

The Azarian Advisor

Newsletter

Giving Back

By John M. Azarian, CSM



I am thrilled to announce that we have closed on the Neptune Plaza Shopping Center, Neptune, New Jersey. This 220,000 square foot, *institutional quality* shopping center, boasts a tenant roster that includes credit tenants World Class Shop Rite,

Home Goods, Marshalls, TD Bank, IHOP and 16 more stores! See insert for more info and never before seen pictures of Neptune Plaza. With the acquisition of Neptune Plaza, *The Azarian Group* now has over 1,000,000 square feet in its portfolio, with more than 275 tenants in 16 properties.

On a personal note, I am saddened to say that my beloved brother, Martin, passed away, suddenly, last April. Please read Martin's obituary in this issue. Words cannot express the loss of my younger brother who was only 44.

I am pleased to announce that I was recently bestowed the honor of being the first ever Alumni Association President Emeritus in the 50 year history of Saddle River Day School, where I served an unprecedented 6 year term as

"In the middle of every difficulty lies opportunity" — Albert Einstein

Alumni Association President. I also recently joined the advisory board of the Center for Holocaust and Genocide Studies at Ramapo College.

As a parent of 4 and someone who grew up with entrepreneurial parents, with talk of work dominating dinner conversation, vacationing and socializing with my parents' clients, bartering, etc. Donna and I have continued that tradition maintained by most entrepreneurs (except for the bartering!). Our kids have travelled with us to check out countless potential acquisition targets as well as visiting our shopping centers, checking on tenants, etc. My daughter, Alyssa, who is a Senior at Rider University, is doing weekly inspections at 3 of our shopping centers. My daughter, Amanda, who is a Sophomore at Pace University, worked for us this summer

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Happy Halloween!

By Barbara Azarian McCullough, Ph.D., Our Founder



I am happy to report that we closed on Neptune Plaza and it went extremely well. Thank you to all of you who helped make a great project even greater.

We have signed quite a few leases in the past 3 months. John has told me we have been signing, on the average, one new lease per week. While those leases have primarily been with mom and pop tenants, we are starting to see some activity with national tenants. We see things getting better in the market place and we have a few empties in our shopping centers but nothing to be very concerned about.

We are happy to report that the shopping centers are doing very well. Allendale is under renovation and expansion right now and we are working on renovating other shopping centers. Our belief is that we should keep up with improvements as they are necessary and not wait for the properties to become run down.

I am very proud of the job that John is doing. Many times he works all day at the office and then at night goes to planning board meetings, charity or board of director meetings and so on. I am proud of his diligence, his efforts and his goals. We talk all the time regarding the various centers and their future.

I see a bright future for shopping centers. Our philosophy on the shopping centers has always been long term. The boutiques and specialty stores are being hit very hard, but we believe the essential stores, like we have, will always thrive. Our philosophy has been to have stores that would be needed on a weekly basis, for instance supermarkets, pharmacies, cleaners, food businesses, etc.

I think that most of you know about my son, Martin, who passed away suddenly in April and has been a big loss for all of us. His wife, Gigi, John and his family and I miss him tremendously. It's a big whole in my heart. He was only 44 years old and much too young.

I hope you have a Happy Thanksgiving and that things are well with you and your family.

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Why Life Insurance is important

By Donna M. Azarian, Licensed Insurance Producer

Death is a traumatic and emotional event for our surviving loved ones. Following a death there can be much confusion and many important decisions, transactions and expenses that arise, including burial, personal debts, loss of family income and employment. Succession and key employee issues can present an additional set of issues with a company possibly losing its customers, credit, suppliers and possibly even the company itself.

Whether it is an individual who leaves behind a mountain of debt, the breadwinner of the family whose loss of income will have a devastating effect on the survival of the family, or a key employee's death that will have a great impact on the operation of the business, one question remains the same, "How can I effectively cope with these concerns and successfully prepare for them?" The answer is quite simple: life insurance.



Life insurance has many important benefits for the surviving family members or business partner. It provides funds to assist the surviving loved ones and businesses to cope with the financial losses resulting from that death. Life insurance can also help with the burden of having to pay the Federal estate tax. This remains a serious concern for many individuals and families. Federal estate tax can cause an estate to lose almost half of its value, depending on its size. It can also cause the surviving loved ones to have no choice but to liquidate all or part of the estate in order to pay those taxes.

Another benefit to life insurance is that it is a unique tool for creating wealth. It assures that a desired amount of liquid capital is available upon the insured's death no matter when that death occurs and as long as the policy is in effect.

There are many different types of insurance policies: whole life insurance, term life insurance, single-premium life insurance, etc. Each policy is specific to an individual's need. When purchasing life insurance, many factors are considered. Every client is unique and has specific needs. Those needs are taken into consideration before recommending a policy to a client and helping a client make an informed choice.

For a personal meeting with a life insurance specialist, please feel free to contact me.

IRS to Mine Payment Data on Mortgages?

By Joel K. Weinberg, Controller

The Internal Revenue Service will expand a program designed to catch tax cheats that searches for inconsistencies between mortgage payments and income. The agency is studying whether it should make greater use of data on mortgage-interest payments provided to it by banks.

The data could be used to target for audits individuals who report less income than they paid in mortgage interest. Mortgage interest data might be the best source of information the IRS has on small-business owners who are paid in cash and don't report all their income.

The IRS plan could snare taxpayers who have coped with job losses by borrowing or using savings or retirement accounts to make their house payments. Highly paid former employees of investment banks who lost their jobs in the financial crisis but who, thanks to their savings, are still making their mortgage payments, could also draw scrutiny.



Banks report data on mortgage interest paid by individuals to the IRS and to the homeowner, using IRS Form 1098.

New knowledge

By Aaron B. Rothstein, Associate, Licensed Salesperson

Throughout the two and a half years that I have spent here at *The Azarian Group, L.L.C.* I have learned a great deal from observing Mr. Azarian in action. I believe that there are certain things that cannot simply be taught through lecture. These things must be observed first hand, slowly learned through active participation. I have yet to read a book that can teach you the subtle nuances of negotiating a deal the way that watching a seasoned veteran can.

I knew that, despite the extensive hands-on education I was getting, it was important for me to continue my formal education as well. This led me to recently take some classes that focused on managing commercial properties. I spent a lot of time researching different educational programs and courses that were offered in order to determine which one was going to be the most beneficial. I settled on the ACoM (Accredited Commercial Manager) designation program designed and accredited by the Institute of Real Estate Management (IREM). I took four interactive online courses over several months that were very educational. They were focused on finance, marketing, property management and personnel management. There were several times throughout the courses where I would make a sudden connection between a certain term or methodology that I was reading about and things I had experienced at work. It was exciting for me to have a more thorough understanding of certain elements of the property management business, such as accounting practices or how a property manager decides on a price per square foot. The things that I learned while doing reading and work for each course would not have had nearly as much meaning or been as interesting without first hand experience to reflect upon. I think that some people today, especially my generation, tend to place a huge amount of value on "book smarts" and graduate degrees. While I do think that a good education is priceless, as I get older I've begun to realize the true importance that good experience, resulting from a hard day's work, plays in an individual's success. I was impressed with the amount of knowledge I was able to gain from each individual course and the way that the online classes were setup was very user friendly.





Working with Interns by John M. Azarian, CSM

I have enjoyed working as mentor / teacher over the last few years, both in my company and on the college level. This interest started about 3 years ago when Aaron Rothstein, a recent college graduate, approached me about working as a Summer Intern. At first I resisted his idea, since I had never had an intern and didn't feel it was necessary for me or my company. However, Aaron persisted and I did relent and hired him. After working for me for a short time I realized how valuable Aaron was. I also enjoyed the role of mentor and took it very seriously. I would spend extra time talking with Aaron after meetings to make sure he understood what had just transpired. We talked at length when we traveled to appointments and site visits. I asked him for his input and opinion. When his internship was over I hired Aaron as a full time employee.

Over the next 2 years we enjoyed a close working relationship and I was impressed at how quickly Aaron would learn and I continued to give him additional responsibilities.

This past summer I had 4 summer interns work in my office. They were all 19 year old College Sophmores. I worked closely with each one, letting them sit in on meetings, listen in on phone calls, watch me compose business emails, create marketing flyers, etc. I also spent time asking the interns for their questions, thoughts and input. It was interesting to work so closely with 4 young people who were so different but yet all had a strong interest in learning about business. Each had his / her own niche and I tried to explore that by giving each challenging tasks in his / her field of interest. I would also push and challenge them. I would have them interact with my other employees and contractors, to teach them the value of working together as a team. I had them work together, in planning their own work schedules, organizing computer time, etc. And of course I also had them do more basic tasks such as mailings, typing letters, meeting memos and legal documents, and updating our website. I can honestly say I am proud of all of the interns and the work they did and what they learned. Three have returned to their colleges, while Matt Scozzari, who is a commuter, will continue to work with us on a part time basis while he goes to school.

Please read the interns' articles below. Each has an interesting perspective and take on their time with *The Azarian Group*.

by Corey Zaretsky, Summer Intern



From May through July, I spent my summer days interning at *The Azarian Group*. During this time I learned about many things. For example, prior to starting my first day of work I had no idea as to what commercial real estate was. I quickly learned about how the industry works and how to have a successful business in such a shaky economy. I also learned about advertising. At the office I spent a majority of my time advertising via the internet on websites such as Loopnet and Costar, creating flyers, and making phone calls. The rest of my time at the office was spent on editing leases and writing memos and press releases. The most important thing I learned was how to properly interact with customers. In my first week I was sent to the Allendale Shopping Center by myself to show the space to a prospective tenant and go over design plans. During this meeting I was able to learn first hand the arts of deal making and negotiation.

In December I plan to attend a real estate school to obtain my license in NJ. I also plan on using the skills I have obtained while interning for Mr. Azarian and *The Azarian Group* to help me succeed in my business classes at Muhlenberg College. Once I obtain my license I plan on helping my family in selling their 42,000 sf building.

by Marc Fischera, Summer Intern



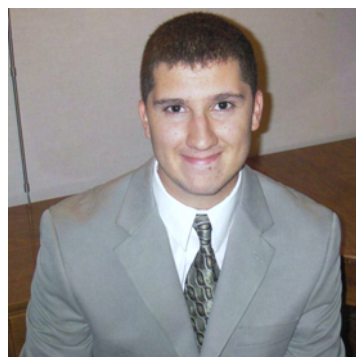
This summer, I had the opportunity to work as an intern at *The Azarian Group*, alongside Mr. Azarian and his associates. My time at *The Azarian Group* was both a nurturing learning experience, as well as a stimulating and exciting endeavor. Always having a keen interest in real estate, I looked forward to gaining real "hands-on" experience from my internship, and expanding my knowledge in the real-estate world. My expectations of my post at *The Azarian Group* were exceeded on all fronts. Mr. Azarian bestowed an incredible amount of trust in me as an intern, allowing me to be a contributor in a number of ways.

Most summer interns at such companies remain in a cubicle for the duration of their work. I, however, had the chance to participate on a number of occasions, from meetings with current tenants to showing spaces to prospective tenants. From these various experiences, I gained many valuable skills in directly communicating with the customer, and I learned how to perceive the needs and wishes of the individual. Mr. Azarian often allowed me to share any insight I may have had on the project at hand, and he valued and respected my thoughts and opinion.

Another aspect of working with Mr. Azarian that I found particularly interesting was contributing to the John M. Azarian Memorial Armenian Youth Scholarship Fund. Mr. Azarian formed the fund over thirty years ago as a way to offer aid to Armenian students that could not afford a college education. This summer, I interacted with many of the prospective students as they completed their scholarship applications. I found it an inspiration to see Mr. Azarian offering assistance to the Armenian youth, and it was an enlightening experience for me to work with the applicants.

My tenure at *The Azarian Group* has not only broadened my familiarity in the realm of real estate, but has strengthened my work ethic innumerable. As I look towards the coming school year, I feel very confident in my abilities, thanks to all of the experience I have gained at *The Azarian Group*. I'd like to thank Mr. Azarian and all of the members of *The Azarian Group* for welcoming me into the office and giving me both a very productive and very enjoyable summer.

by Matthew Scozzari, Summer Intern, Assistant

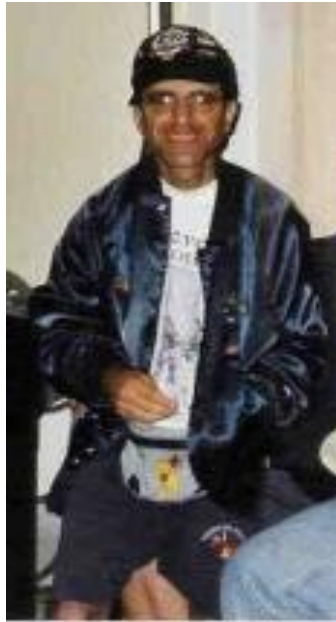


I started my internship with *The Azarian Group* in July, and I have been learning every day since. I have learned a lot about this company and the business of commercial real estate as a whole. I have been privileged enough to gain first-hand experience in this business through accompanying Mr. Azarian to meetings with prospective tenants, contractors, and other business associates. I have also been able to see the process involved with purchasing a new property; everything from looking at tenant estoppels to lease agreements, and I found the whole process to be very interesting. I have also been able to see the process of a renovation with our construction being done to our Allendale property.

Mr. Azarian and I meet with the contractors, engineers, architects and contractors involved with the project every Friday morning. I believe that I have been able to learn the most out of these experiences, because the meetings cover so many aspects of construction. A renovation is extremely involved and this process has been fascinating to me. Every little aspect of the building is talked about and there is a plan for everything. The average person could never even imagine everything that has to be decided and how involved it is. For example, the light poles that are in the parking lot need to be an exact color, have a particular base, exact height, and so on. There are so many topics covered in our construction meetings that the first few meetings I attended a lot of information and terms just flew way over my head, but as the weeks have gone on I have been able to keep up with all the terms that are mentioned around and understood more clearly the updates of the construction and what is planned for the upcoming week.

Since I began working for *The Azarian Group*, I have also been able to see what factors play a large role in determining if a prospective tenant will become a tenant through being present at meetings where prospective tenants go through the space and try to envision their business there. There are so many questions asked about moving this door and that wall and whether or not they can do certain things such as re-arranging the current setup to something that would fit their business better. All the questions that are asked give more meaning to just reading or studying information from books, and the first-hand experiences are priceless.

I have also learned about the little parts of a business that make a big difference. I learned what type of environment suits a particular type of business, what factors go into deciding whether or not purchasing a certain property is a good business decision, and whether or not it is wise to divide a piece of property. This whole experience has been very helpful to me in determining what type of career path I will choose for myself and I feel very privileged for all the information that I have been able to learn through Mr. Azarian and *The Azarian Group*. I plan to continue working part time for *The Azarian Group* during the school year while I continue as a Sophomore at William Paterson University.



(1965-2009)

OBITUARY FOR MARTIN G. AZARIAN

AZARIAN, Martin G. age 44 of Hawthorne, formerly of Wyckoff, died peacefully on Saturday, April 18, 2009 at the Valley Hospital in Ridgewood. Marty was born in Paterson and lived most of his life in Wyckoff before marrying and relocating to Hawthorne. He graduated in 2000 from St. Thomas Aquinas College in Sparkhill, NY. Marty was an assistant property manager for The Azarian Group, L.L.C. in Midland Park, and enjoyed his affiliation with the Wyckoff Fire Dept., Protection Fire Co. #1 for over 20 years. Surviving is his beloved wife, Gigi (nee Haas), his mother, Barbara Azarian McCullough, his brother, John M. Azarian, Jr. and his wife Donna, his aunt and uncle, Joyce and Edward Riedinger, and his nieces and nephews, Alyssa, Amanda, John III and James. Funeral services will be held Wednesday, 10:30 am at St. Leon's Armenian Church, 12-61 Saddle River Road, Fair Lawn. Interment will follow in the Wyckoff Reformed Church Cemetery. Visiting is Tuesday 2:00 to 4:00 and 7:00 to 9:00 pm at the Vander Plaats Funeral Home (www.vpfh.com), 257 Godwin Avenue, Wyckoff, NJ. Memorial contributions may be made to Protection Fire Company #1, Scott Plaza, Wyckoff, NJ 07481.

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taking property pictures to be used on our website, flyers and marketing materials, and is also putting together a video documenting the history of *The Azarian Group*, which we hope to debut soon.

Entrepreneurship permeates every aspect of our lives, no matter what our career choices, and I have encouraged my daughters to take entrepreneurship classes.

I find teaching, in any manner, to be very enjoyable and rewarding but also a way of imparting some of the knowledge that I have accumulated in my 29 year career. As I talk with students I realize just how much I have to teach and offer them and how interested they are in learning.

I have been working with St. Thomas Aquinas College in Sparkhill, New York on further developing their entrepreneurship program. I have enjoyed guest lecturing a class on Internet Marketing and I am working further with STAC on teaching additional classes, working with the Business Club, helping business students with mentoring and internship, bringing high profile guest speakers to the College, and being further involved with STAC's business students.

We take so many of our life and business experiences for granted, not realizing how meaningful they are and how interesting they may be to those starting out. Of course we have all heard the stories of walking up hill in the snow (both directions!), for 5 miles, to get to school. But what about thinking outside of the box, unique negotiations on a deal, special hands on management, creative leasing, etc.?

In observing other developers and property management companies, I have learned that we truly are unique in what we do. Most other companies either have a specific niche, or if they are larger companies, they pigeonhole employees into very specific job descriptions. Leasing doesn't talk with property management who doesn't interact with accounting. So a property manager has no idea if a tenant is behind in rent, if a tenant's lease is about to expire, etc.

In our case, we are diversified and small enough to do it all – and have vast and global experience with all facets of property management and development.

“Good teaching must be slow enough so that it is not confusing, and fast enough so that it is not boring” — Sidney J. Harris

PROPERTY UPDATES

Allendale Town Center – We broke ground on our construction / renovation project in late July. Since then our contractors have been working hard with the goal of completing construction by Thanksgiving, 2009. Please see the construction picture from



The Town Journal. We are quite pleased at how well construction is progressing.

Raritan Center – We will be appearing in front

of the Planning Board in October, 2009 for our application to renovate the shopping center and erect a new 10,000 square foot building for The Learning Experience. We are hopeful in receiving approvals this year and breaking ground in Spring, 2010, with a late summer / early fall, 2010 completion and grand opening date.

Hyde Park Mall – Stop and Shop continues to work diligently in the pursuance of its approvals. The Town of Hyde Park recently changed its sign ordinance, which directly affects Stop and Shop's new store. Stop and Shop is now seeking variances for its sign package. Following this, Stop and Shop will move for a vote in front of the Planning Board for final site plan variances. We expect Stop and Shop to receive approvals by year's end and to break ground in the Spring, 2010, with a Thanksgiving, 2010 completion and grand opening date.

Plaza K Shopping Center – The State has completed its road widening and jughandle construction. The new jughandle around our property is now complete and looks great and is quite busy and heavily used. We have encouraged our tenants to take advantage of this new development by installing signs on the back of the shopping center, since cars traveling around the shopping center, and backed up at the light on Ford Avenue, will have an opportunity to see the rear signage.

New Leases

The Azarian Group's newest Leases:

Fair Lawn Medical Arts Building, Fair Lawn, NJ

- Eurodent USA
- Amiri Partners

Montvale Shopping Center, Montvale, NJ

- Maison Des Cheveux

Mountain Plaza Shopping Center, Rockaway, NJ

- Rug Warehouse

Allendale Shopping Plaza, Allendale, NJ

- Fitness Forever Personal Training

Milton Shopping Center, Jefferson Township, NJ

- Heavenly Sheers

Fieldstone Park Shopping Center, Ringwood, NJ

- The New You

For more info and to view all new leases visit <http://azariangroup.com/new-noteworthy.html>

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DISCLAIMER

This Newsletter is intended for *general informational purposes only* and is **not** intended to infer or provide any opinion, recommendation or advice. You should consult with your professional advisors on all such matters.

Martin G. Azarian
(1965-2009)

John M. Azarian, Sr.
(1928-1976)