Motion for Reconsideration and Rehearing (Transcript)

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CA 0024/9M.

	CHANCE	OR COURT OF NEW SLASET RY DIVISION
1		SEX COUNTY/OCLAN COUNTY Laurel II)
2	x	X
3	URBAN LEAGUE OF GREATER NEW BRUNSWICK, et al,	DOCKET NO. C-4122-73
4	Plaintiffs,	:
5	VS.	:
6	THE MAYOR AND COUNCIL OF THE EOROUGH OF CARTERET, et al,	:
7	Defendants,	:
8	and	:
9	O & Y OLD BRIDGE DEVELOPMENT CORPORATION, A Delaware Corporation,	SUPERIOR COURT OF NEW JERSEY LAW DIVISION
10	oolpoludi.,	MIDDLESEX COUNTY/ OCEAN COUNTY
11	Plaintiff, and	DOCKET NO. L-009837-84 PW & DOCKET NO. L-036734-84PW
12	WOODHAVEN VILLAGE, INC., a	:
13	New Jersey Corporation,	:
14	Plaintiff, vs.	:
15	THE TOWNSHIP OF OLD BRIDGE in	:
16	the County of Middlesex, a Municipal Corporation of the	: (x, H) (si)
17	State of New Jersey, THE TOWN-	
18	SHIP OF OLD BRIDGE, THE MUNICIPAL UTILITIES AUTHORITY	Man Depoting Reconstruction
19	OF THE TOWNSHIP OF OLD BRIDGE, THE SEWERAGE AUTHORITY OF THE	$\int \mathcal{O}_{\mathcal{O}_{\mu}} \times \mathcal{O}_{\mu} \times \mathcal{O}_{\mu}$
20	TOWNSHIP OF OLD BRIDGE and	i Ocho
21	THE PLANNING BOARD OF THE TOWNSHIP OF OLD BRIDGE,	
الشا	Defendants.	:
22	X	x
23	Place	: Ocean County Courthouse Toms River, New Jersey
24	Date:	April 13, 1988
25		

1	BEFORE:	
2	HONORABLE EUGENE D. SERPENTELLI, A.J.S.C.	
3	TRANSCRIPT ORDERED BY:	
4	YVONNE MARCUSE	
5	APPEARANCES:	
6	RUTGERS LAW SCHOOL CONSTITUTIONAL LITIGATION CLINIC For Urban League of Greater New Brunswick, BY: BARBARA STARK, ESQ.	
7		
8		
9	BRENNER, WALLACK & HILL, ESQS., Attorneys for O & Y Old Bridge Development Corporation BY: THOMAS JAY HALL, ESQ.	
10	HUTT, BERKOW & JANKOWSKI, ESQS.	
11	Attorneys for Woodhaven Village, Inc.	
12	BY: STEWART M. HUTT, ESQ. RONALD L. SHIMANOWITZ, ESQ.	
13	JEROME J. CONVERY, ESQ.,	
14	Attorney for Township of Old Bridge	
15	NORMAN & KINGSBURY, ESQS., Attorneys for the Planning Board of the	
16	Township of Old Bridge, BY: THOMAS NORMAN, ESQ.	
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THE COURT: This is denominated as a motion for reconsideration, and I might just say in passing with the hope that somebody reads this, that I believe it evidences the fact that Rule 4:49 should not have been amended in the way that it was amended. Because if the rules contemplate this type of motion, it may allow this type of motion. I take it that there is no decision that the Court can make that is not subject to one of these motions.

It does appear, however, that the motion at least facially falls under that rule. The motion was made by Woodhaven.

I note that the decision in the prior motion at page 128 of the transcript the Court says, "Lastly, the plaintiff Woodhaven did argue that if the settlement is vacated as to 0 & Y, it need not be vacated as to Woodhaven for the reasons which I have stated, perhaps, in too much length." The "defendant" should be "defendants" is entitled to a vacation as to both plaintiffs. The settlement with respect to the two parties is totally interrelated and interdependent.

"The defendant was induced to settle with two parties based upon the total package because of what each could contribute towards an integrated development.

"Therefore, the vacation will apply to both of the plaintiffs."

Mr. Hutt.

MR. HUTT: Your Honor, what you just read was, as you previously remarked, just a couple of paragraphs out of a rather lengthy transcript or lengthy oral argument and a lengthy decision by the Court.

That decision by you in the previous pages, at least the way I read it, was fundamentally related to your ultimate decision that the effect of these massive amounts of wetlands that occurred in O & Y meant that the Town didn't get what they bargained for.

You used a lot of reasons for it, and I am not here to quarrel about the reasons, and you also used, if you will notice, after the recess, a map had been put up on the board and you asked the master relating to that map, that map was put on by Mr. Hall and nobody had ever seen it before, and all of the remarks that the Court made that day as far as I am concerned related to 0 & Y, and then there was the tail end problem.

So, I was concerned, and the reason for the motion was that the thrust of the argument and Mr. Raymond's remarks related to what could happen with O & Y, could they produce what they originally said they would produce, and the answer was, no.

Now, subsequently, both by verbal conversation with you and with your letter to me of December 1st, 1987, you stated, and I quote from the letter: "Having received your letter of November 18th. . ."

THE COURT: Can I interrupt you for just a second?

You made reference to Mr. Raymond's comment in

response to the Court asking him whether -- whether he

could state definitively how the plan as it existed

has been modified.

He had before him at that time your letter of August 31, 1987. He had on the board the O & Y plan, but you have forwarded him a rather comprehensive letter misstating the Court's position rephrasing the facts and several other inaccuracies.

But in any event, he had Woodhaven's position before him as well when he made the comment that he made. Didn't he?

MR. HUTT: No, your Honor. In fact, you stated yourself that Woodhaven had not yet submitted a plan to him and that --

THE COURT: No. I said he had what you submitted in your letter of August 31.

MR. HUTT: What I submitted in my letter of August 31 was an argument that the plan could produce a desirable result, because, frankly, Mr. Hall and I

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thought that was the issue facing us.

THE COURT: Well --

MR. HUTT: You said that was not the issue. issue was whether it changed, whether it's a desirable result or not, and as a result, he has never gotten -you said yourself in the transcript, your Honor, he had never gotten a revised plan from us as to whether or not the revised plan which substantially changed the existing plan.

THE COURT: I don't think that's accurate.

Your letter of August 31 -- I am not saying what I said you mischaracterized just now, that is --

MR. HUTT: You are saying I didn't mischaracterize it.

THE COURT: Your letter of August 31st, 1987 to Mr. Raymond included, for whatever reason, a copy of your answering brief to the defendant's motion. All right?

It also included a plan entitled Land Use and Road Alignment prepared by the Salkan Group dated August 26, 1987, a report entitled Project Planning Report of Woodhaven Village dated August 26, 1987 and prepared by the Salkan Group.

Mr. Raymond had all of those things in his possession and presumptive knowledge when, on September Judith R. Mazinke, C.S.R.

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14th, he responded to the Court's question of what the impact was on the plan that was contemplated initially.

MR. HUTT: Your Honor, I respectfully submit you are in error.

You pointed directly to the map that was put on the board. The transcript shows it.

You directed whether you said --

THE COURT: You are not responding to my question. He did have — he did have Woodhaven material at the time he answered whatever I asked him.

MR. HUTT: As a matter of fact, you say he didn't, and I agree with you. You said right in the transcript and he didn't.

THE COURT: You are not right, but why don't you stay with my question? Whatever I said is evident from the transcript.

MR. HUTT: That's true.

THE COURT: And if you are right, you are right.

But am I not right in what I am asking you now?

MR. HUTT: No, you are not right.

THE COURT: Okay. Why not?

MR. HUTT: Because we did not submit a plan to show him as to whether or not -- we had not even done them -- as to whether or not --

THE COURT: What did you submit then?

Judith R. Mazinke, C.S.R.

MR. HUTT: We have it here. We submitted him only one plate. There was another plate. In fact, we actually — I actually have it here today.

We never submitted it to him because it was done afterwards.

THE COURT: Well, what is the land use and road alignment plan of August 26, 1987 and the project planning report of August 26, 1987?

MR. HUTT: That is not a plan showing where the villages are, where the densities are, where the public properties are and so forth. It was just a road alignment.

THE COURT: There is two separate plans?

MR. HUTT: That's right. We only submitted one.

THE COURT: Pardon me?

MR. HUTT: That is correct. We only submitted one. One plate and not a new plate -- not a second. There is an Al and Bl.

THE COURT: They were not the same plans, were they, as in the Blue Book?

MR. HUTT: That's correct.

THE COURT: That is correct?

MR. HUTT: That is correct. We didn't even submit the second plan.

THE COURT: But he had information before him at Judith R. Marinke, C.S.R.

the time that he responded to the Court on September 14th.

MR. HUTT: He had a new plate E, but not a new plate Bl, your Honor.

THE COURT: Here's what he had before him August
-- that's one of the two things he had before him.

The other thing is also submitted for the Court subsequently because it was omitted in the submission to the Court in December.

Is this document that I am holding, which is dated August 26, 1987 different or the same as the plates that were in the so-called Blue Book or Black Book, depending on what cover you got?

MR. HUTT: If they were by Salkan, they were different.

THE COURT: Sure. Okay.

Now, so he did have within his contemplation whatever these reports and plans show when he answered my question.

MR. HUTT: Your Honor, he did not have our plan and he did not -- your question was addressed to the plan on the board.

THE COURT: Don't tell me what my question was addressed to. My question was addressed to whatever it says at page 90 --

MR. HUTT: -- 96.

THE COURT: It starts at 95 of the transcript.

MR. HUTT: That is correct.

THE COURT: And whatever my question says somebody can interpret.

When he answered as follows the fact is that he had this new information before him. He said, "Your Honor, this plan or any plan that is possible under the current circumstances" — so, he knew some circumstances — "is very different from the plan that was incorporated as an administration of what was intended by the developers in the settlement."

MR. HUTT: That's correct. And he was referring to the O & Y plan, your Honor.

THE COURT: Is that evident?

MR. HUTT: Pardon?

THE COURT: Is that evident?

MR. HUTT: Yes, it is, because that was the plan --that was the plan that was on the easel, and in
addition to which I wrote a letter, your Honor. I
spoke to him subsequent to the hearing and that was part
of my motion for not only reconsideration, but reargument -- for a rehearing.

I spoke to him. He told me even after the hearing.

Lasked him exactly that question and he said to me,

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and that is why I made the motion for not only reconsideration, but rehearing to clear up the record on that point.

THE COURT: Well, certainly Mr. Raymond has never told this Court that, and it's totally unfair to the defendants to so represent it at this stage.

There is nothing in the record to indicate that.

If you look at the transcript at page 95, my question to him, which appears to you to be obvious, is not obvious to me.

My question to him is -- well, let's back up.

Page 95 the Court says, "The record would indicate that the Court did ask that the parties supply sufficient information to Mr. Raymond -- George Raymond, who has been appointed as Court Master in this case, to give him the opportunity if he could do so to make some judgment as to the scope and extent of the modification involved here."

I went on to say gratuitously, "One of the attorneys seemed to believe that my intention was to give Mr. Raymond the job of determining whether there should be a vacation, which, of course, is a matter for the Court.

"However, there was a legal argument made to him which I consider to be not relevant."

I was referring to your submission of your brief but -- then, I say, "However, I will ask Mr. Raymond, since he is present" --

MR. HUTT: Sir, you missed what I consider to be an important section.

THE COURT: Oh, you want me to read that sentence?

MR. HUTT: Yes.

THE COURT: "But I am not altogether certain that, based upon what occurred today, the plaintiffs are in a position to inform Mr. Raymond fully."

MR. HUTT: Exactly.

THE COURT: Whatever that means. I don't know that it means anything.

In other words, maybe he didn't have all the information — that's what I assumed — maybe he didn't have all the information he needed, and he was going to say to me, Judge, I don't know. I can't answer your question. Okay?

So, then I went on to say, "However, I will ask
Mr. Raymond, since he is present, I don't intend to
take testimony or go beyond this question, but whether
Mr. Raymond believes he is in a position to tell the
Court definitively how the plan as it existed has been
modified."

MR. HUTT: Which plan are you talking about? The Judith R. Marinke, C.S.R.

plan was in the singular.

THE COURT: Why didn't he ask me?

And he responds saying I didn't say the plan on the board. I didn't say 0 & Y's plan. I said the plan, and all through here I was referring quite clearly to Woodhaven's and 0 & Y's plan, and you can see references, many references to Woodhaven in the transcript which I'd be happy to take the time to point out to you, since I have marked them all, and Mr. Raymond responds, "Your Honor, this plan or any plan that is possible under the current circumstances is very different from the plan that was incorporated as an administration of what was intended by the developers"—plural — "in the settlement."

It was obvious to me that Mr. Raymond was responding to a total question.

Frankly, I don't think that is terribly important, because it was obvious to me without Mr. Raymond responding that what he said was correct.

And the Court so stated in the last sentence of the opinion which I started this argument with.

MR. HUTT: Your Honor, I can only tell you that when you said "this plan," there was a plan on the easel. You pointed to it.

THE COURT: I didn't say "this plan." I said,

Judith R. Mazinke, C.S.R.

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"the plan."

MR. HUTT: The plan. When Mr. Raymond testified he said, "this plan," your Honor, 'this plan," and he pointed to the one on the board.

THE COURT: Or any plan, he said.

MR. HUTT: Okay. But he pointed to the one on the board.

THE COURT: He said any plan. What he was saying was you can't possibly fulfill the contemplation of the parties under the present circumstances. That's the thrust of what he said.

MR. HUTT: You asked him specifically was it a different plan regardless of whether it was a reasonable plan.

He says, it's a reasonable plan, but I cannot say it's a different plan.

THE COURT: You persist and mischaracterized when I asked him what he said. That's throughout your present brief, and now through your argument.

I didn't ask him that at all. I said, can you tell "the Court definitively how the plan as it existed has been modified"? That's all I asked him.

MR. HUTT: He answers. And at the bottom of page 97 you say at line 20, "The Court: One other question." I will give counsel an opportunity if they wish to

address a question, but I am not going to get into testimony.

"When you say it is very different, in what respect do you find it very different"?

And then he goes on to answer. And then he keeps on pointing out the fact that — this whole colloquy here is that the plan could be desirable, could be suitable, could be nice, but I got to tell you it's a different plan.

THE COURT: We haven't got the plan we had when we began.

MR. HUTT: That is right. That is right.

THE COURT: That's a great line, but somebody else wrote it. It's from Fiddler on the Roof, you think?

MR. HUTT: That's right. You quoted, your Honor, from it.

THE COURT: Yes.

MR. HUTT: And if there was any doubt about that, we would have had Mr. Raymond in Court here this morning, because, frankly, as I started to say on your letter to me of December 1st, 1987, you in effect are saying you don't care whether it was a different plan or not because you say, having received your letter of November 18th -- get my letter out for November 18th --

"I am satisfied that there is no reason for this motion to be heard."

The Court was entirely aware that Woodhaven was a completely independent project. Furthermore, the Court assumed for purposes of the motion that the Woodhaven project would not be substantially reduced due to the wetland problem which existed in Old Bridge.

Notwithstanding that fact, the Court expressed clearly on the record that the Woodhaven project was an integral part of the overall settlement and could not be separated from 0 & Y.

Based on that fact, I could see no reason asserted by you for reasonable condition.

So, you in your mind, because of my letter of

November 18th, I think -- have you got it there? There
was a copy that I sent to Raymond --

THE COURT: Yes. In other words, yes, your

November 18th letter is attached to my response to you.

At the oral argument we did not have the extent or scope of possible wetland impact on Woodhaven for sure, although there were representations made, estimates, guesses, and they are referred to in the record rather clearly.

Basically what I was saying was I didn't care.

MR. HUTT: Exactly.

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THE COURT: It could be fully buildable as far as

I was concerned. It could be fully buildable in

accordance with the plan that you gave to the Town,

and nonetheless, I ruled that the judgment should be

vacated.

MR. HUTT: Well --

THE COURT: So that — that's what made me wonder how there can be any basis for reconsideration, because I had given you every benefit of the doubt in terms of the arguments you are making as to the separate viability of this plan.

MR. HUTT: Well, your Honor, I respectfully submit that you did not do that at the time of the initial decision. You didn't say you gave every doubt.

Your letter now makes it clear that that is now your position, which is fine, but your oral decision did not in any way state that, assuming that you didn't to change it altogether, I still think you should you never said that in your oral decision.

decision was based on the fact that you that the Woodhaven plan would now, any new plan would now have to be different than the

URT: Where do I say that?

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opinion of the fact that — as you said in the quote that you made, you talk about all of the reasons you gave before, and when you talked to Woodhaven, simply says, "For the reasons that I had said."

You didn't say that it would have made a difference. Your reasoning was that the Town did not get what it perceived it was going to get such as a golf course, shopping centers, employment centers and things like that, and all of those items, by the way, golf course, huge employment centers, the other items that you mentioned was nothing that Woodhaven in the settlement agreement had agreed to provide.

So, all of your remarks were directed towards the result of the Town not being able to get it, because 0 & Y was the one that was supposed to provide it, and they couldn't provide it.

THE COURT: If you go back to, rather than looking at the decision, you go back to the preceding 95 pages or oral argument, you can find numerous occasions when you talked about the interrelationship that 0 & Y was providing all the goodies, and therefore, the Town tolerating or accepting the settlement with Woodham Yes, that's true.

Woodhaven wasn't providing any of the — and Court recognized that — any of the nice things — Judith R. Marinke, C.S.R.

this as far as the Town, the commercial ratables and so on and so forth of a significant nature, but that Woodhaven fit into the plan and, therefore, Old Bridge was willing to take Woodhaven along with O & Y.

MR. HUTT: Okay. And that's the position in your December 1st letter, and I understand that position.

All I am saying is that --

THE COURT: Why are we here today if you understood it?

MR. HUTT: Well, because --

THE COURT: I mean, I couldn't have made it any clearer — I thought I couldn't have made it any clearer than that letter.

MR. HUTT: Well, Judge, I have got to admit in my almost 60 years of life I have received warmer letters, you know.

THE COURT: Did you say 60 or 50?

MR. HUTT: Almost, I said 60. As a matter of fact, you know, I noticed your clerk bringing the papers out to the bench this morning and I thought to myself, I have seen so many new clerks in this case that some of them might even be on the bench by the time the case is resolved.

THE COURT: I thought you were going to talk to the fact that I used to carry my own papers out and it

had something to do with my age.

MR. HUTT: I am reminded about a story about an 80 year old man sitting on a park bench and he was crying.

THE COURT: By the way, this is the only thing that's going to make this oral argument worth while.

MR. HUTT: He is sitting on a park bench and crying, and a policeman comes over to him and says,
"Are you all right? Are you all right? Are you crying? Are you okay?"

He says, "I am fine. I am fine."

He says, "Why are you crying? Are you sure you are okay"?

He said, "Yes, my wife died a few years ago and I married a new 35 year old woman. She's a wonderful wife. She's very attentive. She's a great cook. She's terrific in bed. She's everything you would want in a woman."

He says, "Why are you crying"?

He says, "Because I can't remember where I live."

That's what this case reminds me of. You are

trying to remember who said what to who and when.

THE COURT: Did you ever read Bleak House?

MR. HUTT: Yes.

THE COURT: That's what this case reminds me of.

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All of the lawyers and all of the participants are long since dead, and nobody remembers what they are talking or arguing about.

MR. HUTT: I don't disagree, your Honor.

So, what I'm to get at is — there is a letter I wrote to Raymond.

THE COURT: Talk about no longer viable? What is the position of Woodhaven? Are the plats no longer viable or are they?

MR. HUTT: Our position is they are viable.

THE COURT: They are viable?

MR. HUTT: Yes.

THE COURT: Then why did you admit they weren't?

MR. HUTT: I never did.

THE COURT: Oh, you didn't?

MR. HUTT: You said that in your opinion and I wasn't about to get up and contradict you.

THE COURT: Well, in footnote 1 of your brief you state that, "Except for purposes of the argument that the plats were a part of the settlement and binding on the parties."

MR. HUTT: That is right.

MR. COURT: Okay.

MR. HUTT: The plats were.

THE COURT: On page 9 of your brief you take

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issue with the Court's statement that the plaintiff admits that the plats are no longer viable.

MR. HUTT: Your Honor, there is two different questions.

You see, our argument in the main on that day was that the plates were not part of the settlement.

THE COURT: Yes.

MR. HUTT: But you ruled they were. So, for the purpose of this motion we assume they are.

THE COURT: Right.

MR. HUTT: But the Court also went on to say that the parties admit the plates are not viable. O & Y admitted that. We never admitted it. We don't admit it today, and we say we can build exactly the same project.

THE COURT: Look at page 3 in your brief in opposition to your motion to vacate at the bottom of page 7. Don't you say that the "Plaintiffs admit up front that the plates, in light of the additional wetlands encountered, are no longer viable designs"? That's in your brief submitted under the Federal Express letter of August 8th, 1987.

MR. HUTT: Well, we do use the words "no longer viable." We meant that you can't produce the exact same thing.

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THE COURT: That's what you used.

You asked me a question as to whether MR. HUTT: we could build a project -- in fact, your own question was in your decision -- that was substantially the same with some modifications, but not destroy the whole thing. But when we couldn't use the exact same thing, we had to change it.

But at that point in time we did not make the analysis of how to change it. That's the point I am making.

We never submitted the plan to Raymond, and I am telling you that Mr. Raymond, if he was asked today, and I spoke to him on the phone and I remember writing a letter to him with copies to all parties, including the Court, stating that it was on the basis of my conversation with Mr. Raymond or one of the key bases is why I would move for reconsideration because he would testify that he did not direct his attention as to whether or not Woodhaven's plan, plate, if you take the plate and what effect now of the 200 acres of wetland could they build substantially the same plan that's not substantially different?

He said he was never asked that guestion, and if he was, his answer would be: There would be no substantial difference.

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THE COURT: I accept for purposes of this argument and previous argument that proposition.

MR. HUTT: Right. And that's what I was coming to, your Honor.

THE COURT: Not for the truth of it, but the accuracy. I don't mean that you would represent --

I understand.

MR. HUTT:

THE COURT: — but rather I will assume arguendo that that is, in fact, the case, and I assumed that on the prior motion.

MR. HUTT: Okay. It wasn't clear to me that you assumed it on a prior motion, but it was clear to me from your December 1st letter that you assumed that.

And, so, therefore, it comes up to the issue as to if, in fact, for purposes of the motion this morning, if, in fact, to make it real simple so we all are talking about the same thing, if, in fact, for instance there was no new wetland zone on Woodhaven and the exact plate that was in the book by Woodhaven is the exact plate that we are going to use today, I take it from your December 1st letter that you said that would make no difference legally, that it was an integrated one-package settlement. And even if there wasn't one iota of change in your plan, you still would vacate the judgment.

I took it that that is the Court's position that we are here to argue about today.

THE COURT: All right.

MR. HUTT: Am I correct?

THE COURT: Well, I really — I don't want you to phrase my letter to you other than what was said in the letter. I think it's rather clear.

MR. HUTT: Okay.

Now, in order to go into that conversation as to the fact that you had no change, but despite that fact you had two people there, one was changed completely. How does it affect the other person? How does it affect the third party, the Town?

I would like this Court to take judicial notice of the fact that I have a twin brother and all of our lives we have a great deal of similarities, but we are separate, independent people. The family treat us different. The public treats us different. Teachers treat us different.

Sometimes there is a confusion about that. As a matter of fact, in the recent issue of Newsweek

Magazine there is a whole article about twins. They are similar in many respects, but different in other respects. They have their independent identity.

Now, in this particular case there were two

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separate lawsuits that were consolidated for ease of convenience by two separate developers having two different sets of tracts of land. There were mutual negotiations, but they were separate and apart. were requirements in the settlement agreement as to exactly what O & Y had to do. There was requirements in the settlement agreement as to what Woodhaven had to do.

There was nothing in the settlement agreement that said if one failed to do it, the other collapsed, as if I didn't take the car out -- if I took the car out when I wasn't supposed to, my father didn't punish my brother. He only punished me, although sometimes he didn't know, so he punished us.

Under the Hitler theory.

THE COURT: I find it hard to believe it was operating in your household.

MR. HUTT: With me nothing is unbelievable, your Honor.

THE COURT: I take it back, you are right as this motion evidences.

Go ahead.

MR. HUTT: The fact of the matter is we cannot gothe Town is in their so-called brief -- I say "socalled because there were letters. They didn't cite

one case.

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We cited cases not only in New Jersey but through-

out the entire United States for the legal proposition,

and that's what we are really here today to argue --

the law, not so much the facts -- for the legal

proposition that when there is a three-party trans-

action of this nature and one party defaults, what is

the effect on the second party?

one on the other side.

I agree with your Honor's opinion that a consent judgment is in the nature of a contract and our whole brief and our research was to talk about this kind of a contract where there is two people on one side and

Are the obligations joint or are they several?

And if they are several, when one party defaults, what effect, if any, does it have on the other party?

Now, we cite extensive cases in New Jersey and elsewhere. One, for instance, the <u>Becker</u> case for the principle that where a court assigns to each — I am sorry — "Where a contract assigns to each of several parties his several duties and does not bind them and make them responsible individually for the whole result to be jointly accomplished, the contract insofar as such parties are concerned is several."

That's Becker v. Kelsey at 157 Atlantic 177.

I am not going to go through all these cases. I assume and hope, and I know you well enough to know that you read the briefs and you have read the cases, but that principle of law is not only in New Jersey:
Williston cites it. The Restatement of Contracts takes that position. Corpus Juris cites it for the proposition that if it's a severable contract, the mere fact that it's in one document does not make it jointly.

For instance, in this case as an illustration, if there was no -- well, the best illustration is what the parties agree to, not what some guy in his affidavit said I thought I was doing or wasn't doing.

We obviously contend, and you can believe it or not believe it, but it's irrelevant, and I can tell you without even representing Lloyd Brown that he believed there was no way in hell that he was going to have his destiny determined as to whether or not Woodhaven ever performed under this settlement agreement.

If Woodhaven never performed, he certainly thought that he made his deal.

THE COURT: What do you mean by "performed"?

MR. HUTT: Built.

THE COURT: You mean with the action built?

MR. HUTT: Whether we had wetlands, whether we Judith R. Marinke, C.S.R.

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had economic reasons, whether we went bankrupt, whether there was - it turned out to be a burnt fly bog or hazardous disposal site - a bomb like you found in Jackson Township, because I referred to you as the bomb, Judge because you dropped one on me.

THE COURT: The Appellate Division thinks I dropped a few too.

MR. HUTT: And, so, there is no way that they would have settled if they knew that their lives, the corporate lives on this tract depended upon the ability of Woodhaven voluntarily or involuntarily to produce and vice versa.

But that's immaterial because the Town says there is no way we would have settled. If we didn't know we were going to get the whole package, if we didn't get the golf course and the shopping center, we wouldn't have settled. We wouldn't have settled with Woodhaven.

But that's speculation on both of our parts.

But we have to look at the document. What does the document say?

The settlement agreement in many relevant parts just contemplated exactly what is happening. We didn't contemplate it as to wetlands, but we knew it was a 20-year build-out.

We contemplated a lot of other things that could go wrong, not the least of which was bankrupt, because no matter how big and how wealthy you are, you can still go bankrupt, and I have testimony to that: John Connelly who is a very big developer that went bankrupt and many others in these markets. So, you can't go on whether a man has the financial ability or not. He could have it today, gone tomorrow.

But in Section V-V.3a entitled — well, entitled Approval Procedures Settlement Plan. I just would like to call to your attention one or two sentences from the agreement itself.

It says on page 13 of the settlement agreement,

"O & Y and Woodhaven shall each have the right to

develop their lands in accordance with the settlement

plan set forth in plates A and B applicable to their

land upon entry of this order."

And then it goes on down to Section B. "The planning board shall issue its decision on plates A"—which related to 0 & Y — "and B" — which related to Woodhaven — "simultaneously."

Now, it didn't say jointly that they both had to be approved or not approved.

The only restriction was that the decision on both had to be made simultaneously and that

contemplated that one could have gotten approval, one could have gotten a denial, and in case that happened, what would happen?

Well, the next page tells us what would happen.

In Subsection D on page 14 it says, "In the event that the planning board does not approve a plate or approves a plate with modifications unacceptable to the affected developer, the Court shall refer to the matter for a master. . . " and so forth and goes on to some kind of an arbitration proceeding.

And then on the following paragraph it says, "Following issuance" -- this is on VB --

THE COURT: Roman numeral --

MR. HUTT: -- Roman numeral VB 3b "Following issuance of a Court order incorporating the plates into this previously approved settlement agreement" -- and this is the crucial part -- "the developer or developers whose plates are approved by the Court may immediately thereafter submit development applications in accordance with the procedures. . . " and so forth.

So, the settlement agreement speaks to this problem and it made it quite clear that if one developer could proceed and did what he was supposed to do, he could do it regardless whether the other developer could or did or did not proceed.

THE COURT: If words were measured with the scrutiny to which you suggested that document is entitled — in my opinion is entitled (a) we would never get anything done; and (b) lawyers would die at age 35 — old lawyers.

You can pick and choose and take out of context and take your own interpretation of words in both my judgment in that document ad infinitum whether it's developers, plural, or developer, singular, as I did, you know.

The question is really much broader than that.

The question is what the case law says about the

Court's obligation to vacate or not to vacate a final
judgment. Isn't that really what the issue is?

And that relates to questions of material mistake of fact and the other things that are set forth in Rule 4:50 which I thought I covered in the opinion, not totally comprehensible, but I thought enough to at least demonstrate why it was that I thought it had been vacated.

I talk a little bit about some of the law. I remember talking about the fact that this was one of the topics I was given an opportunity to teach new judges about, that is, the finality of judgments which I thought was a bit ironic at the time.

Judith CR. Matinke. C.S.CR.

But I mean, you could spend a great deal of time going through those settlement documents and finding support, I suspect, in individual words for your position.

MR. HUTT: Your Honor, I am not talking about individual words. I am talking about as the philosophy of the written settlement.

THE COURT: Yes.

MR. HUTT: The Court cannot make a -

THE COURT: The substance of it?

MR. HUTT: That is right.

THE COURT: The overall meaning and intent of the parties and all of those things.

MR. HUTT: Your Honor, I would respectfully submit that you are doing something that courts are enjoined from doing, and that is, to make a better contract for the parties than they made themselves in terms of Old Bridge.

THE COURT: You are right. I can't do that.

MR. HUTT: That's right. Remember that.

Because you are in effect ruling and saying and thinking that this contract in effect says in the event one party, one developer cannot or does not or will not proceed, then in that event the entire settlement is dead. It could have said that.

As a real estate attorney I do it all the time when I am acquiring tract A and then the adjacent tract B, and it only works as one unit and I want to make sure that I don't get stuck closing on tract A and not being able to close on B tract.

We put a clause in the contract. This clause is contingent upon me closing the other guy's title.

If I can't close the other guy's title, then the whole deal is off. They could have said that.

They didn't say that. The words that you say I am picking and choosing are not just picking and choosing words. It was the whole philosophy of the deal contemplating that that could occur.

We knew it was a 20-year build-up.

THE COURT: That's what could occur.

MR. HUTT: That one party could proceed and one party may not proceed.

One party may get approval, one party may not get approval.

THE COURT: Does it contemplate that there would be a substantial reduction in the amount of what could possibly be developed? And by "substantial," I mean 50 percent of O & Y.

MR. HUTT: It contemplated zero. It contemplated that one, it might not even proceed.

THE COURT: In other words, it would be absurd to argue that the parties recognize that 0 & Y's tract, for example, had a 50 percent overstatement of what it could build in just pure land area, forget what could be built on the remaining land.

MR. HUTT: The parties recognize that O & Y may never build altogether.

THE COURT: You didn't answer my question.

MR. HUTT: I don't think any of the parties thought that they had 50 percent less buildable land than they had.

THE COURT: You can answer it more affirmatively that none of the parties ever contemplated anything like that.

MR. HUTT: No, but they contemplated total disaster either from a regulatory point of view of from a -- when I say "regulatory point of view," the plates were the plates and they were coming in with this and that.

It didn't have to be wetlands. It could have been something else where — that we had to satisfy that this could work.

For instance, the road network. None of these plans that were submitted on any of the plates talked about how the traffic was going to be handled.

In fact, part of the deal was traffic would go into on preliminary approval if we couldn't establish that the roads could take it, then we'd have to build less. It only got us the right to go to the maximum.

The Planning Board was not obligated to give us the maximum if it didn't make good planning sense or

So, it's always contemplated by these developers.

THE COURT: By the developers you said?

THE COURT: And that there might be a total disaster and none of this would take place or 50 percent

MR. HUTT: It was always contemplated that none of them might take place in terms of economic con-

I am talking about because of wetlands.

THE COURT: Obviously there is no guarantee in

The market might not be there or whatever.

THE COURT: But in terms of the nature of wetlands or of that nature, that was never contemplated.

never contemplated total disaster in that respect.

MR. HUTT: No, that's correct.

THE COURT: Because they wouldn't have settled in the face of that if they knew it.

MR. HUTT: Well, you see, that's a subjective judgment that you are making —

THE COURT: Well --

MR. HUTT: -- without proofs, without hearing.

THE COURT: Who rules upon the Court to make a judgment both with respect to newly discovered evidence and also what was in the contemplation of the parties. Both of those have to be made, and I have got to say there is no case I have ever been involved in in which I was more equipped to make the judgment than in this case, even all of my involvement in everything that led up to this settlement.

It's much different when you are making that kind of judgment in a jury setting. Ten years on the bench I have never set aside a jury verdict on a motion for a new trial. I have never set aside —

MR. HUTT: You want to change that philosophy when it relates to judges either?

THE COURT: It's a somewhat different setting when you are in a non-jury posture and have been intimately involved, as you are forced to be, in Mount Laurel

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cases in the excrutiating negotiations leading up to the settlement.

MR. HUTT: Your Honor --

THE COURT: So, the Court had a unique knowledge of what the parties were after in this case.

MR. HUTT: Well, let's take it on that premise.

Do I take the Court to mean that the developers would have settled if they knew that their fate was dependent upon the other developers' performance? Are you making that judgment?

THE COURT: I don't have to make that judgment.

MR. HUTT: That's what the problem in the contract is.

Our obligations to the Town are being met. have a right -- and they said if we meet our obligations, they will give us their obligations.

And now the Court is saving, and they are saying, and you are agreeing with them, that if some third party didn't meet their obligation, then they can breach the contract with us. That would be true if it was a joint contract.

THE COURT: See, you are saying that I am saying that. What you want to characterize as my ruling will meet the result that you want to reach, but I am not going to let you do that.

What I characterize as my ruling is contained in this transcript, and I guess if you want to supplement it by my letter of December 1st which attempted to make it clearer to you, I would incorporate that as well.

MR. HUTT: When I was in law school they say when the law is on your side, bank on the law. When the facts are on your side, bank on the facts. And when neither is, bang on the table. And I choose to sit down.

THE COURT: Anybody else? Plaintiff?

MS. STARK: Your Honor, we join in Woodhaven's motion, and we also ask the Court to reconsider its rejection of our cross-motion without explanation.

THE COURT: Okay.

MR. CONVERY: May it please the Court, Jerome Convery on behalf of the Township of Old Bridge.

Your Honor, I have heard the argument of Mr. Hutt for approximately one hour.

I submit there has been no mention of any new law.

He has not brought forth any new facts.

The only new facts in this case are that Mr.

Norman is no longer the Planning Board Attorney, I am
no longer the Township Attorney.

MR. HUTT: Can you imagine if they lost, your Honor?

MR. CONVERY: I don't think it has any bearing on the motion.

THE COURT: I think it's also very ungrateful.

MR. NORMAN: We thought so.

MR. CONVERY: I would submit on the basis of the papers previously filed.

THE COURT: Okay. I had a little opinion written up here that I was going to read, but I really don't think it's necessary to do it.

I would only indicate that I am not going to address what I consider to be, and I don't say this critically — if the words sound harsh, don't intend them that way — either recharacterizations or mischaracterizations of the Court's position. If I started to do that, it would take much too long.

I don't want to sound defensive about this, but for purposes of any Appellate review that would occur, I am simply not going to address what I consider to be statements in these papers that improperly characterize the Court's ruling.

I have already pointed out one which is a rather obvious inconsistency, the Court is criticized for stating that the plaintiffs admit that the plats are no longer viable and yet the Court based that in part on plaintiff Woodhaven's explicit, express, unambiguous

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admission in its brief prior to the hearing of this motion that they admitted "up front" that the plats in light of the additional wetlands encountered are no longer viable designs.

There is an additional statement that the Court indiscriminately lumped together both plans, and at page 11 Woodhaven cites the transcript, that is, at page 11 of its brief, cites the transcript at pages 113 through 116 stating references were only made to 0 & Y's plans and not Woodhaven's.

That's clearly not so just looking at the transcript wherein the Court cites the Woodhaven report which the transcript refers to as February 28th, 1987, and probably the Court misspoke rather than the transcript being mistyped. It's actually '86.

But in any event, the Court was at that very point in the transcript referring to the Woodhaven report as well.

There are a number of instances which I could catalog were it necessary to do so.

In addition, it just should be pointed out, I think, that the plaintiff has really completely changed the basis of its argument from the first time around, that is, the plaintiff Woodhaven.

F Initially, the plaintiff had argued that nothing Judith R. Mazinke. C.S.E.

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was ever written in stone, that the Blue Book gave the plaintiff the right, but not the obligation, to build according to the settlement, and all the defendants bargained for was a lower fair share number, a lock step commercial and residential development and four dwelling units per acre.

Now, the plaintiff's approach is totally different but equally persuasive.

Frankly, it seems to fit within the language of the Michel case which Judge Kraft decided, and then the rule for reconsideration was thereafter amended.

Now, the argument is that it was written in stone, very much so, and that it's independently binding as it was written.

But in any event, those apparent inconsistencies or mischaracterizations in the brief really don't affect me. I simply stand by what I said, both in the opinion portion of this transcript starting somewhere around page 95 and throughout the entire oral argument which I think made evident, I thought made evident what the Court's position was.

Woodhaven may have had some independent rights regarding developmental approvals and so forth, but it was both developments for whatever they could jointly offer which induced these plaintiffs to settle.

I would stand by what the Court said in that regard as well as the law that's cited in the decision.

So, I remain dissatisfied that if I made a mistake, I will compound it by affirming that mistake. tinue to feel about this case as I did then, and that is, that I was not happy about the decision that I had to reach in terms of the ultimate beneficiary of low income housing, but you have to do what you have to do, and it's guite clear to me that I had to reach the result that I did.

So, the motion for reconsideration, or whatever it is properly denominated, is denied.

All right. Counsel can submit an order if you would like.

MR. CONVERY: I will do it on behalf of the Township of Old Bridge and send copies to all counsel.

Thank you. THE COURT:

MR. HUTT: Thank vou.

MS. STARK: Thank you.

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CERTIFICATE

I, JUDITH R. MARINKE, a Certified Shorthand Reporter and Notary Public of the State
of New Jersey, certify that the foregoing is
a true and accurate transcript of the proceedings
as taken before me stenographically on the date
hereinbefore mentioned.

OUDITH R. MARINKE, C.S.R. Official Court Reporter License No. XI-00392

Dated: May 16, 198?