Dev. corresp.

K Hovnanian Companies

10 HIGHWAY 35, PO BOX 500 RED BANK NEW JERSEY 07701 ☐ (908) 747-7800

October 1, 1992

Mr. Marshall E. Cooper, Manager
City of Newark
Department of Development
32 Green Street
Newark, New Jersey 07102

RE: Site C and E Purchase Price Calculation
and Site E Closing Calculations

Dear Marshall:

Attached you will find our computation for the overall Site C and E purchase prices as well as the survey document from which the square foot prices were derived.

The analysis is initially based on computation of the original square footage of the tax lots within the original site as per our original contract. A per square foot price for each original site was then derived by dividing the original contract price for the site by its original square footage. In the case of Site E this figure was a $1.25 per square foot. Site C's number was $0.95 a square foot. I then computed the current square footage of the reconfigured sites as per the recent amendment to our contract and added in the street beds which are being vacated to arrive at the gross square footage for each of the entire reconfigured sites. These figures multiplied by the per square foot price. Then the demolition cost previously approved by the City for existing structures (see documentation attached) and the deposits of $20,000 previously paid for each Site were deducted to arrive at a net price which will be paid for each of the sites. In the case of the reconfigured Site E this net purchase price is $173,140.00. For Site C it is $28,192.70.

As regards the conveyance of Site E, we know the City is not in a position to convey title to all of the Site E tax lots at the present time. Additionally we have been advised that the City's street vacation ordinances will not be in place for another few weeks. Therefore I suggest that the City's initial Deed for the parcels to be conveyed for Site E include the following:

Block 406; Lots 1, 2, 3, 6, 8 through and including 18 (ie. all lots except 4)
Block 407; Lots 6, 7, 9, 14 and 15 (ie. all lots except 1-4, 13, 16, 18, 20-22)
Block 405; Lots 1 thru 16, 20 through 24 and 27 through 31 (ie. all lots except 18)
Block 404; Lots 2, 4, 6, 7, 8, 9, 16 through 33, 35 and 36 (ie. all lots except 1, 3, 34)

This will leave the City to convey the following at a later date in one or more Deeds:

Block 406; Lot 4
Block 407; Lots 1 thru 4, 13, 16, 18, 20 thru 22
Block 405; Lot 18
Block 404; Lots 1, 3 and 34

See attached tax map colored showing the tax lots to be conveyed at a later date.

The City will also convey to us all street beds being vacated in Site E after the vacation ordinance becomes effective as follows:

Newark Street from West Market to Academy Streets
Wilsey Street from West Market to School Streets
Academy Street from Norfolk to Wickliffe Streets
School Street from Wilsey to Wickliffe Streets

Despite the fact that we cannot receive a Deed for all of the above properties we wish to pay the City at the first closing for all street beds and all Blocks and Lots within Site E. This will eliminate a lot of mathematical calculations and, more importantly permit you to have more cash available to consummate the ongoing outparcel acquisitions on our sites. The proposed Closing Statement for the first closing is attached for your review.

In your review of the attached please disregard my letter to Michelle Hollar-Gregory of August 10, 1992 and its attachments. This letter and its attachments contain more current data.

Please contact me to discuss the attached and to set up a closing date.

Very truly yours,

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

Robert M. Schwartz
Legal Counsel

RMS/vak
Enclosure

cc: Site E Closing File
Michelle Hollar-Gregory
Glenn Grant
Michael Kehoe
Lydia Silvis