

## AMENDMENT NO. 1 TO REDEVELOPMENT AGREEMENT

This Amendment No. 1 ("Amendment") is made and entered into as of June 1, 2005 by and between the **BAYONNE LOCAL REDEVELOPMENT AUTHORITY**, an instrumentality and agency of the City of Bayonne, in the County of Hudson, New Jersey (the "BLRA"), and **FIDELCO BAYONNE REALTY LLC**, a New Jersey limited liability company ("Fidelco" and, together with the BLRA, each a "Party" and, together, the "Parties").

**WHEREAS**, Parties entered into that certain Redevelopment Agreement effective as of March 24, 2005 (the "Agreement"); and,

**WHEREAS**, the Parties desire to amend certain terms of the Agreement as more particularly set forth herein.

**NOW, THEREFORE**, the parties agree as follows:

1. Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Agreement.

2. In Section 1.1 of the Agreement, the following definitions are hereby inserted:

"Control Group" means each of Fidelco MOTBY LLC and Roseland/Bayonne, L.L.C., and any or all of the beneficial owners of such entities as reflected on Schedule A and Schedule B hereto.

"Fidelco MOTBY LLC" means that certain limited liability company formed under the laws of the State of New Jersey.

"Roseland/Bayonne, L.L.C." means that certain limited liability company formed under the laws of the State of New Jersey.

"S/K Bayonne Associates LLC" means that certain limited liability company formed under the laws of the State of New Jersey.

3. In Section 1.1 of the Agreement, the definition of "Qualified Entity" shall be deleted in its entirety and the following shall be added in its place and stead:

"Qualified Entity" shall mean (i) Fidelco (at the time of execution of this Agreement, and thereafter so long as it remains in compliance with the terms of this Agreement), (ii) any single purpose business entity wholly owned by any combination of Fidelco or one or more members of the Control Group provided that the requirements set forth in Section 10.1.1(a), (b) and (c) remain satisfied (with the express requirements that any owner of an equity interest other than a member of the Control Group shall be subject to qualification by the BLRA pursuant to Section 10.2), or (iii) such other Person that the BLRA in its reasonable discretion determines complies with the provisions of Section 10.2.

4. Sections 6.1.9, 6.1.11 and 6.1.13 shall be amended by replacing "Fidelco" with "Fidelco, Fidelco MOTBY LLC, Roseland/Bayonne, L.L.C. and S/K Bayonne Associates."

5. Section 6.1.5 shall be amended by deleting the entirety thereof and adding the following in its place and stead:

Ownership Structure.

The ownership and management structure of Fidelco, Fidelco MOTBY LLC, Roseland/Bayonne, L.L.C. and S/K Bayonne Associates is set forth in Schedule C, Schedule A, Schedule B and Schedule A, respectively, and each schedule is true as of the Effective Date. Fidelco, Fidelco MOTBY LLC, Roseland/Bayonne, L.L.C. and S/K Bayonne Associates shall, upon the written request of the BLRA but not more often than monthly, furnish the BLRA with a complete statement subscribed and sworn to by the managing member of Fidelco, indicating that (a) there has not been a change in the ownership and management structure of such entities or, (b) if there has been such a change, setting forth all of the ownership interests of Fidelco, Fidelco MOTBY LLC, Roseland/Bayonne, L.L.C. and/or S/K Bayonne Associates, as applicable, or other owners of equity interests of Fidelco, Fidelco MOTBY LLC, Roseland/Bayonne, L.L.C. and/or S/K Bayonne Associates, as applicable, and the extent of their respective holdings, and in the event any other parties have a beneficial interest in Fidelco, Fidelco MOTBY LLC, Roseland/Bayonne, L.L.C. and/or S/K Bayonne Associates, as applicable, their names and the extent of such interest. Any statement delivered pursuant to (a) above will amend the respective schedule(s) accordingly and any provision of this Agreement relating to such schedule(s) will apply to such schedule(s) as amended.

6. Section 10.1 shall be amended by deleting the entirety thereof and adding the following in its place and stead:

Control of Fidelco; Transfers of Ownership Interests in Fidelco.

Section 10.1.1 Controlling Interest. Fidelco is owned by Fidelco MOTBY LLC (with a 55% ownership interest) and Roseland/Bayonne, L.L.C. (with a 45% ownership interest). The ownership structures of Fidelco MOTBY LLC and Roseland/Bayonne, L.L.C. are as listed on Schedule A and Schedule B, respectively, attached hereto. Fidelco represents and agrees that, except as provided otherwise in this Section 10.1.1, at all times during the term of this Agreement, (a) Marc E. Berson, Steven Kalafer and/or Carl Goldberg shall retain, through their ownership interest in Fidelco MOTBY LLC and/or Roseland/Bayonne, L.L.C., not less than a 40% percent ownership interest in Fidelco (or such other Qualified Entity as permitted under paragraph (ii) of the definition of a Qualified Entity) as determined under the operating agreements of Fidelco, Fidelco MOTBY LLC and/or Roseland/Bayonne, L.L.C. (or such other Qualified Entity as permitted under paragraph (ii) of the definition of a Qualified Entity), (b) Marc E. Berson, Steven Kalafer and/or Carl Goldberg shall retain the right, directly or indirectly, to exercise direct legal Control of the management decisions and policies of Fidelco (i.e. Control at least 51% of the voting rights of Fidelco or such other Qualified Entity as permitted under paragraph (ii) of the

definition of a Qualified Entity), and (c) Marc E. Berson and/or Carl Goldberg shall retain full management Control over the day to day operations of Fidelco (or such other Qualified Entity as permitted under paragraph (ii) of the definition of a Qualified Entity), all pursuant to the applicable operating agreement. The parties acknowledge and agree that based on the disclosures set forth on Schedules A, B, and C hereto, Fidelco satisfies the requirements set forth above in paragraph (a) of this Section 10.1.1. Nothing in this Agreement shall be deemed to restrict the ability of any member of the Control Group to transfer his interest in any other member of the Control Group provided that the requirements set forth in Section 10.1.1(a), (b) and (c) remain satisfied. In addition, nothing in this Agreement shall be deemed to restrict the ability of any member of the Control Group to transfer his interest in any other member of the Control Group, in trust, to family members or charities, provided that after such transfer(s), the transferring member retains voting Control of all interests transferred.

Section 10.1.2 Transfer of Interest. In the event that one or more members of the Control Group, either individually or collectively, seeks to transfer his or their interest in any other member of the Control Group to one or more other members of the Control Group, such that after such transfer(s) the provisions of Section 10.1.1 can not be met, then before consummating such transfer(s) the BLRA must first, in its sole discretion, consent to same in writing. In the event that one or more members of the Control Group, either individually or collectively, seeks to transfer his or their interest in any other member of the Control Group to any Person (other than a member of the Control Group) (a) such that after such transfer(s) the provisions of Section 10.1.1 can not be met, then before consummating such transfer(s) the BLRA must first, in its sole discretion, consent to same in writing or (b) such that after such transfer(s) the provisions of Section 10.1.1 can be met, then before consummating such transfer(s) the BLRA must first, in its reasonable discretion, consent to same in writing provided that such Person complies with the provisions of Section 10.2. Notwithstanding anything contained herein to the contrary, in the event there is any amendment, termination, or supplement to the operating agreement of Fidelco, dated as of June 1, 2005, Fidelco MOTBY LLC, dated as of June 1, 2005, or Roseland/Bayonne, L.L.C., dated as of June 1, 2005, then Fidelco shall deliver to the BLRA such amended, supplemented, terminated or new operating agreement, and/or proof of termination within 10 days of such amendment, termination or supplement.

Section 10.1.3 Death or Incapacitation. Notwithstanding anything to the contrary herein, in the event of the death or incapacitation of any member of the Control Group, such death or incapacitation shall not trigger any rights of the BLRA under this Agreement as long as the provisions of Section 10.1.2 continue to be satisfied.

7. Section 13.1 shall be amended by adding the following address for notices to Fidelco:

Fidelco Bayonne Realty LLC  
c/o Fidelco MOTBY LLC  
233 Canoe Brook Road  
Short Hills, NJ 07078  
Attn: Carl Goldberg  
Fax: (973) 218-0967

8. Except as amended hereby, the Agreement is ratified and confirmed in all respects and all provisions of the Agreement shall remain in full force and effect according to the terms and conditions contained therein.


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

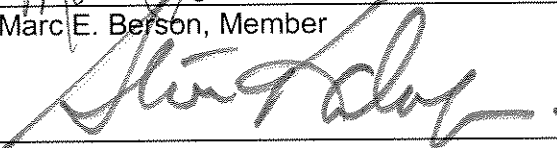
IN WITNESS WHEREOF, the undersigned have executed and delivered this Amendment by their duly authorized officers as of the date first written above.

**BAYONNE LOCAL REDEVELOPMENT AUTHORITY**

By:   
Nancy Kist, Executive Director

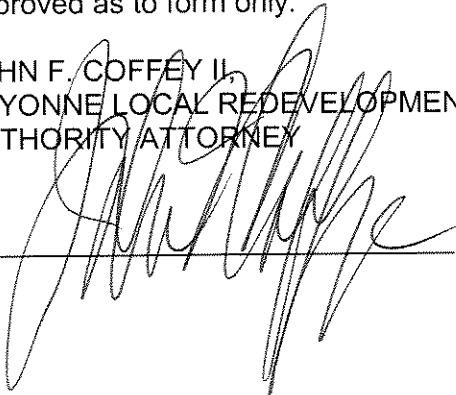
**FIDELCO BAYONNE REALTY LLC**

By:   
Marc E. Berson, Member

By:   
Steven Kalafer, Member

Approved as to form only:

JOHN F. COFFEY II,  
BAYONNE LOCAL REDEVELOPMENT  
AUTHORITY ATTORNEY



SCHEDULE "A"

Marc E. Berson

Steven Kalafer

Mitchell Schneiderman

Marla S. Smith

Patricia E. Pace

S/K Bayonne Associates LLC, (with Murray Kushner as the sole member

**SCHEDULE "B"**

**OWNERSHIP STRUCTURE FOR  
ROSELAND/BAYONNE, L.L.C.**

Roseland/Bayonne, L.L.C. is 100% owned by Roseland Partners, L.L.C. which is owned by:

<b><u>NAME</u></b>	<b><u>PERCENTAGE INTEREST</u></b>
Klatt Family Holdings, L.L.C.	33.1727%
Tycher Family Holdings, L.L.C.	33.1727%
Carl Goldberg	15.0000%
Starbare III Corp.	4.4949%
Roseland Management Company, Inc.	1.4097%
Howard P. Milstein	6.3750%
Edward L. Milstein	6.3750%

Klatt Family Holdings, L.L.C. is managed by Bradford R. Klatt, as Trustee of the Bradford R. Klatt Grantor Trust (the "Klatt Trust"), and is owned 66.74% by the Klatt Trust and 33.26% collectively by Robin Klatt (wife), Samuel Klatt (son) and Trusts created for the benefit of the Klatt Children.

Tycher Family Holdings, L.L.C. is managed by Marshall B. Tycher as Trustee of the Marshall B. Tycher Grantor Trust (the "Tycher Trust"), and is owned 72.74 % by the Tycher Trust and 27.26% collectively by Sally Kushner Tycher (wife), Jack Tycher (son) and Trusts created for the benefit of the Tycher Children.

Starbare III Corp. and Roseland Management Company, Inc. are each owned 50% by the Klatt Trust and 50% by the Tycher Trust.

SCHEDULE "C"

OWNERSHIP STRUCTURE FOR FIDELCO BAYONNE REALTY LLC

<u>NAME</u>	<u>PERCENTAGE INTEREST</u>
Fidelco MOTBY LLC	55%
Roseland/Bayonne, L.L.C.	45%