

Development Concept Proposal

Union Hotel, Flemington, New Jersey



Phoenix Realty Resources, L.L.C.

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Phoenix Realty Resources, L.L.C. ("Phoenix Realty") thanks you for this opportunity to submit this Development Concept Proposal in response to the Borough of Flemington's Request for Proposal dated August 17, 2012. Phoenix Realty is experienced in projects of this type and looks forward to working with the Borough of Flemington to bring this long festering project to a swift and successful conclusion.

A. Identification and Qualifications of Developer and of Key Individuals

Phoenix Realty is a New Jersey real estate holding company, organized as a limited liability company. Through subsidiaries, its principal, Eric H. Berger, Esquire, has been acquiring and renovating real estate since 1993. Although Phoenix Realty and its subsidiaries have never been designated as a redeveloper, it has formed excellent working relationships with municipal officials in Metuchen, Morristown and Somerville where it has undertaken restoration projects of historic buildings.

As noted above, Eric H. Berger, Esquire is the principal of Phoenix Realty. Mr. Berger graduated from the Wharton School of Business at the University of Pennsylvania and obtained a law degree from Georgetown University Law Center. Mr. Berger has been engaged in real estate acquisition and renovation since 1993.

B. Previous Development Experience

Phoenix Realty's philosophy is to buy, renovate and operate long term. Therefore, renovations are done to last long term, not in a manner just to flip the real estate to an end user. Phoenix Realty prides itself on quickly and efficiently completing every project to the highest quality standards.

Phoenix Realty currently has ownership in and operates sixteen (16) properties totaling approximately 600,000 square feet. While there is not adequate space here to describe every project in detail, a few examples will be illustrative.

In Metuchen, it purchased the Metuchen Hardware store (built in 1873), a 3-story 55 foot tall building on Main Street by the train station. Metuchen Hardware had used the upper floors as storage for 70 years, and closed in the windows. In 1995, Phoenix Realty reopened the windows and created fabulous loft apartments on the upper floors. Phoenix Realty split the first floor into two (2) tenancies, a bagel shop and a hair salon. See Exhibit A annexed hereto.

In Somerville, Phoenix Realty purchased a 3-story former Model-T Ford dealership on Division Street and lovingly restored the upper floors for apartments. Phoenix Realty removed the two layers of newer tacky facades and exposed the original stone façade and full height storefront windows. Phoenix Realty also purchased the adjacent single story building and renovated the outdated 1950s era façade to be a brick façade. The building, which was just completed, is now the centerpiece of the new Division Street pedestrian walking mall. See Exhibit B annexed hereto.

In Morristown, Phoenix Realty purchased four (4) adjacent three and four story buildings just off the Green on Washington Street. Initially the building was renovated for a restaurant, a flower shop and a gym on the lower level, with offices for a law firm on the upper floors. When the law firm vacated at the end of their ten year lease, in 2010-2011 the third and fourth floors were converted to fabulous apartments. See Exhibit C annexed hereto.

Also in Metuchen, Phoenix Realty purchased a building that runs from Main Street through to Station Place and was constructed in the 1920s. In addition to renovating the existing structure, in 2004 Phoenix Realty constructed apartments on stilts over the existing rear portion of the building facing Station Place. See Exhibit D annexed hereto.

Also in Metuchen, in 2002 Phoenix Realty constructed a new 18,000 square foot building on Durham Avenue with six (6) retail spaces on the first floor and twelve (12) apartments on the second and third floors. See Exhibit E annexed hereto.

C. Project Concept

Phoenix Realty proposes to retain the existing Union Hotel building facades, repairing and painting them as necessary. The first floor of the building would be divided for multiple tenancies in accordance with the existing retail, restaurant and personal service zoning, with outdoor dining on the front porch of the Union Hotel as a targeted and preferred use. The upper floors of the existing Union Hotel building, including the attic, would be gutted and converted to one-bedroom and two-bedroom apartments. An elevator would be added as an addition to the rear of the existing Union Hotel building.

In addition, Phoenix Realty proposes to construct a new four-story Victorian style building facing Spring Street. The new building would be 140 feet wide and 60

The Borough is redacting/withholding from public disclosure financial information submitted on page 4 of the Phoenix Realty Resources, LLC proposal because public records do not include "proprietary commercial or financial information obtained from any source" or "information which, if disclosed, would give an advantage to competitors or bidders," pursuant to N.J.S.A. 47:1A-1.1.

feet deep. There would be three (3) archways through the building for: (i) ingress for the Burlington Fur parking lot behind the new building, which would also provide additional parking for the Union Hotel during hours that Flemington Furs is closed; (ii) egress from the Burlington Fur parking lot behind the new building; and (iii) pedestrian access between the parking lot behind the new building and Spring Street. Existing ground level parking behind the existing Union Hotel building would be reserved for Burlington Fur during its hours of operation to replace parking spaces lost due to the construction of the new building along Spring Street.

The first floor of the new building would contain multiple tenancies in accordance with existing zoning. The upper floors would contain approximately 24 one-bedroom and two-bedroom apartments, which typically do not have any school age children.

A single level parking deck would be constructed from the rear façade of the Union Hotel to the rear façade of the new building facing Spring Street with egress and ingress from Main Street on either side of the existing Union Hotel building (the Strategic Advisory Group of the Flemington Improvement District recommended a one-story deck as part of their presentation). This new level of parking would provide approximately 65 parking spaces for the two buildings. As suggested by the Strategic Advisory Committee, the Borough would dedicate an additional 40 of the Borough's parking spots for use by the two buildings. See Exhibit F annexed hereto.

Phoenix Realty has worked successfully with municipalities. Please feel free to contact:

Mayor Brian Gallagher of Somerville - mayor@somervillenj.org
James Constantine, Metuchen Borough Planner - jconstantine@lrk.com

Phoenix Realty has numerous sources of debt. Please feel free to contact its commercial mortgage broker:

Kathleen Anderson, Progress Realty Advisors - kanderson@pranorth.com

Phoenix Realty's subsidiaries are currently in the process of refinancing four (4) projects with Metuchen Savings Bank. Please feel free to contact:

Kenneth Totin, Head of Commercial Lending -
ktotten@metuchensavingsbank.com

Phoenix Realty plans to use BJR Construction for the renovation and construction work. Please feel free to contact its principal:

Bruce Rasmussen - 732-673-6537

Phoenix Realty plans to use Mark Marcille as its architect. Please feel free to contact:

Mark Marcille, RA - mark@mpm-arch.com

F. Conclusion

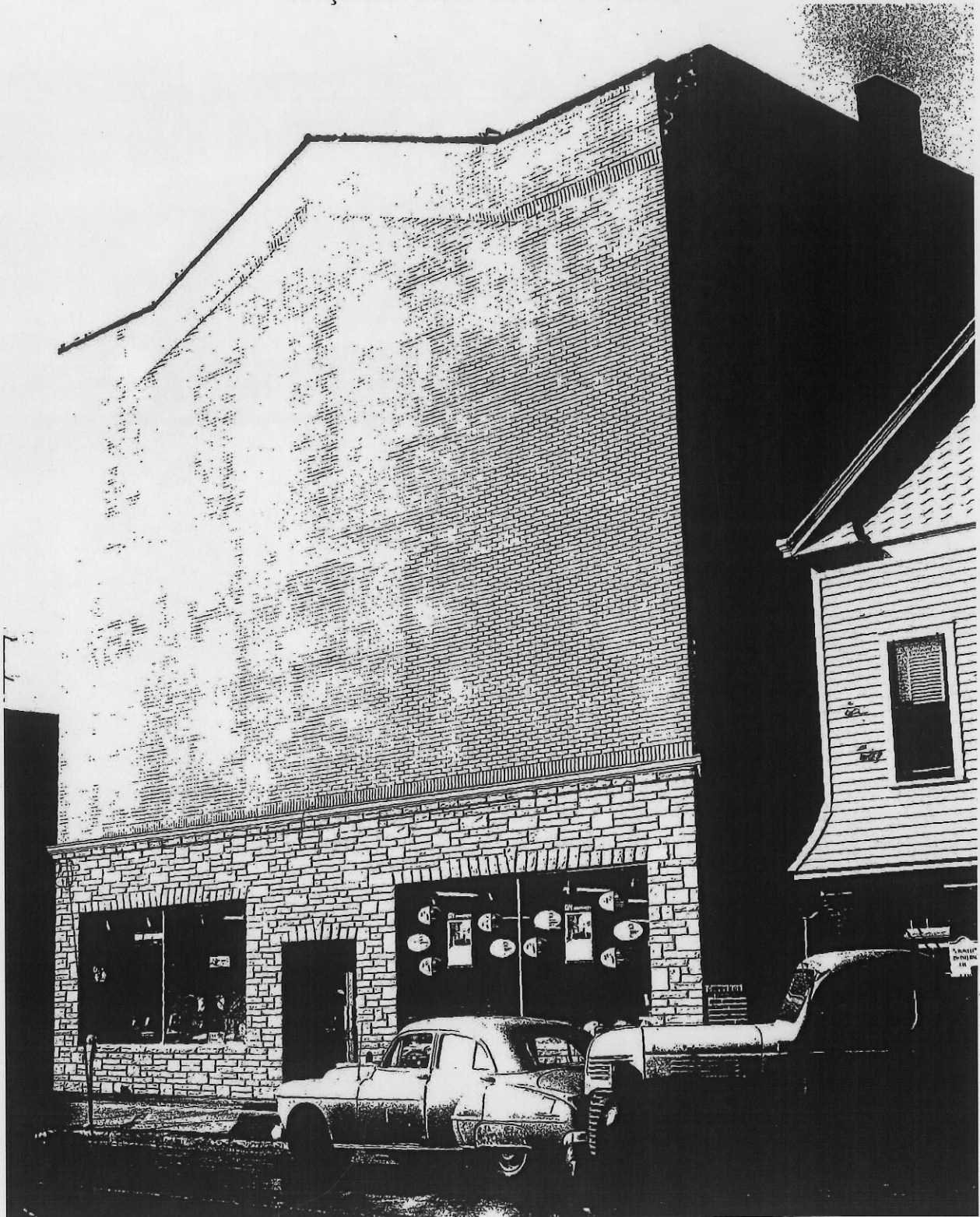
Thank you for your consideration. If you have any questions, or would like to set up a meeting, please contact Eric H. Berger, Esquire at:
eberger@usrealestateacq.com or call him on his cell phone at 732-910-2228.

EXHIBIT A
FORMER METUCHEN HARDWARE
MAIN STREET
METUCHEN, NJ

ORIGINAL FAÇADE
CIRCA 1873



FAÇADE CIRCA 1949 TO 1994



POST-RENOVATION FAÇADE



UPPER FLOOR INTERIOR 1994



POST-RENOVATION APARTMENT INTERIOR



POST-RENOVATION APARTMENT INTERIOR



EXHIBIT B
DIVISION STREET
SOMERVILLE, NJ

FAÇADE 2010



FAÇADE DECEMBER, 2011



CURRENT FAÇADE



UPPER FLOOR PRIOR TO RENOVATION



UPPER FLOOR POST-RENOVATION (SAME SPOT)



RENOVATED FIRST FLOOR



EXHIBIT C
WASHINGTON STREET
MORRISTOWN, N.J.



NEW APARTMENTS







EXHIBIT D
MAIN STREET BUILDING ON STILTS
METUCHEN, N.J.



EXHIBIT E
DURHAM AVENUE NEW BUILDING
METUCHEN, NJ



EXHIBIT F
PROPOSAL FOR UNION MOTEL

CURRENT



PROPOSED

