Title

16 West Elizabeth Avenue

Address

Address

Linden, New Jersey 07036

Address & Zip Code

Address & Zip Code

If the developer is an individual, this statement should be signed by such individual; if a partnership, by one of the partners; if a corporation or other entity, by one of its chief officers having knowledge of the facts required by this statement.

4204

**SOUTH WOOD AVENUE REDEVELOPMENT AREA
CITY OF LINDEN, NEW JERSEY**

DEVELOPER'S QUESTIONNAIRE

Name of Developer: Dennis J. Valvano, III as Managing Member of a New Jersey limited liability company to be formed

Address of Developer: 16 West Elizabeth Avenue, Linden, New Jersey 07036

Telephone Number: (908) 862-5652 **Fax Number:** (908) 862-7226

Contact Person: Dennis J. Valvano, III

Title/Position: Managing Member

Address: 16 West Elizabeth Avenue, Linden, New Jersey 07036

Telephone Number: (908) 862-5652 **Fax Number:** (908) 862-7226

A. General Instructions

This questionnaire has been provided to establish a reasonably structured framework upon which the City may base its evaluation of development proposals. The degree of detail required to fully respond to the questions will vary depending on the developer and the development proposal. It is requested that each question be answered fully and concisely. If additional space is required, additional pages may be attached.

B. Developer Experience and Capability

Provide background information that establishes the developer's capacity to construct the proposed project. This should include an individual, partnership or corporate background statement, as well as a listing of comparable projects and an indication of ongoing project management capacity. For reference projects, quantitative information is requested, including such data as location, project size, type construction, cost, uses/tenants, and current financial and management relationship to the project.

B. Developer's Experience and Capability (continued)

Dennis J. Valvano, III is the Managing Member of Developer and Dennis J. Valvano, Jr. is the holder of a minority interest in Developer. The Messrs. Valvano have been involved in the acquisition, development and sale of residential (single- and multi-family), commercial and retail/residential real estate in and around the Linden, New Jersey area since 1965. The Valvanos have also owned and operated the Valvano Real Estate Agency, an independent real estate agency in Linden, since 1945.

The following are comparable projects within a one (1) mile radius of the Redevelopment Area which have been developed by companies with ownership common to the Developer:

<u>Location:</u>	<u>Size:</u>	<u>Construction:</u>	<u>Tenants:</u>
203 East Elizabeth Avenue	77 Units	Brick/Frame	Residential/Rental
28 West Elizabeth Avenue	18 Units	Brick/Frame	Residential/Rental
113 East Elizabeth Avenue	12 Units	Brick/Frame	Residential/Rental
117 East Elizabeth Avenue	12 Units	Brick/Frame	Residential/Rental
300 West Munsell Avenue	32 Units	Brick/Frame	Condominium
10 North Wood Avenue	150 Units	Brick/Concrete	Condominium
	17,000 sq. ft.	Brick/Concrete	Commercial
100 West Elizabeth Avenue	30 Units	Brick/Frame	Residential/Rental
35 East Elizabeth Avenue	60 Units	Brick/Frame	Residential/Rental

For each of the above projects, the Valvanos acquired property and submitted applications for municipal approvals. The Valvanos secured the construction financing and permanent loan financing; provided construction, oversight and management of the projects from commencement through completion; and administered the rental and sale of the residential units and commercial space.

C. Site and Development Plan

Submit a preliminary schematic site plan (at a scale of 50 feet to the inch) that shows the general layout (building and parking) of the proposed development. Also provide responses to the following:

1. Name and address of proposed architect: Proposals will be requested from the following four (4) architectural firms:
 - (a) Minno & Wasko Architects, Contact: Dave Minno, 80 Lambert Lane, Suite 105, Lambertville, New Jersey 08530, (908) 397-9009;
 - (b) Kanalstein Danton Associates, Contact: Dave Danton, 1940 Route 70 East, Cherry Hill, New Jersey 08008, (856) 424-6060;
 - (c) DeWitt Tishman Architects, Contact: Peter DeWitt, 770 Lexington Avenue, 12th Floor, New York, New York 10021, (212) 317-0088; and
 - (d) Clarke Caton & Hintz, Contact: John Clarke, Station Place, 400 Sullivan Way, Trenton, New Jersey 08628, (857) 883-8383.

2. **Name and address of proposed engineer:** Najarian Associates, 1 Industrial Way West, Eatontown, New Jersey 07724.

3. **Indicate which parcels that you intent to acquire in order for you to implement your development proposal:**

In Block 448, Lots 1, 2 and 26 as shown on the Land Acquisition Map. (Referred to hereafter as Parcel A.)

In Block 449, Lots 1, 2, 8, 9, 10, 11, 12, 13, 14 and 15 as shown on the Land Acquisition Map. (Referred to hereafter as Parcel B.)

In Block 458, Lots 3, 4, 5.01, 5.02, 6, 7 and 8 as shown on the Land Acquisition Map. (Referred to hereafter as Parcel C.)

4. **Describe the proposed uses for each development parcel by contemplated use:**

Parcel A: Ground floor: retail/commercial use; Floors 2-4: residential.

Parcel B: Ground floor: retail/residential; Floors 2-4: residential.

Parcel C: Ground floor: retail/residential; Floors 2-4: residential.

5. **Describe the general type of construction proposed, including type of material envisioned on building exteriors:**

Developer is desirous of creating upscale space with a brownstone residential appeal and a "Soho district" look. The ground floor of the project will be brick with arched glass openings, and the second, third and fourth floors will be constructed of sections of brick and EFIS stucco. Residential doorways will be off of entry courts with garden areas. Instead of balconies, there will be private residential terraces and a common garden terrace at the rear of each structure.

6. **Indicate the anticipated cost of the project by major construction elements:**

Retail/Office	\$ 1,903,000.00
Residential	\$12,128,000.00
Site Improvements (Includes Parking, Curb and Sidewalks)	\$ 1,414,000.00
Park (Buffer Area)	\$ 75,000.00
Professional Fees	\$ 517,000.00
TOTAL CONSTRUCTION COST	\$16,037,000.00

7. **Describe any deviations that are envisioned from the City's approved Redevelopment Plan:**

Developer is hereby requesting that the City acquire the following lots in addition to those presently included in the City's approved Redevelopment Plan: Lots 1 and 2 in Block 458 (Laundromat) and Lots 24 and 25 in Block 448 (tavern/rooming house). Also, after the City acquires and clears Lot 40 in Block 457, the Developer would propose to improve said lot as open space, to be maintained by the City.

D. **Marketing Program**

Provide a narrative that describes your marketing/leasing approach and provide a listing, to the extent possible, of prospective tenant types for the retail commercial uses.

Developer intends to take advantage of the Redevelopment Area's proximity to the railroad and market same as a new transit-oriented city neighborhood. Given the current construction/development trend to combine higher density housing with commercial and retail streetscapes, Developer believes that the Area can be developed into a cohesive residential community as well as a successful commercial and retail destination. Prospective retail commercial tenants who would combine well with area residents include professional offices (doctors, real estate); personal and business service establishments; restaurants and coffee shops.

Developer, being a long-time resident of the City of Linden and therefore sensitive to the concerns of established businesses in the Redevelopment Area which will be uprooted as a result of the project, will make every effort to relocate said businesses within the project site.

E. **Project Financing**

1. **How do you propose financing this project? Provide an estimate of the equity and the financing and, if available, an indication of a lending institution's interest in funding the project. Also provide references from financial institutions with whom you most frequently deal.**

Developer will finance the project with institutional financing (20% equity, subject to the requirements of institutional lenders) and private investment. Developer has dealt with and continues a relationship with the following institutions: Amboy National Bank; Fleet Savings Bank; Independence Savings Bank; Spencer Savings Bank; Drexel, Lambert, Jenrette; and Commerce Bank.

2. **If selected, you will be required to provide a financial guarantee that will insure the completion of the project. Describe the method of the guarantee that you would propose.**

Developer will provide a performance bond and/or a letter of credit.

F. Project Construction/Management

1. Will the project be built by you X or a general contractor _____
2. Will the general contractor and major subcontractors be required to provide Performance Bonds: Yes _____ No _____

Not applicable.

3. Do you envision managing the project: Yes X No _____

(a) If yes, describe your management experience:

As set forth under Article B, Dennis J. Valvano, III and Dennis J. Valvano, Jr., both of whom are Members of Developer, have been involved in the sale of real estate since 1945 and the acquisition and development of residential (single- and multi-family), commercial and retail/residential real estate in and around the Linden, New Jersey area since 1965. The Valvanos have experience in securing municipal approvals, construction financing and end loan financing. They have managed the construction of numerous projects in the Linden area from commencement through completion, and have administered the rental and sale of the units.

(b) If no, describe how you propose to manage the project:

Not applicable.

4. Will you retain ownership of the project once construction is completed and the project occupied? Yes X No _____

G. General Timetable

During the month of March, the City of Linden will review the various development proposals received and anticipates selecting a developer by March 30, 2001. On the assumption you are designated as the developer by that date, provide a forecast of the following dates.

1. Execute a development contract with the City. Forty five (45) days after selection by the City.
2. Take title to the property [Allow six months for the City to acquire the properties and to relocate the site occupants]. Thirty (30) days after acquisition, site clearance and environmental compliance by the City, and the receipt of all development approvals by the Developer.

3. Obtain site plan approval from Linden Planning Board. As to Phase I, within one hundred twenty (120) days after execution of the Development Contract.
4. Commence construction. Thirty (30) days after acquisition of title.
5. Completion of construction and occupancy. Eight (8) to twelve (12) months after commencement of construction.

H. Identify Any and All Financial Incentives That You Contemplate Seeking From the City of Linden, the County of Union, the State of New Jersey and/or the Federal Government.

Developer will be seeking tax abatement from the City of Linden. From the State of New Jersey, Developer will be seeking development grants including, but not limited to, Community Development Block Grants, Home Investments Partnership Program (HOME) funds and New Jersey Office of Sustainability (NJOS) funds, to the extent same are available for projects of this nature.

I. Additional Comments

Provide additional comments you feel appropriate or necessary to more fully explain your proposal:

It is the intention of Developer to develop the property in phases, which will be acquired and developed based upon the availability of the property to be provided by the City and the prevailing market conditions. Developer believes that the Redevelopment Area, if developed properly, will be the cornerstone of a newly revitalized city. This new transit-oriented city neighborhood could become the heart of downtown Linden, as people relocate there, taking advantage of the convenience of the nearby railroad, and shop there to take advantage of the pleasant commercial retail establishments.

This questionnaire was completed by the undersigned who certifies that the information contained herein and appended hereto is accurate to the best of the undersigned's knowledge.

By: _____
DENNIS J. VALVANO, III, as Designee of a New
Jersey Limited Liability Company To Be Formed

March 26, 2001
Date

SOUTH WOOD AVENUE REDEVELOPMENT AREA
CITY OF LINDEN, NEW JERSEY

FORM OF OFFER

TO: City of Linden
City Hall
301 North Wood Avenue
Linden, New Jersey 07036

Attention: Joseph C. Bodek, Purchasing Agent

RE: South Wood Avenue Redevelopment Area
City of Linden, New Jersey

The undersigned hereby offers to purchase and develop the subject property specified below under the following terms and conditions:

1. This offer is for the purchase of:

Block 448, Lots 1, 2 and 26 as shown on the Land Acquisition Map for a total purchase price of \$950,000.00* (includes additional Lots 24 and 25).

Block 449, Lots 1, 2, 8, 9, 10, 11, 12, 13, 14 and 15 as shown on the Land Acquisition Map for a total purchase price of \$1,100,000.00*.

Block 458, Lots 3, 4, 5.01, 5.02, 6, 7 and 8 as shown on the Land Acquisition Map for a total purchase price of \$950,000.00* (includes additional Lots 1 and 2).

Based on the foregoing, the total offered purchase price is \$3,000,000.00*.

Ten percent of the offered purchase price of \$3,000,000.00*, or \$300,000.00*, will be paid at the time the development contract is executed and the remaining balance of \$2,700,000.00* will be paid at the time of conveyance of the property.

2. This offer is subject to terms and conditions established by the City, as set forth in the approved Redevelopment Plan, and the undersigned agrees to comply with those terms and conditions.

By: _____
DENNIS J. VALVANO, III, as Designee of a New
Jersey Limited Liability Company To Be Formed

(Witness) _____
ELIZABETH W. EATON
Attorney at Law of New Jersey

March 26, 2001
(Date)

* These figures are based upon Developer's assumption that the property will be delivered in a condition ready for development, with site clearance and environmental approvals.

Exhibit C

EXHIBIT C
PROJECT COSTS

TO BE PROVIDED

Exhibit M

Issuer: Union County Improvement Authority
 Issue: Linden South Wood Avenue Redevelopment
 Dated Date: 9/1/02

Date	Principal	Rate	Semiannual Interest	Semiannual Debt Service	Annual Debt Service
1-Mar-03			220,025.00	220,025.00	
1-Sep-03	0	6.50%	220,025.00	220,025.00	440,050.00
1-Mar-04			237,250.00	237,250.00	
1-Sep-04	0	6.50%	237,250.00	237,250.00	474,500.00
1-Mar-05			237,250.00	237,250.00	
1-Sep-05	90,000	6.50%	237,250.00	327,250.00	564,500.00
1-Mar-06			234,325.00	234,325.00	
1-Sep-06	95,000	6.50%	234,325.00	329,325.00	563,650.00
1-Mar-07			231,237.50	231,237.50	
1-Sep-07	105,000	6.50%	231,237.50	336,237.50	567,475.00
1-Mar-08			227,825.00	227,825.00	
1-Sep-08	110,000	6.50%	227,825.00	337,825.00	565,650.00
1-Mar-09			224,250.00	224,250.00	
1-Sep-09	115,000	6.50%	224,250.00	339,250.00	563,500.00
1-Mar-10			220,512.50	220,512.50	
1-Sep-10	125,000	6.50%	220,512.50	345,512.50	566,025.00
1-Mar-11			216,450.00	216,450.00	
1-Sep-11	135,000	6.50%	216,450.00	351,450.00	567,900.00
1-Mar-12			212,062.50	212,062.50	
1-Sep-12	140,000	6.50%	212,062.50	352,062.50	564,125.00
1-Mar-13			207,512.50	207,512.50	
1-Sep-13	150,000	6.50%	207,512.50	357,512.50	565,025.00
1-Mar-14			202,637.50	202,637.50	
1-Sep-14	160,000	6.50%	202,637.50	362,637.50	565,275.00
1-Mar-15			197,437.50	197,437.50	
1-Sep-15	170,000	6.50%	197,437.50	367,437.50	564,875.00
1-Mar-16			191,912.50	191,912.50	
1-Sep-16	180,000	6.50%	191,912.50	371,912.50	563,825.00
1-Mar-17			186,062.50	186,062.50	
1-Sep-17	195,000	6.50%	186,062.50	381,062.50	567,125.00
1-Mar-18			179,725.00	179,725.00	
1-Sep-18	205,000	6.50%	179,725.00	384,725.00	564,450.00
1-Mar-19			173,062.50	173,062.50	
1-Sep-19	220,000	6.50%	173,062.50	393,062.50	566,125.00
1-Mar-20			165,912.50	165,912.50	
1-Sep-20	235,000	6.50%	165,912.50	400,912.50	566,825.00
1-Mar-21			158,275.00	158,275.00	
1-Sep-21	250,000	6.50%	158,275.00	408,275.00	566,550.00
1-Mar-22			150,150.00	150,150.00	
1-Sep-22	265,000	6.50%	150,150.00	415,150.00	565,300.00
1-Mar-23			141,537.50	141,537.50	
1-Sep-23	285,000	6.50%	141,537.50	426,537.50	568,075.00
1-Mar-24			132,275.00	132,275.00	
1-Sep-24	300,000	6.50%	132,275.00	432,275.00	564,550.00
1-Mar-25			122,525.00	122,525.00	
1-Sep-25	320,000	6.50%	122,525.00	442,525.00	565,050.00
1-Mar-26			112,125.00	112,125.00	
1-Sep-26	340,000	6.50%	112,125.00	452,125.00	564,250.00
1-Mar-27			101,075.00	101,075.00	
1-Sep-27	365,000	6.50%	101,075.00	466,075.00	567,150.00
1-Mar-28			89,212.50	89,212.50	
1-Sep-28	390,000	6.50%	89,212.50	479,212.50	568,425.00
1-Mar-29			76,537.50	76,537.50	
1-Sep-29	415,000	6.50%	76,537.50	491,537.50	568,075.00
1-Mar-30			63,050.00	63,050.00	
1-Sep-30	440,000	6.50%	63,050.00	503,050.00	566,100.00
1-Mar-31			48,750.00	48,750.00	
1-Sep-31	470,000	6.50%	48,750.00	518,750.00	567,500.00
1-Mar-32			33,475.00	33,475.00	
1-Sep-32	500,000	6.50%	33,475.00	533,475.00	566,950.00
1-Mar-33			17,225.00	17,225.00	
1-Sep-33	530,000	6.50%	17,225.00	547,225.00	564,450.00
Totals	\$7,300,000		\$10,023,325.00	\$17,323,325.00	\$17,323,325.00

Assumptions		Discount	\$8.00
Dated Date	1-Sep-02	Bond Size	\$5,000
First Bond Year	1-Sep-03	Accrued Interest	\$0.00
Settlement Date	1-Sep-02	Principal	\$7,300,000
Final Maturity	1-Sep-32	1st Coupon:	6.00 mos
		NIC:	6.531872%

Schedule for use of funds (principal costs) and schedule for development payments
 small income

Taxable difficult to fill if small income

UCIA Invest, mostly pd by developer \$ invest bond income proceeds

To be issued 120 days / 6 months

\$300,000
 Escalator
 Full scale
 at some point
 as time increase

3.5

issue debt

Purchase allocation

6.5

300,000 becomes equity

insurance of 2.2

2.2

2.1 Arbitrage OK

Issuer: Union County Improvement Authority
 Issue: Linden South Wood Avenue Redevelopment

SOURCES AND USES OF FUNDS

SOURCES OF FUNDS

BOND PROCEEDS		\$7,300,000.00
ACCRUED INTEREST PAID		0.00
INTEREST EARNINGS @ 3.00%		146,250.00
ORIGINAL ISSUE DISCOUNT		0.00
TOTAL SOURCES		\$7,446,250.00

USES OF FUNDS

PROJECT COSTS		\$6,500,000.00
CAPITALIZED INTEREST		677,300.00
COSTS OF ISSUANCE (ESTIMATED)		146,000.00 2%
DEBT SERVICE RESERVE FUND		0.00
BOND INSURANCE PREMIUM		60,631.64 35bp
MISCELLANEOUS		62,318.36
TOTAL USES		\$7,446,250.00

9/13/02

Issuer: Union County Improvement Authority Issue: Linden South Avenue Wood Redevelopment Project Dated Date: 1/1/04					
Date	Principal	Rate	Semiannual Interest	Semiannual Debt Service	Annual Debt Service
1-Apr-03			130,000.00	130,000.00	
1-Oct-03	0	0.00%	130,000.00	130,000.00	260,000.00
1-Apr-04			130,000.00	130,000.00	
1-Oct-04	0	0.00%	130,000.00	130,000.00	260,000.00
1-Apr-05			130,000.00	130,000.00	
1-Oct-05	50,000	6.50%	130,000.00	160,000.00	310,000.00
1-Apr-06			128,375.00	128,375.00	
1-Oct-06	55,000	6.50%	128,375.00	163,375.00	311,750.00
1-Apr-07			126,587.50	126,587.50	
1-Oct-07	55,000	6.50%	126,587.50	161,587.50	308,175.00
1-Apr-08			124,800.00	124,800.00	
1-Oct-08	60,000	6.50%	124,800.00	164,800.00	309,600.00
1-Apr-09			122,850.00	122,850.00	
1-Oct-09	65,000	6.50%	122,850.00	167,850.00	310,700.00
1-Apr-10			120,737.50	120,737.50	
1-Oct-10	70,000	6.50%	120,737.50	160,737.50	311,475.00
1-Apr-11			118,462.50	118,462.50	
1-Oct-11	75,000	6.50%	118,462.50	163,462.50	311,925.00
1-Apr-12			116,025.00	116,025.00	
1-Oct-12	75,000	6.50%	116,025.00	161,025.00	307,050.00
1-Apr-13			113,587.50	113,587.50	
1-Oct-13	80,000	6.50%	113,587.50	158,587.50	312,175.00
1-Apr-14			110,825.00	110,825.00	
1-Oct-14	90,000	6.50%	110,825.00	160,825.00	311,650.00
1-Apr-15			107,900.00	107,900.00	
1-Oct-15	95,000	6.50%	107,900.00	162,900.00	310,800.00
1-Apr-16			104,812.50	104,812.50	
1-Oct-16	100,000	6.50%	104,812.50	164,812.50	309,625.00
1-Apr-17			101,562.50	101,562.50	
1-Oct-17	105,000	6.50%	101,562.50	166,562.50	308,125.00
1-Apr-18			98,150.00	98,150.00	
1-Oct-18	115,000	6.50%	98,150.00	168,150.00	311,300.00
1-Apr-19			94,412.50	94,412.50	
1-Oct-19	120,000	6.50%	94,412.50	174,412.50	308,825.00
1-Apr-20			90,512.50	90,512.50	
1-Oct-20	130,000	6.50%	90,512.50	180,512.50	311,025.00
1-Apr-21			86,287.50	86,287.50	
1-Oct-21	135,000	6.50%	86,287.50	186,287.50	307,575.00
1-Apr-22			81,900.00	81,900.00	
1-Oct-22	145,000	6.50%	81,900.00	191,900.00	308,800.00
1-Apr-23			77,187.50	77,187.50	
1-Oct-23	155,000	6.50%	77,187.50	197,187.50	309,375.00
1-Apr-24			72,150.00	72,150.00	
1-Oct-24	165,000	6.50%	72,150.00	202,150.00	309,300.00
1-Apr-25			66,787.50	66,787.50	
1-Oct-25	175,000	6.50%	66,787.50	206,787.50	308,575.00
1-Apr-26			61,100.00	61,100.00	
1-Oct-26	185,000	6.50%	61,100.00	210,100.00	307,200.00
1-Apr-27			55,087.50	55,087.50	
1-Oct-27	200,000	6.50%	55,087.50	213,087.50	310,175.00
1-Apr-28			48,587.50	48,587.50	
1-Oct-28	210,000	6.50%	48,587.50	215,587.50	307,175.00
1-Apr-29			41,762.50	41,762.50	
1-Oct-29	225,000	6.50%	41,762.50	217,762.50	308,525.00
1-Apr-30			34,450.00	34,450.00	
1-Oct-30	240,000	6.50%	34,450.00	219,450.00	308,900.00
1-Apr-31			26,650.00	26,650.00	
1-Oct-31	255,000	6.50%	26,650.00	220,650.00	308,300.00
1-Apr-32			18,362.50	18,362.50	
1-Oct-32	275,000	6.50%	18,362.50	221,362.50	311,725.00
1-Sep-27			9,425.00	9,425.00	
1-Mar-28	290,000	6.50%	9,425.00	229,425.00	308,850.00
Totals	14,000,000		55,498,675.00	59,498,675.00	19,498,675.00

NW CAPITAL

UCIA019765

Issuer:	Union County Improvement Authority		
Issue:	Linden South Avenue Wood Redevelopment Project		
SOURCES AND USES OF FUNDS			
SOURCES OF FUNDS			
BOND PROCEEDS			\$4,000,000.00
ACCRUED INTEREST PAID			0.00
INTEREST EARNINGS @	3.00%		81,000.00
ORIGINAL ISSUE DISCOUNT			0.00
TOTAL SOURCES			\$4,081,000.00
USES OF FUNDS			
PROJECT COSTS			\$3,600,000.00
INTEREST DURING CONSTRUCTION			390,000.00
COSTS OF ISSUANCE (ESTIMATED)			60,000.00
BOND INSURANCE (ESTIMATED)			0.00
BOND FUND(ACCRUED)			0.00
UNDERWRITING DISCOUNT			0.00
MISCELLANEOUS			11,000.00
TOTAL USES			\$4,081,000.00

Issuer: Union County Improvement Authority Issue: Linden South Avenue Wood Redevelopment Project Dated Date: 1/1/04					
Date	Principal	Rate	Semiannual Interest	Semiannual Debt Service	Annual Debt Service
1-Apr-03			113,750.00	113,750.00	
1-Oct-03	0	0.00%	113,750.00	113,750.00	227,500.00
1-Apr-04			113,750.00	113,750.00	
1-Oct-04	0	0.00%	113,750.00	113,750.00	227,500.00
1-Apr-05			113,750.00	113,750.00	
1-Oct-05	45,000	6.50%	113,750.00	138,750.00	272,500.00
1-Apr-06			112,287.50	112,287.50	
1-Oct-06	45,000	6.50%	112,287.50	157,287.50	269,575.00
1-Apr-07			110,825.00	110,825.00	
1-Oct-07	50,000	6.50%	110,825.00	160,825.00	271,650.00
1-Apr-08			109,200.00	109,200.00	
1-Oct-08	55,000	6.50%	109,200.00	164,200.00	273,400.00
1-Apr-09			107,412.50	107,412.50	
1-Oct-09	55,000	6.50%	107,412.50	162,412.50	269,825.00
1-Apr-10			105,625.00	105,625.00	
1-Oct-10	60,000	6.50%	105,625.00	165,625.00	271,250.00
1-Apr-11			103,675.00	103,675.00	
1-Oct-11	65,000	6.50%	103,675.00	168,675.00	272,350.00
1-Apr-12			101,562.50	101,562.50	
1-Oct-12	70,000	6.50%	101,562.50	171,562.50	273,125.00
1-Apr-13			99,287.50	99,287.50	
1-Oct-13	70,000	6.50%	99,287.50	169,287.50	268,575.00
1-Apr-14			97,012.50	97,012.50	
1-Oct-14	75,000	6.50%	97,012.50	172,012.50	269,025.00
1-Apr-15			94,575.00	94,575.00	
1-Oct-15	80,000	6.50%	94,575.00	174,575.00	269,150.00
1-Apr-16			91,975.00	91,975.00	
1-Oct-16	85,000	6.50%	91,975.00	176,975.00	268,950.00
1-Apr-17			89,212.50	89,212.50	
1-Oct-17	95,000	6.50%	89,212.50	184,212.50	273,425.00
1-Apr-18			86,125.00	86,125.00	
1-Oct-18	100,000	6.50%	86,125.00	186,125.00	272,250.00
1-Apr-19			82,875.00	82,875.00	
1-Oct-19	105,000	6.50%	82,875.00	187,875.00	270,750.00
1-Apr-20			79,462.50	79,462.50	
1-Oct-20	110,000	6.50%	79,462.50	189,462.50	268,925.00
1-Apr-21			75,887.50	75,887.50	
1-Oct-21	120,000	6.50%	75,887.50	195,887.50	271,775.00
1-Apr-22			71,987.50	71,987.50	
1-Oct-22	125,000	6.50%	71,987.50	196,987.50	268,975.00
1-Apr-23			67,925.00	67,925.00	
1-Oct-23	135,000	6.50%	67,925.00	202,925.00	270,850.00
1-Apr-24			63,537.50	63,537.50	
1-Oct-24	145,000	6.50%	63,537.50	208,537.50	272,075.00
1-Apr-25			58,825.00	58,825.00	
1-Oct-25	155,000	6.50%	58,825.00	213,825.00	272,650.00
1-Apr-26			53,787.50	53,787.50	
1-Oct-26	165,000	6.50%	53,787.50	218,787.50	272,575.00
1-Apr-27			48,425.00	48,425.00	
1-Oct-27	175,000	6.50%	48,425.00	223,425.00	271,850.00
1-Apr-28			42,737.50	42,737.50	
1-Oct-28	185,000	6.50%	42,737.50	227,737.50	270,475.00
1-Apr-29			36,725.00	36,725.00	
1-Oct-29	200,000	6.50%	36,725.00	236,725.00	273,450.00
1-Apr-30			30,225.00	30,225.00	
1-Oct-30	210,000	6.50%	30,225.00	240,225.00	270,450.00
1-Apr-31			23,400.00	23,400.00	
1-Oct-31	225,000	6.50%	23,400.00	248,400.00	271,800.00
1-Apr-32			16,087.50	16,087.50	
1-Oct-32	240,000	6.50%	16,087.50	256,087.50	272,175.00
1-Sep-27			8,287.50	8,287.50	
1-Mar-28	255,000	6.50%	8,287.50	263,287.50	271,575.00
Totals	\$1,500,000		\$4,820,400.00	\$8,320,400.00	\$8,320,400.00

NW CAPITAL

ISSUER:	Union County Improvement Authority		
ISSUE:	Linden South Avenue Wood Redevelopment Project		
SOURCES AND USES OF FUNDS			
<u>SOURCES OF FUNDS</u>			
BOND PROCEEDS		\$3,500,000.00	
ACCRUED INTEREST PAID		0.00	
INTEREST EARNINGS at	3.00%	70,425.00	
ORIGINAL ISSUE DISCOUNT		0.00	
TOTAL SOURCES		\$3,570,425.00	
<u>USES OF FUNDS</u>			
PROJECT COSTS		\$3,130,000.00	35
INTEREST DURING CONSTRUCTION		341,250.00	
COSTS OF ISSUANCE (ESTIMATED)		70,000.00	
BOND INSURANCE (ESTIMATED)		0.00	
BOND FUND (ACCRUED)		0.00	
UNDERWRITING DISCOUNT		0.00	
MISCELLANEOUS		29,175.00	
TOTAL USES		\$3,570,425.00	

Issuer: Union County Improvement Authority Issue: Linden South Avenue Wood Redevelopment Project Dated Date: 1/1/04					
Date	Principal	Rate	Semiannual Interest	Semiannual Debt Service	Annual Debt Service
1-Apr-03			127,400.00	127,400.00	
1-Oct-03	0	0.00%	127,400.00	127,400.00	254,800.00
1-Apr-04			127,400.00	127,400.00	
1-Oct-04	0	0.00%	127,400.00	127,400.00	254,800.00
1-Apr-05			127,400.00	127,400.00	
1-Oct-05	50,000	6.50%	127,400.00	127,400.00	304,800.00
1-Apr-06			125,775.00	125,775.00	
1-Oct-06	50,000	6.50%	125,775.00	125,775.00	301,550.00
1-Apr-07			124,150.00	124,150.00	
1-Oct-07	55,000	6.50%	124,150.00	124,150.00	303,300.00
1-Apr-08			122,362.50	122,362.50	
1-Oct-08	60,000	6.50%	122,362.50	122,362.50	304,725.00
1-Apr-09			120,412.50	120,412.50	
1-Oct-09	65,000	6.50%	120,412.50	120,412.50	305,825.00
1-Apr-10			118,300.00	118,300.00	
1-Oct-10	65,000	6.50%	118,300.00	118,300.00	301,600.00
1-Apr-11			116,187.50	116,187.50	
1-Oct-11	70,000	6.50%	116,187.50	116,187.50	302,375.00
1-Apr-12			113,912.50	113,912.50	
1-Oct-12	75,000	6.50%	113,912.50	113,912.50	302,825.00
1-Apr-13			111,475.00	111,475.00	
1-Oct-13	80,000	6.50%	111,475.00	111,475.00	302,950.00
1-Apr-14			108,875.00	108,875.00	
1-Oct-14	85,000	6.50%	108,875.00	108,875.00	302,750.00
1-Apr-15			106,112.50	106,112.50	
1-Oct-15	90,000	6.50%	106,112.50	106,112.50	302,225.00
1-Apr-16			103,187.50	103,187.50	
1-Oct-16	100,000	6.50%	103,187.50	103,187.50	306,375.00
1-Apr-17			99,937.50	99,937.50	
1-Oct-17	105,000	6.50%	99,937.50	99,937.50	304,875.00
1-Apr-18			96,525.00	96,525.00	
1-Oct-18	110,000	6.50%	96,525.00	96,525.00	303,050.00
1-Apr-19			92,950.00	92,950.00	
1-Oct-19	120,000	6.50%	92,950.00	92,950.00	305,900.00
1-Apr-20			89,050.00	89,050.00	
1-Oct-20	125,000	6.50%	89,050.00	89,050.00	303,100.00
1-Apr-21			84,987.50	84,987.50	
1-Oct-21	135,000	6.50%	84,987.50	84,987.50	304,975.00
1-Apr-22			80,600.00	80,600.00	
1-Oct-22	145,000	6.50%	80,600.00	80,600.00	306,200.00
1-Apr-23			75,887.50	75,887.50	
1-Oct-23	150,000	6.50%	75,887.50	75,887.50	301,775.00
1-Apr-24			71,012.50	71,012.50	
1-Oct-24	160,000	6.50%	71,012.50	71,012.50	302,025.00
1-Apr-25			65,812.50	65,812.50	
1-Oct-25	175,000	6.50%	65,812.50	65,812.50	306,625.00
1-Apr-26			60,125.00	60,125.00	
1-Oct-26	185,000	6.50%	60,125.00	60,125.00	305,250.00
1-Apr-27			54,112.50	54,112.50	
1-Oct-27	195,000	6.50%	54,112.50	54,112.50	303,225.00
1-Apr-28			47,775.00	47,775.00	
1-Oct-28	210,000	6.50%	47,775.00	47,775.00	305,550.00
1-Apr-29			40,950.00	40,950.00	
1-Oct-29	220,000	6.50%	40,950.00	40,950.00	301,900.00
1-Apr-30			33,800.00	33,800.00	
1-Oct-30	235,000	6.50%	33,800.00	33,800.00	302,600.00
1-Apr-31			26,162.50	26,162.50	
1-Oct-31	250,000	6.50%	26,162.50	26,162.50	302,325.00
1-Apr-32			18,037.50	18,037.50	
1-Oct-32	270,000	6.50%	18,037.50	18,037.50	306,075.00
1-Sep-27			9,262.50	9,262.50	
1-Mar-28	285,000	6.50%	9,262.50	9,262.50	303,525.00
Totals	13,920,000		15,399,875.00	15,319,875.00	15,319,875.00

ISSUER:	Union County Improvement Authority		
ISSUE:	Linden South Avenue Wood Redevelopment Project		
SOURCES AND USES OF FUNDS			
SOURCES OF FUNDS			
BOND PROCEEDS			\$3,920,000.00
ACCRUED INTEREST PAID			0.00
INTEREST EARNINGS at	3.00%	76,750.00	
ORIGINAL ISSUE DISCOUNT			0.00
TOTAL SOURCES			13,996,750.00
USES OF FUNDS			
PROJECT COSTS			\$3,500,000.00
INTEREST DURING CONSTRUCTION			382,200.00
COSTS OF ISSUANCE (ESTIMATED)			78,400.00
BOND INSURANCE (ESTIMATED)			0.00
BOND FUND (ACCURED)			0.00
UNDERWRITING DISCOUNT			31,360.00
MISCELLANEOUS			6,790.00
TOTAL USES			13,996,750.00

NW CAPITAL

UCIA019760

ISSUER: Union County Improvement Authority LESSEE: Linden South Avenue Wood Redevelopment Project Dated Date: 1/17/04					
Date	Principal	Rate	Semiannual Interest	Semiannual Debt Service	Annual Debt Service
1-Apr-03			145,437.50	145,437.50	
1-Oct-03	0	0.00%	145,437.50	145,437.50	290,875.00
1-Apr-04			145,437.50	145,437.50	
1-Oct-04	0	0.00%	145,437.50	145,437.50	290,875.00
1-Apr-05			145,437.50	145,437.50	
1-Oct-05	55,000	6.50%	145,437.50	200,437.50	345,875.00
1-Apr-06			142,650.00	142,650.00	
1-Oct-06	60,000	6.50%	142,650.00	203,650.00	347,300.00
1-Apr-07			141,700.00	141,700.00	
1-Oct-07	65,000	6.50%	141,700.00	206,700.00	348,400.00
1-Apr-08			139,587.50	139,587.50	
1-Oct-08	66,000	6.50%	139,587.50	204,587.50	344,175.00
1-Apr-09			137,475.00	137,475.00	
1-Oct-09	70,000	6.50%	137,475.00	207,475.00	344,950.00
1-Apr-10			135,200.00	135,200.00	
1-Oct-10	75,000	6.50%	135,200.00	210,200.00	345,400.00
1-Apr-11			132,762.50	132,762.50	
1-Oct-11	80,000	6.50%	132,762.50	212,762.50	345,525.00
1-Apr-12			130,162.50	130,162.50	
1-Oct-12	85,000	6.50%	130,162.50	215,162.50	345,325.00
1-Apr-13			127,400.00	127,400.00	
1-Oct-13	90,000	6.50%	127,400.00	217,400.00	344,800.00
1-Apr-14			124,475.00	124,475.00	
1-Oct-14	100,000	6.50%	124,475.00	224,475.00	348,950.00
1-Apr-15			121,225.00	121,225.00	
1-Oct-15	105,000	6.50%	121,225.00	226,225.00	347,450.00
1-Apr-16			117,812.50	117,812.50	
1-Oct-16	110,000	6.50%	117,812.50	227,812.50	345,625.00
1-Apr-17			114,231.50	114,231.50	
1-Oct-17	120,000	6.50%	114,231.50	234,231.50	348,475.00
1-Apr-18			110,311.50	110,311.50	
1-Oct-18	125,000	6.50%	110,311.50	235,311.50	345,625.00
1-Apr-19			106,275.00	106,275.00	
1-Oct-19	135,000	6.50%	106,275.00	241,275.00	347,550.00
1-Apr-20			101,887.50	101,887.50	
1-Oct-20	145,000	6.50%	101,887.50	246,887.50	348,775.00
1-Apr-21			97,175.00	97,175.00	
1-Oct-21	155,000	6.50%	97,175.00	252,175.00	349,350.00
1-Apr-22			92,137.50	92,137.50	
1-Oct-22	165,000	6.50%	92,137.50	257,137.50	349,275.00
1-Apr-23			86,775.00	86,775.00	
1-Oct-23	175,000	6.50%	86,775.00	261,775.00	348,550.00
1-Apr-24			81,087.50	81,087.50	
1-Oct-24	185,000	6.50%	81,087.50	266,087.50	347,175.00
1-Apr-25			75,075.00	75,075.00	
1-Oct-25	195,000	6.50%	75,075.00	270,075.00	345,150.00
1-Apr-26			68,737.50	68,737.50	
1-Oct-26	210,000	6.50%	68,737.50	276,337.50	341,475.00
1-Apr-27			61,812.50	61,812.50	
1-Oct-27	225,000	6.50%	61,812.50	284,812.50	346,625.00
1-Apr-28			54,600.00	54,600.00	
1-Oct-28	240,000	6.50%	54,600.00	294,600.00	348,200.00
1-Apr-29			46,800.00	46,800.00	
1-Oct-29	255,000	6.50%	46,800.00	307,600.00	348,600.00
1-Apr-30			38,512.50	38,512.50	
1-Oct-30	270,000	6.50%	38,512.50	308,512.50	347,025.00
1-Apr-31			28,737.50	28,737.50	
1-Oct-31	285,000	6.50%	28,737.50	314,737.50	344,475.00
1-Apr-32			20,475.00	20,475.00	
1-Oct-32	305,000	6.50%	20,475.00	325,475.00	345,950.00
1-Sep-27			10,542.50	10,542.50	
1-Mar-28	325,000	6.50%	10,542.50	325,542.50	346,125.00
Totals	14,475,000		56,166,175.00	510,642,175.00	810,642,175.00

ISSUER: Union County Improvement Authority
 LESSEE: Linden South Avenue Wood Redevelopment Project

SOURCES AND USES OF FUNDS

SOURCES OF FUNDS

BOND PROCEEDS		14,475,000.00
ACCRUED INTEREST PAID		0.00
INTEREST EARNINGS AT 3.00%		10,000.00
ORIGINAL ISSUE DISCOUNT		0.00
TOTAL SOURCES		14,565,000.00

USES OF FUNDS

PROJECT COSTS		14,000,000.00
INTEREST DURING CONSTRUCTION		436,312.50
COSTS OF ISSUANCE (ESTIMATED)		89,500.00
BOND INSURANCE (ESTIMATED)		0.00
BOND FUND (ACCURED)		0.00
UNDERWRITING DISCOUNT		15,800.00
MISCELLANEOUS		3,387.50
TOTAL USES		14,565,000.00

Union County Improvement Authority South Ward Avenue Re-development Project Dated Date: 5/11/2003					
Date	Principal	Rate	Semiannual Interest	Semiannual Debt Service	Annual Debt Service
1-Apr-04			54,196.67	54,196.67	
1-Oct-04			65,036.00	130,036.00	184,232.67
1-Apr-05	65,000	1.00%	64,711.00	64,711.00	
1-Oct-05			64,711.00	129,711.00	184,422.00
1-Apr-06	65,000	1.40%	64,256.00	64,256.00	
1-Oct-06			64,256.00	128,256.00	193,512.00
1-Apr-07	65,000	2.00%	63,606.00	63,606.00	
1-Oct-07			63,606.00	127,606.00	192,212.00
1-Apr-08	70,000	2.50%	62,874.75	62,874.75	
1-Oct-08			62,874.75	125,749.50	195,749.50
1-Apr-09	70,000	3.00%	61,999.75	61,999.75	
1-Oct-09			61,999.75	123,999.50	191,999.50
1-Apr-10	75,000	3.25%	60,949.75	60,949.75	
1-Oct-10			60,949.75	122,949.50	196,899.50
1-Apr-11	75,000	3.50%	59,731.00	59,731.00	
1-Oct-11			59,731.00	121,731.00	194,462.00
1-Apr-12	80,000	3.85%	58,418.50	58,418.50	
1-Oct-12			58,418.50	120,418.50	196,837.00
1-Apr-13	80,000	3.85%	56,958.50	56,958.50	
1-Oct-13			56,958.50	118,958.50	193,917.00
1-Apr-14	85,000	4.17%	55,418.50	55,418.50	
1-Oct-14			55,418.50	117,418.50	195,837.00
1-Apr-15	85,000	4.47%	53,518.75	53,518.75	
1-Oct-15			53,518.75	115,518.75	192,037.50
1-Apr-16	90,000	4.47%	51,819.00	51,819.00	
1-Oct-16			51,819.00	113,619.00	193,238.00
1-Apr-17	95,000	4.47%	49,607.50	49,607.50	
1-Oct-17			49,607.50	111,607.50	194,215.00
1-Apr-18	100,000	4.47%	47,484.25	47,484.25	
1-Oct-18			47,484.25	109,484.25	194,968.00
1-Apr-19	105,000	4.87%	45,249.25	45,249.25	
1-Oct-19			45,249.25	107,249.25	195,498.50
1-Apr-20	110,000	4.87%	42,692.50	42,692.50	
1-Oct-20			42,692.50	104,992.50	196,386.00
1-Apr-21	115,000	4.87%	40,814.00	40,814.00	
1-Oct-21			40,814.00	102,692.50	195,028.00
1-Apr-22	120,000	4.87%	37,213.75	37,213.75	
1-Oct-22			37,213.75	99,927.50	194,427.50
1-Apr-23	125,000	4.87%	34,291.75	34,291.75	
1-Oct-23			34,291.75	97,291.75	193,583.50
1-Apr-24	130,000	4.96%	31,248.00	31,248.00	
1-Oct-24			31,248.00	94,548.00	192,496.00
1-Apr-25	140,000	4.96%	28,024.00	28,024.00	
1-Oct-25			28,024.00	91,548.00	190,818.00
1-Apr-26	145,000	4.96%	24,532.00	24,532.00	
1-Oct-26			24,532.00	88,016.00	194,104.00
1-Apr-27	155,000	4.96%	20,956.00	20,956.00	
1-Oct-27			20,956.00	84,060.00	194,812.00
1-Apr-28	160,000	4.96%	17,112.00	17,112.00	
1-Oct-28			17,112.00	80,548.00	194,224.00
1-Apr-29	170,000	4.96%	13,144.00	13,144.00	
1-Oct-29			13,144.00	77,404.00	193,788.00
1-Apr-30	175,000	4.96%	8,928.00	8,928.00	
1-Oct-30			8,928.00	74,476.00	192,856.00
1-Apr-31	185,000	4.96%	4,588.00	4,588.00	
1-Oct-31			4,588.00	71,888.00	194,176.00
Totals	\$1,000,000		\$2,437,568	\$5,437,366	\$5,437,568

Assumptions			
Dated Date	1-Nov-03	Average Life	17.12 years
First Bond Year	1-Nov-04	Average Coupon	4.746039%
Settlement Date	1-Nov-03	NCI	4.702748%
Discount	\$8.00	Arbitrage Yield	4.319177%
Accrued Interest	\$0.00	TIC	4.702303%
Bond Size	\$1,000,000	All in Yield	5.024962%



NW CAPITAL

Union County Interim Care Authority South Woods Avenue Redevelopment Project	
SOURCES AND USES OF FUNDS	
SOURCES OF FUNDS	
BOND PROCEEDS	\$3,000,000.00
ACCRUED INTEREST PAID	0.00
DEVELOPER CONTRIBUTION	0.00
ORIGINAL ISSUE DISCOUNT	0.00
TOTAL SOURCES	\$3,000,000.00
USES OF FUNDS	
ACQUISITION, DEMOLITION, RELOCATION	\$1,000,000.00
PARK CONSTRUCTION	1,500,000.00
COSTS OF ISSUANCE (ESTIMATED)	75,000.00
REDEVELOPMENT COSTS	350,000.00
BOND INSURANCE (ESTIMATED)	21,750.26
BOND FUND (ACCRUED)	0.00
UNDERWRITING DISCOUNT	24,000.00
MISCELLANEOUS	23,249.74
TOTAL USES	\$3,000,000.00

NW CAPITAL

UCIA019757

Exhibit N

Francis X. Regan

From: Alexis Zack [azack@linden-nj.org]
Sent: Thursday, August 31, 2006 10:09 AM
To: Francis X. Regan
Subject: RE: South Wood Avenue Redevelopment project

Hi Frank,

Sorry I missed speaking to you this morning. Larry Caroselli, John Hudak and the City's Financial Advisors met this morning and we discussed South Wood Avenue. Can you please prepare for us a timeline of events pertaining to south wood avenue and provide us with an update as to what the funds were spent on up to date. On this project along with any information you may have received from Dennis pertaining to the additional monies needed to complete this project. If we have a cash flow problem now and we do the \$3 mil we will still have a cash flow

Issue in the future how are we going to address? City and Developers contribution?
I'd like to try to resolve some of these issues prior to our meeting at 1130am on Tuesday with the finance chairman and Council president and CFO caroselli.

Thank You
Alexis

Tuesday's 1130am meeting I have invited Howard Geneslaw, CP Bunk, Tom Boland, Yaffa Rattner-Citys financial advisor, a rep from NW Financial, yourself, Warren the City's auditor and john hudak to bring all up to date on Morningstar and south wood avenue.
thanks

From: Francis X. Regan [mailto:FRegan@decotlistlaw.com]
Sent: Wednesday, August 30, 2006 12:09 PM
To: Dennis Enright; jaf@nwfinancial.com
Cc: Geneslaw, Howard D.; John Draikiwicz; Jonathan L. Williams; Alexis Zack
Subject: South Wood Avenue Redevelopment project

Dennis -

Just a follow up to our conversation yesterday regarding the additional project financing being considered for the above subject project.

The original deal included the UCIA financing \$3.5 million towards project costs of \$6.5 million. The balance of \$3 million is to be paid by the redeveloper as the purchase price for each of three phases (approximately \$1 million for each phase) and to be used to fund project costs. The first phase properties have been assembled, but the valuation process has not been finalized and demolition, clearance and remediation must still be completed. Project costs are likely to increase beyond the original estimate.

In order to move the project forward more quickly, it has been proposed the UCIA finance the balance of \$3 million to generate more cash flow. The initial thoughts are that this financing could be short term with repayment by UCIA from the \$3 million land sale proceeds from the redeveloper. The payment of issuance and interest costs must still be determined. However, recognizing the likelihood that project costs may increase, the idea of being able to utilize some/all of the additional \$3 million was proposed. There are issues that must still be negotiated with the redeveloper with this idea. Under the original deal, the redeveloper was to pay for all project costs above the \$6.5 million or the UCIA could terminate. Termination is not a viable option and project delays can be attributed to all parties.

Finally, the City and redeveloper entered into a financial agreement for a 30 year PILOT in 2003, prior to

8/31/2006



UCIA020989

amendments that required County's to get 5% of PILOT. The estimated PILOT was \$300,000. The redeveloper believes, I think correctly, that the value of the project has increased since 2003 and the PILOT should be greater than the project \$300,000. The original financial agreement was negotiated by the City to generate PILOT sufficient to cover City debt service on the \$3.5 million UCIA funding with some cash to spare. So there should likely be additional PILOT generated by the project upon completion.

With all of this in mind, we are seeking your thoughts, as well as others, on how this additional \$3 million financing can be structured to account for all of these scenarios while limiting the City's exposure. Based on my limited knowledge of financing, thoughts include refinancing existing debt with new debt (if better rates can be achieved), use of Redevelopment Area Bond financing, short term debt convertible to long term if some of \$3 million is required for project costs.

As always, time is limited. The goal will be to file a LFB application for the October 11th meeting, so the application is due 9/20/06. Since neither you or Jim will be able to attend the meeting on 9/05/06 in Linden. I suggest that we schedule a call when you are available thereafter with all parties copied here, as well as any others we identify. Please feel free to contact me if you have any questions or require additional information. I will try and locate the original LFB application for the \$3.5 million financing and forward to you.

Thanks.

Frank

Francis X. Regan, Esq.
DeCotiis, FitzPatrick, Cole & Wisler, LLP.
Glenpointe Centre West
500 Frank W. Burr Boulevard
Teaneck, NJ 07666
Direct dial: 201-907-5280
Facsimile: 201-928-0588

E-mail: FRegan@decotilslaw.com

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8/31/2006

UCIA020990

Dennis Enright

From: Francis X. Regan [FRegan@decotiislaw.com]
 Sent: Thursday, November 02, 2006 5:35 PM
 To: Dennis Enright
 Cc: Jonathan L. Williams
 Subject: UCIA - South Wood Avenue Redevelopment Project
 Attachments: Scan001.PDF; Scan001.PDF; Scan001.PDF

Dennis -

Attached is the following information for your review of this matter:

- Redevelopment Agreement
- Construction cost estimate for Phase I of the project prepared by redeveloper's architect
- Pro forma for Phase I of the project prepared by redeveloper
- Financial scenario of existing and proposed debt service with PILOT payments prepared by City's FA, Powell Capital Markets (Yaffa Rattner).

A quick overview of project is as follows:

- Three phase development - Phase I has been acquired and is owned by UCIA. Demo and remediation will occur within next 60-90 days. Redeveloper has site plan approval for Phase I consisting of 68 residential units and 15,350 sq ft of commercial space.
- UCIA is responsible for property acquisition, demo, remediation and soft costs (Project Costs).
- Initial UCIA financing was for \$3.5m. Supplemental financing of \$3m is proposed.
- Agreement anticipated project costs of \$6.5m for entire project to be funded through UCIA \$3.5m and redeveloper purchase price from UCIA of \$3m, approximately \$1m per phase.
- UCIA has incurred cost of approximately \$2.4m to date for Phase I costs with a condemnation matter still pending. UCIA taking value was \$1.1m, property owner seeking \$2.2-3.2m. Trial on hold pending appeal of valuation issue. Months from final judgment.
- Cash flow for UCIA to continue project is now a problem, which is why we are recommending additional financing of \$3m to be paid back from purchase price and PILOT (theoretically, not RAB deal).
- City and Redeveloper have financial agreement for 30 year PILOT which at the time (2003) had projected revenues of \$300,000 per year at full build out for all three phases, sufficient to cover City payment of UCIA debt. New projected revenues due to increase in value of project based on revised construction cost estimate are \$600,000 per year at full build out of all three phases.

If you have any questions, let me know. I know that Jim Fagan was involved in some of the recent discussions on this supplemental financing. Thanks.

Frank

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Francis X. Regan, Esq.
 DeCotiis, FitzPatrick, Cole & Wisler, LLP.
 Glenpointe Centre West
 500 Frank W. Burr Boulevard

7/29/2008



UCIA - South Wood Avenue Redevelopment Project

Teaneck, NJ 07666

Direct dial: 201-907-5280

Facsimile: 201-928-0588

E-mail: FRegan@decotiislaw.com

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Exhibit O

MC ELROY, DEUTSCH, MULVANEY & CARPENTER, LLP
ATTORNEYS AT LAW

THREE GATEWAY CENTER
100 MULBERRY STREET
NEWARK, NEW JERSEY 07102-4079
(973) 622-7711
FACSIMILE (973) 622-5314

FILE COPY

THOMAS P. SCRIVO
Direct dial: (973) 565-2042
tscrivo@mdmc-law.com

May 23, 2007

VIA OVERNIGHT DELIVERY

Union County Improvement Authority
300 North Avenue
Westfield, New Jersey 07090
Attn: Executive Director

City of Linden
301 North Wood Avenue
Linden, New Jersey 07036
Attn: City Treasurer

**RE: City of Linden Redevelopment Agreement
Notice of Default**

This firm represents Verge Properties Urban Renewal, LLC ("Verge"). Pursuant to Article 9.01 of the August 15, 2003, Redevelopment Agreement ("Agreement") between the Union County Improvement Authority ("Authority"), City of Linden ("Linden") and Verge, Verge hereby provides the City and Authority with notice of its defaults and breaches of the Agreement.

Article 2.01 of the Agreement required the Authority to initiate the process of acquiring the Phase I Property for the Linden redevelopment project no later than thirty days after the Contract Date - - August 15, 2003 - - and to complete all efforts to acquire good and marketable title to the Phase I Property either through negotiation and contract or through the exercise of the power of eminent domain within six months of August 15, 2003. Although the Authority availed itself of the option of obtaining a 90-day extension to acquire the Phase I Property, the Authority failed to acquire the Phase I Property by May 15, 2004, as required by Article 2.01 of the Agreement.

The Authority has also breached Article 4.01 of the Agreement. Pursuant to Article 4.01 of the Agreement, the Authority agreed to complete the acquisition of the Phase I Property, and any necessary relocation, demolition and clearance of the Phase I Property, within six months of August 15, 2003. The Authority also exercised the option to extend the time for it to complete its obligations under Article 4.01 for ninety days. To date, the Authority has yet to complete the

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necessary relocation, demolition and clearance of the Phase I Property as required by Article 4.01 of the Agreement.

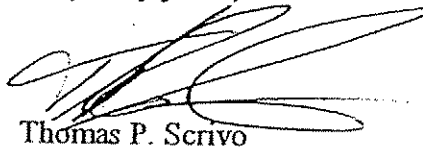
In its April 30, 2007, letter, the Authority now contends that it is ready to undertake the demolition, remediation and clearance of the Phase I Property as it admits it is obligated to do under the Redevelopment Agreement. The Authority erroneously alleges that its delay in completing the demolition and remediation of the Phase I Property was caused by Verge's agreement and then unwillingness to undertake those tasks. Article 4.01 of the Agreement states, "[t]he Authority agrees to complete the acquisition of Property, and any necessary relocation, and demolition and clearance." Contrary to the Authority's current position, while Article 4.01 provided Verge with the "opportunity" to submit a written proposal for demolition, Article 4.01 imposes no affirmative obligation on Verge to perform demolition and remediation. Notably, no amendment or modification to the redevelopment agreement has ever been entered into obligating Verge to complete the demolition and remediation of the Phase I Property.

Contrary to the Authority's allegations, the failure to timely complete the demolition and remediation of the Phase I Property has been caused by the Authority's and the City's failure to finance and fund the Linden redevelopment project pursuant to the Agreement. Article 2.06 of the Agreement required the Authority to fund "[a]ll Project Costs," which include the cost of acquiring, demolishing and remediating the redevelopment properties. The Authority was obligated under the Agreement to fund Project Costs in the amount of \$6,500,000. Because acquisition and demolition was to occur within six months of August 15, 2003, and in no event beyond the 90-day extension period, funding of \$6,500,000 should have been completed by May 15, 2004. We understand that the Authority and City have funded approximately \$3,500,000 of Project Costs by issuing bonds in that amount. Thus, not only has the Authority failed to obtain any additional funding for the payment of Project Costs, but it cannot do so in the time required under the Agreement, and it cannot cure the default under the Agreement.

No properties are ready to be redeveloped due to the Authority's defaults and breaches of the Agreement. The Authority has had several years to perform its obligations under the Agreement and its failure to do so has resulted in damage to Verge. Accordingly, Verge intends to seek all remedies available to it.

Verge hereby reserves its right to assert additional defaults and/or breaches of the Agreement and all of its rights, remedies and defenses are preserved and not waived in whole or in part.

Very truly yours,



Thomas P. Scrivo

cc: Francis X. Regan, Esq.
Lawrence A. Goldman, Esq.

Exhibit P

— LAW OFFICES —
**DeCOTIIS, FITZPATRICK,
 COLE & WISLER, LLP**

GLENPOINTE CENTRE WEST
 500 FRANK W. BURR BOULEVARD
 TEANECK, NEW JERSEY 07666
 TELEPHONE: (201) 928-1100
 TELEFAX: (201) 928-0588
<http://www.decotiislaw.com>

50 WEST STATE STREET
 ONE STATE STREET SQUARE
 TRENTON, NEW JERSEY 08608
 TELEPHONE: (609) 278-1561
 TELEFAX: (609) 278-1562

Writer's Direct Dial No.: (201) 907-5280
 Writer's Direct E-mail: freagan@decotiislaw.com

EDWARD N. FITZPATRICK (1940-2004)

AL ROBERT D. COTIIS
 ALFRED C. D. COTIIS
 MICHAEL R. COLE
 ERIC B. WISLER
 MICHAEL R. D. COTIIS
 JONATHAN L. WILLIAMS
 WILLIAM K. MAVER
 J. SHELDON COHEN
 MICHAEL G. LUCHAW
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 AVIS BISHOP THOMPSON
 EDWARD J. DOCCIA
 MICHAEL I. CACCARELLI
 PATRICIA A. CELANO
 KEVIN A. CONTY
 DAREN R. EFFLEY
 VICTORIA A. FLYNN
 SUSAN FRUCHTMAN
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KEVIN M. KINSELLA
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 BART G. MORGELLI
 THOMAS E. NAPOLITANO
 DAWN O'CONNOR
 RUSSELL I. PASSAMANO
 FRANCIS X. REGAN
 RICHARD F. X. REGAN
 KEITH E. RILEY
 PATRICIA J. RYON
 RYAN I. SCIBBI
 MAURICE L. STONE
 CATHERINE E. TAMASIK
 SUSAN E. VOLKERT

Of Counsel:
 RONALD E. CALIST
 JAMES R. NAPOLITANO
 WILLIAM T. SCHUBER

• Also Admitted in NY
 • Also Admitted in PA

May 31, 2007

VIA FACSIMILE AND UPS OVERNIGHT DELIVERY

Thomas P. Scivo, Esq.
 McElroy, Deutsch, Mulvaney & Carpenter, LLP
 Three Gateway Center
 100 Mulberry Street
 Newark, New Jersey 07102-4079

RE: Redevelopment Agreement for
 South Wood Avenue Redevelopment Project

Dear Mr. Scivo:

As you are aware, this Firm represents the Union County Improvement Authority (the "Authority") in connection with the South Wood Avenue Redevelopment Project, Linden, New Jersey (the "Project"). On behalf of the Authority, I am in receipt of your correspondence dated May 23, 2007 regarding the Redevelopment Agreement between Verge Properties Urban Renewal, LLC (the "Redeveloper"), the City of Linden (the "City") and the Authority dated August 15, 2003 (the "Agreement") and the alleged defaults and breaches of the Agreement by the City and the Authority.

This response is provided on behalf of the Authority and I expect counsel for the City to also respond.

The Authority disputes the Redeveloper's right to provide the City and Authority with notice of its defaults and breaches of the Agreement when the Redeveloper itself has failed to comply with the Agreement. Article 3.22 of the Agreement requires the Redeveloper to deliver to the City and Authority, on each anniversary of the Agreement, a certificate to the effect that "[a] the Redeveloper is not aware of any condition, event or act which

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May 31, 2007

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constitutes a violation of this Agreement or which would constitute a default pursuant to Article 9 or Article 10 hereof, and (b) no condition, event or act exists which, with notice or lapse of time, or both, would constitute such a violation or default pursuant to Article 9 or Article 10 hereof; or (c) if any such condition, event or act exists, specifying the same." The Authority has never received a copy of such certificate, which was required to be provided by the Redeveloper on August 15th in 2004, 2005 and 2006. The Redeveloper alleges defaults and breaches of the Agreement by the Authority for failure to meet certain milestones in the Agreement, most of which it alleges occurred in 2004, yet it never once provided notice to the City and Authority alleging same even though a provision was provided for in the Agreement and obviously agreed to by the Redeveloper. Therefore, the Authority hereby provides the Redeveloper with notice of default and breach of the Agreement for failure to provide such certificates.

Assuming that the Redeveloper has the right to issue a notice of default pursuant to Article 9.01 of the Agreement, this same provision, if read in its entirety, clearly states that the Authority has thirty (30) days to "proceed to commence to cure or remedy such default or breach." Reserving all of its rights, remedies and defenses, in accordance with Article 9.01, the Authority shall proceed to cure the alleged defaults outlined in your correspondence of May 23, 2007, and the Authority shall accomplish such cure "within a reasonable time."

The Redeveloper is well aware of the Authority's efforts to acquire the Phase I Properties and complete tenant relocation, demolition and clearance and environmental remediation of same, having participated itself in these efforts in furtherance of the Project. While the level of participation will not be detailed herein, it includes assistance with tenant relocation, property acquisitions by contract, settlement of condemnation actions, environmental investigations, utility disconnections and demolition bids.

The Authority is diligently undertaking the steps necessary to convey the Phase I Properties to the Redeveloper. The Phase I Property is owned by the Authority and all tenants have been relocated. Asbestos abatement has been completed and demolition will commence shortly with underground storage tank removal and environmental remediation completed thereafter. The Authority anticipates all of this work to be completed on or about August 1, 2007, at which time the Authority will be in a position to convey the Phase I Properties to the Redeveloper.

While the Authority has previously acknowledged its obligation in accordance with Article 4.01 to provide for demolition and environmental remediation of the Phase I Properties, it still takes the position that the Redeveloper agreed to assume responsibility for demolition and clearance services to advance the timing for the commencement of development of Phase I of the Project. Your correspondence notes that no amendment or modification to the Agreement has ever been entered into obligating the Redeveloper to

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May 31, 2007
Page 3

complete the demolition and remediation of the Phase I Property, which is accurate, but in August 2006 and February 2007, the Authority forwarded a construction contract for demolition and an amendment to the Agreement to counsel for the Redeveloper based on prior discussions with the Redeveloper, the City and the Authority regarding same and the Redeveloper never responded to these draft documents.

Your selective reading of Article 2.06 of the Agreement fails to include certain language that when read in its entirety clearly sets forth the intent and agreement of the parties. While the Agreement states that the Authority agrees to fund "[a]ll Project Costs," it is "[t]o an amount not to exceed the sum of Six Million Five Hundred Thousand Dollars (\$6,500,000.00), to be off-set in part by a reimbursement from the Redeveloper upon payment of the purchase price," which is \$3,000,000.00 to be paid by the Redeveloper in accordance with Article 2.05 of the Agreement. Article 2.05 of the Agreement states that "[t]he purchase price shall be deemed to be a reimbursement to the Authority of all of the costs of acquisition of the Properties incurred by the Authority and shall be considered Project Costs." Nowhere in the Agreement does it state that the City or Authority must finance \$6,500,000.00 for Project Costs. The Authority has taken the steps necessary to fund the acquisition, demolition and remediation of the Phase I Property.

In accordance with Article 2.06, the Authority hereby notifies the Redeveloper that the Project Costs, as defined in the Agreement, will exceed \$6,500,000.00 ("Cost Notification"). This estimate is based on the total costs of property acquisition for Phase I Property incurred to date and projected for completion thereof and the 2004 appraisal reports for the remaining phases. Pursuant to Article 2.06, the Authority respectfully requests that the Redeveloper exercise its option to continue the Project and agree to reimburse the Authority within thirty (30) days receipt of this Cost Notification. Should the Redeveloper fail to exercise such option, the Authority reserves its rights under the Agreement.

The Authority is curious in regards to alleged damage to the Redeveloper, particularly in light of the fact that the Authority has issued \$3,500,000.00 in financing, which is currently being repaid by the City without the benefit of the payment in lieu of taxes provided to the Redeveloper for the Project. Any costs incurred by the Redeveloper would be in the normal course of business as a developer.

As to the Redeveloper seeking all remedies available to it, the Authority believes that the Agreement precludes the Redeveloper from seeking any remedies until such time as the Authority has failed to cure any alleged defaults and breaches.

The Authority will continue to work diligently in order to fulfill the terms of the Agreement and complete the Project. Please advise of the Redeveloper's commitment to purchase the Phase I Property upon completion of environmental remediation and

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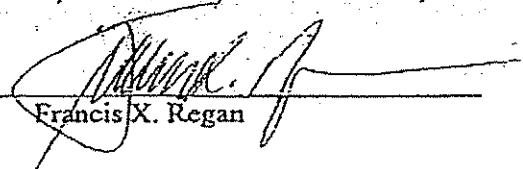
May 31, 2007
Page 4

demolition. In addition, please advise as to the status of all Governmental Approvals for the Phase I Project, which the Redeveloper was to pursue in accordance with the Agreement.

Very truly yours,

DeCotiis, FitzPatrick, Cole & Wisler, LLP

By:


Francis X. Regan

cc: Charlotte DeFilippo, Executive Director, UCIA
Jonathan L. Williams, Esq.
Mayor Richard Gerbounka, City of Linden
Edward Kologi, Esq., City of Linden
Alexis Zack, City Treasurer, City of Linden
Lawrence A. Goldman, Esq.
Dennis Valvano, Verge Properties Urban Renewal, LLC
Jeffrey R. Rich, Esq.