

LEE L. ROMM, INC.  
*Real Estate Appraiser and Consultant*

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July 23, 2010

Stephen F. Blau  
Director of Corporate Services  
NAI Mertz  
21 Roland Avenue  
Mt. Laurel, NJ 08054

RE: File #5926  
Vacant Industrial Building  
Block 146, Lots 1 & 1.01  
100 Grove Street  
City of Bridgeton  
Cumberland County, New Jersey

Dear Mr. Blau:

In accordance with your request for an appraisal report reflecting our opinion of market value of the subject property, we submit the attached report which conveys, in part, our methods and techniques and contains data gathered in our investigation.

We have made a personal inspection of the site, the neighborhood, its environs, and have completed our study of those factors that influence market value. To the best of our knowledge and belief, the statements contained in this report are correct and subject to the assumptions and limiting conditions which may be found herein.

Based on our analysis of the property, it is our considered opinion the market value of the subject, "as is" as defined herein, in fee simple, as of June 24, 2010 was:

**--- FOUR HUNDRED THOUSAND DOLLARS ---**

**(\$400,000)**

The attached report is a "Self-Contained Appraisal Report" as defined in Standards Rule 2-2 of USPAP. As such, it identifies and describes the real estate being appraised; states the real property interest being appraised; states the purpose and function

LEE L. ROMM, MAI, SRA, ASA



Stephen F. Blau  
July 23, 2010  
Page Two

of the appraisal; defines the value to be opined; states the effective date of the appraisal and the date of the report; states the extent of the process of collecting, confirming, and reporting data; states all assumptions and limiting conditions that affect the analyses, opinions, and conclusions; describes the information considered, the appraiser's opinion of highest and best use, the appraisal procedures followed, and the reasoning supports the analyses, opinions, and conclusions; and includes a signed certification in accordance with USPAP Standards Rule 2-3.

This letter of transmittal should only be used in conjunction with the entire, accompanying appraisal report. Any separation of the signature page of this transmittal letter from the accompanying report invalidates the conclusions found therein.

While we adhere to the highest professional standards in the conduct of our work, and base our findings and reports upon the best information available and known to us, and on the exercise of our best professional judgment, we do not undertake to guarantee the results of any services rendered by us, nor do we undertake any responsibility for the consequences of implementation of our recommendations, and no one, at any time should make any representation to others contrary to this understanding.

This is to certify we have examined the above property to the extent possible; we have no financial or other interest in the property; our employment is in no way contingent upon the amount of the valuation; we have opined the value of the property based upon a study of local conditions, comparisons of sales and knowledge of real estate.

We assume no responsibility for matters which are legal in nature, nor for any opinion on the title rendered herewith. This appraisal assumes good title. Any liens or encumbrances which may now exist have been disregarded, and the property appraised as though free and clear of any indebtedness.

Very truly yours,

LEE L. ROMM, INC.



Lee L. Romm, MAI, SRA, ASA  
President

LLR/ms  
Enclosure

LEE L. ROMM, INC.  
*Real Estate Appraiser and Consultant*

**SELF-CONTAINED APPRAISAL REPORT**

VACANT INDUSTRIAL BUILDING  
BLOCK 146, LOTS 1 & 1.01  
100 GROVE STREET  
CITY OF BRIDGETON  
CUMBERLAND COUNTY, NEW JERSEY

**FOR**

STEPHEN F. BLAU  
DIRECTOR OF CORPORATE SERVICES  
NAI MERTZ  
21 ROLAND AVENUE  
MT. LAUREL, NEW JERSEY 08054

**BY**

LEE L. ROMM, INC.

**SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS**

LOCATION: 100 Grove Street, City of Bridgeton, Cumberland County, New Jersey

TAX MAP NO.: Block 146, Lots 1 & 1.01

OWNER OF RECORD: Bridgeton Municipal Port Authority

TOTAL LAND AREA: 2.92± Acres or 127,195± Square Feet

IMPROVEMENTS: The subject property has been improved with a one story warehouse facility of masonry and steel frame construction.

HIGHEST AND BEST USE: The Highest and Best Use of the subject property would be for a continuation of its most recent albeit currently vacant use as a warehouse facility.

VALUES INDICATED:

Cost Approach:	N/A
Sales Comparison Approach:	\$365,000
Income Capitalization Approach:	\$410,000
Reconciled Opinion of Value:	\$400,000

INSPECTION DATE(S): June 24, 2010

DATE OF VALUE: June 24, 2010

SPECIAL ASSUMPTIONS: The opinion of value reported herein reflects the total value of the subject property as if unaffected by any potentially hazardous substances. The presence of hazardous substances may have a negative influence on the subject property, but the consideration of the effects of these substances on the value of the subject property is beyond the scope and expertise of this appraisal. The client is urged to obtain a Phase I environmental study, if desired.

*Please note this Summary has been included for the reader's convenience and is only part of this appraisal report. As such, it must be used in conjunction with the entire appraisal report and is subject to the Basic Assumptions and Limiting Conditions and any Special Assumptions and Limiting Conditions found herein.*

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**ADDENDA**

PHOTOGRAPHS	
LOCALITY MAP	
REDUCED COPY OF TAX MAP	
COPY OF ASSESSOR'S PROPERTY RECORD CARD	
PORTION OF ZONING MAP AND ORDINANCE	
PORTION OF FLOOD INSURANCE RATE MAP	
COPY OF PROVIDED EASEMENT AGREEMENT BETWEEN BRIDGETON MUNICIPAL PORT AUTHORITY AND STAR PRODUCTS, INC. DATED AUGUST 30, 1985	
COPY OF PROVIDED TITLE INSURANCE POLICY, LEGAL DESCRIPTION, ETC.	
COPY OF CONDITION REPORT PREPARED BY BMW CONSTRUCTION, LLC AND PROPOSAL DATED JULY 20, 2010 PREPARED BY JOTTAN ROOFING CONTRACTORS	
QUALIFICATIONS OF APPRAISER	

**CERTIFICATE OF APPRAISAL**

LEE L. ROMM, INC.

DOES HEREBY CERTIFY UPON REQUEST FOR VALUATION BY:

STEPHEN F. BLAU  
DIRECTOR OF CORPORATE SERVICES  
NAI MERTZ  
21 ROLAND AVENUE  
MT. LAUREL, NEW JERSEY 08054

HE HAS PERSONALLY EXAMINED THE FOLLOWING DESCRIBED PROPERTY:

VACANT INDUSTRIAL BUILDING  
BLOCK 146, LOTS 1 & 1.01  
100 GROVE STREET  
CITY OF BRIDGETON  
CUMBERLAND COUNTY, NEW JERSEY

AND HE IS OF THE OPINION ON JUNE 24, 2010

THE MARKET VALUE OF THE SUBJECT PROPERTY "AS IS"

MORE FULLY DESCRIBED HEREIN WAS:

--- FOUR HUNDRED THOUSAND DOLLARS ---

**(\$400,000)**

LEE L. ROMM, INC.

DATE: JULY 23, 2010



LEE L. ROMM, MAI, SRA, ASA  
PRESIDENT

**CERTIFICATIONS, ASSUMPTIONS, LIMITING CONDITIONS, AND  
CONTINGENCIES**

The appraiser's signature(s) whose name appears on the Certificate of Appraisal does hereby certify, except as otherwise noted in this appraisal report:

1. He has no present or contemplated future interest in the real estate, the subject of this appraisal report.
2. He has no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.
3. To the best of his knowledge and belief, the statements of fact contained in this appraisal report, upon which the analyses, opinions, and conclusions expressed herein are based, are true and correct.
4. This appraisal report sets forth all of the limiting conditions (imposed by the terms of the assignment or by the appraiser) affecting the analyses, opinions, and conclusions contained in this appraisal report.
5. This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Uniform Standards of Professional Appraisal Practice of the Appraisal Institute, the Appraisal Foundation, and the New Jersey Administrative Code 13:40A-5.1.
6. No one other than the appraiser(s) prepared the analyses or conclusions concerning the real estate set forth in this appraisal report.
7. He has made a personal inspection of the property to the extent possible, the subject of this report.
8. He has the appropriate knowledge and experience required to complete the appraisal assignment competently.

Neither all nor any part of the contents of this report, or copy thereof, shall be used for any purpose by any person, company, corporation, etc., but the client without the previous written consent of the appraiser and/or of the client; nor shall it be conveyed by anyone including the client to the public through advertising, public relations, news, sales or other media, without the written consent and approval of the author, particularly as to valuation conclusions, the identity of the appraiser, or a firm with which he is connected, or any reference to any professional society or institute or any initialed designations conferred upon the appraiser.

The appraisal report may not be reproduced, in whole or in part, and the findings of the report may not be utilized by a third party without the written consent of the Appraiser(s).



No liability is assumed by the appraiser to third parties and parties other than the original contractor, who may rely on this appraisal report without the express written consent of the appraiser which must be obtained at the time of contracting for the appraisal service. This appraisal report has been prepared for the exclusive benefit of NAI Mertz Corporation, receiver. It may not be used or relied upon by any other party, except those directly involved in the court procedures. Any party who uses or relies upon any information in this report, without the preparer's written consent, does so at his or her own risk. Any prior agreement the appraiser may have entered into, waiving privity of contract rights, with undisclosed third parties is superseded by this limiting condition should any undisclosed third party subsequently rely on this appraisal report without the express written consent of the appraiser.

Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser(s) or the firm with which he is connected, or any reference to the Appraisal Institute or the M.A.I. or S.R.A. designations) shall be disseminated to the public through advertising media, or any other public means of communication without the prior written consent and approval of the appraiser.

This appraisal is to be used in whole and not in part. No part of it shall be used in conjunction with any other appraisal.

No responsibility is assumed by the appraiser for matters which are of a legal nature, nor is any opinion on the title rendered herewith. Good title is assumed. Management is assumed to be competent, and ownership is assumed to be in responsible hands. This property has been appraised as though free of liens and encumbrances, except as herein described.

Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the opinion of value, the attainment of a stipulated result, or the occurrence of a subsequent event.

The information contained herein is not guaranteed, but it was gathered from reliable sources which are believed to be accurate. No warranty or representation is made as to the accuracy thereof or completeness; and same is submitted subject to errors, omissions, change of price, rental, or other conditions, etc. No liability of any kind is to be imposed on the appraiser(s) herein.

The appraiser(s) herein, by reason of this report, is not required to give testimony in court or administrative hearing with reference to the property appraised unless additional compensation is agreed to and prior arrangements have been previously made therefore.



The Appraiser(s) assumes there are no hidden or unapparent conditions of the property, soil, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions, or for engineering which might be required to discover such factors. Detailed soil studies were not made available to the Appraiser(s). Statements regarding soil qualities, if made in the report, are not conclusive but have been considered consistent with information available to the Appraiser(s) and provided by others. Appraiser recommends due diligence be conducted through local municipality to investigate buildability and whether property is suitable for intended use. In addition, unless stated otherwise in the appraisal, the land and soil of the area under appraisal appears firm and solid, but the appraisal does not warrant this condition.

No opinion is expressed as to the value of subsurface oil, gas, or mineral rights, if any, and we have assumed the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.

We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural, and other engineering and environmental matters.

No survey of the property has been made by the appraiser(s), and no responsibility is assumed in connection with such matters. Sketches, pictures, maps, and other exhibits are included to assist the reader in visualizing the property but are not guaranteed to be exact. It is assumed the utilization of the land and/or improvements is within the boundaries or property lines of the property described. It is assumed there is no trespass unless noted within the report.

Unless otherwise noted herein, it is assumed there are no encroachments, building, zoning, or similar violations or restrictions existing in the subject property and recommends further investigation and survey.

It is assumed the property is in full compliance with all applicable federal, state, local, and private codes, laws, consents, licenses, and regulations; and all licenses, permits, certificates, franchises, and so forth can be freely renewed and/or transferred to a purchaser.

All mortgages, liens, servitudes, leases, and encumbrances have been disregarded unless specified within the report.

If the reader is making a fiduciary or individual investment decision and has any questions concerning the material contained in this report, it is recommended the reader contact the undersigned. This appraisal report does not take into account the investment objectives, financial situation, or particular needs of any particular person(s), partnership(s), or corporation(s).

The appraiser(s) takes no responsibility for events, conditions, or circumstances affecting the property's market value which take place subsequent to either the date of the value contained in this report or the date of our field inspection, whichever occurs first.

The appraisal report is invalid unless the official seal of the MAI signing this report is affixed to the signature page.

The opinion(s) of value stated in the appraisal applies only to the effective date of value stated in the report. Value is affected by many related and unrelated economic conditions within a local, regional, national and/or worldwide context, which might necessarily affect the future value of the subject property. The appraiser(s), therefore, assumes no liability for any unforeseen precipitous change in the economy, subject property, or project, if applicable. All opinions and estimates included in this report constitute the judgment of Lee L. Romm, Inc. as of the date of this report and are subject to change without notice.

The prior written consent and approval of the review by the signatory(s) of the appraisal report to ensure the accuracy and adequacy of any references to the appraisal report is required.

This material provides information and/or alternatives we believe to be appropriate for consideration. The decision whether or not to adopt any real estate strategy or engage in any transaction is not our responsibility.

Unless specifically so stated, the value conclusion(s) contained in the appraisal apply to the real estate only, and do not include personal property, machinery and equipment, trade fixtures, business value, goodwill or other non-realty items. Income tax considerations have not been included or valued unless so specified in the appraisal. The Appraiser(s) makes no representations as to the value increment which may be attributed to such considerations.

The appraisal was not prepared for income tax purposes, and shall not be used, in whole or in part, in regard to any matter involving the Internal Revenue Service.

Any and all findings, projections, assumptions, conclusions and the like contained in the appraisal report shall be the professional opinion of Lee L. Romm, Inc. and the individual Appraiser(s). Lee L. Romm, Inc. shall retain ownership of all reports and all original documentation, field notes, memoranda, data and the like, made or assembled in or about the preparation of the report. No one other than the client may rely on or utilize the report without the express written consent of Lee L. Romm, Inc. The use of the report is expressly prohibited unless all contractual obligations for payment thereof have been completed.

The estimated operating results shown in this report are based upon an evaluation of the present general level of the economy of the area, and neither takes into account nor makes

provisions for the effect of any sharp rise or decline of local or general economic conditions.

An appraisal is inherently subjective and represents our opinion as to the value of the property being appraised.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation, asbestos, polychlorinated biphenyl, petroleum leakage, mold or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser(s) has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser(s), however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, mold, or other hazardous substances or environmental conditions, may affect the value of the property, the opinion of value is predicated on the assumption there is no such condition on or in the property or in such proximity thereto it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them. If desired, the client should obtain the services of an expert in this field.

Any areas or inaccessible portions of the property or improvements not inspected are assumed to be as reported or similar to the areas which were inspected.

Unless specifically stated in the report, the Appraiser(s) found no obvious evidence of insect infestation or damage, dry or wet rot. Since a thorough inspection by a competent inspector was not performed for the Appraiser(s), the subject is assumed to be free of existing insect infestation, wet rot, dry rot, and any structural damage which may have been caused by pre-existing infestation or rot which was subsequently treated.

The market value opinion(s) herein is subject to formal determination of the existence of any state and/or federal freshwater wetlands or other restricted environmentally sensitive areas, including required buffer zone(s). Inasmuch as the appraiser is not an expert in this field, it is considered imperative the services of a qualified environmental consultant be retained in order to make such determinations.

Accordingly, this appraisal is made with the understanding the subject can obtain an Unrestricted Use No Further Action Letter and Covenant Not to Sue Letter from the New Jersey Department of Environmental Protection (NJDEP) pursuant to the regulations and requirements of the Environmental Cleanup Responsibility Act of 1983 (ECRA), as amended including the Industrial Site Recovery Act (ISRA) amendments of June 16, 1993. These Acts require as a pre-condition of any cessation of operation or the transfer of real property, which used or stored regulated hazardous substances, the testing, cleanup and disposal of any such material. The appraiser is not qualified to determine the existence of any such hazardous material and therefore, has expressed a value of the subject property as if free and clear of any such substances.

In connection with this appraisal, I have made a visual inspection of the subject neighborhood. No landfills or hazards external to the subject property were apparent. However, in connection with this appraisal, I shall not be held responsible for detrimental effects to the subject property due to external impact emanating from sanitary landfills, chemical dumps, trash disposal areas, or any other conditions involving either active or inactive hazards located outside the subject property boundaries.

The opinion of value is exclusive of applicability of the New Jersey Leaking Underground Storage Tank (LUST) Law.

Your appraiser(s) assumes no responsibility for limits imposed by the New Jersey Freshwater Wetlands Protection Act or Section 404 of the Federal Clean Water Act. Your appraiser uses "National Wetlands Inventory" maps prepared by the Office of Biological Services, Fish and Wildlife Service of the United States Department of Interior. These maps, due to their scale (1" = 2,000') and part of the Special Note stating "... a detailed, on the ground and historical analysis of a single site may result in a revision of the wetlands boundaries..." are deemed not to be accurate but present only a general idea as to the location of wetlands.

In completing this appraisal, it is understood and agreed the report is not now intended and will not be used in connection with a Real Estate Syndication or Syndicates. The report and any liability or obligation on the part of the appraiser(s) are invalid if used in connection with a syndication.

A Real Estate Syndicate means a general or limited partnership, joint venture, unincorporated association, or similar organization formed for the purpose of and engaged in investment or gain from sale, exchange, trade, or development of such real property on behalf of others, or which is required to be registered with the United States Securities and Exchange Commission (SEC) or any state regulatory agency which regulates investments made as a public offering.

The client(s) by receipt of this report, shall indemnify and hold harmless Lee L. Romm and/or Lee L. Romm, Inc. and employees from and against all damages, expenses, claims, demands and costs, including legal fees incurred in investigating and defending any of the aforesaid reference to Lee L. Romm and/or Lee L. Romm, Inc. and employees failure to render the opinion of value or produce the appraisal report in a manner consistent with sound appraisal practice.

The analyses, opinions and conclusions developed within this appraisal report have been prepared in conformity with FIRREA, the Uniform Standards of Professional Appraisal Practice and the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute and the American Society of Appraisers.



The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

The quality of on-site management can have a direct effect on a property's economic viability and market value. The financial forecasts contained in this appraisal assume both responsible ownership and competent management. Any variance from this assumption could have a significant impact on the forecasted opinion of value.

This appraisal is made for valuation purposes only. It is not intended nor to be construed to be an engineering report. The appraiser makes no representation, nor warranty, as to the condition, quality of capabilities of the improvements, materials or workmanship. Should there be any question regarding same, it is strongly suggested an Engineering/Construction inspection be obtained.

In accordance with our appraisal assignment, no effort has been made to determine the possible effect, if any, on this project of energy shortages or present or future federal, state or local legislation including any environmental or ecology matters or interpretations thereof.

The analyses and/or projections contained within this report are based upon estimates and assumptions which are inherently subject to uncertainty and variation depending upon evolving events. Some assumptions inevitable will not materialize and unanticipated events and circumstances may occur. Therefore, the actual outcome may vary from those described within this report and the variations may be material.

The New Jersey Department of Environmental Protection (NJDEP) and the United States Environmental Protection Agency (EPA) have found elevated levels of naturally occurring radon gas in many areas of New Jersey. High levels of radon gas may affect the health and safety of individuals occupying properties in these areas. The appraiser(s) who has prepared an appraisal report of this property is not qualified to evaluate all elements of this very complex problem, and for this reason he is unable to give advice with regard to any concerns about the possible presence of radon gas at the property. Accordingly, we urge the client to retain an expert in this field, if desired.

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.

The Appraiser(s) has not reviewed lease documents and assumes no responsibility for the authenticity or completeness of lease information provided by others or the bonafides of actual leases. Lee L. Romm, Inc. suggests legal advice be considered regarding the interpretation of any lease provisions and the contractual rights of the respective parties.

The projections of income and expense are not predictions of the future. Rather, they represent our best opinion of current market thinking on future income and expenses. The Appraiser(s) and Lee L. Romm, Inc. make no warranty or representation whatsoever these projections will, in fact, materialize. Inasmuch as the real estate market is constantly fluctuating and changing, it is not the Appraiser's task to predict or in any way warrant the conditions of a future real estate market; the Appraiser can only reflect what the investment community, as of the appraisal date, envisions for the future in terms of rental rates, expenses, and supply and demand.

The Appraiser(s) believes the underlying assumptions and current conditions provide a reasonable basis for the opinion(s) of value stated in the appraisal. The Appraiser(s) assumes there will be no major changes in current economic mortgage interest rates, fixed and operating expenses, and/or terms or property assessment; and/or major revisions in current state and/or federal tax or regulatory laws in the foreseeable future. If significant changes would occur, variations in the opinion(s) of value stated in the report could occur.

This report is the work of Lee L. Romm, Inc. It was created in fixed form for distribution to the individual or entity ordering the appraisal report. Additionally, it is subject to the provisions of the Copyright Act.

Our "as is" market value opinion assumes the complete implementation of the income and expense projection as set forth herein.

Additionally, our "as is" market value opinion assumes the structural integrity of the improvements including but certainly not limited to the foundations, exterior walls, floors, framing members, etc.

Moreover, our "as is" market value opinion assumes the adequacy and availability of all utilities including but not limited to municipal sanitary sewer and water, storm sewer, electricity, gas, cable TV, and telephone.

Also, our "as is" market value opinion assumes there are no outstanding issues of environmental contamination.

And, our "as is" market value opinion assumes the accuracy and veracity of the following provided documents: Easement agreement between Bridgeton Municipal Port Authority

and Star Products, Inc. dated August 30, 1985 permitting a non-exclusive perpetual right-of-way and easement for egress, turning and parking; Condition Report and Email correspondence dated July 16, 2010 prepared by BMW Construction LLC and Stephen Blau, and Proposal of Jottan Roofing Contractors dated July 20, 2010 respectively; Order granting Plaintiff's Motion for Appointment of Property Receiver and to Amend Consent Judgement inclusive of legal description; copy of provided offering literature; etc.

Our "as is" market value opinion specifically assumes adequate access for ingress and egress along its Grove Street frontage as well as from an adjoining likewise vacant property of the Bridgeton Municipal Port Authority.

Lastly, our "as is" market value opinion assumes the subject property has received all necessary approvals permitting its most recent use as a warehouse type facility; said approvals include but are in no way limited to the City of Bridgeton, County of Cumberland, State of New Jersey, Department of Transportation, Department of Environmental Protection, Soil Erosion & Sediment Control Plan Certification, etc., as required.

Finally, our "as is" market value opinion assumes the satisfactory removal of two older attached warehouse type buildings observed in poor physical condition which appear to be located on adjoining Block 132, Lots 1.02 & 3.

Concluding, our "as is" market value opinion assumes ownership is in possession of a valid Riparian Grant.

Inasmuch as the provided Condition Report and Email correspondence set forth in the addendum of this report in the amount of \$555,350 indicate that same is not an all inclusive estimate, inasmuch as the heating and sprinkler systems may require repairs that cannot be accounted for because the water service and other utilities are not presently connected to the property, your appraiser expressly reserves the right to amend the report where necessary including but certainly not limited to condition, market value opinion derived by the application of the Sales Comparison and Income Capitalization Approaches, final opinion of market value, etc. Accordingly, the reader is cautioned herewith.

The distribution of the total valuation in this report between land and improvements (if any) applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal, and if so used, are deemed invalid. This appraisal report shall be considered only in its entirety and no part of this appraisal report shall be used separately or out of context.

Lee L. Romm, Inc. and employees expressly reserve the right to amend, modify, and/or correct any pages, segments, and/or facets of the report should circumstances, investigations, and special studies including but certainly not limited to legal, engineering, environmental, or others, completed by qualified individuals reveal facts and/or statements



contained within the assumptions and limiting conditions as set forth above were not known or conveyed to the appraiser as of the date of this report.

**Notwithstanding to the contrary, it is expressly understood liability, if any, of Lee L. Romm, Inc. and employees is limited to the fee paid for the preparation of the appraisal report. Lee L. Romm, Inc. and/or employees are not accountable or liable in any way whatsoever to any third party and under no circumstances shall any claim or consequential damages be made.**

ACCEPTANCE OF AND/OR USE OF THIS APPRAISAL REPORT ESTABLISHES ACCEPTANCE OF THE ABOVE STATED ASSUMPTIONS, LIMITING CONDITIONS AND CONTINGENCIES. THE APPRAISER'S DUTY, PURSUANT TO THE EMPLOYMENT TO MAKE THE APPRAISAL, IS COMPLETE UPON DELIVERY OF THE APPRAISAL REPORT. HOWEVER, ANY CORRECTIONS OR ERRORS SHALL BE CALLED TO THE ATTENTION OF THE APPRAISER(S) WITHIN 30 DAYS OF THE DELIVERY OF THE REPORT. THE APPRAISER(S) HAS NO OBLIGATION TO MODIFY OR AMEND THE REPORT BEYOND THE 30 DAY REVIEW PERIOD.

With respect to any services, work product or other deliverables hereunder, or this engagement generally, the liability of Lee L. Romm, Inc. shall in no event exceed the fee(s) it receives hereunder for the portion of the work giving rise to liability nor include any special, consequential, incidental, or exemplary damages or loss (nor any lost profits, savings, or business opportunity), and client will upon the receipt of written notice indemnify Lee L. Romm, Inc., its affiliates and their partners, principals, and personnel against all costs, fees, expense, damages, and liabilities (including defense costs) associated with any third-party claim arising from or relating to any such services, work product, or deliverables client uses or discloses to others, or this engagement. The foregoing terms are intended to apply to the extent not contrary to applicable law, **REGARDLESS OF THE GROUNDS OR NATURE OF ANY CLAIM ASSERTED (INCLUDING CLAIMS BASED ON LEE L. ROMM, INC.'S OWN NEGLIGENCE IN ANY FORM AND ALSO INCLUDING CLAIMS BASED ON CONTRACT, STATUTE, ANY FORM OF NEGLIGENCE, INTENTIONAL TORT, STRICT LIABILITY OR OTHERWISE)** and whether or not Lee L. Romm, Inc. was advised of the possibility of the damage or loss asserted. Such terms shall also continue to apply after any termination of this agreement, and during the period of any dispute between the parties.

## **APPRAISER CERTIFICATION**

“The Appraisal Institute and the American Society of Appraisers conduct a voluntary program of continuing education for its designated members. MAI’s, SRA’s, and ASA’s who meet minimum standards of this program are awarded periodic educational recertification. As of the date of this report, Lee L. Romm, MAI, SRA, ASA, has completed the requirements under the continuing education program of the Appraisal Institute and the American Society of Appraisers.”

Lee L. Romm is a New Jersey State Certified General Appraiser, License Number RG 00271.

Lee L. Romm is a Certified General Appraiser in the Commonwealth of Pennsylvania, License Number GA 000835-L.

APPRAISER CERTIFICATION, continued

I certify, to the best of my knowledge and belief:

- ◆ the statements of fact contained in this report are true and correct.
- ◆ the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- ◆ I have no present or prospective interest in the property, the subject of this report, and no personal interest with respect to the parties involved.
- ◆ I have no bias with respect to the property, the subject of this report, or to the parties involved with this assignment.
- ◆ my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- ◆ my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- ◆ my analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- ◆ I have made a personal inspection of the property, the subject of this report.
- ◆ no one provided significant real property appraisal assistance to the person signing this certification.

Date: July 23, 2010



\_\_\_\_\_  
Lee L. Romm, MAI, SRA, ASA

## PURPOSE AND INTENDED USE OF THE APPRAISAL

The purpose of the appraisal is to express an opinion of the market value of the subject property, as is, as of June 24, 2010.

### DEFINITION OF MARKET VALUE<sup>1</sup>

The definition of "market value" as set forth in Chapter 12, Code of Federal Regulation, Part 34.42 (f) states:

*"Market value is the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:*

- a) buyer and seller are typically motivated;*
- b) both parties are well informed or well advised, and each acting in what they consider their best interests;*
- c) a reasonable time is allowed for exposure in the open market;*
- d) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- e) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."*

The intended use of the appraisal is to serve as a guide in litigation proceedings.

Although the value could be the same, this appraisal report is not to be used for any other intended use, including but not limited to tax appeal, refinance, insurance, estate tax planning, condemnation, liquidation, bankruptcy, collateralization, matrimonial, sale or acquisition purposes, etc., other than the intended use as set forth above.

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<sup>1</sup> The Dictionary of Real Estate Appraisal, 3<sup>rd</sup> Edition Appraisal Institute, 1993

## **PROPERTY RIGHTS APPRAISED**

The property rights appraised are those of an assumed fee simple ownership.

## **SCOPE OF THE ASSIGNMENT**

This assignment encompasses an opinion of market value, "as is" of the fee simple interest in the existing vacant warehouse building located at 100 Grove Street in the southeastwardly segment of the City of Bridgeton, Cumberland County, New Jersey.

The first step in the analysis is to develop a concise statement or definition of the appraisal assignment. This sets the limits of the analysis and eliminates any ambiguity about the nature of the assignment. This is accomplished by: 1) identifying the real estate being analyzed, 2) stating the effective date of value, 3) stating the purpose and intended use (function) of the analysis, 4) defining market value, 5) identifying the property rights to be valued, and 6) stating the assumptions and limiting conditions applicable to the conclusions.

The next step is to make a physical inspection of the subject and its environs, including the collecting of general and specific data. General data consists of collecting information on the principle forces and factors affect marketability and property value. This information includes regional and neighborhood trends, as well as social, economic, governmental and environmental forces could or may have an effect on the subject's marketability and value. This general data contributes significantly to the understanding of the marketplace.

Specific data relates to the property being appraised, including a detailed description of both the parcel comprising the subject site and the existing building and site improvements; as well as current and recent changes in ownership, occupancy, zoning and

land use regulations, and assessment and real estate tax information applicable to the subject. The gathering of specific data also variably relates, as may be applicable, to the selected comparable land sales, improved sales and rentals, which are also inspected and verified to the extent possible. In addition to the physical data, also gathered is locational, cost and/or income and expense information on both the subject and, as obtainable, on the comparable sales and/or rentals utilized. Moreover, also considered are financing arrangements and/or unusual motivations of either purchaser(s) or seller(s) that may or did affect selling prices or rentals.

An integral part of the valuation process for the property is the determination of the highest and best use of the subject site: 1) as if vacant, and 2) as currently improved. The latter opinion as applicable is useful in identifying comparable properties, and determining whether the existing improvements should be retained, renovated, or demolished.

After determining the site's highest and best use and collecting the necessary data, we integrate the information obtained from the market research and analysis of data and consider the application of the three accepted valuation approaches - the Income Capitalization Approach, the Sales Comparison Approach, and the Cost Approach - in order to derive a well-supported opinion of value of the fee simple interest. Although the three approaches are interrelated, the property type and use will determine which approach or approaches are most appropriate. Upon completion of the applicable approaches, and if necessary, we will then reconcile the value conclusions derived in order to provide a final opinion of value.

## **MARKETING PERIOD**

Marketing time is defined by The Appraisal Foundation's Uniform Standards of Professional Appraisal Practice (2003), page 139 as *"An estimate of the amount of time it might take to sell a real property interest in real estate at the concluded Market Value level during the period immediately after the effective date of an appraisal."*

Based upon information gathered through sales verification and interviews with market participants, the appraiser estimates a reasonable marketing time at 10 to 12 months for a property like the subject at the concluded opinion of value expressed herein.



## LOCALITY

The subject property is located along the westerly side of Grove Street and the easterly side of the Cohansey River in the southeastwardly segment of the City of Bridgeton, Cumberland County, New Jersey.

Cumberland County is the fifth largest of New Jersey's 21 counties. Its land area is estimated at 498 square miles which represents 6.7%± of the total area of the state. It is bordered on the west by Salem County, on the north and northwest by Gloucester County, on the northeast by Atlantic County, and southeast by Cape May County. The southern border of the county is formed by the Delaware Bay and the Delaware state border.

Although one of the larger counties in the state in size, Cumberland ranks 16<sup>th</sup> in population with a 2000 U.S. census enumeration of 146,438. This figure represented a growth of 6.1% during the decade from the 1990 count of 138,053.

The County was once at the focus of the glass making industry in the United States along with adjoining Gloucester County. It is blessed with an abundance of high quality sand, clean water, etc. However, the age of many of the facilities, the general movement of many manufacturing industries to warmer climates, rising labor rates, and imposition of environmental regulations led to the closing of many plants in the area. This trend combined with the overall economic recession both early and late 1980's led to the highest unemployment rate in the state for the subject area. The rate was estimated as high as 20% in the early part of the 1980's. The April 2010 rate for the county, on an unadjusted basis, was 13.1% which is more than 36% above the State figure of 9.6%.

LOCALITY, continued

Economic activity in the county is hampered by a lack of limited access highways. The only limited access road in the entire county is New Jersey Route 55. This road, completed approximately 25 years ago, connects the Vineland-Millville area which is the heart of Cumberland County with Camden and Philadelphia via New Jersey Routes 42 and I-76.

In addition to Route 55, the county is served only by a network of mostly two lane state and county roads. While extensive, this network is unable to afford the relatively rapid inter urban access enjoyed by Gloucester, Salem, and Atlantic Counties. The New Jersey Turnpike's closest exit is Exit 1 in the Carney's Point section of Salem County, approximately 20 miles distant from the subject. The closest entry point to the Atlantic City Expressway is 30± miles and the Garden State parkway is about 35± miles away.

The resident work force in the county is estimated at 73,300± \* persons of which approximately 15% commute outside the county for employment. This is the lowest ratio in New Jersey, and it is considered reflective of the highway network, the location of the county, etc.

So long as the national economy remains static, job growth is not expected to continue in the County during 2010. The County's unemployment rate shows modest improvement during the first 4 months of 2010.

*\*New Jersey Labor Force Estimates by Area – April 2010*

LOCALITY, continued

City of Bridgeton

Bridgeton is a small city which occupies 6.2± square miles in Cumberland County with several large industrial and commercial districts. It has a variety of residential neighborhoods, ranging from new, good quality districts with modern development-style, single family dwellings, to old, fair to poor quality areas with old-fashioned bungalows and duplex dwellings. The city has been settled since the early 1700's and there is little vacant land available for development. The city has about 4,500 residential and 500 commercial properties. It is within 50 minutes driving time of the Philadelphia Metropolitan Area.

The 2000 population was 22,771, an increase of 3,829 persons (20%) over the 1990 Census. Bridgeton is the county seat of Cumberland County, and the county administration complex and courthouse are within the municipal boundaries. These and the commercial districts provide local employment and shopping centers for the city and surrounding suburbs. While there is little economic growth and above average unemployment, the area has been relatively stable and there has been no meaningful decline in recent years.

Bridgeton is an Urban Enterprise Zone (UEZ) which offers several advantages to commercial and industrial activity. First, there is an abatement of real estate taxes for new construction or additions or renovations to existing properties. Secondly, materials and services used in new construction and/or addition/renovation are exempt from state sales tax. Third, business services supplied to industry and commerce are exempt from state sales tax. Fourth, businesses hiring the unemployed receive state tax credits. Finally, businesses applying for low interest economic development finances receive priority in application status.

LOCALITY, continued

State Highway 49, a major artery connecting the Delaware Memorial Bay Bridge to the southern New Jersey shore region, runs through the southern half of the city. State Highway 77, a regional artery connecting Bridgeton and Cumberland County to the Philadelphia Metropolitan Area, runs through the middle of the city from north to south. Both are two lane, asphalt paved roads in good condition with paved shoulders, curbs, and sidewalks for most of their length through the city. Route 77 is North Pearl Street and State Route 49 is Broad Street; both support major commercial districts along portions of their length.

The city has a full time police department with 68± employees and a chief. There is one volunteer fire district with 9± full time and 20± part time paid employees. The city is served by the Cumberland County Municipal Utilities Authority which supplies sewer to the entire city, and the city has a water utility providing service to all residents. The local school district embraces 12 public schools from K to 12, and the high school is a receiving school for several surrounding communities.

Concluding, the City of Bridgeton has evidenced increased population and a relatively stable employment rate. However, little growth has been evidenced within its boundary limits with most activity having occurred in neighboring Upper Deerfield Township. The future appears to indicate continued average prospects somewhat consistent with that of the past 10 years.

## THE SUBJECT PROPERTY

### LAND

Irregular in shape with a topography sloping downward in a westerly direction by the Cohansey River, the subject site overall contains 2.92± acres or 127,195± square feet. Along the westerly side of Grove Street, the site enjoys frontage of 226'± extending in depth 588' to its rear property line along the Cohansey River a distance of 232.88'± to the site's southerly boundary of 535'± over two courses and distances to the aforementioned Grove Street.

Of the total acreage previously recited at 2.92± acres, 1.60± acres appears to lie within a riparian grant with 1.32± acres considered upland. As such, it appears that a portion of the building improvements may extend beyond said upland into the riparian grant.

Grove Street by the subject contains a legal right-of-way of 50' and is blacktop paved providing two lanes for vehicles traversing in a southerly direction. Other street improvements include reinforced concrete curbing, sidewalk, and all utilities including but certainly not limited to municipal sanitary sewer and water, storm sewer, electricity, gas, cable TV, and telephone are available.

Some of the uses characterizing the immediate surroundings include but are certainly not limited to a number of older single family detached residences, church, vacant land, adjoining vacant industrial complex observed in poor condition, among other uses, etc.

Reference is made to a reduced copy of the Tax Map utilized in lieu of a requested Survey.

**IMPROVEMENTS**

The subject site has been improved with a one story warehouse type facility of masonry and steel frame construction. Pertinent building details are as follows:

Foundation:	Reinforced concrete and concrete block foundation walls spread reinforced concrete footings.
Exterior Walls:	Concrete block exterior walls and parapet.
Exterior Doors:	Include metal clad and overhead sectional steel doors, manually operated.
Windows:	None observed.
Roof:	No roof covering observed but 22± gauge ribbed metal deck with assumed 2'' of rigid insulation.
Rain Conductors:	Some aluminum gutters and downspouts.
Miscellaneous Exterior:	Wall mounted lighting fixtures. Attached loading platform of 1,820± square feet.
Site Improvements:	Some gravel and blacktop paving.
Framing:	Wide flanged structural steel columns and beams; steel bar joists.
Floor:	Reinforced concrete slab with an estimated thickness of 6''±.
Electricity:	None observed.
Plumbing:	None observed.
Heating, Ventilation, and Air Conditioning:	None observed.
Domestic Hot Water:	None observed.
Fire Suppression:	The building appears to be 100% sprinklered via a Viking system inclusive of necessary heads, piping, valves, etc.

THE SUBJECT PROPERTY, continued

Shipping and Receiving: 6 tailgate height bays with adjustable dock levelers; one drive-in loading door.

Interior Layout and Finish

The building is basically open and unfinished. A former two-story section possibly utilized for plant offices, men's restrooms, etc. was observed in poor condition due to apparent vandalism, lack of maintenance, etc. and has not been considered in our valuation. Clear building heights approximate 30'.

ESTIMATED BUILDING CALCULATIONS

Although no detailed plans were provided your appraiser, the following net calculations are deemed satisfactory for appraisal purposes:

$$\begin{array}{rcl} 218' \times 384' & = & \underline{83,712 \text{ SF}} \\ \text{Total Gross Building Area:} & & 83,712 \text{ SF} \end{array}$$

This sum differs slightly from the assessor's property record card which indicates 84,700 square feet. A divergence of less than 1,000 square feet or 1.17%.

AGE AND CONDITION

The subject improvements appear to have been constructed approximately 35 years ago and a brief inspection by your appraiser indicated same to be in fair minus to poor plus physical condition. Our opinion is attributable for the most part to considerable vandalism, lack of roof covering, removal of the majority of the electrical, plumbing, heating ventilating and air conditioning equipment, lower wall damage, etc. Additionally, the lack of a roof cover such as a rubber membrane, 3 ply asphalt roll roofing etc. has produced considerable water intrusion as observed by your appraiser.

In addition to the physical deterioration set forth above, it appears a portion of the subject improvements may have been constructed beyond the upland area within a portion of the riparian grant.



THE SUBJECT PROPERTY, continued

It is noted that your appraiser is not a professional engineer or building inspector and observations and comments relative to the physical condition of the improvements are based upon his expertise as a real estate appraiser and not as a professional engineer or building inspector.

ZONING

According to the zoning map and ordinance of the City of Bridgeton, the subject appears to be located in part within an I Industrial and FP Floodplain zones. The I Industrial zoning classification permits a number of uses including but certainly not limited to administrative offices, bonded storage warehouses, wholesale activities, research and experimental laboratories, municipal uses and buildings, contractors, equipment storage yard or building, building materials sales yards, and any activity involving cleaning, distribution, processing, production, repair, storage or testing of materials, goods and/or products, utility installations and alternative power producers.

Some of the area and bulk regulations covering the I Industrial zoning classification include a minimum lot size of 1 acre with a minimum building setback of 50'. Lot width requires a 150' minimum and lot coverage is limited to 75% maximum. Side yard and rear yard minimum requirements are 25' extending up to 100' if adjacent to residential uses. Maximum building height is limited to 35'.

Insofar as the FP Floodplain zoning classification is concerned, a number of uses by right are permitted including cultivation, pasture, outdoor plant nursery, recreation use such as park, day camp, picnic grove, golf course, hunting, fishing and boating club and

THE SUBJECT PROPERTY, continued

marinas, harvesting of any wild crop, game farm, fish hatchery, hunting and fishing reserves, wildlife sanctuary, woodland preserve, arboretum, outdoor installations for sewage treatment plants, sealed public water supply wells and flood retention dams and dikes and culverts and bridges as approved by the State Division of Water Resources.

Some of the area and bulk regulations covering the FP Floodplain zoning district include a minimum lot size of 3 acres with a 50' minimum building setback line. Lot width and coverage are 200' minimum and 25% maximum. Side yard and rear yard minimum requirements are 50' minimum each and 50'. Maximum building height is limited to 35'.

As improved, the subject appears to be a prior approved, currently legal, non-conforming use.

A portion of the zoning map and ordinance as it relates to the subject is enclosed in the Addenda of this report.

ASSESSMENT

The subject which is set forth on the tax rolls of the City of Bridgeton as Block 146, Lots 1 and 1.01, is currently assessed as follows:

Land:	\$ 30,000
Improvements:	<u>820,000</u>
Total:	\$ 850,000

At the current 2009 real estate tax rate of \$4.955 per \$100 of assessed valuation, an annual real estate tax liability of \$42,117.50 is indicated. For appraisal purposes, we have rounded this sum to \$42,960 inclusive of an approximate 2% tax buffer. This sum is equivalent to slightly more than \$.51 per square foot of gross building area including the land, site improvements, etc.

THE SUBJECT PROPERTY, continued

Inasmuch as the subject is owned by the Bridgeton Municipal Port Authority, It is tax exempt.

The current tax equalization ratio for the City of Bridgeton is 62.77%. Dividing the assessment by the tax equalization ratio indicates an equalized value for tax assessment purposes of \$1,354,150. This sum is equivalent to \$16.18 per square foot of gross building area, rounded, including the land, site improvements, etc.

We believe the assessment is considerably in excess of its market value and an appeal seeking a significant reduction should be considered.

**FLOODPLAIN DATA**

According to the Flood Insurance Rate Map as published by the Federal Emergency Management Agency and known as Community Panel No. 340165 0002 B with an effective date of January 18, 1984, the subject appears to be located in part within Zone C which is defined as "areas of minimal flooding." and Zone B which is defined as "areas between limits of the 100-year flood and 500-year flood; or certain areas subject to 100-year flooding with average depths less than 1' or where the contributing drainage area is less than 1 square mile; or areas protected by levees from the base floods." A portion of the Flood Insurance Rate Map as it refers to the subject is enclosed in the Addenda of this report.

**OWNERSHIP AND OCCUPANCY**

According to the ownership records of the City of Bridgeton, the subject is currently held in ownership by the Bridgeton Municipal Port Authority. A search of the records has revealed no subsequent "arm's length" conveyances for the past 5 years other than noted above.

THE SUBJECT PROPERTY, continued

The subject improvements were observed in a vacant state having been so for an indeterminate period of time. Additionally, the improvements were observed in a fair minus/poor plus physical condition attributable in part to its vacant state, considerable vandalism, lack of maintenance program, etc.

Currently, the commercial real estate firm of NAI Mertz is offering the subject as Receiver under an Order dated December 16, 2009 in Docket No. L-781-06 in the Superior Court of New Jersey – Law Division – Cumberland County. The property is being offered “as is” at \$670,000 and its sale is subject to confirmation by the Court. A copy of the offering sheet is enclosed in the Addenda of this report.

## **HIGHEST AND BEST USE**

According to The Dictionary of Real Estate Appraisal, a publication of the Appraisal Institute, Third Edition, the highest and best use may be defined as:

1. *"The reasonable and probable use that supports the highest present value of vacant land or improved property, as defined, as of the date of the appraisal.*
2. *The reasonable probable and legal use of land or sites as though vacant, found to be physically possible, appropriately supported, financially feasible, and that results in the highest present land value.*
3. *The most profitable use.*

Implied in these definitions is that the determination of highest and best use takes into account the contribution of a specific use to the community and community development goals as well as the benefits of that use to individual property owners. Hence, in certain situations, the highest and best use of land may be for parks, greenbelts, preservation, conservation, wildlife habitats, and the like."

In light of the above definition, consideration has been given to the various factors affecting the highest and best use of the subject property including location, market demand, neighboring property influences, zoning, and physical and economic factors. The highest and best use of a particular site must generally meet four criteria. The use must be (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive.

The first constraint imposed on the possible use of the property is dictated by the physical aspects of the property itself. As noted in our description of the subject site itself, the land is of sufficient size to accommodate its existing use. The parcel is level at street grade sloping gently downward to its rear boundary along the Cohansey River and has all

HIGHEST AND BEST USE, continued

necessary utilities available. Locationally, the site enjoys frontage along the westerly side of Grove Street of 226'± extending in depth 588' to its rear property line along the Cohansey River a distance of 232.88'± to the site's southerly boundary of 535'± over two courses and distances to the aforementioned Grove Street.

From a functional standpoint, the overall size and configuration of the site creates a somewhat less than viable development tract as approximately 55% of the overall site appears to lie within a riparian grant extending from the rear of the upland area in a westerly direction to the edge of the Cohansey River. Notwithstanding, development of the site appears to be possible with variable constraints.

Legal restrictions as they apply to the subject property are private restrictions and public restrictions of zoning. As noted, there are no private restrictions which are known to adversely affect the utilization of the site, and the property is situated within both the I Industrial and FP Flood Plain zoning districts which allow a number of uses. Thus, intensive development of the property appears to be a prior approved, currently legal, non-conforming use.

After analyzing the physically possible and legally permissible aspects of the property, the highest and best use must be considered in light of financial feasibility and maximum productivity. For a potential use to be seriously considered, it must have the potential to provide a sufficient return to attract investment capital over alternative forms of investment.

A positive net income or acceptable rate of return would indicate that a use is financially feasible. In this regard, we have viewed the subject improvements in terms of potential rate of return and feel that it's most recent albeit currently vacant use may pos-



HIGHEST AND BEST USE, continued

sibly be financially feasible. From a market demand perspective, we believe such use may possibly be warranted based upon current and projected supply and occupancy levels, the downturn in the economy and recession notwithstanding, coupled with the satisfactory completion of repairs set forth in the furnished Condition Report prepared by BMW Construction, LLC.

After consideration was given to all of the potential uses of the property and each was analyzed in light of the above parameters, it is your appraiser's opinion that the highest and best use of the subject property "as vacant" would be for future development in the developable segment of the subject in accordance with permitted uses within its Industrial zoning classification. This opinion assumes that the subject site is completely free of any environmental contamination whatsoever subject to the receipt of all necessary township, county, and state approvals, including but certainly not limited to a Letter of Interpretation by the NJDEP, etc.

Additionally, after consideration was given to all of the potential uses of the site and each was analyzed in light of the above parameters, it is your appraiser's opinion the highest and best use of the site "as improved" would be for a continuation of its most recent albeit currently vacant use as a warehouse facility, assuming of course, satisfactory completion of repairs and deferred maintenance in accordance with a furnished Condition Report are completed within a reasonable period of time estimated at 45-60± days in a workmanlike manner.

## COMMENTS ON VALUATION

All of the approaches to value have been considered in opining and justifying our value conclusion for the subject property. Intertwined with these approaches have been many general considerations, both positive and negative in nature which are felt to have an affect upon value. While no attempt has been made to quantify the affect of the specific factors by the use of percentage adjustments, the general influence of these factors has been considered in the same general way that they would be considered by buyers and sellers in the market.

On the positive side, the subject enjoys clear ceiling heights of approximately 30'±, appears to be 100% sprinklered, enjoys bay spacing of 30' x 45'± and has 6± bays at tailgate height for shipping and receiving with adjustable dock levelers.

On the other hand, however, the building suffers from its location distant from established industrial parks and/or neighborhoods; its distance from limited access Route 55 (12± miles); its observed physical condition ranging from fair minus to poor plus; its construction perpendicular to its frontage leaving almost no room on-site for parking; etc. As a result, parking is achieved via an access easement over an adjoining property observed in poor physical condition, vacant for a number of years.

Other negative factors include the apparent construction of the building within a portion of the riparian grant. Finally, Cumberland County upon which the subject property is located (City of Bridgeton) suffers from having the highest unemployment rate in the State of New Jersey. This has in part indicated a decline in the consumption of goods on behalf of consumers leading to job losses in the US manufacturing sector and a decline in

COMMENTS ON VALUATION, continued

demand for warehouse space which has produced higher vacancy rates. Moreover, overall capitalization rates have increased by 67 basis points from the second quarter 2009 through the second quarter 2010. Lastly, the current downturn in the economy is likewise considered a negative factor impacting acquisition and repairs for properties of this type, in this location, at this time vis-à-vis acquiring similar sized properties in established industrial parks absent the necessity of numerous repairs and/or deferred maintenance inherent in the subject as per your appraiser's observations and the provided Condition Report prepared by BMW Construction, LLC, a copy of which is enclosed in the Addenda of this report.

In general terms, ownership of real estate possesses both positive and negative views. It has the potential to generate income and tax benefits. Additionally, it can be financed and refinanced. Appreciation and/or amortization can also result in equity growth.

Real estate involves risk-taking because of its dependence on many diverse factors. Real estate is affected by management, economic conditions, supply and demand of competitive properties, governmental regulations, acts of God, etc. Examples of risks include, but are in no way limited to, changes in investment climate, changes in the mortgage market, energy shortages, changes in operating material and labor costs, changes in general and local economic conditions, overbuilding, neighborhood changes, inability of tenants to pay rent, low occupancy levels, ongoing operating costs in spite of levels of occupancy, cost overruns, delays, and material shortages. In addition, governmental regulations regarding zoning, tax laws, and rent control can be reversed, modified, or changed and real estate can be condemned. Moreover, real estate is also considered an investment lacking liquidity dissimilar to stocks, bond, certificates of deposit, etc.

COMMENTS ON VALUATION, continued

With the foregoing in mind, we have considered the three approaches to value; the Income Capitalization Approach, Sales Comparison Approach, and the Cost Approach.

Inasmuch as the subject property is of an income producing nature, that is, one with the ability to produce an income stream, primary weight has been given to the indication of value found via the Income Capitalization Approach. The Sales Comparison Approach was also considered and utilized inasmuch as your appraiser has obtained data covering recently conveyed sales of variably similar properties within the subject's overall marketing area. The Cost Approach to value was considered but omitted owing to a scarcity of recently conveyed, similarly zoned and sized parcels of land coupled within the subject's marketing area coupled with the age and observed physical condition of the subject and the difficulty encountered in accurately estimating accrued depreciation from all sources.

Given the subject's observed physical condition a need for the completion of significant repairs, deferred maintenance etc., we have valued the subject property assuming the satisfactory completion of said repairs and deferred maintenance to produce a prospective value opinion by the applicable approaches, deducting therefrom the costs necessary to render the building as habitable as per a provided Condition Report prepared by BMW Construction, LLC in order to achieve an "as is" value.

### SALES COMPARISON APPROACH

The fundamental premise of the Sales Comparison Approach is the concept that the analysis of sales of reasonably similar properties provides an appraiser with verifiable data from which observations and conclusions about the property being appraised can be made. Proper application of the approach requires that:

1. Only market transactions be weighed, and the date of each sale be confirmed to the extent possible.
2. The degree of comparability of each sale to the subject be considered; differences in physical, functional, and economic characteristics be noted; and adjustments for the differences be made.
3. The value conclusion be consistent with the analysis of the sales data.

For a conveyance to qualify as a "market transaction," the following factors must exist:

1. The sale must be "arm's length;" that is, it must be between two non-related parties.
2. Neither the buyer nor the seller should have been under compulsion to act.
3. The property should be available to the class of purchasers best able to utilize the facility.
4. The sale price must be expressed in the equivalent to cash, adjusted for any special or unusual financing, concessions, or terms.

For any class of real estate, the area in which comparative data are searched must reflect the market area prospective purchasers would consider. Comparability is also a function of the physical character of the property to be appraised. Classes of real estate in which physical specifications are standardized, or in which scale is small, and/or in which the commodity has achieved uniform market recognition require that the sales data considered closely equate to the subject. However, as specifications become more complex, as

COMMENTS ON VALUATION, continued

scale increases, and as market recognition declines, the physical similarity of the sales data and the subject tends to decline.

To judge the degree of comparability that exists between the sales selected for analysis and the subject, several guidelines are applied.

1. Each sale is in the same market as the subject. To the extent that a market is a meeting place for buyers and sellers of real estate of a given type, the boundaries of the market are set by the participants in merchandising and absorbing competitive properties. The boundaries of a market are consequently economic in character, and not purely physical or geographic.
2. Physical characteristics of the subject and comparables are similar.
3. The functional adequacy of each sale property and the subject are competitive in terms of the ability of each to support similar functions.

In order to conclude the analysis of the market sales data, a unit of comparison must be selected. Calculation of a unit of comparison provides a common denominator by which the market sales can be related to the subject property. The generally accepted unit of comparison in the valuation of office/production/warehouse type facilities, not unlike the subject, is the sale price per square foot of gross building area including the land, site improvements, etc.

While a diverse array of transactions was initially considered, the sales selected for direct comparison to the subject are those transactions which are variably similar to the subject. For features which are dissimilar between the sales and the subject, adjustments have been made leading to an indication of the price at which the property being appraised could be expected to sell.

In making appropriate adjustments, all pertinent factors were considered including but not limited to:



COMMENTS ON VALUATION, continued

1. Nature of surrounding development.
2. Relative size.
3. Availability of competing properties.
4. Effect of time on selling prices.
5. Environmental impact.
6. Availability of utilities.
7. Financing.
8. Motivation of either the buyer or seller.
9. Zoning.
10. Physical characteristics.

Set forth below and on the following pages are recent transactions of four properties which are considered variably comparable to the subject property.

Market Sale No. 1 – 401 South 3<sup>rd</sup> Street, City of Millville, Cumberland County, New Jersey. On February 22, 2006, Saint-Gobain Containers, Inc. conveyed to PMH Investments, Inc. a 249,600± square foot one story warehouse facility situated at the above captioned address for a sale price of \$2,470,000. Set forth on the tax rolls of the City of Millville as Block 531, Lot 1, the consideration was recorded in Deed Book 2918, Page 295. Zoned I-1 General Industry, not unlike a portion of the subject, all utilities were available. Located on an irregularly shaped parcel of land containing 34.11± acres with 843.65'± of frontage along South 3<sup>rd</sup> Street, the building features include pre-engineered construction, bay spacing of approximately 50' x 60', 100% sprinklered, and clear ceiling heights varying from 25' up to 42'±. The building is serviced by 9 overhead bays at tail-gate height constructed over a covered loading dock of 8,160± square feet. There is minimal office area of 720± square feet and the building which was originally constructed in 1970± was conveyed reportedly in fair to average condition. On an unadjusted basis, the sale price reflected a unit comparison of \$9.90 per square foot of building area including the land, site improvements, etc. As compared to the subject, adjustments are required for

COMMENTS ON VALUATION, continued

market conditions, the comparable's superior location and land size. In addition, adjustments for the subject's construction encompassing virtually all its frontage as well as having a portion constructed within its riparian grant are required. Photographs and tax map of this market sale are set forth below and on the following pages.



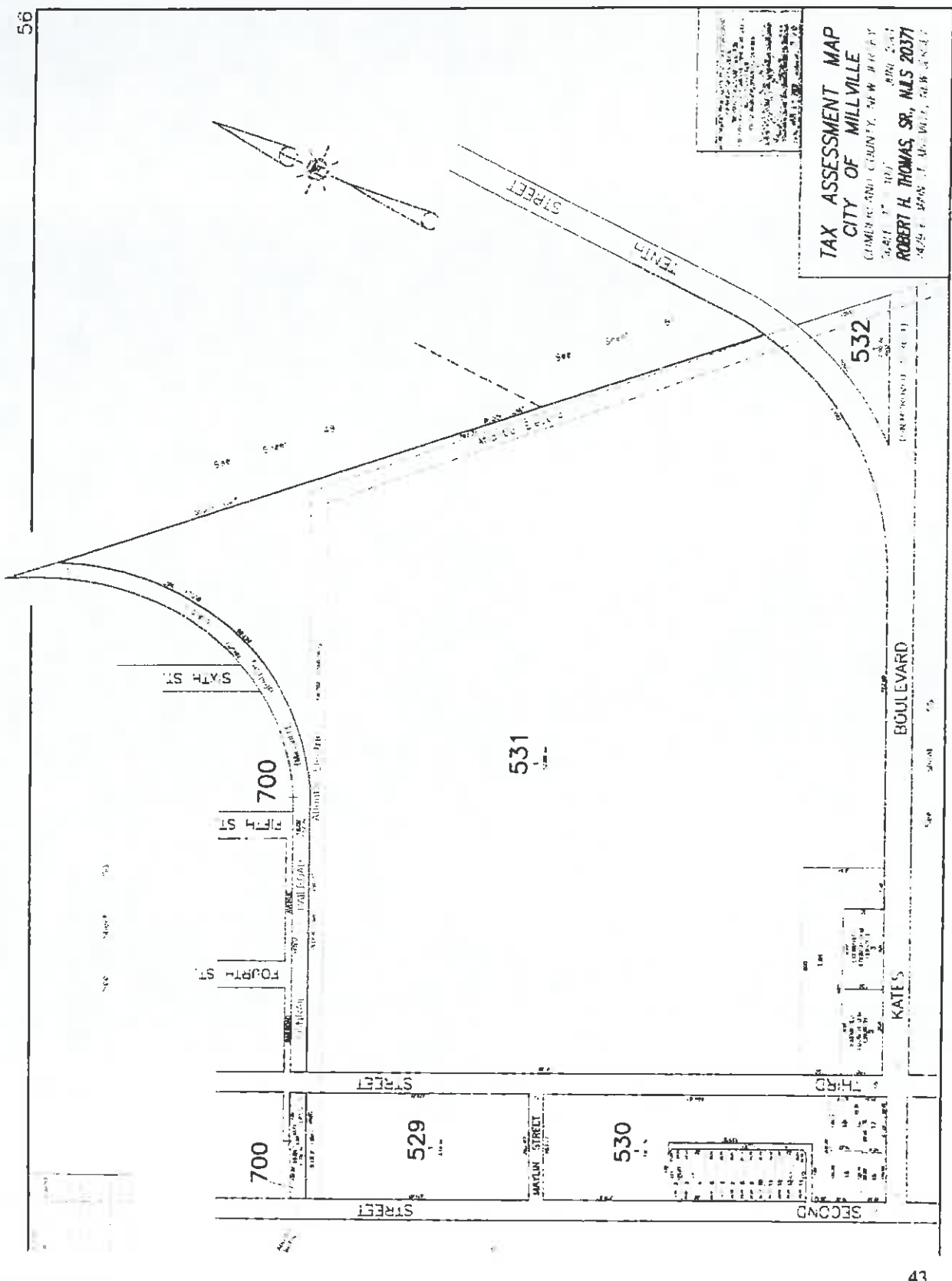
**MARKET SALE NO. 1**

COMMENTS ON VALUATION, continued



MARKET SALE NO. 1

**TAX MAP - MARKET SALE NO. 1**



COMMENTS ON VALUATION, continued

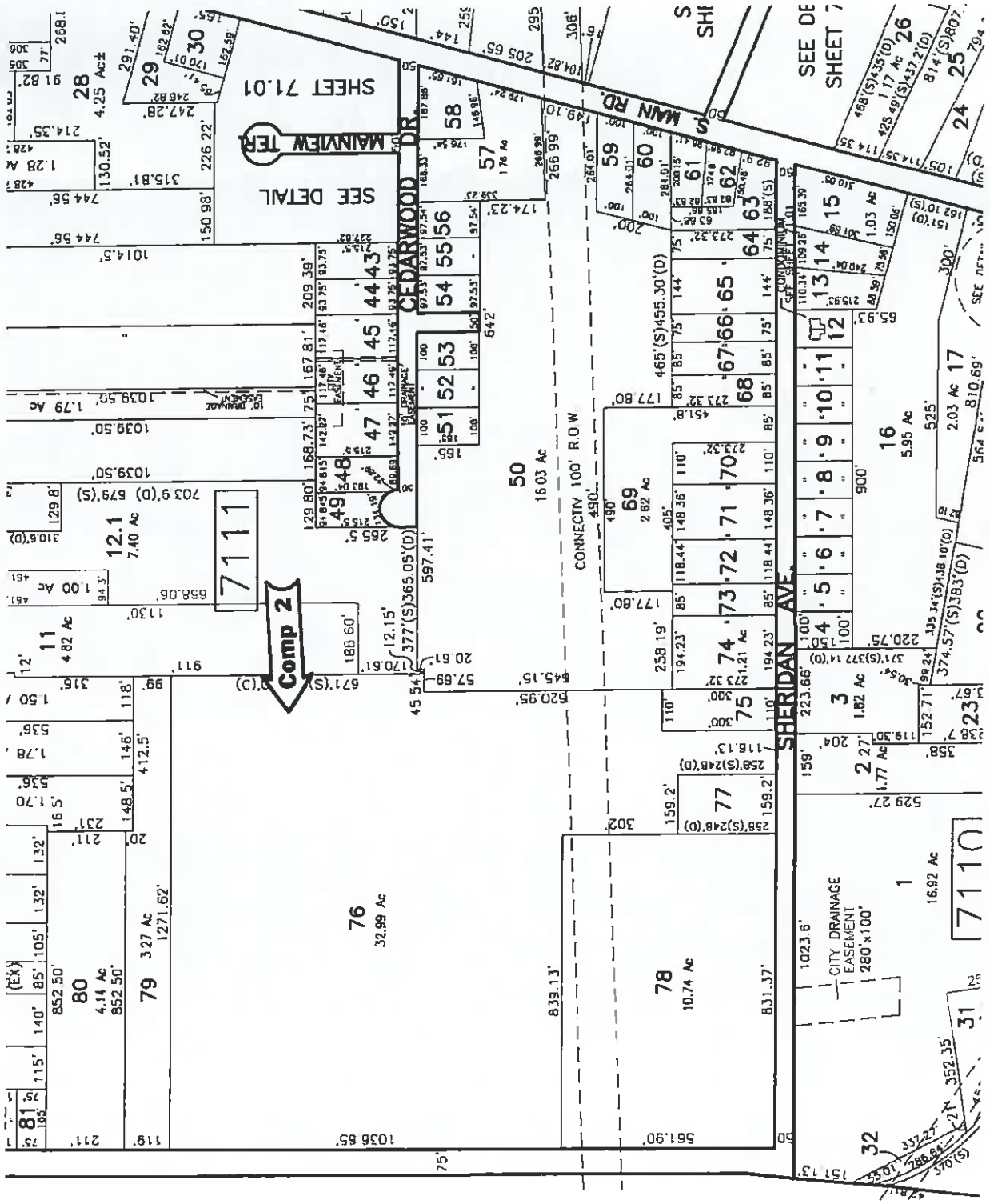
Market Sale No. 2 – 3401 South East Boulevard, City of Vineland, Cumberland County, New Jersey. On May 8, 2006, Santa's Best conveyed to EPCO-New Jersey, LLC a one story combination manufacturing, receiving, warehouse and office/cafeteria facility embracing 177,875± square feet and situated at the above captioned address for a sale price of \$4,000,000. Set forth on the tax rolls of the City of Vineland as Block 1068, Lot 1, currently Block 7111, Lot 76, the consideration was recorded in Deed Book 4002, Page 9511. Zoned I-3 Industrial with all utilities available, the building is located on a site of 33.04± acres with 1,036.65'± of frontage along South East Boulevard with a small 116.13'± of secondary frontage located along the northerly side of Sheridan Avenue. The building was constructed during 1988 and was conveyed in average to good physical condition overall. Building features include finished office space of 7,500 SF (4%), 100% sprinklered, heated and air conditioned with bay spacing of 50' x 50'. Shipping and receiving is achieved via 11 overhead doors at tailgate height and construction features embrace a pre-engineered building with steel panels above split faced concrete block lower walls and clear ceiling heights approximating 28'. On an unadjusted basis the sale price reflected a unit comparison of \$22.49 per square foot of gross building area including the land, site improvements, etc. As compared to the subject, adjustments are required for market conditions, the comparable's superior location, physical condition, considerable land area, extensive frontage as well as for its combination manufacturing, receiving, warehouse and office/cafeteria space. In addition, adjustments for the subject's construction encompassing virtually all its frontage as well as having a portion constructed within its riparian grant are required. A photograph and tax map of this market sale are set forth on the following pages.



MARKET SALE NO. 2



TAX MAP - MARKET SALE NO. 2





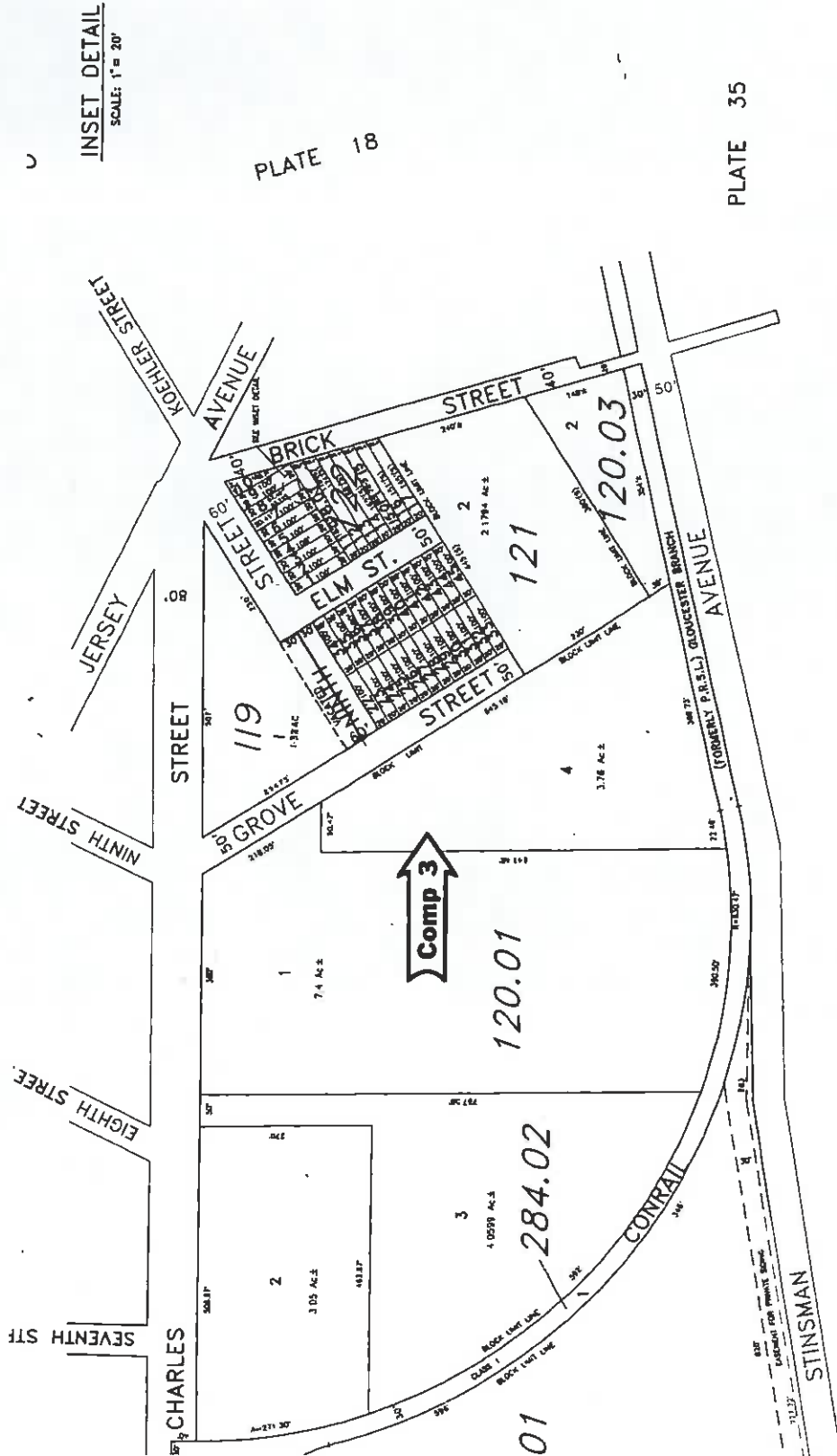
COMMENTS ON VALUATION, continued

Market Sale No. 3 – 800 Charles Street, Gloucester City, Camden County, New Jersey. On April 13, 2006, Steven Bloom conveyed to DNE Imports Inc. a 102,000± square foot masonry and steel frame industrial building situated at the above captioned address for a sale price of \$2,450,000. Set forth on the tax rolls of Gloucester City as Block 120.01, Lot 4, the consideration was recorded in Deed Book 8192, Page 20. Located on an irregular shaped parcel of land embracing 3.76 acres with no frontage on Charles Street, the site's rear boundary adjoins a rail siding of the Conrail-Gloucester branch. The improvements which were built in 1978± feature 20' to 22'± clear ceiling heights, 8 tailgate height bays for shipping and receiving in addition to one drive-in ramp, 35' x 35' bay spacing and 3%± finished office space. The building was reportedly conveyed in average condition in need of some deferred slab repair. On an unadjusted basis, the sale price reflected a unit comparison of \$24.02 per square foot of gross building area including the land, site improvements, etc. As compared to the subject, adjustments are required for market conditions and the comparable's superior location, superior condition, availability of rail siding, and for its larger developable land area. An adjustment for the subject's clear ceiling height is required. In addition, adjustments for the subject's construction encompassing virtually all its frontage as well as having a portion constructed within its riparian grant are required. A photograph and tax map of this market sale are set forth on the following pages.



MARKET SALE NO. 3

**TAX MAP - MARKET SALE NO. 3**



INSET DETAIL  
SCALE: 1" = 20'

TAX MAP  
CITY OF GLOUCESTER  
CAMDEN COUNTY NEW JERSEY  
SCALE: 1" = 100' DATE: 3/12/92

CRAIG F. REMINGTON L.S. 2.  
REMINGTON AND VERNICK ENGINEERS  
232 KINGS HIGHWAY EAST  
HADDONFIELD, NEW JERSEY

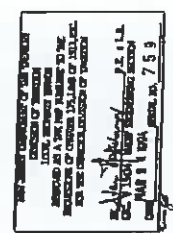


PLATE 61

COMMENTS ON VALUATION, continued

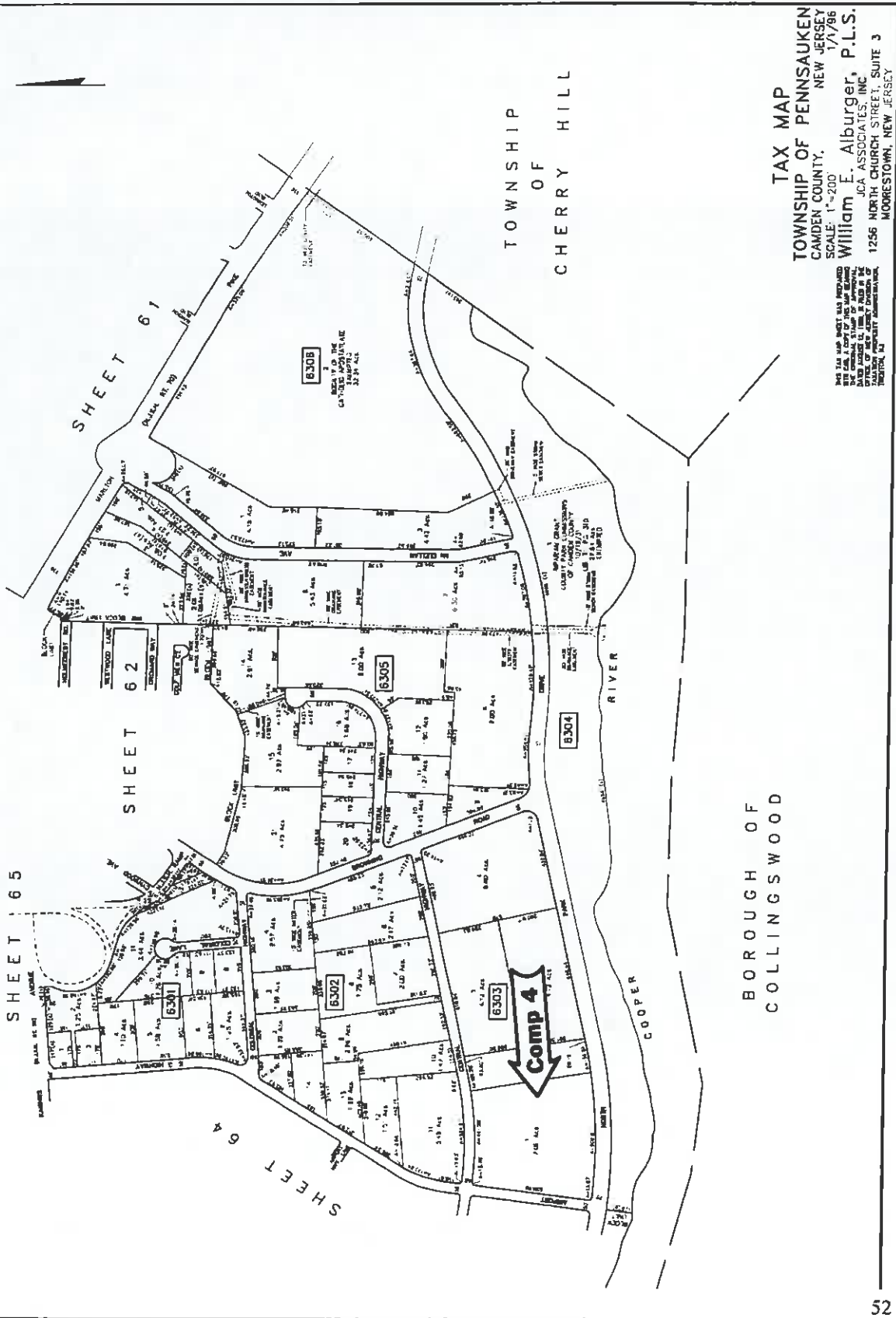
Market Sale No. 4 – 7001 North Park Drive, Airport Industrial Park, Pennsauken Township, Camden County, New Jersey. On September 2, 2009, Lehigh Crest, Inc. conveyed to J&T Investments, LLC a 113,315± square foot one story office/light industrial building situated at the above captioned address for a sale price of \$2,600,000. Set forth on the tax rolls of Pennsauken Township as Block 6303, Lot 1, the consideration was recorded in Deed Book 9117, Page 367. The improvements are located on a parcel containing 7± acres with approximately 625'± of frontage along North Park Drive facing a park and the Cooper River, a scenic amenity. Additionally, the parcel has corner influence at both Airport Highway and Central Highway of 550' and 457'± respectively. Constructed approximately 40 years ago, the building features all brick construction, four bays of tailgate height shipping and receiving in addition to a drive-in ramp and 12%± finished office space. Clear heights are estimated 14' to 15'±. Conveyed in average physical condition, the sale price reflected an unadjusted unit comparison of \$22.94 per square foot of gross building area including the land, site improvements, etc. As compared to the subject, adjustments are required for market conditions, and for the comparable's superior location, multi-frontage along Airport Highway, Central Highway and North Park Drive facing a park and the Cooper River. In addition, adjustments are required for the comparable's superior finished offices, physical condition, and inferior clear ceiling height. Moreover, adjustments for the subject's construction encompassing virtually all its frontage as well as having a portion constructed within its riparian grant are required. A photograph and tax map of this market are set forth on the following pages.

COMMENTS ON VALUATION, continued



**MARKET SALE NO. 4**

**TAX MAP - MARKET SALE NO. 4**



**TAX MAP**  
**TOWNSHIP OF PENNSAUKEN**  
CAMDEN COUNTY, NEW JERSEY  
SCALE: 1"=200'  
1/7/86  
**William E. Alburger, P.L.S.**  
JCA ASSOCIATES, INC.  
1256 NORTH CHURCH STREET, SUITE 3  
MOORESTOWN, NEW JERSEY

THIS TAX MAP MUST BE PROVIDED TO THE TAXPAYER AND THE TAXPAYER MUST BE ADVISED OF THE RIGHTS OF APPEAL AND THE TIME TO FILE AN APPEAL. THE TAXPAYER MUST BE ADVISED OF THE RIGHTS OF APPEAL AND THE TIME TO FILE AN APPEAL. THE TAXPAYER MUST BE ADVISED OF THE RIGHTS OF APPEAL AND THE TIME TO FILE AN APPEAL.

BOROUGH OF  
COLLINGSWOOD

TOWNSHIP  
OF  
CHERRY HILL



COMMENTS ON VALUATION, continued

As shown, the four comparable market sales range in sale price from \$2,450,000 to \$4,000,000; in date of sale from February 2, 2006 to September 2, 2009; in size from 102,000± square feet to 249,600± square feet of gross building area; and in sale price per square foot of gross building area including the land, site improvements etc. on an unadjusted basis from \$9.90 to \$24.02.

All four sales were adjusted for market conditions at the rate of +5% a year to January 2007, 0% during the perceived period of stabilization extending to January 1, 2008 thence downward at the rate of 5% per year to current. Additionally, all four market sales were variably superior to the subject in location and along with their respective superior physical features were likewise adjusted downward in order to properly account for these divergencies.

Market Sales 1 and 2 were substantially larger vis-à-vis the subject were adjusted upward inasmuch as larger sized buildings generally tend to convey for lower unit prices. Market Sale 2 was adjusted downward for its multi-faceted use for manufacturing, warehousing, offices and cafeteria etc.

Save for Market Sale 1, the oldest in date of sale and the largest in size, Market Sales 2, 3 & 4 required significant gross and net adjustments in order to properly equate with the subject. Accordingly, substantial allowances must be made and the reader is apprised therefore. The subject's subpar location, lack of room for expansion, development within a portion of its riparian grant, necessity of an easement on an adjoining property for parking, adjacent to a series of vacant formerly utilized industrial buildings observed in rather poor physical condition among other factors requiring these large downward adjustments.



COMMENTS ON VALUATION, continued

Owing to a dearth of recently conveyed similarly sized and located sales within the subject's immediate marketing area, it was necessary for your appraiser to expand the search into Gloucester City and Pennsauken Township, both of which are located in Camden County (Market Sales 3 & 4).

After considering the aforementioned market sales and after making appropriate adjustments for dissimilar features as described herein previously, it is your appraiser's opinion its market value as of June 24, 2010 via the application of the Sales Comparison Approach fully renovated in accordance with satisfactory completion of a provided Condition Report and Proposed Roofing Project dated July 20, 2010 inclusive of longer term and immediate recommendations was \$920,000. This sum is equivalent to 83,712± square feet at \$11.00 per square foot, rounded, including the land, site improvements, assessed access easement in perpetuity etc.

We believe the aforementioned sales demonstrate the reasonableness of our value conclusion and its consistency in the marketplace.

We have reduced our market value opinion by \$555,350 representing the estimated sum necessary to render the subject in satisfactory physical condition in accordance with a submitted Condition Report prepared by BMW Construction, LLC and Proposed Roofing Project dated July 20, 2010 inclusive of longer term and immediate recommendations within a 90± day period.

The Proposal for the roofing only indicates a base bid of \$403,339 with 3 Alternates ranging from \$408,378 to \$442,849. These bids are exclusive of permits, local taxes, fees, and further indicates all disconnects and reconnects to be done by others including but not limited to mechanical, electrical, hvac, etc.

COMMENTS ON VALUATION, continued

We have elected to utilize the roofing estimate set forth in the Condition Report prepared by BMW Construction, LLC in the amount of \$451,000 inasmuch as it appears to be a set sum inclusive of any taxes, permits, disconnects and reconnects, etc.

Our calculations are as follows:

Market Value as set forth above:	\$920,000
Less: Estimated Costs as per provided Condition Report:	<u>555,350</u>
Opinion of Market Value "As Is":	\$364,650
Rounded:	\$365,000

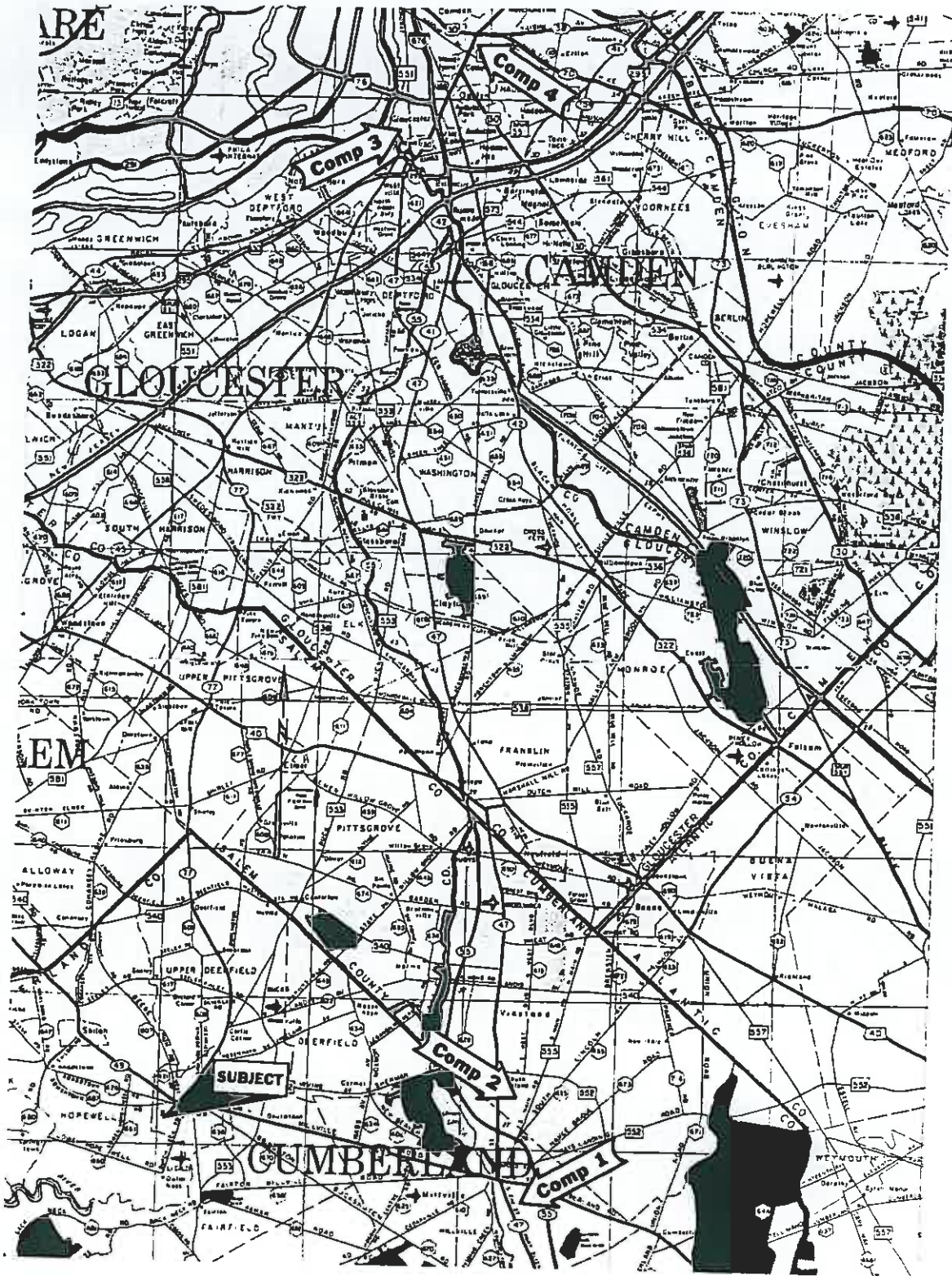
A Market Sales Comparable Grid and Map are set forth on the following pages.

**Market Sales Comparable Rating Grid**

Market Sale	1	2	3	4
Sale Price	\$2,470,000	\$4,000,000	\$2,450,000	\$2,600,000
Date	2/22/2006	5/8/2006	4/13/2006	9/2/2009
Size SF Bldg.+-	249,600	177,875	102,000	113,315
\$/SF - Bldg.	\$9.90	\$22.49	\$24.02	\$22.94
Adjustments				
Property Rights	-0-	-0-	-0-	-0-
Financing	-0-	-0-	-0-	-0-
Conditions of Sale	-0-	-0-	-0-	-0-
Market Conditions	-8%	-9%	-9%	-4%
Adj. Price	\$9.10	\$20.46	\$21.86	\$22.03
Location	-10%	-20%	-25%	-30%
Physical	-0-	-15%	-20%	-15%
Economic	-0-	-0-	-0-	-0-
Use	-0-	-15%	-0-	-0-
Non-Realty	-0-	-0-	-0-	-0-
Total Adjustment	-10%	-50%	-45%	-45%
Adj. SP per SF	\$8.19	\$10.23	\$12.02	\$12.12

Mean Value Per SF: \$10.64  
 Median Value Per SF: \$11.12  
 Weighted Avg. Per SF: \$11.06

**MARKET SALES COMPARABLE MAP**



**Income Capitalization Approach**

The indicated value as developed by the Income Capitalization Approach is considered to be the present worth of the net income the property will produce either during its remaining economic life or during a projected holding period. Income producing property, by its nature, is typically purchased for investment purposes, and earning power is the most critical element which affects a property's value. An investor is essentially trading a sum of present dollars for the right to receive future dollars. The Income Capitalization Approach to value uses various methods, techniques, and mathematical procedures to analyze a property's ability to generate monetary benefits and to convert these benefits into an indication of value.

Several appraisal principles are important to the Income Capitalization Approach to value including the principles of supply and demand, anticipation and change. The principle of anticipation is perhaps the most important as value is created by the expectations of benefits to be derived in the future. All income capitalization methods, techniques, and procedures represent attempts to quantify expected future benefits.

In developing the Income Capitalization Approach to value, we have considered two capitalization methods. The first method is direct capitalization, in which we would project a stabilized income and expense statement for the subject and capitalize the net operating income at an appropriate overall rate. The second method is yield capitalization. This method is used to convert future benefits, typically a periodic income stream and reversion over a projected holding period. The anticipated cash flows and reversion are then discounted to a net present value using a yield rate considered appropriate for the

COMMENTS ON VALUATION, continued

subject property. We have utilized a direct capitalization technique as we believe a prospective buyer would use this method in arriving at a purchase price for a property of this type and size.

On the basis of discussions with real estate lenders, mortgage brokers, and review of industry publications, properties of the subject's type are likely to be financed with short term mortgage loans of 5 years amortized on a long term amortization schedule, say 15 years. These loans, like most conventional mortgage loans, have the majority of the payments directed toward interest. If these same loans were long term and self amortizing, the payments in the latter years would be applied heavily to principal reduction.

Furthermore, on the basis of discussions with real estate investors, review of industry publications, and our knowledge of the matter, real estate of the subject's variety is not anticipated to measurably appreciate or depreciate over the projected 5 year holding period.

The following pages explain our development of the Income Capitalization Approach in estimating the value of the subject property.

In applying the Income Capitalization Approach, we first examined the local market for rental rates. Set forth on the following pages are those rentals considered variably comparable to the subject within its overall competitive market area.



COMMENTS ON VALUATION, continued

Rental Comparable No. 1 – 500 University Court, Gloucester Township, Camden County, New Jersey. Sony is leasing 130,000± square feet in the above captioned property for a 3 year term beginning January 2009 at a rental of \$3.75 per square foot on a net basis. Located in a small industrial park less than 2 miles from on/off ramp of limited access Route 42 (North/South Freeway) the building features include part pre-engineered construction with approximately 5% finished office space, 100% sprinklered and clear ceiling heights of 30'±. Shipping and receiving is achieved via 9± tailgate height bays. The building, which was constructed during 1996, was leased without any tenant incentives. As compared to the subject adjustments are required for the comparable's superior location, superior age and physical condition and 5% finished offices. In addition, adjustments for the subject's construction encompassing virtually all its frontage as well as having a portion constructed within its riparian grant are required. A photograph of this rental comparable is set forth below.





COMMENTS ON VALUATION, continued

Rental Comparable No. 2 – 180 Heller Road, Bellmawr Borough, Camden County, New Jersey. Vertis Communications is leasing a 78,000± square foot office/warehouse facility at the above captioned address for a 3 year term beginning September 2008 at current rental of \$3.23 per square foot. The building which is located within the Interstate Business Park features include 6 bays for shipping and receiving including 3 at tailgate height and 3 of which are drive-in, 5%± finished offices, 100% sprinklered and all masonry construction with clear ceiling heights 24'±. As compared to the subject, adjustments are required for its superior location, age and physical condition and 5%± finished offices. In addition, an upward adjustment is required for the subject's superior clear ceiling heights. Moreover, adjustments for the subject's construction encompassing virtually all its frontage as well as having a portion constructed within its riparian grant are required. A photograph of this rental comparable is set forth below.



COMMENTS ON VALUATION, continued

Rental Comparable No. 3 – 401 South 3<sup>rd</sup> Street, City of Millville, Cumberland County, New Jersey. According to the landlord, Paul A. Harris, this building which embraces 249,600± square feet and previously utilized as Market Sale No. 1 is currently leasing this building at a rental indicated at \$2.85 per square foot on a net basis. Mr. Harris indicated a number of tenants substantially occupied the building which features include pre-engineered construction, bay spacing of approximately 50' x 60', 100% sprinklered, and clear ceiling heights varying from 25' up to 42'±. The building is serviced by 9 overhead bays at tailgate height constructed over a covered loading dock of 8,160± square feet. There is minimal office area of 720± square feet and the building which was originally constructed in 1970±. As compared to the subject adjustments are required for its superior location closer to on/off ramp to limited access Route 55 as well as for a number of tenants occupying smaller leased areas, noting that smaller leased areas generally tend to rent for higher unit rates. In addition, adjustments for the subject's construction encompassing virtually all its frontage as well as having a portion constructed within its riparian grant are required. Photographs of this rental comparable are set forth on the following page.

COMMENTS ON VALUATION, continued



COMMENTS ON VALUATION, continued

Rental Comparable No. 4 – 280 Jessup Road, West Deptford Township, Gloucester County, New Jersey. An 80,000+ square foot office/warehouse situated at the above captioned address within the Mid Atlantic Industrial Park is currently being leased for a 12 year period beginning April 2007 at a current rental of \$3.61 per square foot on a net basis. Building features include a land area of 8.57± acres at the intersection of Jessup Road and Friars Boulevard less than 2 blocks from on/off ramp of Interstate Route 295. Other features include all masonry construction, 100% sprinklered, 21'± clear ceiling heights, 10%± finished offices, 4 bays for shipping and receiving at tailgate height, an 18% cold storage segment. As compared to the subject, adjustments are required for the comparable's superior industrial park location and proximity to Interstate Route 295, its superior age and physical condition, and 10% office space. In addition, adjustments are required for the subject's clear ceiling heights and for the comparable's 18% cold storage. Moreover, adjustments for the subject's construction encompassing virtually all its frontage as well as having a portion constructed within its riparian grant are required. A photograph of this rental comparable is set forth on the following page.





COMMENTS ON VALUATION, continued

As shown, the four recited Rental Comparables range in size from 78,000± square feet to 249,600± square feet; in term from 3 years beginning January 2009 to 12 years beginning April 2007; in rental per square foot on a net basis from \$2.85 to \$3.75.

Rental Comparables 1 and 2 are located in Camden County; Rental Comparable 3 in Millville (subject) and Rental Comparable 4 in adjoining Gloucester County. Rental Comparables 2 and 4 equate closely to the subject in size and Rental Comparable 3 required the least total gross and net adjustment. It is noted that a significant search failed to uncover more meaningful rental data within the subject's immediate area and environs other than those utilized within this report given the subject's location, partial development within a riparian grant, adjacent parking via an access easement, across vacant damaged buildings, etc.

After considering the aforementioned rental comparables and after the application of adjustments for dissimilar features including location, age and condition, size, clear ceiling heights, number of bays at tailgate height, bay spacing, and percentage of offices, etc., it is your appraiser's opinion an economic rental of \$2.00 per square foot on a net basis is appropriate and will be utilized in this report.

Reference is made to a Summary of Rental Comparables and a rental Comparable Map followed by our Income and Expense Projection.

COMMENTS ON VALUATION, continued

Summary of Rental Comparables

Rental Comparable	1	2	3	4
Address	500 University Ct., Gloucester Twp.	180 Heller Rd., Bellmawr Borough	401 S. 3rd St., Millville City	280 Jessup Road, West Deptford Twp.
Tenant	Sony	Vertis Communication	N/A	N/A
Term	3 yrs. Beg 1/09	3 yrs. Beg. 9/08	Various	12 yrs. Beg 4/07
GBA (SF)+-	130,000	78,000	249,600	80,000
Rent/SF	\$3.75	\$3.23	\$2.85	\$3.61
Lease Condition	Net	Net	Net	Net
Market Conditions	Current	Current	Current	Current
Adj. Market Rent	\$3.75	\$3.23	\$2.85	\$3.61
Location	-10%	-20%	-10%	-20%
Physical	-30%	-25%	-20%	-25%
Economic	-0-	-0-	-0-	-0-
Use/Other	-0-	-0-	-0-	-0-
Non-Realty	-0-	-0-	-0-	-0-
Total Adjustment	-40%	-45%	-30%	-45%
Adj. Rent/ SF	\$2.25	\$1.78	\$2.00	\$1.99

MEAN RENTAL/SF: \$2.01  
 MEDIAN RENTAL/SF: \$2.00  
 WEIGHTED AVG./SF: \$2.03

*Estimated Rental Value of Subject: \$2.00*



**RENTAL COMPARABLE MAP**



**INCOME AND EXPENSE PROJECTION**

Gross Income:

83,712+- SF @ \$2.00/SF =	\$167,424
Less Vacancy @ 15% =	<u>25,114</u>

Effective Gross Income: \$142,310

Expenses:

Management & Leasing @ 8%	\$ 11,385
Structural Maintenance	<u>29,300</u>

Total Expenses: 40,685

Net Operating Income: \$101,625  
(\$1.21/SF)

From the gross potential income of \$167,424, we must deduct a vacancy and collection loss allowance. We have estimated that 15% of the gross income or \$25,114 should be adequate for the subject property given the age and condition of the improvements, its lack of much if any office space, construction within a portion of the riparian grant, location, and current vacancy within the Cumberland County office/warehouse market of which the subject is a part thereof, etc. Deducting this allowance from Gross Potential Income indicates an Effective Gross Income of \$142,310.

Inasmuch as the combined income is on a net to ownership basis, the only charges against the income stream would be for management and leasing commissions and structural maintenance.

Management and Leasing of the real estate has been estimated at 6% which is deemed consistent with prevailing charges covering the responsibilities of management

COMMENTS ON VALUATION, continued

and leasing commissions. Structural Maintenance has been estimated at \$.35 per square foot of total gross building area.

Deducting our total estimated expenses of \$40,685 from the Effective Gross Income of \$142,310 yields a Net Operating Income of \$101,625. This sum is equivalent to \$1.21 per square foot of gross habitable area and has been converted into an indication of value via a capitalization technique.

Capitalization

The net income for capitalization has been converted into an estimate of value via the use of an overall capitalization rate. This rate represents a synthesis of current permanent mortgage terms and equity requirements as they relate to the subject property. In addition, your appraiser has considered the direct capitalization method. However, this method was not considered appropriate due to the unique nature of the subject property and the lack of highly comparable sales.

With respect to the synthesis of current mortgage terms and equity requirements, institutions active in today's real estate market may consider financing an investment such as the subject in terms of a 67% mortgage loan for a 5 year term with a 15 year amortization schedule at a fixed interest rate of 6.75% or 479± basis points over the current 5 year Treasury Bond Yield. In order to obtain these financing arrangements, however, a number of requisites may have to be met, including but not limited to, a 1.30± to 1 debt service coverage ratio and a financially solvent tenant and/or ownership.

We project the equity investment of 33% would command an annual dividend of 10% recognizing that a prudent investor having a choice between competitive equity in-

COMMENTS ON VALUATION, continued

vestment alternatives would be satisfied with a “cash on cash” return that is characteristic of an average income stream in addition to potential tax advantages and appreciation.

Weighing the indicated mortgage loan and equity capital requirements via use of the band of investment technique produces an overall capitalization rate of 10.40%, rounded, as displayed below.

SYNTHESIS OF OVERALL CAPITALIZATION RATE

Mortgage:	67%	(.1062)	constant*	=	.0712
Equity:	33%	(.10)		=	<u>.0330</u>
					.1042
			Rounded:		10.40%

\*6.75% interest rate and 15 year payout

In addition, your appraiser compared the estimated return with alternative investments possessing a much higher degree of liquidity. The following chart illustrates rates available in the financial market as of June 23, 2010.

Prime Rate*	3.25%
3 Month Treasury Bills	0.10%
6 Month Treasury Bills	0.17%
3 Year Treasury Notes	1.15%
5 Year Treasury Notes	1.96%
10 Year Treasury Bond Yield	3.17%
30 Year Treasury Bond Yield	4.10%
5 Year A Corporate Bond Yield	3.47%
10 Year AA Corporate Bond Yield	4.34%

Source: Composite Bond Rates – Yahoo Finance

\*As of June 23, 2010

The base rate in this analysis is the 30 Year Treasury Bond yielding 4.10% as of June 23, 2010. The first adjustment to be made is for non-liquidity. Investors must be rewarded for the use of their money for a given period. In this instance, the time period is

COMMENTS ON VALUATION, continued

5± years during which the equity investor would not have access to the original investment. An appropriate rate for this non-liquid position is best estimated by the variance between the 10 Year AA Financial Corporate Bond Yield and the 3 Year Treasury Note Yield (4.34% - 1.15%) or 3.19% or 319 basis points.

The second adjustment to be made is for the risk. Risk is defined as the possibility of loss. Investors are generally awarded greater potential benefits in relation to the amount of risk pertinent to a particular investment. In this analysis, we have considered the risk to be comparable to the difference between the 5 Year A Corporate Bond Yield and the 6 Month Treasury Bill Yield. It is your appraiser's opinion that the subject property should be rated as an investment with additional risk. Accordingly, we have calculated 3.30% or 330 basis points as the factor for risk achieved by applying the difference between the 5 Year A Corporate Bond Yield and the 6 Month Treasury Bill Yield (3.47% - 0.17%).

The following summarizes the preceding text:

Base Rate:	4.10
Non-liquidity:	3.19
Risk:	<u>3.30</u>
Required Rate of Return:	10.59%
Rounded:	10.60%

Weighing the indicated mortgage and equity capital requirements via use of a modified band of investment technique as demonstrated on the Income Approach Projection on a preceding page and compared with an estimated return with alternate investments produces a blended adjusted overall capitalization rate of 10.50%, rounded.

Moreover, we compared both the estimated overall capitalization rate to those published in the Korpacz Real Estate Investor Survey, National Warehouse Market, 2<sup>nd</sup>



COMMENTS ON VALUATION, continued

Quarter 2010 which indicates a range from 7.00% to 12% with an average rate of 8.60% covering Overall Capitalization Rates. Discount Rates (IRR) vary from 7.10% to 12.50% with an average rate of 9.35%. After considering the subject's age and condition, clear ceiling heights, tailgate accessibility, bay spacing, building and land size, its location, etc., we believe a 10.50% overall capitalization rate and 10% equity rate are reasonable and shall be used in this report.

Excerpts from The Korpacz Real Estate Investor Survey, National Warehouse Market Report and Corporate Bond Rates – Yahoo Finance are set forth on the following pages.

Applying the overall capitalization rate of 10.50% to the net operating income of \$101,625 indicates an opinion of market value via the Income Capitalization Approach as of June 24, 2010 of \$967,857 which we have rounded for appraisal purposes to \$965,000. This sum is equivalent to 83,712± square feet of gross building area at \$11.55 per square foot including the land, site improvements, etc., rounded.

From this sum, we have reduced our market value opinion by \$555,350 representing the estimated sum necessary to render the subject in satisfactory physical condition in accordance with a submitted Condition Report prepared by BMW Construction, LLC and Proposed Roofing Project dated July 20, 2010 inclusive of longer term and immediate recommendations within a 90± day period.

The Proposal for the roof only indicates a base bid of \$403,339 with 3 Alternates ranging from \$408,378 to \$442,849. These bids are exclusive of permits, local taxes, fees, and further indicates all disconnects and reconnects to be done by others including but not limited to mechanical, electrical, hvac, etc.



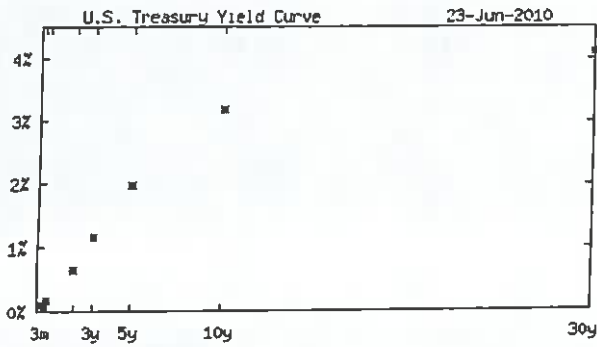
COMMENTS ON VALUATION, continued

We have elected to utilize the roof estimate set forth in the Condition Report prepared by BMW Construction, LLC in the amount of \$451,000 inasmuch as it appears to be a set sum inclusive of any taxes, permits, disconnects and reconnects, etc. and other work in the amount of \$104,350 for a combined sum of \$555,350.

Our calculations are as follows:

Market Value as set forth above:	\$965,000
Less: Estimated Costs as per provided Condition Report:	<u>555,350</u>
Opinion of Market Value "As Is":	\$409,650
Rounded:	\$410,000

COMMENTS ON VALUATION, continued



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US Treasury Bonds					
Maturity	Yield	Yesterday	Last Week	Last Month	
3 Month	0.10	0.09	0.06	0.13	
6 Month	0.17	0.16	0.15	0.20	
2 Year	0.68	0.71	0.75	0.75	
3 Year	1.15	1.20	1.24	1.20	
5 Year	1.96	2.03	2.08	2.02	
10 Year	3.17	3.24	3.30	3.23	
30 Year	4.10	4.16	4.22	4.10	

Municipal Bonds					
Maturity	Yield	Yesterday	Last Week	Last Month	
2yr AA	0.91	0.86	0.81	1.00	
2yr AAA	0.80	0.66	0.73	0.88	
2yr A	1.41	1.37	1.41	1.55	
5yr AAA	1.73	1.69	1.74	1.82	
5yr AA	1.86	1.82	1.83	1.95	
5yr A	2.43	2.33	2.15	2.42	
10yr AAA	3.07	2.99	2.95	3.13	
10yr AA	3.24	3.21	3.14	3.14	
10yr A	3.60	3.65	3.61	3.76	
20yr AAA	4.87	4.76	5.03	4.76	
20yr AA	4.84	4.69	4.92	4.80	
20yr A	4.83	4.83	4.91	4.97	

Corporate Bonds					
Maturity	Yield	Yesterday	Last Week	Last Month	
2yr AA	1.41	1.42	1.46	1.47	
2yr A	1.90	1.97	2.06	1.74	

[http://finance.yahoo.com/bonds/composite\\_bond\\_rates](http://finance.yahoo.com/bonds/composite_bond_rates)

6/23/2010

COMMENTS ON VALUATION, continued

5yr AAA	2.38	2.42	2.56	2.97
5yr AA	2.76	2.80	2.89	3.00
5yr A	3.47	3.52	3.54	3.47
10yr AAA	N/A	N/A	N/A	3.60
10yr AA	4.34	4.37	4.43	4.33
10yr A	4.65	4.65	4.88	4.74
20yr AAA	N/A	N/A	N/A	4.94
20yr AA	N/A	N/A	N/A	5.31
20yr A	6.25	6.37	6.38	5.88

Data provided by ValuBond.

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# National Warehouse Market

AS IN THE OFFICE SECTOR, THE UNDERLYING FUNDAMENTALS OF THE U.S. INDUSTRIAL SECTOR CONTINUED TO SOFTEN THROUGH THE FIRST THREE MONTHS OF 2010, BUT AT A SLOWER PACE THAN IN PRIOR QUARTERS. According to Grubb & Ellis Company (GEC), the U.S. industrial sector ended the first quarter with a 10.9% vacancy rate, the highest level reported by GEC since the third quarter of 1994. This figure is 20 basis points above the prior quarter rate. In comparison, previous quarterly increases ranged from 30 to 70 basis points. Within the industrial sector, the vacancy rate for warehouse/distribution space was 12.2% in the first quarter of 2010, up ten basis

points from the prior quarter.

While a more upbeat performance is noted for the national warehouse market, individual performances vary greatly by metro area. Markets that posted increases in vacancy in the first quarter of 2010 included Las Vegas, Fresno, and San Jose/Silicon Valley. On the other hand, declines in vacancy were posted for the Inland Empire, Seattle, and Albuquerque. In addition, various warehouse locations within New Jersey are showing signs of improvement, particularly in Bergen and Middlesex Counties.

One of the largest industrial leases signed in New Jersey during the first quarter of 2010 involved Merit Group,

which secured an entire 324,000-square-foot building in Avenel. Elsewhere in New Jersey, L.A. Enterprises leased 372,000 square feet at Alovats North, where it will relocate its headquarters from South Brunswick. Other companies that recently leased large blocks of warehouse space in New Jersey included Factory Direct, Beaulieu of America, and Production Resource Group.

When combined with steady improvement in underlying fundamentals, a glut of core capital is causing overall capitalization (cap) rates to decrease (see Table NWH-1). "Rapid cap rate compression is occurring for the best warehouse assets," attests a participant. Certain investors expect this trend to result in a rise in offerings, as well as slight cap rate compression for lower-quality warehouse assets over time. For now, however, most surveyed investors (77.0%) believe that buyers maintain the upper hand in this market's sales arena. †

Table 25 NATIONAL WAREHOUSE MARKET Second Quarter 2010			
	CURRENT QUARTER	LAST QUARTER	YEAR AGO
<b>DISCOUNT RATE (IRR)<sup>a</sup></b>			
Range	7.10% – 12.50%	7.50% – 12.50%	6.50% – 12.50%
Average	9.35%	9.64%	9.02%
Change (Basis Points)		-29	+33
<b>OVERALL CAP RATE (OAR)<sup>a</sup></b>			
Range	7.00% – 12.00%	7.00% – 12.00%	5.50% – 10.00%
Average	8.60%	8.73%	7.93%
Change (Basis Points)		-13	+67
<b>RESIDUAL CAP RATE</b>			
Range	7.00% – 12.00%	7.50% – 12.00%	6.00% – 11.00%
Average	8.64%	8.79%	8.25%
Change (Basis Points)		-15	+39
<b>MARKET RENT CHANGE RATE<sup>b</sup></b>			
Range	(10.00%) – 1.00%	(10.00%) – 3.00%	(5.00%) – 3.00%
Average	(0.44%)	(0.88%)	0.17%
Change (Basis Points)		+44	-61
<b>EXPENSE CHANGE RATE<sup>b</sup></b>			
Range	1.00% – 3.00%	1.00% – 3.00%	2.00% – 3.00%
Average	2.56%	2.69%	2.87%
Change (Basis Points)		-13	-31
<b>AVERAGE MARKETING TIME<sup>c</sup></b>			
Range	3.00 – 18.00	3.00 – 18.00	3.00 – 18.00
Average	9.25	9.83	8.15
Change (%)		-5.90	+13.50

a. Rate on unleveraged, all-cash transactions. b. Percent rate of change. c. In months.

Table NWH-1 OVERALL CAP RATE TRENDS National Warehouse Market		
Quarter	Average	Change (Basis Points)
2Q10	8.60%	-13
1Q10	8.73%	-7
4Q09	8.80%	+34
3Q09	8.46%	+53
2Q09	7.93%	+80
1Q09	7.13%	+40
4Q08	6.73%	+10
3Q08	6.63%	+7
2Q08	6.56%	-2
2Q07	6.58%	-46
2Q06	7.04%	-79
2Q05	7.83%	-

Source: Korpacz Real Estate Investor Survey<sup>®</sup>

COMMENTS ON VALUATION, continued

**Summary and Conclusion of Value**

Opinion of Market Value Via Cost Approach:	N/A
Opinion of Market Value Via Sales Comparison Approach:	\$365,000
Opinion of Market Value Via Income Capitalization Approach:	\$410,000

The Cost Approach is, on occasion, one of the main steps of the appraisal process. The value indicated by this approach is derived by first determining the value of land. Next, the reproduction cost of the improvements less depreciation from all causes is deducted. In essence, value by this approach consists of land value plus the depreciated cost of the improvements. This approach is basically the backbone of the principle of substitution which holds that no man is justified in paying more for a site and construction of a building without undue delay, a property of equal desirability and utility. While the cost to reproduce a property is thought of to be an indication of value, prudent and seasoned investors look more to cash flow projections and equity yields as considered in the Income Capitalization Approach as their indication of value. The Cost Approach to value was considered but omitted owing to the mixed age of the improvements and the difficulty encountered in accurately estimating accrued depreciation from all sources.

The Sales Comparison Approach reflects an opinion of value as indicated by the sales market. In this approach, the appraiser searches the local sales market for transfers and listings, etc. of similar type properties. These transfers and listings are analyzed for comparative indices of value, such as gross rent multipliers, overall capitalization rate, interest, etc. This approach has been utilized in this report since we were able to uncover some variably comparable sales and its value indication was considered supportive.

COMMENTS ON VALUATION, continued

The value indicated by the Income Capitalization Approach is a reflection of a prudent investor's analysis of an income producing property. In this approach, income is analyzed in terms of quantity, quality, and durability. A projection of net economic rental is capitalized into value by an overall capitalization rate. This rate is a synthesis of the mortgage and equity positions for typical comparable properties and the rate of return sought by each position. We normally utilize the mortgage equity method of determining an overall capitalization rate because we believe that investments are made on the basis of purchasers paying as little cash as possible. Further, since the market actually consists of mortgage equity combinations, a capitalization method should give full consideration to mortgage terms.

Having arrived at an overall capitalization rate typical for the property in this geographical location at this time, we capitalize the income into an overall property value. It is evident that we have been strongly influenced by the result obtained from the use of the mortgage/equity capitalization method compared with alternative investments possessing a higher degree of liquidity. It is, therefore, our opinion that both the Sales Comparison and Income Capitalization Approaches are the most persuasive and plausible valuation procedures.



**VALUATION**

After taking into consideration all the facts and circumstances surrounding the subject property, it is your appraiser's opinion that the "as is" market value of the subject property as of June 24, 2010 under and subject to the assumptions and limiting conditions as set forth herein previously was:

--- **FOUR HUNDRED THOUSAND DOLLARS** ---

**(\$400,000)**

While we have valued the property as a whole, if an allocation between land and improvements is desired, the following is suggested:

<u>Necessary Land</u> (Equivalent to 2.92± acres @ \$17,125 per acre, rounded)	\$ 50,000
<u>Improvements</u> (Equivalent to 83,712± SF of gross building area @ \$4.18 per SF, rounded)	<u>350,000</u>
<u>Total</u> (Equivalent to 83,712± SF of gross building area @ \$4.80 per SF including the land, site improvements, etc., rounded)	<b>\$400,000</b>

*ADDENDA*

**SUBJECT PHOTOGRAPHS**



**FRONT ELEVATION OF SUBJECT, CAMERA FACING SOUTHEASTERLY**



**FRONT AND SIDE ELEVATION OF SUBJECT,  
CAMERA FACING SOUTHWESTERLY**





**REAR ELEVATION OF SUBJECT, CAMERA FACING SOUTHERLY**

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**PARTIAL INTERIOR VIEW OF SUBJECT**



**PARTIAL INTERIOR VIEW OF CEILING OF SUBJECT**



**PARTIAL INTERIOR VIEW OF FLOOR OF SUBJECT**



**PARTIAL INTERIOR VIEW OF FORMER OFFICE AREA OF SUBJECT**





**PARTIAL VIEW OF DAMAGED EXTERIOR WALL OF SUBJECT**



**PARTIAL VIEW OF DAMAGED EXTERIOR WALL OF SUBJECT**

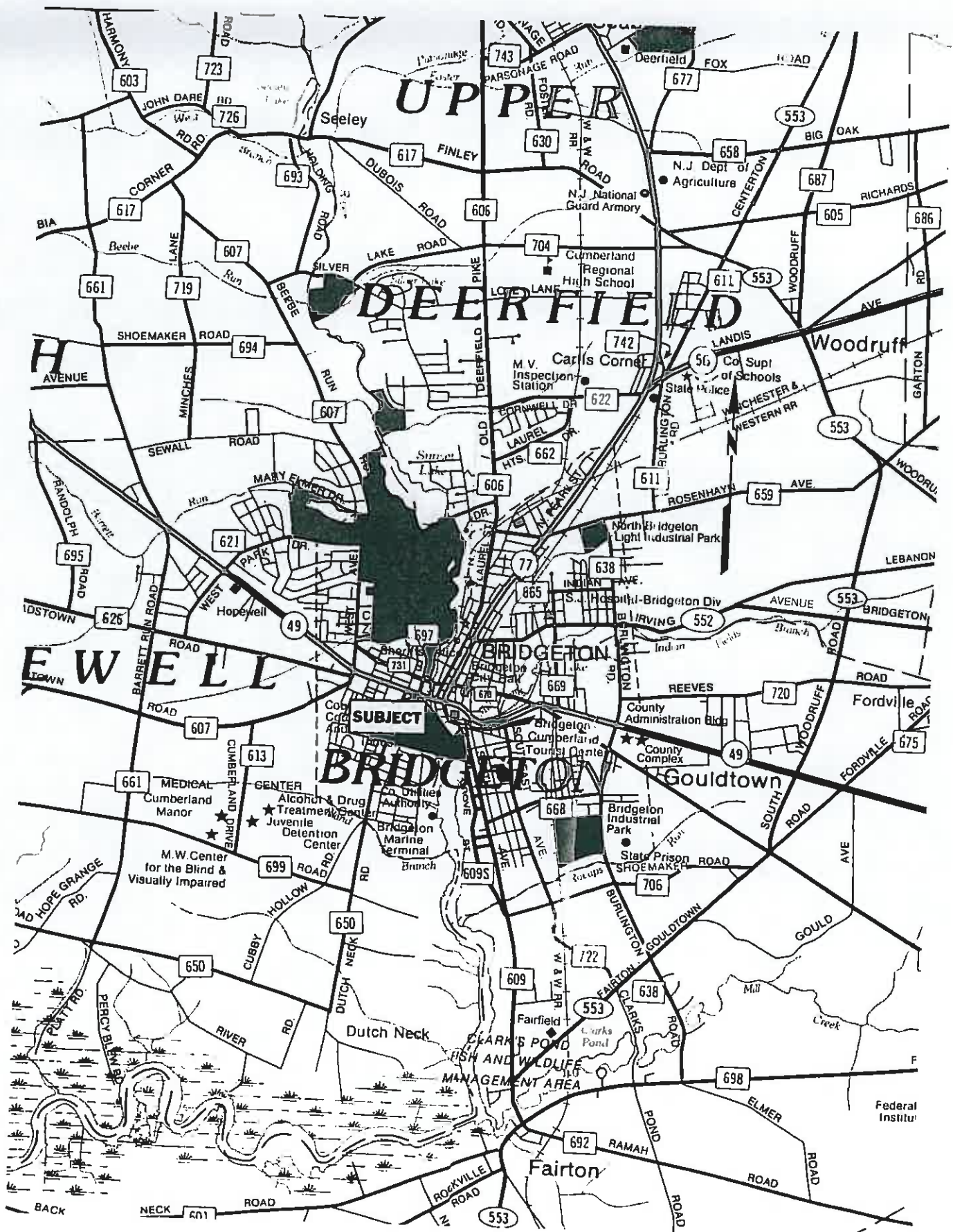


**FACING NORTHERLY ALONG GROVE STREET,  
PARTIAL VIEW OF SUBJECT ON LEFT**



**FACING SOUTHERLY ALONG GROVE STREET,  
PARTIAL VIEW OF SUBJECT ON RIGHT**



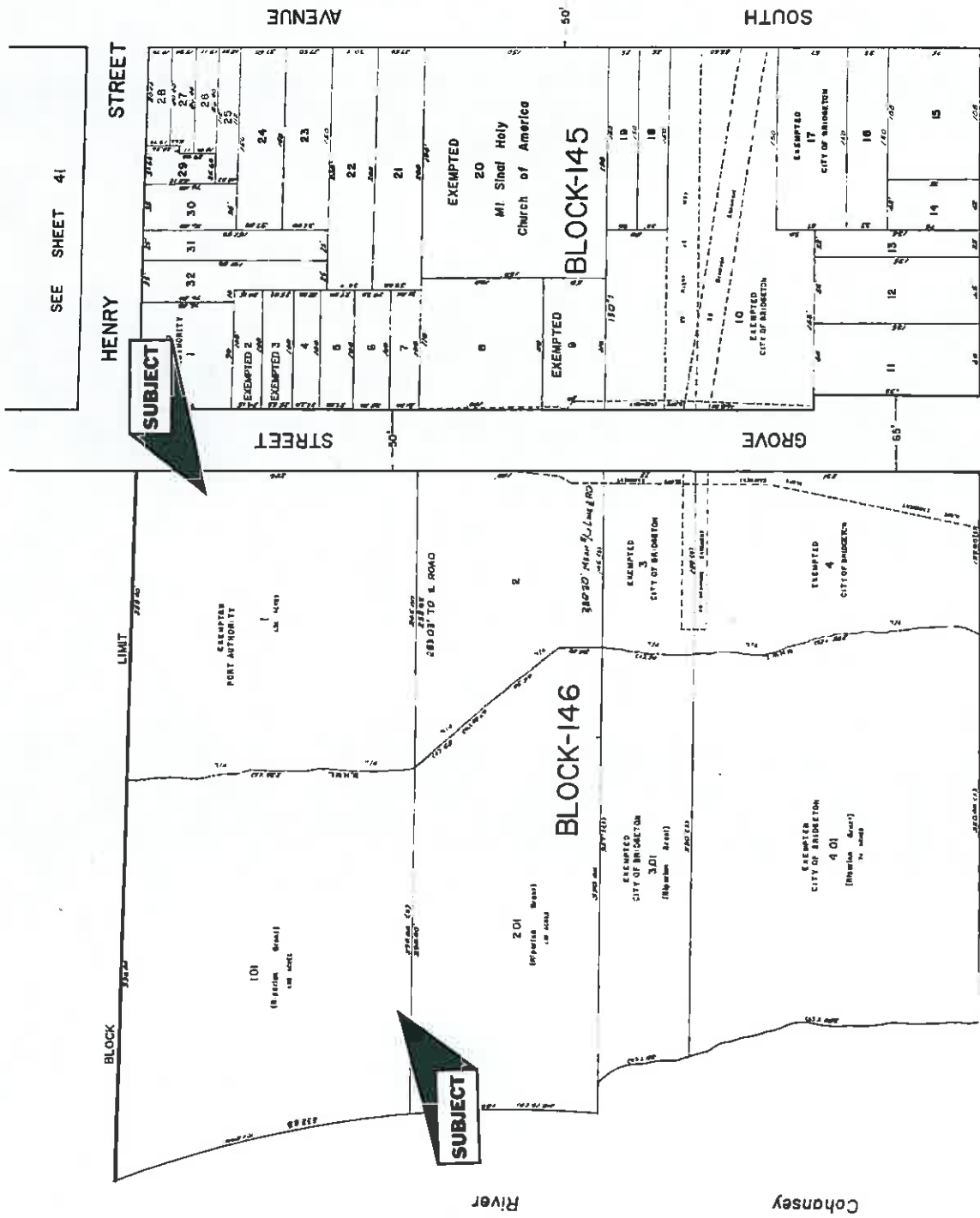
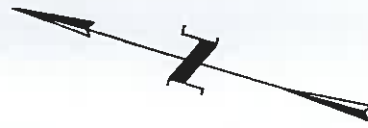


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SEE SHEET 51

SEE SHEET 50

SEE SHEET 50



SEE SHEET 41

HENRY STREET

AVENUE SOUTH

STREET GROVE

SUBJECT

SUBJECT

**LEE L. ROMM, INC.**  
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Unit Square =	EQ	BUILDING SKETCH	NOTES:	Description	Section 1	Section 2	Section 3
46	16	38 S	150	1 Occupancy			
		32	200	2 Crew			
		1508	84700	3 Quality			
		32		4 Age			
				5 Condition			
				6 Avg. Sq. Ft.			
				7 Stories			
				8 Total Ht.			
				9 Avg. Area Per Flr.			
				10 Avg. Perimeter			
				11 Shape			
				12 Base SF Cost			
				13 Exterior Wall			
				14 HVAC			
				15 Elevator			
				16 Miscellaneous			
				17 Total			
				18 Size Shape/Par. Multi.			
				19 Ht. Per Sty. Multi.			
				20 No. Sty. Multi.			
				21 Total Multi.			
				22 SF Cost			
				23 Update Multi.			
				24 Local Multi.			
				25 Cost Multi.			
				26 Final SF Cost			
				27 Area			
				28 Total			
				29 Lump Sums			
				30 Replace Cost			
				31 Nat. Condition			
				32 Physical Value			
				33 Nat. Obsolescence			
				34 Dep. Value			
				35 Yard Items			
				36 Tot. Impr. Value			
				37 Sections Total			
				38			
				39			
<p>Masonry</p> <p>Basement</p> <p>Exterior Wall</p> <p>Roof</p> <p>Roofing</p> <p>Compo Insulation</p> <p>Floors</p> <p>Interior Walls</p> <p>Tile</p> <p>Ceiling</p> <p>Heat Sources</p> <p>Plumbing</p> <p>Electrical</p> <p>Lighting</p> <p>Outlets</p> <p>Writing</p> <p>Supply</p> <p>Chemical</p> <p>Exposed</p> <p>Receivd</p> <p>Water</p> <p>Dry</p> <p>700/0</p>				<p>Location Condition</p> <p>Superior</p> <p>Typical</p> <p>Interior Overall</p> <p>Exterior</p> <p>Layout</p> <p>Open</p> <p>Enclosed</p> <p>Mezzanine</p> <p>Finished</p> <p>Open</p> <p>Storage</p> <p>Electric</p> <p>Elevators</p> <p>Capacity</p> <p>Stopt. Auto.</p> <p>Man.</p> <p>None</p> <p>Passenger</p> <p>Freight</p> <p>Man/Aut.</p> <p>Size</p> <p>Size</p> <p>Size</p> <p>Size</p> <p>Replace Cost</p> <p>Nat. Condition</p> <p>Physical Value</p> <p>Nat. Obsolescence</p> <p>Dep. Value</p> <p>Yard Items</p> <p>Tot. Impr. Value</p> <p>Sections Total</p>	<p>Occupancy</p> <p>Crew</p> <p>Quality</p> <p>Age</p> <p>Condition</p> <p>Avg. Sq. Ft.</p> <p>Stories</p> <p>Total Ht.</p> <p>Avg. Area Per Flr.</p> <p>Avg. Perimeter</p> <p>Shape</p> <p>Base SF Cost</p> <p>Exterior Wall</p> <p>HVAC</p> <p>Elevator</p> <p>Miscellaneous</p> <p>Total</p> <p>Size Shape/Par. Multi.</p> <p>Ht. Per Sty. Multi.</p> <p>No. Sty. Multi.</p> <p>Total Multi.</p> <p>SF Cost</p> <p>Update Multi.</p> <p>Local Multi.</p> <p>Cost Multi.</p> <p>Final SF Cost</p> <p>Area</p> <p>Total</p> <p>Lump Sums</p> <p>Replace Cost</p> <p>Nat. Condition</p> <p>Physical Value</p> <p>Nat. Obsolescence</p> <p>Dep. Value</p> <p>Yard Items</p> <p>Tot. Impr. Value</p> <p>Sections Total</p>	<p>Section 1</p> <p>Section 2</p> <p>Section 3</p>	
				<p>#35 YARD ITEMS</p> <p>Description</p> <p>Q</p> <p>Page</p> <p>Units</p> <p>Cost</p> <p>Multi</p> <p>Dep. Value</p> <p>Total</p>			
				<p>#29 LUMP SUMS</p> <p>Description</p> <p>Q</p> <p>Page</p> <p>Units</p> <p>Cost</p> <p>Multi</p> <p>Dep. Value</p> <p>Total</p>			

# CITY OF BRIDGETON ZONING PERMIT

- 11 Low Density Residential
- 12 Medium Density Residential
- 13 High Density Residential
- 14 Medium Density Townhouses

- C1 Central Business
- C2 Apartment - Commercial
- C3 Hospital - Medical Center
- C4 Neighborhood Commercial
- C5 Highway Commercial

- I Indust
- HC Historic Conservation
- O1 Park and Open Space
- FP Floodplain

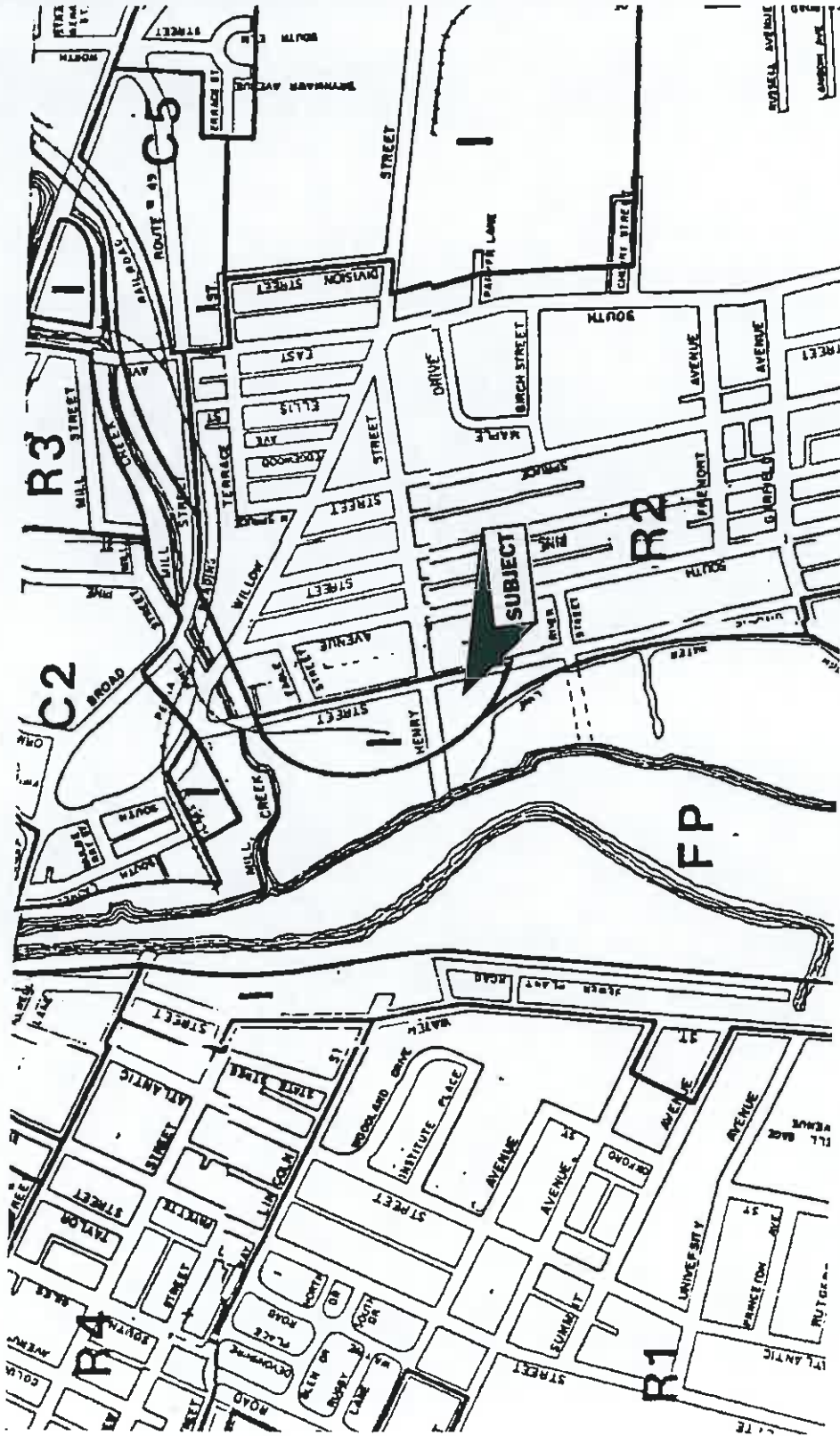
National Register  
Historic District



THIS MAP PREPARED BY  
CITY OF BRIDGETON  
DEPARTMENT OF PUBLIC WORKS  
DIVISION OF ENGINEERING

ALBERT A. FRALINGER  
CITY ENGINEER  
SCALE AS INDICATED





**LEE L. ROMM, INC.**  
*Real Estate Appraiser and Consultant*

**§ 370-24. I Industrial District.**

A. Use regulations.

(1) Uses by right. In I Districts, land, buildings or premises may be used by right for only one of the following:

(a) Administrative offices.

(b) Any activity involving cleaning, distribution, processing, production, repair, storage or testing of materials, goods and/or products.

(c) Building materials sales yards, including timber, plumbing and heating, roofing and similar materials.

(d) Contractors equipment storage yard or building or rental of equipment commonly used by contractors.

(e) Municipal uses and buildings.

(f) Research and experimental laboratories.

(g) Wholesale activities.

(h) Bonded storage warehouses.

(i) Utility installations such as gas pumping stations, electric transformer stations, equipment buildings, maintenance shops and the like.

Q) Alternative power producers. [Added 3-26-1991 by Ord. No. 90-18]

(2) Accessory uses.

(a) Accessory uses shall be conducted on the same lot as the principal use to which it is accessory.

(b) Only those accessory uses customarily incidental to and associated with those uses by right listed above will be permitted, except that the following uses, when clearly accessory to the principal use, may be permitted as accessory uses:

[1] Residential quarters for watchmen and/or caretakers, subject to regulations for single-family dwellings, Article II, § 370-15 of this chapter.

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[2] Restaurant or cafeteria facilities for employees.

[3] Medical facilities for employees.

[4] Fire apparatus and equipment areas and/or buildings.

[5] Retail sale of goods and products manufactured, assembled or processed on site only subject to Article III, § 370-22C of this chapter.

(3) Conditional uses. The following conditional uses may be permitted when authorized by the Planning Board in accordance with the regulations of Article VII of this chapter: [Amended 10-21-1980 by Ord. No. 80-9]

(a) Commercial excavation subject to § 370-56 of this chapter.

B. Area and bulk regulations.

(1) Lot size: 43,560 square feet (one acre minimum).

(2) Building setback line: 50 feet minimum.

(3) Lot width: 150 feet minimum.

(4) Lot coverage: 75% maximum.

(5) Open area: 25% minimum.

(6) Side yards.

(a) Adjacent to residential uses: 100 feet minimum.

(b) Adjacent to railroad right-of-way: none required.

(c) Adjacent to other uses: 25 feet minimum.

(7) Rear yards.

(a) Adjacent to residential uses: 100 feet minimum.

(b) Adjacent to railroad right-of-way: none required.

(c) Adjacent to other uses: 25 feet minimum.

(8) Building height [other than those structures indicated in Subsection B(9) and as otherwise provided herein]: 35 feet maximum. [Amended 3-26-1991 by Ord.

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No. 90-18]

(9) Building height for any and all buildings related to an alternate power producer, including but not limited to boilers, coal transfer towers and turbine buildings, shall have a maximum height of 250 feet. Nothing herein shall be construed to establish height limitations for those structures otherwise exempt from height limitations pursuant to this chapter. [Added 3-26-1991 by Ord. No. 90-18]

C. Exceptions to area and bulk regulations.

(1) Side and rear yard requirements may be reduced to the extent that no industrial building is closer to a residential building than 125 feet or closer than 50 feet to a nonresidential building.

(2) Building height may be increased by two feet for each one foot that the required setback line or yard requirement is increased and further increased to the extent that parking requirements are met within the building and to the extent that employee recreation and other employee services are included within the building, to a maximum of 75 feet.

D. Supplemental regulations.

(1) All required open areas shall be landscaped with shrubs, trees and evergreens, and a year-round ground cover shall be provided.

(2) No parking or storage area shall be located between the building setback line and the street right-of-way line.

(3) All parking areas and storage lots shall be screened from all streets and adjacent uses by an ornamental fence, brick wall, or a buffer of shrubs, evergreens and trees.

(4) Access driveways shall be a minimum distance of 20 feet from adjoining lot lines, 30 feet from intersecting street right-of-way lines, and there shall be a minimum distance of 30 feet between access driveways.

(5) Maximum width of curb cuts for access driveways shall be 35 feet.

(6) Upon application for a zoning permit under these regulations, a written opinion shall be furnished by the applicant that the use requested will not constitute a nuisance to persons or property and that at no time will such use cause or result in:

(a) The dissemination of dust, smoke, smog, observable gas, fumes, odors, or other atmosphere pollutions, noise, glare, heat or vibration beyond the limits

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of the Industrial District; or

(b) The hazards of fire, explosion or other physical hazards to any adjacent buildings or any plant growth, wildlife, or marine life adjacent to the site of the use; or

(c) The maintenance of any waste, refuse or accumulations of any such nature.

E. Common regulations and standards. The regulations and standards prescribed in Article VIII of this chapter shall apply to all I Districts.

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(8) Building height: 35 feet maximum.

D. Common regulations and standards. The regulations and standards prescribed in Article VIII of this chapter shall apply to all O-1 Districts.

§370-27. **FP Floodplain District. Editor's Note : See also Ch. 167, Flood Damage Prevention.**

A. Specific intent. It is the specific intent of these regulations to establish controls for the use of floodplains and wetlands and to protect areas subject to and necessary for floodwaters and tidewaters. The special provisions contained herein shall apply to floodplain and wetland areas (the term "floodplain" as used hereinafter shall be construed to mean both floodplain and wetland) in order to:

- (1) Combine, with present zoning requirements, certain restrictions made necessary for the floodplains to promote the general health, welfare and safety of the community.
- (2) Prevent the erection of structures in areas unfit for human usage by reason of danger from flooding, unsanitary conditions or other hazard.
- (3) Minimize danger to public health by protecting the water supply and promoting safe and sanitary drainage.
- (4) Reduce the financial burdens imposed on the community, its governmental units and its individuals by frequent and periodic floods and overflow of lands.
- (5) Permit certain uses which can be appropriately located in the floodplain as herein defined and which will not impede the flow of floodwaters, or otherwise cause danger to life and property at or above or below their locations with the floodplains.
- (6) Permit only those uses in the floodplain compatible with the preservation of natural conditions which are conducive to the maintenance of constant rates of water flow throughout the year by:
  - (a) Withholding rapid water runoff contributing to downstream flooding; and
  - (b) Providing area for groundwater absorption for maintenance of the subsurface water supply.
- (7) Provide sufficient drainage courses to carry abnormal flows of stormwater in periods of heavy precipitation.
- (8) Permit watercourse improvement as approved by the Division of Water Resources of the New Jersey Department of Environmental Protection.

B. Delineation of floodplain. The limits of the floodplain as delineated on the Zoning Map include the following:



(1) Areas subject to intermediate regional tidal flood as defined by the Corps of Engineers, US Army, such area having an elevation of 9.1 feet above mean sea level.

(2) Areas mapped as tidal marsh and alluvial land by the US Department of Agriculture, Soil Conservation Service.

(3) Areas located between the center line of a stream bed and a line located 50 feet from and parallel to the stream bed.

C. Requirements for land adjoining floodplain. No development or construction within 100 feet from the floodplain and no change of topography of the area within 100 feet from the floodplain, whether by removal, addition or rearrangement of soil or material, shall be commenced unless the Planning Board and the City Engineer shall have determined that such development or change is in compliance with the objectives set forth in this chapter.

D. Use regulations.

(1) Use by right.

(a) Cultivation including reforestation and harvesting of crops according to recognized soil conservation practices.

(b) Pasture; grazing land.

(c) Outdoor plant nursery; orchard.

(d) Recreation use such as park, day camp, picnic grove, golf course, hunting, fishing and boating club, and marinas.

(e) Harvesting of any wild crops such as marsh hay, ferns, moss, or berries.

(f) Game farm, fish hatchery (excluding rearing structures), hunting and fishing reserves.

(g) Wildlife sanctuary; woodland preserve; arboretum.

(h) Outer installations for sewage treatment plants; sealed public water supply wells.

(i) Flood retention dams and dikes, and culverts and bridges as approved by the State Division of Water Resources.

(2) Accessory uses.

(a) Accessory uses customarily incidental to and associated with those uses by right listed above will be permitted only upon approval of the Planning Board.

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**LEE L. ROMM, INC.**

*Real Estate Appraiser and Consultant*

(b) Accessory uses shall be conducted on the same lot as the principal use to which it is accessory.

(3) Conditional uses. The following conditional uses may be permitted when authorized by the Planning Board and in accordance with the regulations of Article VII of this chapter: [Amended 10-21-1980 by Ord. No. 80-9]

(a) Public utilities subject to § 370-41 of this chapter.

E. Use restrictions.

(1) The use of land within the floodplain for pipelines for transmission of petroleum and petroleum products, junkyards, outdoor storage of vehicles and/or materials is expressly prohibited.

(2) The filling of marshlands, removal of topsoil or relocation of any watercourse shall be prohibited except with approval from the State Division of Water Resources.

F. Area and bulk regulations.

(1) Lot size: 3 acres minimum.

(2) Building setback line: 50 feet minimum.

(3) Lot width: 200 feet minimum.

(4) Lot coverage: 25% maximum.

(5) Open area: 75% minimum.

(6) Rear yard: 50 feet minimum.

(7) Side yard (two required): 50 feet minimum per yard.

(8) Building height: 35 feet maximum.

G. Common regulations. The regulations and standards prescribed in Article VIII of this chapter shall apply to all FP Districts except the following:

(1) Parking spaces and parking lots shall be covered with a pervious material.

(2) Access drives, sidewalks and similar uses shall be covered with pervious material unless otherwise authorized by the Planning Board and the City Engineer.

H. Supplemental regulations.

(1) Floodplain areas which are contiguous to planned unit developments, planned

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unit residential developments and/or residential cluster developments may be utilized to meet the common open space requirements contained in the regulations governing said developments, provided that the development of said common open space does not conflict with the regulations governing FP Districts.

(2) If a lot of record as of the effective date of this chapter is situated so as to be partly in another zoning district, all open area requirements may be met within the FP District, provided that no building wall is closer than 25 feet to an adjacent building on an abutting lot and provided further that the building setback line shall remain the same as that required in the zoning district adjacent to the FP District.

**ARTICLE VI Historic District Editor's Note : Ordinance No.89-11, adopted 10 -17-1989, which ordinance amends this article, further provided that, pursuant to N. J. S. A.40 : 55D-111, all applications for certificates shall be referred to the Historic District Commission for approval or rejection, and the Historic District Commission shall, within 45 days of the referral, make recommendation to the administrative officer or official against the issuance of a permit or recommend conditions to the permit as the case may be. To the extent that there are any inconsistencies in this Art. VI (Ord. No.83-21) and N. J. S. A.40 : 55D-111, said statute shall control. [Added 5-1-1984 by Ord. No.83-21 Editor's Note : This ordinance also superseded former Art.510, Historic Conservation District Regulations, added 10-21-1980 by Ord. No.80-9. ]**

**§ 370-28. Definitions.**

As used in this article, the following terms shall have the meanings indicated:

**ADDITION** - The construction of new improvement as part of an existing improvement when such new improvement changes the exterior appearance of any building.

**ALTERATION** - Any work done on any improvement which:

- A. Is not an addition to the improvement; and
- B. Changes the appearance of the exterior surface of any improvement.

**DEMOLITION** -The razing of any improvement or the obliteration of any natural feature of a building or landmark.

**HISTORIC DISTRICT**

- A. A definable group of Tax Map lots, the improvements on which when viewed collectively:

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1. The purpose of this map is to show the location of the subject property within the various zones of the City of Bridgeton, New Jersey.

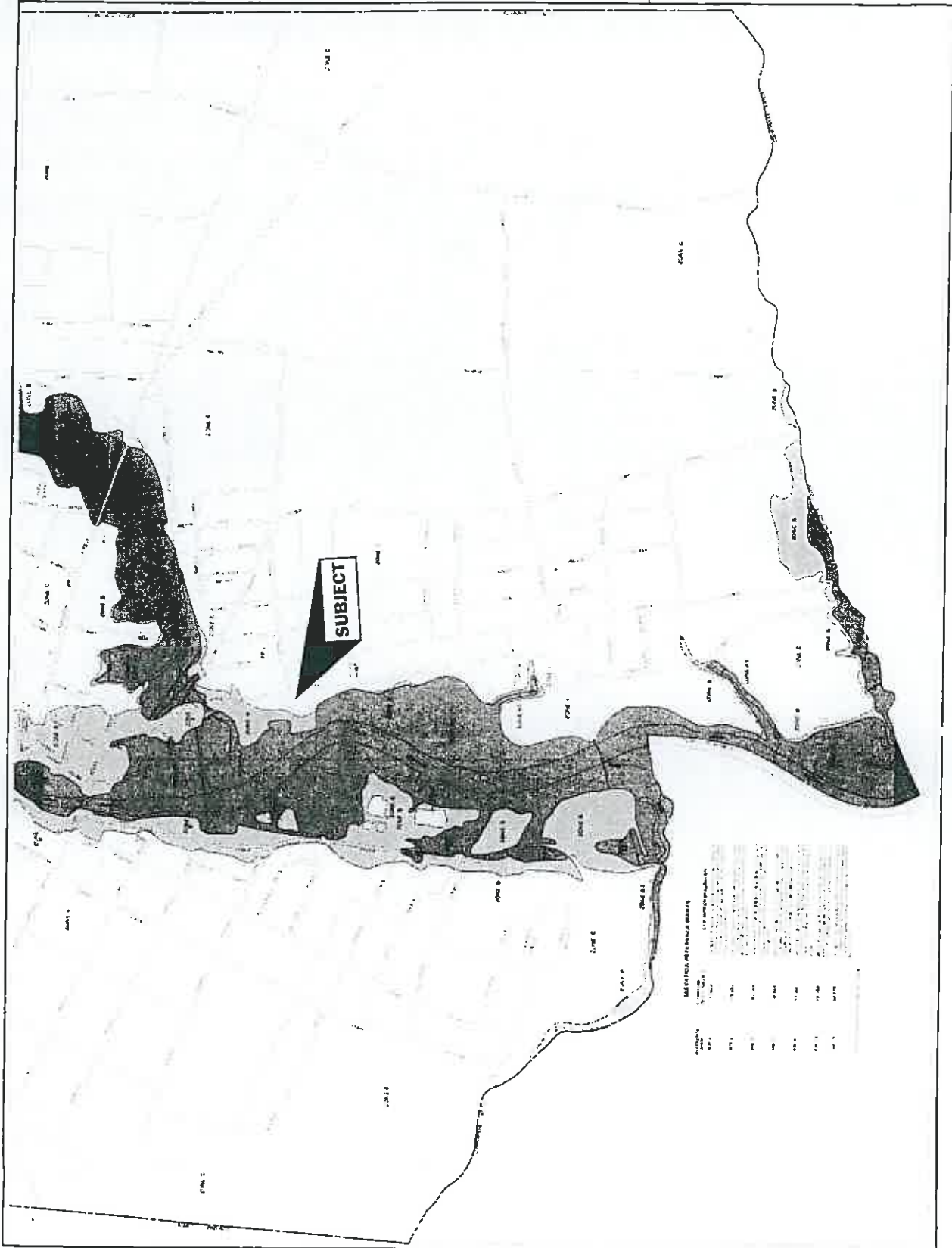
2. The subject property is located in Zone C, as shown on the map.

3. The map is based on the 1984 zoning ordinance of the City of Bridgeton, New Jersey.

4. The map is not to be construed as a warranty of accuracy.

5. The map is the property of Lee L. Romm, Inc. and is not to be reproduced without written permission.

**FIRM**  
 11000 INSURANCE AVE MAP  
 BRIDGETON  
 NEW JERSEY  
 CUMBERLAND COUNTY  
 PANEL 8 OF 9  
 COMMUNITY PANEL NUMBER  
 3-10185 D.C. 8  
 EFFECTIVE DATE  
 JANUARY 18, 1984



**LEE L. ROMM, INC.**  
*Real Estate Appraiser and Consultant*

101557

BOOK 1570 PAGE 116

RECORDED AND

EASEMENT AGREEMENT

This agreement made and entered into this 30<sup>th</sup> day of August, 1915, between BRIDGETON MUNICIPAL PORT AUTHORITY, a body politic and port authority created under the laws of the State of New Jersey having a mailing address of P.O. Box 702, Bridgeton, New Jersey (hereinafter referred to as "Seller") and 4 STAR PRODUCTS, INC., a New Jersey Corporation having a mailing address of c/o Robert C. Litwack, A Professional Corporation, 132 South Main Road, P.O. Box 1100, Vineland, New Jersey (hereinafter referred to as "Buyer").

WITNESSETH

WHEREAS, Seller has on even date herewith granted and conveyed unto Buyer certain land premises in the City of Bridgeton, County of Cumberland and State of New Jersey being a part of Block 132, Lots 1 and 3 on the City of Bridgeton Tax Map, more fully described on Schedule A, attached hereto and made a part hereof by this reference (hereinafter referred to as the "Buyer's Land"); and

WHEREAS, Seller has retained unto itself certain other land and premises in the City of Bridgeton, County of Cumberland and State of New Jersey being a part of Block 132, Lots 1, 2, and 3 on the City of Bridgeton Tax Map, more fully described in Schedule B attached hereto and made a part hereof by this reference (hereinafter referred to as the "Seller's Land"); and

WHEREAS, Seller has recently subdivided the Buyer's Land and the Seller's Land; and

WHEREAS, Seller and Buyer desire to burden and benefit, respectively the Seller's Land and the Buyer's Land;

NOW THEREFORE, in consideration of the conveyance and price paid for Buyer's Land, and in consideration of \$1.00 in hand paid from the Buyer to the Seller, the adequacy, sufficiency and receipt of which is acknowledged, and in consideration of

PREPARED BY: Robert C. Litwack  
ROBERT C. LITWACK, ATTY OF AS

BOOK 1570 PAGE 117

the mutual promises, covenants and easements contained herein the parties agree as follows:

1. Seller shall and hereby does grant to Buyer a non-exclusive perpetual right of way and easement for ingress, egress, turning and parking through Seller's main gate across Seller's Land to Buyer's Land along that route marked in red shown on Schedule C (attached hereto and made a part hereof by this reference) which shall also be available for use by others having business with Seller or Seller's Land, so long as such other use does not block or materially interfere with the Buyer's use. The perpetual right of way and easement for ingress and egress parking and turning as provided for herein will be located within the area marked in red on Schedule C but shall not include the entire area so marked. Seller shall, from time to time, designate an adequate portion of the area so marked for Buyer's use. Such designated portion shall in no event be less than twenty-five (25) feet in width, shall provide Buyer with a direct, safe and reasonable right of way to and from the property in accordance with Buyer's then current needs, and shall be located after consultation with the Buyer and in relation to Buyer's specific needs. Seller shall, at its sole cost and expense, maintain such right of way and easement in pavement suitable for 80,000 pound trucks to make safe and reasonable passage and shall keep the same open and free from all obstructions, snow, ice and other impediments to vehicle traffic. This easement shall touch and concern and run with the land and shall remain an encumbrance upon the Seller's Land for the benefit not only of Buyer but also of any person, persons, corporations or entities which shall hereafter become the owner of the Buyer's Land.
2. To the extent the Buyer's Land does not have a fifteen (15) foot set back from the property line along and between what was Henry Street (vacated by Ordinance of the City of Bridgeton on July 16, 1985) and existing improvements on the Buyer's Land, Seller shall and hereby does grant to Buyer a perpetual right-of-way



BOOK 1570 PAGE 118

and easement for ingress, egress, use and construction of improvements along that boundary of such dimensions so that when combined with the Buyer's Land, Buyer will have such a fifteen (15) foot set back from the existing improvements. This easement shall touch and concern and run with the land and shall remain an encumbrance upon the Seller's Land for the benefit not only of Buyer but also of any person, persons, corporations or entities which shall hereafter become the owner of the Buyer's Land.

3. Seller shall and hereby does grant to Buyer an exclusive, perpetual easement for parking, off of the Buyer's Land but on Seller's Land, sufficient for the parking of at least fifty (50) automobiles in accordance with the size and location requirements of the planning boards of the City of Bridgeton and the County of Cumberland along with a non-exclusive perpetual right-of-way and easement no less than twenty-five (25) feet in width for ingress, egress and turning through Seller's main gate on Seller's Land and to the area or areas described herein for parking, and a non-exclusive perpetual right-of-way and easement for pedestrian access to and from the area described herein for parking to the Buyer's Land. Seller shall from time to time, designate an adequate portion of the Seller's Land for these uses. Such designation shall provide for no more than two groups of contiguous parking spaces and all of the parking spaces to be designated hereunder shall be no more than one thousand (1000) feet from the Buyer's Land. The easements herein for ingress, egress and turning shall provide direct, safe and reasonable right-of-way to and from the area described herein for parking to and through the Seller's main gate on Seller's Land to the Buyer's Land respectively. The particular designated portions shall be located after consultation with Buyer and in relation to Buyer's specific needs. These easements shall touch and concern and run with the land and shall remain encumbrances upon the Seller's Land for the benefit not only of Buyer but also of any person, persons, corporations or entities which shall hereafter become the owner of the Buyer's Land.

BOOK 1570 PAGE 119

4. In the event that any question or dispute arises as to the necessity, propriety or amount of any expense incurred in the upkeep or maintenance of any of the easements set out in this agreement, or in the event of any other dispute concerning or arising out of this agreement, the parties agree to submit the matter for determination pursuant to R.4:67 of the Rules governing the Courts of the State of New Jersey (a copy of the current form of which is attached hereto as Exhibit D) or any successor or similar rule regarding the expeditious or summary handling of an action by any appropriate trial level Court of competent jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed and have hereunto set their hands and seals the day and year first above

written  
ATTEST

*Pauline Boykin*  
Pauline Boykin, SECRETARY

ATTEST

*Matthew J. Gardner*  
Matthew J. Gardner, Secretary

BRIDGETON MUNICIPAL PORT  
AUTHORITY

By: *Donald H. Rainear*  
Donald H. Rainear, CHAIRMAN

4 STAR PRODUCTS, INC.

By: *Michael S. Lepore*  
Michael S. Lepore, President

BOOK 1570 PART 120

LEGAL DESCRIPTION  
Part of Lots 1 and 3,  
Block 132, Tax Map  
of the City of Bridgeton,  
County of Cumberland,  
State of New Jersey  
August 13, 1985

ALL THAT CERTAIN tract or parcel of land situate in the City of Bridgeton, County of Cumberland, State of New Jersey, more particularly described in accordance with a plan entitled, "Proposed Minor Subdivision for Bridgeton Municipal Port Authority, situated in the City of Bridgeton, County of Cumberland, New Jersey, by John G. Reutter Associates, dated June 14, 1985."

BEGINNING at a point, said point being the northwest intersection of Grove Street (50 feet wide) and Henry Street (50 feet wide), and extending;

Thence (1)  $S75^{\circ}23'38''W$ , along the northerly line of said Henry Street, a distance of 202.78 feet to a set P.K. painted white;

Thence (2)  $N08^{\circ}06'42''W$ , a distance of 106.47 feet to a set P.K. in orange paint;

Thence (3)  $S73^{\circ}00'46''W$ , a distance of 70.08 feet to a set P.K. in orange paint;

Thence (4)  $N10^{\circ}50'34''W$ , a distance of 112.36 feet to a set P.K. in orange paint;

Thence (5)  $N58^{\circ}51'26''E$ , a distance of 104.36 feet to a set P.K. in orange paint;

Thence (6)  $N08^{\circ}15'02''E$ , a distance of 20.54 feet to a set P.K. painted white;

Thence (7)  $N08^{\circ}45'58''E$ , a distance of 94.24 feet to a set P.K. painted white;

Thence (8)  $N02^{\circ}03'01''W$ , a distance of 135.26 feet to a set P.K. painted white;

Thence (9)  $N15^{\circ}24'22''W$ , a distance of 15.91 feet to a set P.K. in orange paint;

"SCHEDULE A"

BOOK 1570 PAGE 121

Thence (10)  $N68^{\circ}28'31''E$ , a distance of 83.36 feet to a rebar with cap set in the westerly line of Grove Street;

Thence (11)  $S14^{\circ}35'22''E$ , along said Grove Street a distance of 498.96 feet to the point and place of beginning.

Containing 1.89 Acres  $\pm$ .

Being known as Part of Lots 1 and 3, Block 132, of the Tax Map, of the City of Bridgton.

"SCHEDULE A"

BOOK 1570 PAGE 122

COMMENCING at a point, said point being the true point of beginning and the intersection of the Northerly line of Henry Street and the Westerly line of Grove Street; thence in a Westerly direction along the Northerly line of Henry Street South 80 degrees 25 minutes West, 200 feet to the intersection of the Easterly right of way line of the West Jersey Railroad and the Northerly line of Henry Street; thence in a Westerly direction along the Northerly line of Henry Street South 80 degrees 25 minutes West, (25 feet more or less) across to the West Jersey Railroad right of way to the intersection of the Westerly right of way line of said West Jersey Railroad and the Northerly line of Henry Street; thence South 00 degrees 25 minutes West 390 feet to the Exterior Line for Solid Filling established by the Riparian Commissioners of the State of New Jersey for Cohansy River; thence up said Cohansy River and along said exterior line for solid filling North 33 degrees West 647.4 feet; thence still along said exterior line for solid filling, curving to the right on a radius of 711 feet, two hundred twenty-five feet; thence still along said exterior line for solid filling, curving to the right on a radius of 80 feet, ninety feet into the waters of Mill Creek at a point distant five feet Northwesterly from the low water line of the Southeastery shore of said Mill Creek; thence still along said exterior line for solid filling, generally in an Easterly direction five feet northerly from and parallel with the low water line of the Southerly shore of Mill Creek to the Westerly line of Grove Street; thence South 10 degrees 40 minutes East 321 feet to the intersection of the Westerly line of Grove Street and the Northerly line of the abandoned portion of Eagle Street; thence across the abandoned portion of Eagle Street 50 feet, more or less, to the intersection of the Westerly line of Grove Street and the Southerly line of the abandoned portion of Eagle Street; thence South 4 degrees 30 minutes East 119 feet to a point of the Westerly line of Grove Street; thence South 8 degrees 24 minutes East 352 feet, more or less, to the true point of beginning of this description.

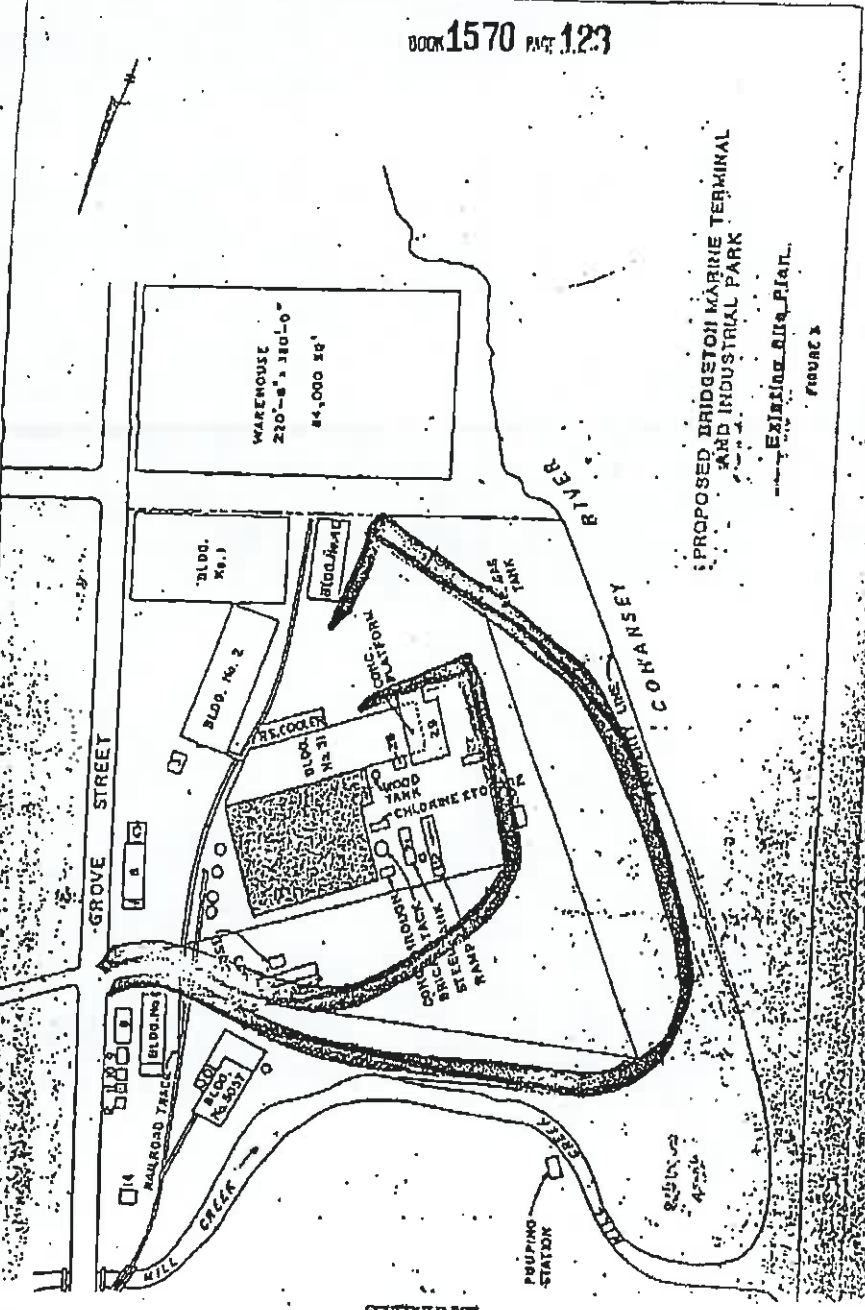
EXCEPTING out that portion as conveyed to the County of Cumberland for Grove Street extension by deed dated December 13, 1917, recorded in Cumberland County Deed Book 1270, page 299.

ALSO EXCEPTING out all that land and premises set out in Schedule "A" to this Easement Agreement defined herein as the "Buyer's Land".

SCHEDULE "D"



BOOK 1570 PAGE 123



PROPOSED BRIDGESTON MARINE TERMINAL AND INDUSTRIAL PARK  
EXISTING AIR FLAT  
FIGURE 3

BOOK 1570 PAGE 123



# North American Title Agency

1040 Kings Hwy North-Suite 700  
Cherry Hill, NJ 08034  
Telephone: 856-779-0099 Fax: 856-779-8380  
www.nat.com/ne

Agents for  
**Fidelity National Title Insurance Company**  
Commitment  
**SCHEDULE A**

File No.: 2009-76812ITD

Property: 100 Grove Street, Tax Lot 1 & 1.01, Tax Block 146 in the City of Bridgeton, County of Cumberland

Seller: Bridgeton Municipal Port Authority, a Municipal Body Politic, organized and existing under the Municipal Port Authority Law, N.J.S.A. 40:68A-29 et seq.

Buyer: To Be Advised

1. Commitment Date: 05/08/09 — Termination Date: 180 days after effective date

2. Policy (or policies) to be issued:	Amount
(a) Alta Residential Owner's Policy (1987)	\$ _____ TBA
Proposed Insured: To Be Advised	
(b) ALTA Loan Policy (06/17/2006)	\$ _____ N/A
Proposed Insured: Not Applicable	

3. Fee Simple interest in the land described in this Commitment is owned, at the Commitment Date, by Bridgeton Municipal Port Authority, a Municipal Body Politic, organized and existing under the Municipal Port Authority Law, N.J.S.A. 40:68A-29 et seq. by deed from Dominick Sorantino, Jr., and Rose Sorantino, his wife, dated June 24, 1985, recorded June 27, 1985 in Deed Book 1559, Page 262 in the Cumberland County Clerk's/Register's Office.

4. The land referred to in this Commitment is described in Schedule C.  
100 Grove Street, City of Bridgeton, County of Cumberland, and State of New Jersey.  
(For informational purposes only)

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Agents for  
*Fidelity National Title Insurance Company*

## SCHEDULE B – SECTION I

File No.: 2009-76812ITD

The following requirements must be met:

- a. Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- b. Pay us the premiums, fees and charges for the policy.
- c. Documents Satisfactory to us creating the estate or interest in the land and/or the mortgage to be insured must be approved, executed, delivered, recorded and properly indexed in the land records.
  - i. DEED in lieu of Foreclosure from Bridgeton Municipal Port Authority, a Municipal Body Politic, organized and existing under the Municipal Port Authority Law, N.J.S.A. 40:68A-29 et seq. to Be Advised.
- d. With respect to the proposed Deed, we require:
  - i. Subject to compliance with Chapter 176, Laws of 1975 (Realty Transfer Tax on all conveyances). (If applicable)
  - ii. Subject to compliance with Chapter 157, Laws of 1977 requiring reference to the tax lot and block numbers on all deeds. (if applicable)
  - iii. Proof of the record owner's marital or civil union status is required and, if married or if there is a civil union partner, and the premises to be insured is or has ever been occupied as the principal marital or principal civil union residence of the record owner, then his or her spouse or civil union partner must join in the deed or mortgage and affidavit of title.
- e. If a Power of Attorney is to be utilized in the transaction, it must be submitted to the insurer in advance of closing for approval, and that it must be recorded prior to the document being insured
- f. You must tell us in writing the name of anyone not referred to in this commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
- g. In the event that the proceeds of the loan to be secured by the mortgage to be insured are not to be fully disbursed at Closing, the Company must be notified and this Commitment will then be modified accordingly.
- h. Affidavits of Title by all sellers, purchasers and or mortgagors must be submitted to this Commitment and is subject to such additional exceptions, if any, we then deem appropriate.
- i. Proof is required as to the prior and present marital status or civil union of Buyers/Sellers/Mortgagors, . . . together with complete information as to the deaths and divorces of prior spouses.
- j. You must provide the social security number of all Buyer(s)/Seller(s)/Mortgagor(s).
- k. Positive identification is required for all parties at the time of final settlement.
- l. Buyer(s)/Seller(s)/Mortgagor(s) must render certified funds to this company for any monies due and owing at the time of final settlement in order to complete settlement.

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Agents for

*Fidelity National Title Insurance Company*

## SCHEDULE B – SECTION I

(Continued)

File Number: 2009-76812ITD

- m. A continuation search (rundown) of the title must be ordered not less than 24 hours prior to closing of title.
- n. This Company must be contacted by the Closing Attorney to request a rundown at least twenty-four (24) hours prior to the scheduled closing. In the event such rundown is not requested, any mortgages, liens or judgments shall remain as an exception to the policy unless same have been satisfied.
- o. The company requires that a Notice of Settlement be filed pursuant to N.J.S.A. 46:16A-1 et seq prior to closing. The notice should be filed as nearly as possible to, but not more than 45 days prior to, the anticipated closing date. Should the anticipated closing not close within 45 days of the filing of the Notice of Settlement another notice must be filed. If both a deed and mortgage are to be insured, two Notices of Settlement must be filed, one for the deed and one for the mortgage. A filed copy of the Notice(s) of Settlement must be provided to the company as part of the post closing package.
- p. Form 1099-S must be completed at closing and filed by the Closing Attorney/Settlement Agent in accordance with the Tax Reform Act of 1986 in Code Section 6045 (e). NOTE: Pertains to purchase transactions only.

NOTE for information only: The State of New Jersey requires certain nonresident sellers (individuals, estate and trusts) to make an estimated gross-income tax payment pursuant to Chapter 55, P.L. 2004 as a pre-condition to the recording of the deed of conveyance.

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Agents for  
**Fidelity National Title Insurance Company**

## SCHEDULE B – SECTION II

File Number: 2009-76812ITD

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction:

1. Notwithstanding any provision of the policy to the contrary, the following matters are expressly excluded from the coverage of the policy, and the Company will not pay loss or damage, costs, attorney's fees or expenses that arise by reason of any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the land.
2. Rights or claims of parties in possession of the land not shown by the public records.
3. Easements or claims of Easements not shown by public record.
4. Any liens, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public record.
5. Sub-surface conditions not disclosed by the public records. (As to owner's policy only)
6. Taxes, charges, assessments (including unconfirmed assessments pursuant to *N.J.S.A. 40:56-33*).  
Subject to the imposition of municipal liens with respect to unpaid utility charges
7. Liability for possible added or omitted assessments pursuant to *N.J.S.A. 54:4-63.1*, et seq.
8. Possible liability for municipal improvements such as curbing, paving, sidewalks, sewers, etc., constructed or being constructed but not yet assessed.
9. The exact quantity of land or number of acres, square rods, square yards and/or square feet contained within the premises described herein is not insured.
10. New Jersey Superior Court and United States District Court Judgments and Bankruptcy vs. Bridgeton Municipal Port Authority, See Clear Search. (Copy attached)
11. If the judgment search reveals the existence of a judgment held by an individual against a party in the chain of title, the Company reserves the right to initiate a child support judgment search for such individual and to pay any sums owed by such individual to the Probation Department in satisfaction of such judgment and to obtain a Warranty of Satisfaction for same.
12. Riparian Grant as contained in Deed Book 168, page 37. (Copy available upon request)
13. Easement as contained in Deed Book 1171 and page 864. (Copy available upon request)
14. Declaration of Easement as contained in Deed Book 1761 and page 201. (Copy available upon request)
15. Tideland Search ordered, but not yet received. Will advise upon receipt of same.
16. Flooding and drainage rights in any stream, drain, ditch or water course crossing or bounding premises in question.
17. No insurance will be issued covering any part of premises lying below the high water line of Cohansey River.
18. Rights of the State of New Jersey in lands lying below the high water mark of Cohansey River.

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Agents for  
*Fidelity National Title Insurance Company*

## SCHEDULE B – SECTION II

(Continued)

File Number: 2009-76812ITD

19. Paramount jurisdiction and rights of the United States over navigable waters, including the right from time to time to establish and change limiting lines for the erection of bulkheads for solid filling and piers to remove or compel removal of fill and improvement thereon (including buildings or other structures) below the original high water line of Cohansey River without compensation to insure.
20. Present corporate status of seller.
21. New Jersey State franchise tax due, if any, by seller.
22. Production of a certified copy of the Corporate Resolution by the Board of Directors of seller authorizing the execution and delivery of the deed/mortgage.
23. The enforcement, or attempted enforcement of rights under the Bankruptcy Code (11 U.S.C.) or state insolvency or creditor's rights law to invalidate or avoid the conveyance to To Be Advised.
24. Right reserved to North American Title Agency to add additional requirements as the facts may reveal.
25. Mortgage: Made by Bridgeton Municipal Port Authority, a municipal body politic organized and existing under the Municipal Port Authority Law N.J.S.A., 40:68A-29 et seq. to Security Savings Bank, SLA dated December 8, 1988, recorded December 21, 1988 in Mortgage Book 1309, page 57 to secure the sum of \$800,000.00.  
  
Assigned to The First National Bank of Chicago, by Assignment, recorded March 8, 1995 in Assignment Book 184, page 262.  
  
Assigned to National Mortgage Co., by Assignment, recorded April 3, 2002 in Assignment Book 297, page 109.  
  
Assigned to NMC Limited 2, LLC, by Assignment, recorded April 3, 2002 in Assignment Book 300, page 297.  
  
Assigned to Avis Chiapuzio, Trustee, c/o National Mortgage Co., by Assignment, recorded July 17, 2002 in Assignment Book 300, page 297.  
  
Assigned to National Loan Acquisitions Company, by Assignment, recorded April 24, 2006 in Assignment Book 3500, page 6833.

\*\*\*\*\*

CHARLES JONES  
JUDGMENT SEARCH  
CERTIFIED TO:

NEW JERSEY SUPERIOR COURT,  
UNITED STATES DISTRICT COURT AND  
UNITED STATES BANKRUPTCY COURT

000-1047-96

RE: 2009-76812 ITD

NORTH AMERICAN TITLE AGENCY  
1040 KINGS HWY STE 700  
CHERRY HILLS NJ 08034-

SIGNATURE INFORMATION SOLUTIONS LLC HEREBY CERTIFIES THAT IT HAS SEARCHED THE INDEX OF THE CIVIL JUDGMENT AND ORDER DOCKET OF THE SUPERIOR COURT OF NEW JERSEY, THE INDEX OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW JERSEY, AND THE INDEX OF THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEW JERSEY AND DOES NOT FIND REMAINING UNSATISFIED OF RECORD IN ANY OF THESE COURTS A JUDGMENT OR OTHER DOCKETED RECORD REFERRED TO BY THE RESPECTIVE INDICES WHICH CONSTITUTES A GENERAL LIEN ON REAL PROPERTY IN NEW JERSEY, NOR ANY CERCLA LIEN ON SPECIFIC REAL PROPERTY WITHIN NEW JERSEY NOR ANY PETITION COMMENCING PROCEEDINGS IN BANKRUPTCY EXCEPT AS BELOW SET FORTH AGAINST:

	FROM	TO
BRIDGETON MUNICIPAL PORT AUTHORITY	05-21-1989	05-21-2009

\*\*\*\*\*

CLEAR

\*\*\*\*\*

DATED 05-21-2009  
TIME 08:45 AM

FEES: \$ 10.00  
TAX: \$ 0.00  
TOTAL: \$ 10.00

RN09-146-01833 146 0594146 02

CHARLES JONES SEARCH  
PROVIDED BY  
SIGNATURE INFORMATION SOLUTIONS  
P.O. BOX 8488  
TRENTON, NJ 08650



# North American Title Agency

1040 Kings Hwy North-Suite 700  
Cherry Hill, NJ 08034  
Telephone: 856-779-0099 Fax: 856-779-8390  
www.independencabstract.com

Agents for  
*Fidelity National Title Insurance Company*

## SCHEDULE C LEGAL DESCRIPTION

File Number: 2009-76812ITD

ALL that certain tract or parcel of land situate in the City of Bridgeton, County of Cumberland, State of New Jersey, more particularly described in accordance with a plan entitled, "Plan of survey for Bridgeton Municipal Port Authority, situate in the City of Bridgeton, County of Cumberland, N.J., by John G. Reutter Associates, dated June 6, 1985.

BEGINNING at a point, said point being an iron bar with cap set at the southwesterly corner of Grove Street (50 feet wide) and Henry Street (50 feet wide), and extending; thence

- (1) South 14 degrees 36 minutes 22 seconds East, along the westerly line of Grove Street, a distance of 226.00 feet to an iron bar with cap and corner to Lot 2, said tax Map; thence
- (2) South 75 degrees 23 minutes 38 seconds West, along said lot and crossing over another iron bar with cap set 390.00 feet from said Grove Street, a total distance of 535.00 feet to a point in the exterior line for solid filling established by the Commissioners approved under authority of the act entitled "An Act to ascertain the rights of the State and of the Riparian Owners in the lands lying under the waters of the Bay of new York and elsewhere in the State" approved April 11, 1864 and the supplement thereto; thence
- (3) In a Northwesterly direction along said exterior line of solid filling, and measured along a curve with a radius of 840.00 feet and curving to the left, an arc distance of 232.88 feet to a point in the southerly line of Henry Street, as shown on said Tax Map; thence
- (4) North 75 degrees 23 minutes 38 seconds East, along said southerly line of Henry Street, a distance of 588.00 feet to a point and place of BEGINNING.

COMMONLY KNOWN AS: 100 Grove Street, Bridgeton, NJ 08302 (For Informational Purposes only)

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 1 & 1.01 in Block 146 on the City of Bridgeton Tax Map.

k

BA 1761Pg201

PREPARED BY:

*JAC*  
JOHN A. CASAROW, JR.

DECLARATION OF EASEMENT

This DECLARATION OF EASEMENT is made by the BRIDGETON MUNICIPAL PORT AUTHORITY for the benefit of property known as Block 146 Lots 1 and 1.01 on the City of Bridgeton Tax Map and is more fully described on Schedule C that is attached hereto and made a part hereof.

WITNESSETH

KNOW ALL MEN BY THESE PRESENTS this 2 day of December, 1988, the Bridgeton Municipal Port Authority, a body politic and port authority created, organized and existing under the Municipal Port Authority Law, N.J.S.A. 40:68A-29 et seq., having its principal place of business at 10 Grove Street, Bridgeton, New Jersey, hereby creates and declares this easement for the benefit of the development of the Port Authority complex and for the benefit of the owners, lessees, and other users of the aforesaid property known as Block 146 Lots 1 and 1.01 on the City of Bridgeton Tax Map shown on Schedule C attached hereto.

1. The Bridgeton Municipal Port Authority hereby declares that there is an Easement Agreement that is in existence between the Bridgeton Municipal Port Authority and Four Star Products, Inc., which Easement Agreement is dated August 30, 1985 and is recorded in the Cumberland County Clerk's Office in Book 1570 of Deeds page 116 6c. That Easement Agreement basically grants to Four Star Products, Inc. a non-exclusive perpetual right-of-way and easement for ingress, egress, turning and parking through the Bridgeton Municipal Port Authority's main gate across from the Bridgeton Municipal Port Authority's land, to the land of Four Star Products, Inc. for the benefit of property known as Block 112 Lot 1 and 3 on the City of Bridgeton Tax Map in order to provide that property with a non-exclusive perpetual right-of-way and easement for ingress, egress, turning and parking and entry through the main gate of the Bridgeton Municipal Port Authority to that property.

2. In order to properly develop the Port Authority complex

EX 17616202

and also to provide access to the property known as Block 146 Lots 1 and 1.01 on the City of Bridgeton Tax Map, in the event that property is at some point owned by a party other than the Bridgeton Municipal Port Authority, the Bridgeton Municipal Port Authority hereby declares and grants to the benefit of owners, users and lessees of that property, a non-exclusive perpetual right-of-way and easement in order to enter through the Bridgeton Municipal Port Authority's main gate located on Grove Street, Bridgeton, New Jersey, and across the Bridgeton Municipal Port Authority's land to the property known as Block 146 Lots 1 and 1.01 on the City of Bridgeton Tax Map, along the route that is granted in the easement shown as Book 1570, Page 116 &c.; however, this easement shall be specifically subject to the rights of the Bridgeton Municipal Port Authority to modify that easement to an area selected by the Port Authority that is at least 25 feet in width, but at all times said easement area shall provide to the owners, users and tenants of property known as Block 146 Lots 1 and 1.01 on the City of Bridgeton Tax Map, a non-exclusive right-of-way and easement for travel over the easement area and for ingress and egress to Block 146 Lot 1 and 1.01 on the City of Bridgeton Tax Map that is shown on Schedule C that is attached hereto and made a part hereof.

3. This easement created by this instrument is for the benefit of property known as Block 146 Lot 1 and 1.01 on the City of Bridgeton Tax Map and shall be a perpetual right-of-way easement for the purposes herein expressed, in order to provide ingress and egress to property known as Block 146 Lot 1 and 1.01 on the City of Bridgeton Tax Map, and shall be located in part of the area marked in red on Schedule C on the map that is shown on the easement recorded in Book 1570 of Deeds Page 116 &c., and shall include at least a 25 foot area to provide access into

Block 146 Lots 1 and 1.01 on the City of Bridgeton Tax Map. However, as set forth in the easement at Book 1370 Page 116 sc., the easement area shall not include the entire area shown on the map attached to the easement at Book 1370 Page 116 sc. because the Bridgeton Municipal Port Authority shall, from time to time, have the right to determine the actual easement area shown on that map, which area shall be at least 25 feet in width, and at the option of the Bridgeton Municipal Port Authority the easement area may be amended. However, the area so amended shall at all times provide access and ingress and egress of at least 25 feet in width to the property known as Block 146 Lot 1 and 1.01 on the City of Bridgeton Tax Map.

4. The easement herein created shall run with the land and shall inure for the benefit of the Bridgeton Municipal Port Authority, and also of any person, persons, corporations or entities which shall hereafter become the owner of the land and premises presently known as Block 146 Lot 1 and 1.01 on the City of Bridgeton Tax Map that is shown as Schedule C attached hereto and made a part hereof.

5. In the event of a dispute concerning or arising out of this easement, it is hereby declared that the matter shall be submitted for determination pursuant to R.4:67 of the rules governing the courts of the State of New Jersey, or any successor or similar rule regarding the expeditious or summary handling of an action by the appropriate trial level court of competent jurisdiction of the State of New Jersey.

6. The promises and covenants made in this Declaration of Easement are binding on the Bridgeton Municipal Port Authority and its successors and assigns and can be enforced by the present and future owners of the property known as Block 146 Lots 1 and

17516204

1.01 on the City of Bridgeton Tax Map.

IN WITNESS WHEREOF, the Bridgeton Municipal Port Authority has hereunto caused this Declaration of Easement to be executed and has set their hands and seals the day and year first above written.

ATTEST:

  
*Pauline Boykin*  
PAULINE BOYKIN, Secretary

BRIDGETON MUNICIPAL PORT  
AUTHORITY

BY

*Donald H. Rainear*  
DONALD H. RAINEAR, Pres.



17616205

STATE OF NEW JERSEY )  
                                  ) SS.  
COUNTY OF CUMBERLAND )

I CERTIFY that on December 2, 1988, PAULINE BOYKIN personally came before me, and this person acknowledged under oath, to my satisfaction, that

(a) this person is the Secretary of Bridgeton Municipal Port Authority, the corporation named in this document;

(b) this person is the attesting witness to the signing of this document by the proper corporate officer who is DONALD H. RAINEAR, the President of the corporation;

(c) this document was signed and delivered by the corporation as its voluntary act duly authorized by a proper resolution of its Board of Directors;

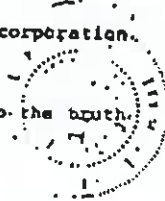
(d) this person knows the proper seal of the corporation, which was affixed to this document; and

(e) this person signed this proof to attest to the truth of these facts.

Signed and sworn to before me  
on December 2, 1988

[Signature]  
Notary at Law

[Signature]  
PAULINE BOYKIN, Secretary





CR 1212558

17618206

schedule **C**

Land  
Description

Number 43549 ac

ALL THAT CERTAIN track or parcel of land situate in the City of Bridgeton, County of Cumberland, State of New Jersey, more particularly described in accordance with a plan entitled, "Plan of Survey for Bridgeton Municipal Port Authority, situate in the City of Bridgeton, County of Cumberland, N.J., by John C. Reutter Associates, dated June 6, 1985".

BEGINNING at a point, said point being an iron bar with cap set at the southwesterly corner of Grove Street (50 feet wide) and Henry Street (50 feet wide), and extending:

Thence (1)  $S14^{\circ}36'22''E$ , along the westerly line of Grove Street, a distance of 226.00 feet to an iron bar with cap and corner to Lot 2, said Tax Map:

Thence (2)  $S75^{\circ}23'38''W$ , along said lot, and crossing over another iron bar with cap set 390.00 feet from said Grove Street, a total distance of 535.00 feet to a point in the exterior line for solid filling established by the Commissioners approved under authority of the act entitled "An Act to ascertain the rights of the State and of the Riparian owners in the lands lying under the waters of the Bay of New York and elsewhere in the State" approved April 11, 1864 and the supplement thereto;

Thence (3) in a northwesterly direction along said exterior line for solid filling, and measured along a curve with a radius of 840.00 feet and curving to the left, an arc distance of 222.88 feet to a point in the southerly line of Henry Street, as shown on said Tax Map:

Thence (4)  $N75^{\circ}23'38''E$ , along said southerly line of Henry Street, a distance of 588.00 feet to the point and place of beginning.

Containing 2.88 acres ±.

Being known as Lots 1 and 1.01, Block 146, of the Tax Map of the City of Bridgeton, in accordance with provisions of Chapter 107, Law of 1985.

FOUR COPY

RE 1341130E

17611287

100

022925 L

25.00  
dy

SENT TO RECORD  
GENERAL AND COUNTY, N.J.

80 DEC 21 AM 10:42

*John B. ...*  
COUNTY CLERK

NOV 22 1961 10 20 12

B

to

B

*Copy 4 mail*

*Chy. Rec. + R-2  
CONTINENTAL TITLE INS. CO.*

*P.O. Box 417  
BRIDGEWATER, NJ 08812*

*11/22/61*



Title #: 2009-76812ITD

NEW JERSEY TAX & ASSESSMENT SEARCH

For: NORTH AMERICAN TITLE AGENCY (1793)

BLOCK : 146 ASSESSED OWNER : BRIDGETON MUNICIPAL PORT AUTHORITY
LOT : 1 BILLING ADDRESS : 32 NORTH PEARL STREET BRIDGETON NJ 08302
QUAL : LOT ADDRESS : 100 GROVE ST
XLOT : LI.01 CUMBERLAND : BRIDGETON CITY (856) 455-3230
(MUNI CODE: 0601) 181 EAST COMMERCE ST. CITY HALL BRIDGETON NJ 08302

FOR ADDITIONAL WATER, SEWER & TRASH INFORMATION PLEASE CALL: (856) 455-3230; ADDRESS: 333 WATER STREET BRIDGETON, NJ 08302

INFORMATION : C.O. REQUIRED ON NEW CONSTRUCTION, REALES, RENTALS & ALL COMMERCIAL PROPERTIES
(FOR RESALE) SMOKE DETECTOR INSPECTION REQUIRED AS PER NJAC 5:70-4.19
CALL (609) 455-3230 FOR INSPECTION

ASSESSOR'S CODE : 15C - PUBLIC PROPERTY (NOT TO BE USED FOR DETERMINING NJ MANSION TAX)
API. LOT SIZE : 226X561
ASSESSED VALUES : LAND : \$30,000 IMP. : \$820,000 TOT. : \$850,000
TAX RATE : \$4.888 PER \$100 OF ASSESSED VALUE
TAX EXEMPTIONS : FULLY EXEMPT
2008 TAXES : EXEMPT

-2009 - DUE DATE :
QTR1 - 02/01 : EXEMPT
QTR2 - 05/01 : EXEMPT
QTR3 - 08/01 : TO BE DETERMINED
QTR4 - 11/01 : TO BE DETERMINED
-2010 - DUE DATE :
QTR1 - 02/01 : TO BE DETERMINED
QTR2 - 05/01 : TO BE DETERMINED

ADDED ASSESSMENTS : PENDING ADDED/OMITTED IF PROPERTY PURCHASED BY NON-EXEMPT OWNER FROM DATE OF PURCHASE OR CERTIFICATE OF OCCUPANCY.

CONFIRMED ASSESSMENTS : NONE

WATER ACCOUNT # : INFORMATION TO FOLLOW
SEWER ACCOUNT # : INFORMATION TO FOLLOW
TRASH ACCOUNT # : INFORMATION TO FOLLOW
LIENS : NONE

Certificate as to current status of pending (unconfirmed) assessments:

ORDINANCE #: NONE

TYPE OF IMPROVEMENT:

Signature Information Solutions LLC guarantees that the above information accurately reflects the contents of the public record as of 05/19/2009

*Independence Abstract & Title Agency*

---

1040 Kings Highway North  
Suite 700  
Cherry Hill, NJ 08034  
Telephone: 856-779-0099 Fax: 856-779-9390

White & Williams LLP  
457 Haddonfield Road  
Suite 400  
Cherry Hill, NJ 08002  
Attn: Louis G. Rubino

Re: Your File No.:  
Our File No.: **2006-48737IVF**  
Property Owner: **Bridgeton Municipal Port Authority**  
Property: **100 Grove Street, Bridgeton, NJ 08302**

Dear Sir or Madam:

Please find the enclosed "Bringdown Search Results" for the above-captioned matter.

If you have any questions regarding this report, please do not hesitate to contact me.

Very truly yours,

Independence Abstract & Title Agency

Elizabeth Zolda  
Foreclosure Specialist  
Direct Phone: (856) 773-3217  
Direct Fax: (856) 773-4168  
ezolda@nat.com

Enclosures

*Independence Abstract & Title Agency*

1040 Kings Highway North, Suite 700  
Cherry Hill, NJ 08034  
Telephone: 856-779-0099 Fax: 856-779-9390

White & Williams LLP  
457 Haddonfield Road  
Cherry Hill, NJ 08002

Your File No.: N/A  
Our File No.: 2006-48737IVF  
Property Owner: Bridgeton Municipal Port Authority

---

***Bringdown Search Report***

<b>Premises:</b>	100 Grove Street	<b>Municipality:</b>	City of Bridgeton
<b>County:</b>	Cumberland	<b>State:</b>	New Jersey
<b>Block:</b>	146		
<b>Lot 1 &amp; 1.01</b>			

**Bringdown Results:**

**Effective Date: 3/13/09**

No Change.

**Superior Court Search Results**

Clear.

Note: Our liability hereunder is limited to the amount indicated on the original search related to this matter.



Title #: 2006-48737IVF

NEW JERSEY TAX & ASSESSMENT SEARCH

For: NORTH AMERICAN TITLE AGENCY (1762)

BLOCK : 146 ASSESSED OWNER : BRIDGETON MUNICIPAL PORT AUTHORITY  
LOT : 1 BILLING ADDRESS : 32 NORTH PEARL STREET BRIDGETON NJ 08302  
QUAL : LOT ADDRESS : 100 GROVE ST  
XLOT : L1.01 CUMBERLAND : BRIDGETON CITY (856) 455-3230  
(MUNI CODE: 0601) 181 EAST COMMERCE ST. CITY HALL BRIDGETON NJ 08302

FOR ADDITIONAL WATER, SEWER & TRASH INFORMATION PLEASE CALL: (856) 455-3230; ADDRESS: 333 WATER STREET BRIDGETON, NJ 08302

INFORMATION : C.O. REQUIRED ON NEW CONSTRUCTION, REALES, RENTALS & ALL COMMERCIAL PROPERTIES  
(FOR RESALE) SMOKE DETECTOR INSPECTION REQUIRED AS PER NJAC 5:70-4.19  
CALL (609) 455-3230 FOR INSPECTION

ASSESSOR'S CODE : 15C - PUBLIC PROPERTY (NOT TO BE USED FOR DETERMINING NJ MANSION TAX)

APX. LOT SIZE : 226X561

ASSESSED VALUES : LAND : \$30,000 IMP. : \$820,000 TOT. : \$850,000

TAX RATE : \$4.888 PER \$100 OF ASSESSED VALUE

TAX EXEMPTIONS : FULLY EXEMPT

2008 TAXES : EXEMPT

-2009 - DUE DATE :

QTR1 - 02/01 : EXEMPT

QTR2 - 05/01 : EXEMPT

QTR3 - 08/01 : TO BE DETERMINED

QTR4 - 11/01 : TO BE DETERMINED

-2010 - DUE DATE :

QTR1 - 02/01 : TO BE DETERMINED

QTR2 - 05/01 : TO BE DETERMINED

ADDED ASSESSMENTS : PENDING ADDED/OMITTED IF PROPERTY PURCHASED BY NON-EXEMPT OWNER FROM DATE OF PURCHASE OR CERTIFICATE OF OCCUPANCY.

CONFIRMED ASSESSMENTS : NONE

WATER ACCOUNT # : NOT REQUESTED

SEWER ACCOUNT # : NOT REQUESTED

TRASH ACCOUNT # : NOT REQUESTED

LIENS : NONE

Certificate as to current status of pending (unconfirmed) assessments:

ORDINANCE #: None

TYPE OF IMPROVEMENT: NOT REQUESTED

Signature Information Solutions LLC guarantees that the above information accurately reflects the contents of the public record as of 04/13/2009



# mortgagee's title policy



## Continental Title Insurance Company

89 Haddon Avenue  
Haddonfield, New Jersey 08033

*Borington  
455-7600*

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS CONTAINED IN SCHEDULE b AND THE PROVISIONS OF THE CONDITIONS AND STIPULATIONS HEREOF, CONTINENTAL TITLE INSURANCE COMPANY, A NEW JERSEY CORPORATION, herein called the Company, insures, as of Date of Policy shown in Schedule a, against loss or damage, not exceeding the amount of insurance stated in Schedule a, and costs, attorneys' fees and expenses which the Company may become obligated to pay hereunder, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule a being vested otherwise than as stated therein;
2. Any defect in or lien or encumbrance on such title;
3. Lack of a right of access to and from the land;
4. Unmarketability of such title;
5. The invalidity or unenforceability of the lien of the insured mortgage upon said estate or interest except to the extent that such invalidity or unenforceability, or claim thereof, arises out of the transaction evidenced by the insured mortgage and is based upon
  - a. usury, or
  - b. any consumer credit protection or truth in lending law;
6. The priority of any lien or encumbrance over the lien of the insured mortgage;
7. Any statutory lien for labor or material which now has gained or hereafter may gain priority over the lien of the insured mortgage, except any such lien arising from an improvement on the land contracted for and commenced subsequent to Date of Policy not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance; or
8. The invalidity or unenforceability of any assignment, shown in Schedule a, of the insured mortgage or the failure of said assignment to vest title to the insured mortgage in the named insured assignee free and clear of all liens.

IN WITNESS WHEREOF CONTINENTAL TITLE INSURANCE COMPANY has caused this policy to be signed and sealed as of the effective date shown in Schedule a; this policy to become valid when countersigned by an authorized signatory.

CONTINENTAL TITLE INSURANCE COMPANY

By

President

Attest

Secretary

  
Authorized Signatory

# schedule **a**

Number 343599 BR

Date of Policy December 22, 1988 Amount of Insurance \$800,000.00

1. Name of Insured Security Savings Bank, SLA

The estate or interest in the land described in this Schedule and which is encumbered by the insured mortgage is FEE SIMPLE and at date of policy vested in

Bridgeton Municipal Port Authority, a municipal body politic organized and existing under the Municipal Authority Law N.J.S.A., 40:68A-29 et seq.

3. The mortgage herein referred to as the insured mortgage, and the assignments thereof, if any, are described as follows

Bridgeton Municipal Port Authority to Security Savings & Loan Association and/or its assigns dated December 8, 1988, recorded December 22, 1988 in book 1309, page 057

4. The land referred to in this Policy is described as set forth in the recited insured mortgage and is identified as follows

Block 146, lot 1, City of Bridgeton, County of Cumberland, and State of New Jersey



# Continental Title Insurance Company

## ENDORSEMENT

ATTACHED TO POLICY NO. 343599 R

Schedule A, Item No. 4 is hereby amended to read:

Block 146, Lots 1 and 1.01, City of Bridgeton, County of Cumberland and State of New Jersey.

Nothing herein contained shall be construed as extending or changing the effective date of this policy unless otherwise expressly stated

This endorsement, when countersigned by an authorized signatory, is made a part of said policy and is subject to the exclusions, schedules, endorsements, conditions, stipulations and terms thereof, except as modified by the provisions hereof

IN WITNESS WHEREOF CONTINENTAL TITLE INSURANCE COMPANY has caused this endorsement to be signed and sealed as of the effective date shown in Schedule a.

Dated the 19th day of June 19 90.

CONTINENTAL TITLE INSURANCE COMPANY

By

President

Attest:

Secretary



Gerald J. Beck  
Authorized Signatory

# schedule **b**

Number 343599 BR

This policy does not insure against loss or damage by reason of the following exceptions:

1. Encroachments, overlaps, boundary line disputes, and any other matters which would be disclosed by an accurate survey and inspection of the premises.
2. Easement as granted to the Atlantic City Electric Company by Deed Book 1171, page 864.
3. Flooding and drainage rights in any natural stream or water course affecting any part of insured premises.
4. Terms and conditions as contained in Riparian Grant from the State of New Jersey to The Cohansey Glass Manufacturing Company, dated June 13, 1882, recorded October 12, 1882 in Deed Book 168, page 37.
5. Paramount rights of the Federal Government to regulate commerce and navigation as to that part of insured premises lying below the original mean high water line of Cohansey River.
6. Together with an Easement as granted by Bridgeton Municipal Port Authority as contained in Deed Book 1761, page 201.
7. Financing statement: Debtor: Bridgeton Municipal Port Authority; Secured Party: Security Savings Bank, SLA; recorded December 21, 1988 in Cumberland County, file #23762.
8. Financing statement: Debtor: Bridgeton Municipal Port Authority; Secured Party: Security Savings Bank, SLA; recorded March 23, 1989 in the Secretary of State's Office, file #1254019.
9. TAXES - Sbasequent to December 8, 1988; Tax Exempt



**CONTINENTAL TITLE INSURANCE COMPANY**  
 Executive Offices: 89 Haddon Avenue, Haddonfield, NJ 08033

**SURVEY ENDORSEMENT (COMMITMENT)**

Attached to and made part of File Number 343599-BR

Exception number 1 in Schedule B of the policy (Exceptions 2 and 3 Schedule B Section II of the Commitment) are deleted and the following is substituted:

1. Based upon a survey made by John G. Reutter Associates

dated 6-6-85 revised 12-7-88 the Company hereby insures you against loss or damage which you suffer by reason of any encroachments, overlaps, boundary line disputes or easements, except as follows:

Concrete pad and concrete loading dock and roof on North encroach into the premises adjoining to the North; portion of roof extends onto premises adjoining to the North; 4 overhead wires cross Easterly portion of insured premises.

This Survey Endorsement does not modify or delete any other exception to title which is contained on Schedule B, Section II, of the commitment for Title Insurance or Schedule B of the Title Policy. This endorsement is a part of your policy or commitment. Nothing else in your policy or commitment changes.

IN WITNESS WHEREOF CONTINENTAL TITLE INSURANCE COMPANY has caused this endorsement to be signed and sealed as of the effective date shown in Schedule a; this endorsement to become valid when countersigned by an authorized signatory.

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_ CONTINENTAL TITLE INSURANCE COMPANY

By:

*[Signature]*  
 President

Attest:

*[Signature]*  
 Secretary



*[Signature]*  
 Authorized Signatory



# Continental Title Insurance Company

69 Haddon Avenue  
Haddonfield, New Jersey 08033

## SURVEY ENDORSEMENT

Attached to and made part of Policy Number: 343599

Exception number 1 in Schedule B of this policy is deleted and the following is substituted:

1. Based upon a survey made by John G. Reutter Associates

dated 6-6-85 revised 12-7-88 the Company hereby insures you against loss or damage which you suffer by reason of any encroachments, overlaps, boundary line disputes or easements, except as follows:

Concrete pad and concrete loading dock and roof on North encroach into the premises adjoining to the North; portion of roof extends onto premises adjoining to the North; 4 overhead wires cross Easeterly portion of insured premises.

This Survey Endorsement does not modify or delete any other exception to title which is contained on Schedule B, Section II, of the commitment for Title Insurance or Schedule B of the Title Policy.

This endorsement is a part of your policy or commitment. Nothing else in your policy or commitment changes.

IN WITNESS WHEREOF CONTINENTAL TITLE INSURANCE COMPANY has caused this endorsement to be signed and sealed as of the effective date shown in Schedule A; this endorsement to become valid when countersigned by an authorized signatory.

Dated the 22 day of December 19 88

CONTINENTAL TITLE INSURANCE COMPANY  
By:

*James J. Henry*  
President

Attest:  
*Lawrence J. Usignol*  
Secretary

*Gerald J. Beck*  
Authorized Signatory





of insurance hereunder after such acquisition, except for costs, attorneys' fees and expenses which the Company may be obligated to pay, shall not exceed the least of

- (i) the amount of insurance stated in Schedule a;
- (ii) the amount of the unpaid principal of the indebtedness as defined in paragraph 8 hereof, plus interest thereon, expenses of foreclosure and amounts advanced to protect the lien of the insured mortgage and secured by said insured mortgage at the time of acquisition of such estate or interest in the land; or
- (iii) the amount paid by any governmental agency or instrumentality, if such agency or instrumentality is the insured claimant, in the acquisition of such estate or interest in satisfaction of its insurance contract or guaranty.

**(b) Continuation of Insurance after Conveyance of Title**

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured so long as such insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from such insured or so long as such insured shall have liability by reason of covenants of warranty made by such insured in any transfer or conveyance of such estate or interest, provided, however, this policy shall not continue in force in favor of any purchaser from such insured of either said estate or interest or the indebtedness secured by a purchase money mortgage given to such insured.

**3. Defense and Prosecution of Actions — Notice of Claim to be given by an Insured Claimant**

(a) The Company, at its own cost and without undue delay, shall provide for the defense of an insured in all litigation consisting of actions or proceedings commenced against such insured or defenses, restraining orders or injunctions interposed against a foreclosure of the insured mortgage or a defense interposed against an insured in an action to enforce a contract for a sale of the indebtedness secured by the insured mortgage, or a sale of the estate or interest in said land, to the extent that such litigation is founded upon an alleged defect, lien, encumbrance, or other matter insured against by this policy.

(b) The insured shall notify the Company promptly in writing (i) in case any action or proceeding is begun or defense or restraining order or injunction is interposed as set forth in (a) above (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest or the lien of the insured mortgage, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest or the lien of the insured mortgage, as insured, is rejected as unmarketable. If such prompt notice shall not be given to the Company then as to such insured all liability of the Company shall cease and terminate in regard to the matter or matters for which such prompt notice is required, provided, however, that failure to notify shall in no case prejudice the rights of any such insured under this policy unless the Company shall be prejudiced by such failure and then only to the extent of such prejudice.

(c) The Company shall have the right at its own cost to institute and without undue delay prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured, and the Company may take any appropriate action under the terms of this policy, whether or not it shall be liable thereunder, and shall not thereby concede liability or waive any provision of this policy.

(d) Whenever the Company shall have brought any action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any such litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(e) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured hereunder shall secure to the Company the right to so prosecute or provide defense in such action or proceeding and all appeals therein, and permit the Company to use, at its option, the name of such insured for such purpose. Whenever requested by the Company, such insured shall give the Company all reasonable aid in any such action or proceeding, in effecting settlement, securing evidence, obtaining witnesses, or prosecuting or defending such action or proceeding and the Company shall reimburse such insured for any expense so incurred.

**4. Notice of Loss — Limitation of Action**

In addition to the notices required under paragraph 3(b) of these Conditions and Stipulations, a statement in writing of any loss or damage for which it is claimed the Company is liable under this policy shall be furnished to the Company within 90 days after such loss or damage shall have been determined and no right of action shall accrue to an insured claimant until

notice, (b) in the event of litigation until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title or the lien of the insured mortgage, as insured, as provided in paragraph 3 hereof; or (c) for liability voluntarily assumed by an insured in settling any claim or suit without prior written consent of the Company.

**8. Reduction of Liability**

(a) All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto provided, however, such payments, prior to the acquisition of title to said estate or interest as provided in paragraph 2(a) of these Conditions and Stipulations shall not reduce pro tanto the amount of the insurance afforded hereunder except to the extent that such payments reduce the amount of the indebtedness secured by the insured mortgage.

Payment in full by any person or voluntary satisfaction or release of the insured mortgage shall terminate all liability of the Company except as provided in paragraph 2(a) hereof.

(b) The liability of the Company shall not be increased by additional principal indebtedness created subsequent to Date of Policy, except as to amounts advanced to protect the lien of the insured mortgage and secured thereby.

No payment shall be made without producing this policy for endorsement of such payment unless the policy be lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

**9. Liability Noncumulative**

If the insured acquires title to the estate or interest in satisfaction of the indebtedness secured by the insured mortgage, or any part thereof, it is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage hereafter executed by an insured which is a charge or lien on the estate or interest described or referred to in Schedule a, and the amount so paid shall be deemed a payment under this policy.

**10. Subrogation Upon Payment or Settlement**

Whenever the Company shall have settled a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant, except that the owner of the indebtedness secured by the insured mortgage may release or substitute the personal liability of any debtor or guarantor, or extend or otherwise modify the terms of payment, or release a portion of the estate or interest from the lien of the insured mortgage, or release any collateral security for the indebtedness, provided such act occurs prior to receipt by the insured of notice of any claim of title or interest adverse to the title to the estate or interest or the priority of the lien of the insured mortgage and does not result in any loss of priority of the lien of the insured mortgage. The Company shall be subrogated to and be entitled to all rights and remedies which such insured claimant would have had against any person or property in respect to such claim had this policy not been issued, and if requested by the Company, such insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect such right of subrogation and shall permit the Company to use the name of such insured claimant in any transaction or litigation involving such rights or remedies. If the payment does not cover the loss of such insured claimant, the Company shall be subrogated to such rights and remedies in the proportion which said payment bears to the amount of said loss, but such subrogation shall be in subordination to the insured mortgage. If loss of priority should result from any act of such insured claimant, such act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against hereunder which shall exceed the amount, if any, lost to the Company by reason of the impairment of the right of subrogation.

**11. Liability Limited to this Policy**

This instrument together with all endorsements and other instruments, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company.

Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the lien of the insured mortgage or of the title to the estate or interest covered hereby or any action asserting such claim, shall be restricted to the provisions and conditions and stipulations of this policy.

No amendment of or endorsement to this policy can be made except by writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

**12. Notices, Where Sent**

All notices required to be given the Company, and any statement in writing required to be furnished the Company shall be addressed to its Home Office

[Print](#)

Subject **Bridgeton**

From: **Stephen F. Blau** <stephen.blau@naimertz.com>

Sent: **Jul 16, 2010 12:01:16 PM**

To: **chippyamy@verizon.net**

---

Dear Lee:

Attached is an updated estimate for repairs to the Bridgeton property, including an estimate to replace the roof.

Please note that this is not an all inclusive estimate - there are some items (evaluating and, if necessary, making repairs to the heating and sprinkler systems, for example) that can not be accounted for because the water service and other utilities are not presently connected to the property.

I am still awaiting another estimate for the roof which I will provide to you as soon as it is received.

Please call with any questions or comments.

Most respectfully,

**Stephen F. Blau**

*Director of Corporate Services*

**NAI Mertz**

Office: 856 234 9600

Direct: 856 802 6511

Cell: 610 772 1309

Fax: 856 234 4957

Email: stephen.blau@naimertz.com

***In theory, there is no difference between theory and practice. In practice, there is.*** [Yogi Berra]

**Important Legal Notice:**

*This communication may be confidential or privileged - or it may contain confidential, privileged, or otherwise protected information. If it was sent to you in error, please notify the sender and delete or erase the message. If the communication contains information provided by a third party - such as information about or related to a property, listing, sale, lease, or other matter - such information is from sources we believe are reliable, but we make no representation or warranty as to its accuracy. All such information is submitted subject to errors; omissions; change of price, rental income, operating expenses, financing, or other conditions; prior sale, lease, exchange, or financing; or withdrawal from the market; all without notice. No liability of any kind is to be imposed upon NAI Mertz, or its principals, officers, directors, agents, contractors, or employees. Cooperating brokers are advised (a) to ascertain the specific terms of cooperation and terms of compensation prior to submitting any property listed by or offered through NAI Mertz, (b) that they will not be deemed sub-agents of NAI Mertz but, rather, will be deemed agents of the buyer, tenant, or other party on whose behalf they are working, and (c) that any commission or other financial dispute will be submitted to alternative dispute resolution in accordance with applicable industry authorities.*

# **Condition Report**

**100 Grove Street, Bridgeton, NJ 08302**

Submitted by:

**BMW Construction LLC  
1879 Old Cuthbert Road Suite 25  
Cherry Hill, NJ 08034**

**100 Grove Street, Bridgeton, NJ 08302**

## **Conditions and Recommendations:**

### **I. Background**

BMW Construction LLC is providing a proposal to evaluate and recommend remedial action to the above referenced vandalized location.

The building is located on the Cohansey River in a fenced complex occupied by 4 separate industrial buildings. This report is limited in scope to the larger of the buildings. The building is approximately 215' X 385' or 82,775 sf and has a concrete foundation wall topped by a masonry wall to approximately 25 feet with interior steel columns and steel open web roof joists with metal decking and an EPDM roof. There are 5 overhead doors and one 3-0 X 7-0 man-door. On the North East side of the building is a small masonry Sprinkler fire-pump room with a 3-0 X 7-0 metal door and frame for access. The loading dock area occupying the North West side of the building is enclosed by a corrugated metal covered frame lean-to structure.

There are two separate 8" sprinkler risers serving the building. There are several Fire hose reel locations throughout the building mounted on interior columns. An Electric Fire pump is located in a small masonry structure located on the eastern exterior wall of the building. The Fire pump Controller is also located in that structure.

There is a fire alarm panel located on the interior North Wall adjacent to the man entrance door.

Adjacent to the fire alarm panel is the telephone entry location.

There are three separate Electrical Services located in the building with interior wall mounted switchgear and panel locations.

Gas Fired joist hung unit heaters provide heat to the interior of the building.

The water service enters the East wall of the building, and serves a bathroom facility that is elevated on a concrete platform in the North East Corner of the interior of the building. Effluent drains to an ejector pump located in a utility room in the North East corner of the building. There is also a water heater location and a Slop Sink location in the utility room.

The exterior of the building is overgrown with brush and small trees. There are several exterior light packs located on the building.

## **II. Observations (Refer to Appendix II for Photographs)**

Representatives of BMW Construction LLC inspected the building on several occasions beginning in March of 2009.

City workers advised that the building had been broken into several times over the past year, and that each time, the building was re-secured, and a police report was filed.

The man-door entrance to the building has been replaced and we have been contracted to install a security gate over the man door.

Corrugated panels missing from the loading dock enclosure.

There was no power to the building. Flashlights and a quartz light powered by a Honda generator provided light. Because of the size of the building, the quartz light provided only minimal spot viewing of the interior of the building.

There was no domestic water to the building.

The main power lines to the building from the utility were in place, however; the secondary lines from the service location to the interior panels have been removed from the conduits.

At each of the interior service locations, the panel covers have been removed and all wiring has been cut. Both feed lines and distribution lines have been removed. Varying sections of conduit have also been dismantled.

The main copper water service has been cut inside the building and all copper lines have been removed.

The power feeds to the fire pump have been removed, and the controls have been opened and the electric lines ripped out.

A transformer and panel has been removed from the service located in the loading bay area of the building

The fire sprinkler piping from the fire pump to the risers and the sprinkler distribution lines appear to be intact. The gauges at the risers show a pressure of approx. 75 psi in the distribution side of the system. Because of the cold temperatures this winter, and the lack of heat in the building, it is unknown what potential freezing of sprinkler heads and lines may have occurred.

The roof has been severely damaged apparently by wind, and is in need of replacement.

At the South West interior corner there was an area of concrete slab approximately 80 feet by 80 feet that had cracked around its perimeter and settled in a range from 0 to 2 inches. The Columns and Perimeter wall appear not to have settled.

### **III. Recommendations**

#### **Immediate**

Clean out all debris from interior of the building and demolish the small interior office structure

Replace all main service wiring and equipment and reestablish main power to the building. Once main power is established, reevaluate distribution wiring to lighting throughout the building.

Repair and install new security lighting on the exterior of the building.

Once power is reestablished to the fire pump room, evaluate the fire pump and replace the controls for same and put the pump in service.

Replace the fire alarm panel and establish remote monitoring of the sprinkler system

Tear off the existing roof and insulation and install new insulation and EPDM Roofing and edge metal.

Maintain the exterior of the building by removing all overgrown vegetation from the perimeter of the building to provide visibility from the road for security and police.

Reestablish domestic water service and valves to bathrooms.

#### **Longer term**

Complete repairs to the electrical distribution system based upon evaluation after the service is reestablished

Replace missing corrugated metal siding.



Evaluate the functionality of the unit heaters once the electrical system is reestablished.

Provide a structural engineering study to determine the cause of the slab settlement and recommendations for repair.

Evaluate and repair the sprinkler pump system

**Immediate Recommendations.** (Refer to Appendix I for detailed scope of work for electrical and sprinkler)

Electrical Repairs

Roof

Sprinkler

Plumbing

Interior Demolition and removal

Remove Overgrown Vegetation

Fire Alarm

**Total Cost of Immediate Repairs:**

**Roof: \$451,000**

**Other work \$104,350**

**Total: \$555,350**

**Longer Term Items:**

Pricing for these items will be provided upon Completion of the Immediate Recommendations.

**IV. Terms and Conditions**

- a. This proposal shall be valid for 30 days from the date issued. This proposal should it be accepted shall be the basis for the issuance of a contract, the terms of which shall be determined by both parties in good faith negotiations, and no contract shall exist until the negotiated document has been signed by authorized representatives of both parties.
- b. This proposal is based upon the onsite evaluation of the visible conditions, and any hidden conditions are not included.
- c. The information provided in this proposal is provided solely for the use of BMW Construction LLC in the preparation of this proposal. No warranty is expressed or implied as to the accuracy of the information presented in

this document. BMW Construction LLC shall assume no liability for any use of the information provided in this document.

**V. Acceptance Line**

To accept the terms and conditions and pricing for the above listed scope of work, the authorized signatory should sign in the space provided and indicate their title and the date of acceptance. Upon receipt of the Authorization, a contract will be prepared.

Respectfully Submitted,

Accepted by:

Louis Mueller  
Principal

\_\_\_\_\_  
Print Name and Title

**Appendix I**  
**Detailed Scope of work**  
**100 Grove Street, Bridgeton, NJ 08302**

**Immediate repair scope of work:**

**1. General Conditions**

- a. **Provide Insurance, Supervision, Labor and equipment necessary for the completion of work in this scope.**
- b. **Provide (1) 30 yard dumpsters for clean-up.**
- c. **Provide Portable Toilet for the duration of the project**
- d. **Prepare, submit, pick up and administer all building permit applications.**
- e. **Provide a Certificate of Approval for all work under this contract.**
- f. **Provide a photographic record of all work performed**

**2. Roofing**

- a. **Replace roof and affected decking.**
- b. **Provide a new EPDM roof with a 10 year Manufacturers warranty**

**3. Plumbing**

- a. **Provide and install approximately (120) one hundred twenty lf of 1" copper piping and all associated fittings and hangers.**
- b. **Provide and install (3) Sloan urinal flush valves.**
- c. **Reinstall slop sink**
- d. **Reinstall water heater and test operation.**
- e. **Install backflow preventer and valves on main service entrance**
- f. **Install fittings necessary to accommodate water meter.**
- g. **Evaluate balance of system and provide a condition report and recommendations.**

**4. Electrical**

**1<sup>st</sup> Service Location**

- a. **Repair 4" PVC service conduits (3) The fittings that enter the building are broken and need to be replaced in order to install wire.**
- b. **Provide and Install 2700 lf of 750 MCM Aluminum cable in Conduits.**
- c. **Reterminate the main disconnect Panel (MDP)**
- d. **Clean up vandalized panel**
- e. **Provide new grounding for MDP**
- f. **Provide and Install (1) 75 KVA transformer, line voltage 480V Load voltage, 120/208, 3-Phase**
- g. **Provide and Install (1) 200 Amp panel board with the required circuit breakers**

- h. Provide and Install (1) quad receptacle, (1) switch, (1) 8 foot fluorescent fixture above panel area.**

**5. 2<sup>nd</sup> Service Location**

- a. Repair 3" service conduits repair fittings inside and outside the wall penetration.**
- b. Provide and Install 240 lf of 350 MCM copper in conduits.**
- c. Re-terminate MDP**
- d. Cleanup vandalized MDP**
- e. Replace 200 amp Panel board**
- f. Install new 200 amp feed for new panel board**
- g. Provide and Install (1) quad receptacle, (1) switch, (1) 8 foot fluorescent fixture above panel area.**
- h. Provide new grounding for service.**

**6. 3<sup>rd</sup> Service Location (Fire Pump Service)**

- a. Repair 100 amp 480V/277 Service**
- b. Wire line voltage wirts to new fire pump controller provided by Fire Protection Company**
- c. Repair Line voltage wiring as required**
- d. Provide labor for electrical contractor to be present during fire testing.**
- e. Service grounding as required.**

**7. Exterior Security wiring**

- a. Provide and install (6) 400 Watt HPS wall Packs, and mounting**
- b. Provide and install (1) 250 Watt HPS wall Packs, and mounting**
- c. Provide and install (1) 24-hour timer**
- d. Provide and install (1) branch dedicated circuit**

**8. Electrical Evaluation**

- a. Once Electric service work above has been performed, provide an evaluation and condition report on the balance of the electrical system.**
- b. No work is included for the central office pod.**

**9. Fire Protection**

- a. Replace Fire Pump Control Panel (power wiring and alarm wiring by others)**
- b. Provide and install missing ½" brass sensing lines**
- c. Provide and install damaged and missing water pressure gauges**
- d. Perform hydrostatic test on all above ground sprinkler system piping**

- e. Provide performance test on fire pump after electrical work is complete
- f. Test to confirm operation of alarm devices associated with sprinkler system.
- g. Replace Jockey pump and Control Panel
- h. Scope does not include repairs to system not evident at walk through

**10. Fire Alarm**

- a. Replace Fire alarm panel
- b. Re-wire all devices
- c. Devices on risers (flow switches, tamper switches etc are assumed to be functional)
- d. Start up system and connect to Owner provided telephone line.
- e. No monitoring is included in this proposal.

[Print](#)

Subject **Bridgeton - Roof Estimate**

From: **Stephen F. Blau** <stephen.blau@naimertz.com>

Sent: **Jul 21, 2010 11:29:35 AM**

To: **chippyamy@verizon.net**

---

Dear Lee:

Attached is a very comprehensive condition report and proposal for the replacement of the roof on the Bridgeton property.

To the extent that you may want to reflect this information in your report, please note that the roof was damaged in a storm that occurred on May 14, 2010.

We believe this may be an insurable event - and are preparing to submit a claim accordingly.

Yours most respectfully,

**Stephen F. Blau**

*Director of Corporate Services*

**NAI Mertz**

Office: 856 234 9600

Direct: 856 802 6511

Cell: 610 772 1309

Fax: 856 234 4957

Email: stephen.blau@naimertz.com

***In theory, there is no difference between theory and practice. In practice, there is.*** [Yogi Berra]

***Important Legal Notice:***

*This communication may be confidential or privileged - or it may contain confidential, privileged, or otherwise protected information. If it was sent to you in error, please notify the sender and delete or erase the message. If the communication contains information provided by a third party - such as information about or related to a property, listing, sale, lease, or other matter - such information is from sources we believe are reliable, but we make no representation or warranty as to its accuracy. All such information is submitted subject to errors; omissions; change of price, rental income, operating expenses, financing, or other conditions; prior sale, lease, exchange, or financing; or withdrawal from the market; all without notice. No liability of any kind is to be imposed upon NAI Mertz, or its principals, officers, directors, agents, contractors, or employees. Cooperating brokers are advised (a) to ascertain the specific terms of cooperation and terms of compensation prior to submitting any property listed by or offered through NAI Mertz, (b) that they will not be deemed sub-agents of NAI Mertz but, rather, will be deemed agents of the buyer, tenant, or other party on whose behalf they are working, and (c) that any commission or other financial dispute will be submitted to alternative dispute resolution in accordance with applicable industry authorities.*



Proposal Prepared For:  
Mr. Stephen Blau

# NAI Mertz

Mt. Laurel, NJ

**Roofing Project: 100 Grove Street Bridgeton, NJ**



Proposal Prepared By:  
Bill Prendergast  
Jottan Roofing, Inc.  
1-800-364-4234  
E-Mail Address – [bill@jottan.com](mailto:bill@jottan.com)



July 20, 2010

Mr. Stephen Blau  
Director of Corporate Services  
NAI Mertz  
21 Roland Avenue  
Mt. Laurel, NJ 08054

**RE: Company and Service Introduction**

Dear Mr. Blau:

Thank you for your interest in Jottan Roofing and the opportunity to offer our proposal on the 100 Grove Street Bridgeton, NJ roofing project. I have enclosed for your review a brief summary of the roofing services provided by Jottan Roofing.

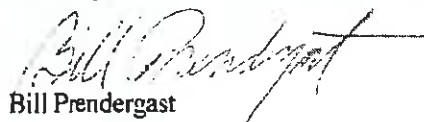
Jottan Roofing is an award winning commercial roofing company with expertise in the installation and maintenance of all major roofing systems used in commercial, industrial and institutional roofing applications. We have carefully selected for our installations, roofing system manufacturers whose products have a proven record of accomplishment and will offer our clients long-term solutions to their roofing needs. We take customer service seriously, standing 100% behind our work, offering "no-nonsense" post project service. We have been named both a Firestone Building Products Master and GAF Master Select contractor. Jottan Roofing is committed to safety is fully insured and a member of the **National Roofing Contractors Association, North East Roofing Contractor Association, Roof Consultants Institute, and Associated Builders and Contractors.**

For existing facilities, we offer comprehensive on-site inspection and roof survey to verify present conditions and provide a customized roof maintenance/replacement program to satisfy each client need. For new construction, we install quality systems that provide long-term trouble free performance.

Our reference list includes names such as Meadowlands Hospital, ACME Cryogenics, Spitz, Inc., White Wave Foods, R.R. Donnelly, CONSARC, Johnson & Johnson, K-Mart, RREEF, Rumsey Electric and Estee Lauder. We have performed work on a wide range of building types including shopping centers, schools, churches, and especially commercial and industrial buildings.

Thank you for this opportunity to introduce Jottan Roofing, please do not hesitate to contact me at (609) 447 - 6200. I remain available to discuss any matter.

Sincerely,

  
Bill Prendergast  
Sales Representative

**NAI Mertz**  
Mt. Laurel, N.J.

**100 Grove St.**  
**Bridgeton, N.J.**

## **EXISTING CONDITION REPORT:**

### **Roof System Composition:**

The roof area surveyed at 100 Grove St. consists of the following: Steel deck, poly vapor barrier, 1.5" perlite/fiber board composite insulation, modified bitumen roof, ½" fiberboard cover board, mechanically attached EPDM rubber roofing system.

**Age of Existing Roof System: Approx. 20 years.**

**Original Term of warranty for Existing Roof System: Unknown.**

### **ROOF SYSTEM:**

- Number of existing roofing systems: **Two.**
- Number of existing roofing systems allowed by local building code: **Two.**
- Existing/weathering roof system type: **.045 EPDM**

### **INSULATION:**

- Existing insulation type: **1.5" perlite/fiberboard insulation (R= 4.17) & ½" fiberboard (R- 1.39 ) Total R= 5.56.**

### **CORE SAMPLES:**

- Roof core condition: **Wet in roof core locations.**
- Is a total tear-off of the existing roofing system required? **Yes.**
- Is a partial tear-off of the existing roofing system required? **No. The entire roof should be removed to the steel deck.**

### **ROOF DECK:**

- Deck type: **Metal.**
- Deck condition: **Appears to be sound.**
- Is deck replacement anticipated: **Unknown until the roofs are removed.**
- Are fastener "pullout" tests or new roofing system adhesive "peel" tests required prior to the installation of the new roofing system? **Pull out test are not required but it is always a good idea to have the structural integrity of the roof deck tested and on file prior to the installation of a new roofing system.**

**NAI Mertz**

## **ROOF INSPECTION OBSERVATIONS:**

The roofing system at 100 Grove St. is showing signs of deterioration due primarily to the following rooftop conditions:

### **Roofing System Weathering Surface:**

- The existing roofing system is currently blowing off in a large area and should be replaced. The new system should be full adhered to the higher rate of mechanically attached insulation, as opposed to the existing mechanically attached rubber system with less fasteners. This system is recommended due to the high winds off the river.

### **Storm Water Removal:**

- Storm water is removed via interior roof drains & a gutter.
- The roof exhibits good slope to drain valley.
- Insufficient tapered insulation or structural crickets (gussets, saddles) allow for ponding water between drains in the drain line valley. New crickets should be installed with a standard width of 16"
- The gutter is located parallel to the roof's long axis. Some areas are damaged and most of the gutter is filled with leaves and debris. We recommend a new gutter/spout system and bi-annual maintenance.

### **Conclusion:**

Our survey of your existing building, roofing system and rooftop conditions lead to the following conclusions.

1. The roofing system at 100 Grove St. is beyond its intended design life and should be replaced.

**Design Recommendations:**

We recommend the following design criteria be incorporated into your new roofing system:

1. Choose an elastomeric membrane with excellent elongation properties to counter your buildings' movement.
2. Select a membrane that offers outstanding ozone/ultraviolet protection.
3. Select a white roofing membrane to help protect the new roofing system from severe thermal shock associated with dark colored roofing membranes. Roof system choice of white membrane may provide energy conservation "tax credits" in the near future. (This is already happening in some states)
4. System of choice should have the flexibility necessary to flash all typical and non-typical roof penetrations, projections and termination details.
5. New system design should include new perimeter metal detail as part of any roofing option. Choose only a "manufacturer's warranty" that will be applicable for the roofing system specified on your building. Manufacturer should have the financial where-with-all to back all warranties issued for the full term of the warranty.

**Note:** Jottan Roofing employees utilize years of commercial roofing expertise in the development of this detailed analysis of existing conditions. We reference our vast experience with various roof system design options when making our recommendations. Our goal is to select products that will not only fit project budget parameters but also provide the best long-term value for your roofing investment. We ask that the enclosed documents remain the confidential proposal of Jottan Roofing and in no way be used as bid documents for this project.

# Legend

- Control Joint**
- Roof Top Urrug
  - HVAC on Curo
  - Roof Hatch
  - HVAC on Sleepers
- Expansion Joint**
- Skylight
  - Unit on Curo
  - Unit on Sleepers
- Projections**
- Pumping Stack
  - Prep Pan
  - Hot Stack
  - Meru Sleeve Stack
- Drainage**
- Drain (Existing)
  - Drain (New)
  - Scupper
- Miscellaneous**
- Gas Line
  - Walkway
  - Power Walkway
  - Crackers
  - Roof Level Change
  - Core Test
- Problem Indicators**
- Bleed
  - Ponding
  - XXXXXX Raising Problem
  - Raging
  - Bare Spot
  - Photo Indicator

\*Note - J indicates an unused run

**Jottan Roofing**  
61 Cathy Lane, Florence, N.J.

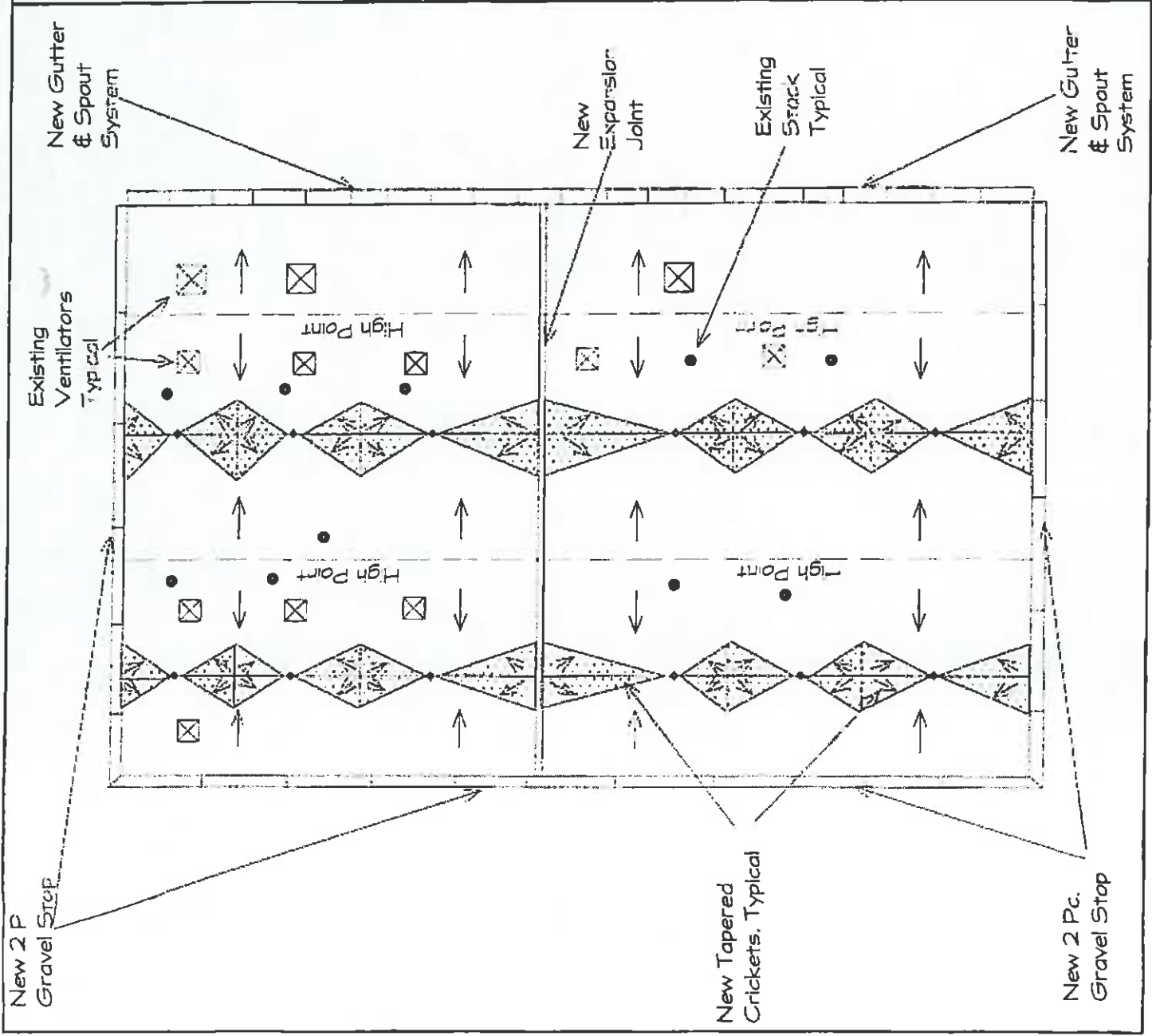
**Project**  
100 Grove St. Roofing Project

**Customer**  
NAI Mertz Commercial Real Estate

**DWG. By**  
WTP

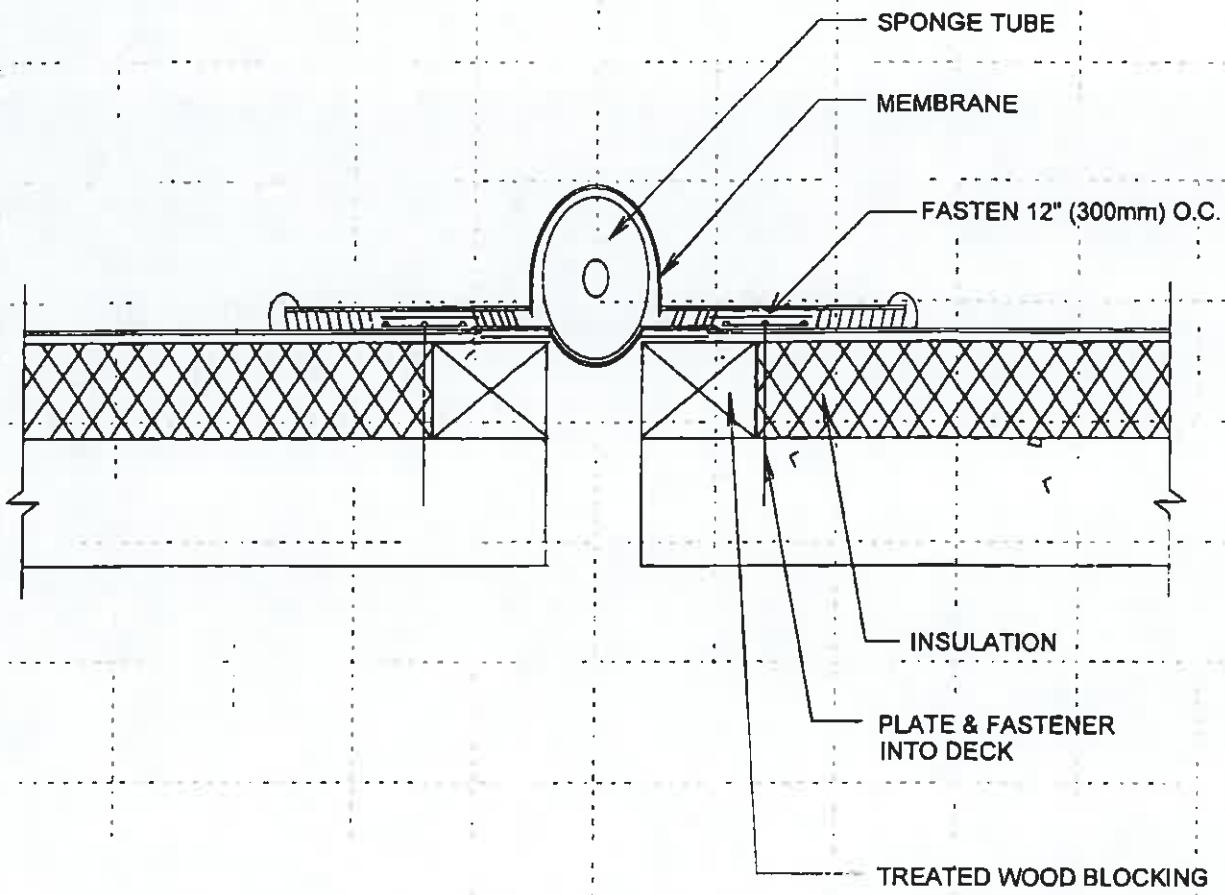
**Date**  
July 20, 2010

**Scale**  
N.T.S.



Engineering and Drafting of Jottan Roofing, Inc.  
100 Grove St. Florence, NJ 07038





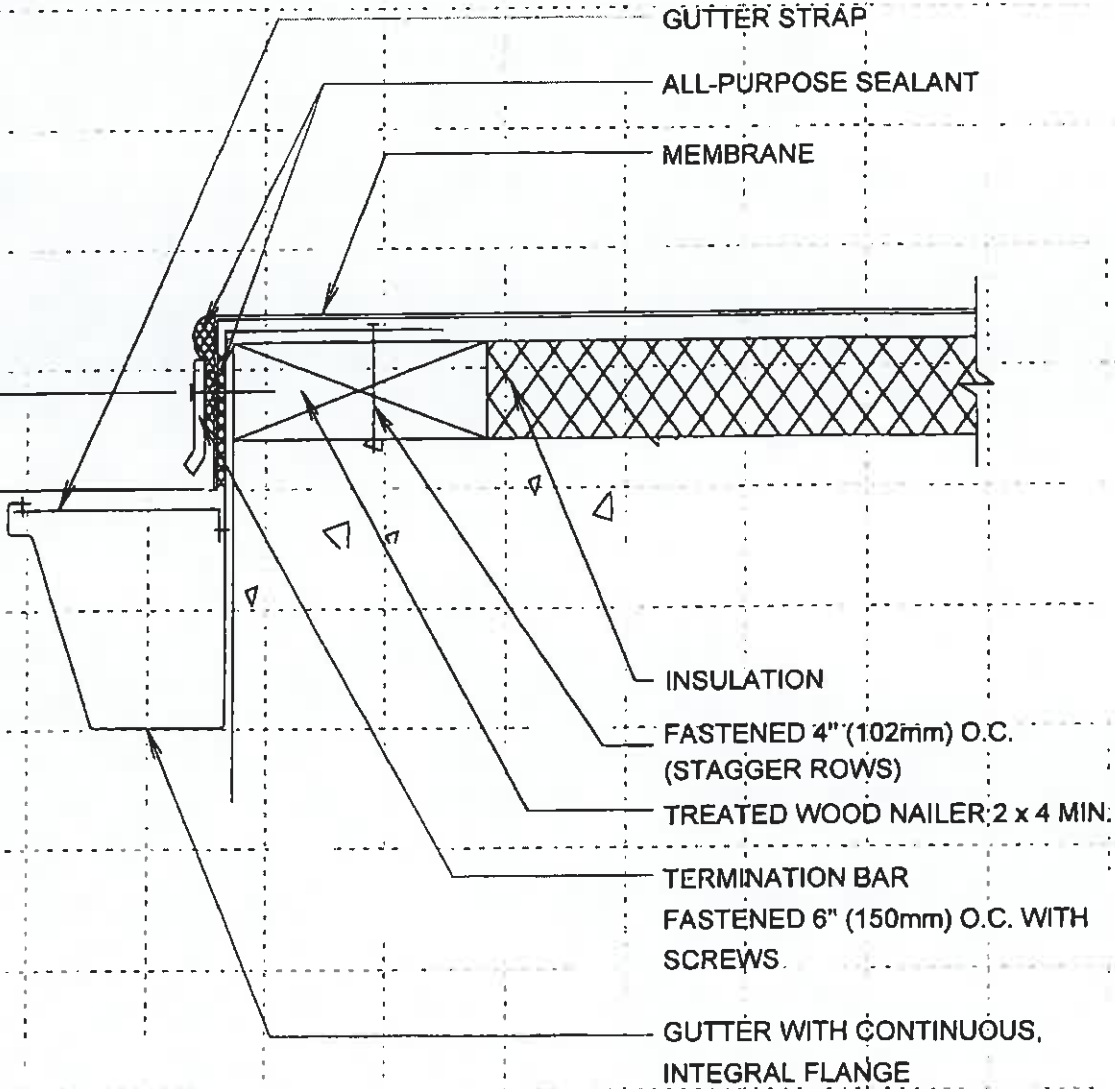
Jottan Inc.

Tel. (800) 364-4234 Fax (809) 447-6206

Expansion Joint  
(Flat)

This drawing is the property of Jottan Inc. and may not be reproduced without consent.

1-1/2" (38mm) MIN



Jottan Inc.

Tel (800) 364-4234 Fax (609) 447-6206

FLANGED GUTTER  
WITH TERMINATION  
BAR DETAIL

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UNSUPPORTED MEMBRANE

MEMBRANE

INSULATION

FASTEN 6" (150mm) O.C.  
(MIN. 4 FASTENERS)

CONTINUOUS FORM  
20 GAUGE (0.90mm) MIN.

RAIN HOOD

ALL-PURPOSE SEALANT

STAINLESS STEEL  
CLAMP

BONDING ADHESIVE

HOT-AIR WELD  
1" (25mm) MIN.

1" (25mm) MIN

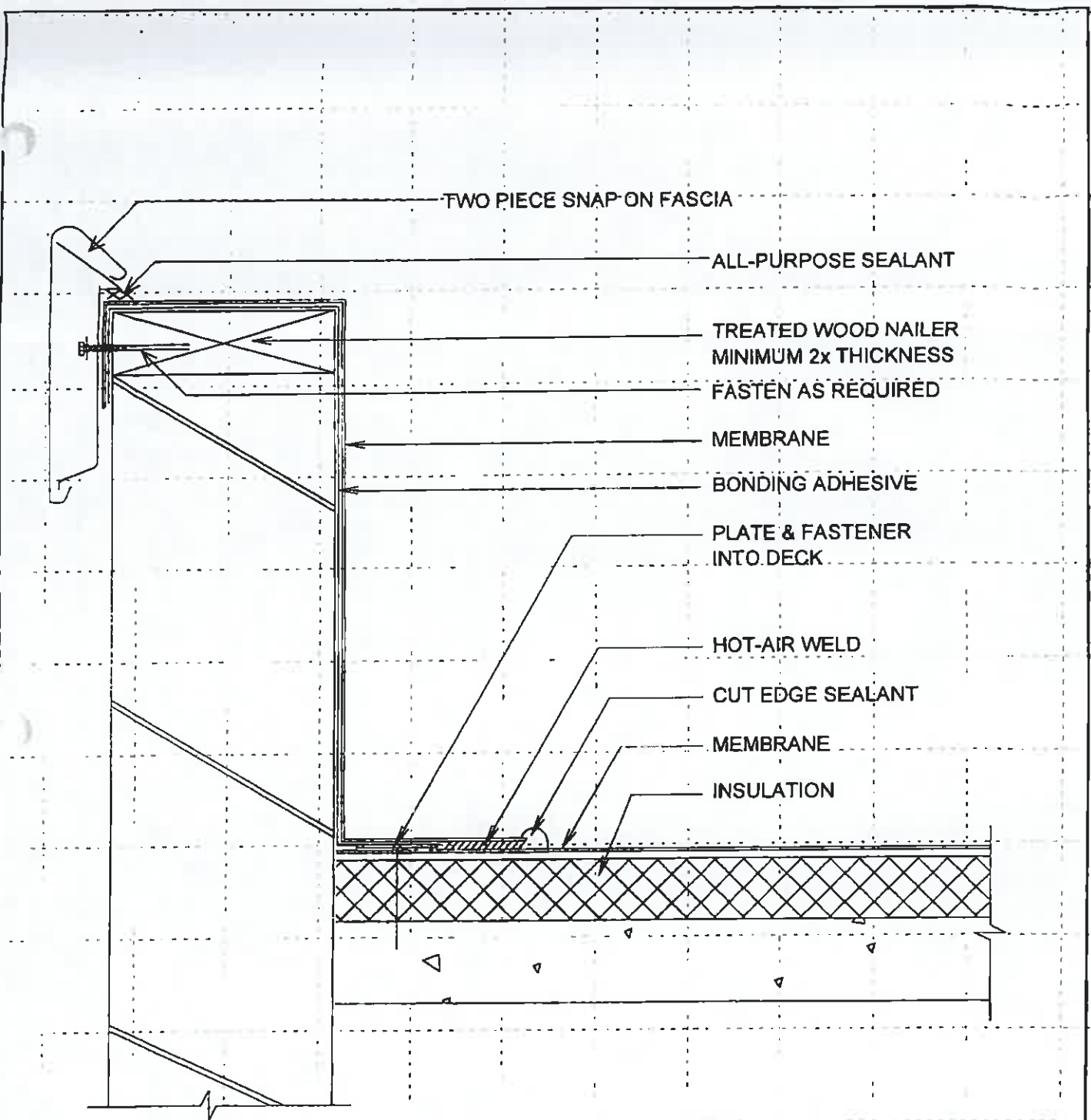
3" (75mm) MIN.

Jottan Inc.

☎ (800) 364-4234 ☎ (800) 467-8006

Heated Vent Stack

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TWO PIECE SNAP-ON FASCIA

ALL-PURPOSE SEALANT

TREATED WOOD NAILER  
MINIMUM 2x THICKNESS

FASTEN AS REQUIRED

MEMBRANE

BONDING ADHESIVE

PLATE & FASTENER  
INTO DECK

HOT-AIR WELD

CUT EDGE SEALANT

MEMBRANE

INSULATION

**Jottan Inc.**  
 Tel: (800) 368-1194 Fax: (303) 427-6206

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**PARAPET FASCIA  
DETAIL**

The drawing is the property of Jottan Inc.  
 and may not be reproduced without consent.

July 20, 2010

**NAI Mertz**  
Mt. Laurel, N.J.

**100 Grove St.**  
Bridgeton, N.J.

Scope of Work

**Pre-job Conference:**

- Conduct pre-job safety briefing to review project specific safety issues, dumpster locations and points of access for roofing project. Meet with building owner and/or building occupants to review roofing project impact on normal building operations and to help manage internal expectations.

**Pull-Out Standard Substrates:**

- Before the installation of the new roofing system, the roofing systems fastener manufacturer must perform fastener pullout test on existing substrate. This test is to measure the substrates structural integrity and ability to hold a mechanical fastener. This proposal is based on the roof system being attached to the existing substrate. If, the fastener pullout tests reveal that the substrate does not have the structural integrity to hold a mechanical fastener per manufacturer minimum requirements, additional fasteners may need to be added or the system may need to be installed using approved adhesive. These alternate application methods will result in an increased installed cost.

**Pre-job and Safety Requirements:**

- Set-up safety flags at staging locations to protect building occupants from entering work area.
- Follow all OSHA safety requirements required by law.
- Cutting, patching or otherwise handling of hazardous materials is not within this scope of work unless specifically noted.
- A designated competent person must be on the job at all times who is trained in OSHA safety standards.

- MSDS sheets shall be submitted to Owner.

#### **Roofing Contractor Requirements:**

- Contractor insurance coverage shall include a minimum of \$5,000,000.00 umbrella liability coverage.
- Roofing Contractor shall have a minimum of five (5) years experience under the same corporation.
- All contractors bidding should be Master Contractor Manufacturers Approved Contractor so as to obtain required total system warranty.
- Upon request a detailed submittal package shall be submitted to Owner listing all materials, applications, warranties, etc. complying with this Scope of Work.

#### **Preparation:**

- Load roofing materials to roof area and cover to protect from the elements. Ensure that membrane, insulation, accessories and equipment are spread out to evenly disperse the additional weight load. (Materials to remain covered until used.)
- Remove roof membrane, insulation and flashings down to a solid substrate and dispose of. Approximately 84,406 s.f. **Note: Inspect steel decking for rotted or damaged deck, and replace where required @ our unit cost rate of \$7.50 per s.f.**
- Removed roofing materials and insulation to be disposed of in a dumpster provided by a licensed disposal contractor sub-contracted by Jottan, Inc. **NOTE: OSHA guidelines mandate the use of an enclosed chute on buildings with a "roof to ground" height of 20' or greater.**
- While every attempt will be made to minimize the disruption of daily internal building functions, this is a major construction project and you should anticipate the potential for noise, fumes, dust and debris as part of the normal roofing process. This scope of work **does not** include internal protection of building and contents during the roofing project.
- The existing gutters & downspouts are to be removed.



- Replace 1 shanty cap on 1 stack and 1- 3'x3' & 2- 4'x 4' hoods on ventilators. **Note: If ventilators are obsolete, they will then be removed, and new steel decking will be installed for an additional cost.**
- 
- Openings smaller than two (2) feet square shall have metal plate placed over the opening. Openings larger than two (2) feet square shall have decking of the same configuration placed in the opening. All work shall be mechanically fastened to the surrounding area. Openings larger than 2' shall have a steel frame installed to accommodate new metal decking. Metal decking shall be installed flush with the existing substrate.

#### Carpentry:

- Re-use existing wood nailers. If ~~existing~~ existing wood nailers are rotted or missing, replace with new wood nailers @ ~~our~~ unitour unit cost rate of \$7.50 per b.f.

#### Insulation:

- Over prepared substrate apply one (1) layer of 1.5" polyisocyanurate insulation. Insulation to be affixed to the deck with manufacturer's approved fasteners at the fastening rates below. **Note: High Wind Area Off River!**
  - Field: Insulation to be affixed with manufacturers approved fasteners & plates at fastening rate of (12) twelve fasteners per 4'x 8' sheet.;
  - Perimeter: Roof perimeter shall be affixed with manufacturers approved fasteners & plates at fastening rate of one (1) per two (2) s.f.
  - Corners: Roof system corners shall be affixed with manufacturers approved fasteners at fastening rate of one (1) per one (1) s.f.

#### Fully Adhered White TPO:

- Place the .045 TPO (Thermoplastic Poly-Olefin) membrane over the substrate without stretching and allow to relax. Approx. 84, 406 s.f.
- Fold the sheet back evenly upon itself.
- Apply bonding adhesive to membrane and substrate, approximately 50-60 square feet per gallon.
- Allow bonding adhesive to flash off until tacky.
- Roll the membrane over the substrate. Brush with a stiff broom.

- Repeat this process to complete the bonding of the sheet and subsequent sheets.

#### **Membrane Lap Welding:**

- All field seams on the horizontal surface should be completed using a robotic hot air welder.
- All membrane overlaps shall receive a 1½"-2" hot air welded seam using a robotic hot air welder per manufacturer's specifications.
- Position the sheet by overlapping membrane five (5) inches.
- Using a clean white cotton rag dampened with splice wash, thoroughly clean an area on both sheets at least five (5) inches if seam is contaminated.
- Probe all seams daily to eliminate voids, identify false/cold welds and to verify seam integrity. Repair immediately any and all seam voids and false/cold welds.
- T-joint patches must be installed at all intersections of field seams.
- All cut edges with scrim exposed must be sealed with manufacturers cut edge sealant.

#### **New Tapered Crickets Between Roof Drains:**

- Install new ½" per ft. tapered insulation crickets between roof drains where shown on Jottan roof plan. **Note: 16' wide!**

#### **Penetration Flashings:**

- General
  - A. Remove all existing flashings (i.e. lead, asphalt, mastic, etc.)
  - B. Flash all penetrations passing through the membrane.
  - C. The flashing seal must be made directly to the penetration.
- Pipes, Round Supports, etc.
  - A. Flash with Pre-Molded TPO Pipe Flashing where practical.
  - B. Flash using unsupported membrane when Pre-Molded TPO Pipe Flashing is not practical.

- A. Fabricate penetration pockets to allow a minimum clearance of 1" between the penetration and all sides.
  - B. Secure penetration pockets per Manufacturer's details. Fill penetration pockets with Pourable Sealer, so as to shed water.
  - C. Pourable Sealer shall be a minimum of 2" deep.
- Hot Pipes
    - A. Protect the rubber components from direct contact with steam or heat sources when the in-service temperature is in excess of 180 degrees. In all such cases flash to an intermediate insulate "cool" sleeve per Manufacturer's details.
- Roof Drains
    - A. Remove all existing flashings, drain leads, roofing materials and cement from the existing drain in preparation for membrane and Water Block Seal. Plumbing connections to be performed by others if required.
    - B. Provide a clean even finish on the mating surfaces between the clamping ring and the drain bowl.
    - C. Tapered edge strip around the drain to provide a smooth transition from the roof surface to the drain. Use pre-manufactured tapered insulation with facer or suitable bonding surface to achieve slope. Slopes shall not exceed Manufacturer's recommendations.
    - D. Position the TPO membrane, then cut a hole for the roof drain to allow ½"-3/4" of membrane extending inside the clamping ring past the drain bolts.
    - E. Make round holes in the TPO membrane to align with clamping bolts. Do not cut the membrane back to the bolt holes.
    - F. Place Water Block Seal on top of drain bowl where the clamping ring seats below the membrane.
    - G. Install the roof drain clamping ring and clamping bolt. Tighten the clamping bolts to achieve constant compression.
  - Replace existing damaged drains with new professional cast iron roof drains at an additional cost of \$1,000.00 each. (Note: Price does not include internal plumbing connections.)

**Base Wall Flashings:**

- Install reinforced perimeter fastening strip (RPF) at all rising walls and square projections or mechanically attach field sheet at the base. Fasteners shall be 12 inches on center.
- Apply manufacturer's adhesive primer to the surface of the TPO membrane in the area to be mated/joined with the RPF strip.

- Fully adhere TPO to all rising walls and square projections.
- The top of the flashings shall be mechanically fastened with a termination bar or nailed to a wood nailer fastened 12" on center and caulked with an elastomeric caulk.
- Install 24 ga. galvalume slip flashing over the termination bar where counter flashing does not exist.

#### **Expansion Joints:**

- At existing roof to roof expansion joints install foam core backer rod.
- Overlay backer rod with standard TPO membrane and seam to new field sheet TPO membrane.
- All membrane overlaps shall receive a 1½"-2" hot air welded seam using a robotic hot air welder per manufacturer's specifications.
- Position the sheet by overlapping membrane five (5) inches.
- Using a clean white cotton rag dampened with splice wash, thoroughly clean an area on both sheets at least five (5) inches if seam is contaminated.
- Seam width requirements must be a minimum of one and one half to two inch (1½" – 2") inches wide using a robotic hot air robotic welder.

#### **Two - Piece Snap on Fascia:**

- Extend the field membrane over the existing perimeter wood nailers @ all roof edges. The membrane shall extend a minimum of one (1) inch past the outside face of the wood nailer.
- Install new continuous edge bracket except @ gutter location.
- The edge bracket shall be set in a continuous bead of sealant and fastened 12 inches on center into existing wood nailer.

- A new snap on fascia of 24-gauge galvalume, shall be installed over the edge bracket. The snap on fascia shall have hidden splice plates. Fascia shall have a 6.5" face maximum.
- The snap on fascia shall have a standard factory applied paint finish with a minimum 20-year finish warranty. Color to be selected by the Owner from standard color chart.
- The fascia edge shall not be lapped.
- Seal splice plates with high performance sealant.

**Flanged Gutter with Termination Bar:**

- Demo and dispose of the existing gutter and spout system.
- Install a new 24-gauge galvalume 7"x 7" flanged gutter @ the existing location.
- The gutter shall have a standard factory applied paint finish with a minimum 20-year finish warranty. Color to be selected by the Owner from standard color chart.
- The gutter shall have interior splice plates. The gutter shall not be lapped.
- Seal all splice plates with high performance sealant.
- Fasten the gutter flange with nails three (3) inches on center.
- Fully adhere field membrane into new gutter and apply bead of all purpose sealant to cut end of membrane.
- Mechanically attach termination bar through a bead of all purpose sealant on inside of gutter into new pressure treated wood nailers.
- Termination bar to fastened 6" O.C. with manufacturers recommended fasteners.
- Apply all purpose sealant to top lip of termination bar.

#### Downspouts:

- Install new 24-gauge galvalume 4" x 5" downspouts @ approx. 30' o.c. with new elbows @ the bottom.
- The downspouts shall have a standard factory applied paint finish with a minimum 20-year finish warranty. Color to be selected by the Owner from standard color chart.
- Downspouts shall be attached to the wall with 24 ga. galvalume straps at six 6' o.c.

#### Walkway Rolls:

- Install and adhere walkway rolls (3' x 50') in areas identified by client at a cost of \$875.00 each.

#### Clean-up:

- Daily clean up of the site is required.
- All walks and driveway areas to be broom clean.
- All lawn and garden areas to be raked clean.

#### Warranty:

- A 15-year NDL (No Dollar Limit) Manufacturer's warranty shall be submitted to Owner upon completion and payment in full.

#### Alternates:

**Alternate #1:** Substitute a 20 year warranty for the base bid 15 year warranty.

**Alternate #2:** Substitute an .060 TPO Membrane for the base bid .045 TPO Membrane.

**Alternate #3:** Substitute 2.5" polyisocyanurate insulation (R= 15.3) for the base bid 1.5" polyisocyanurate insulation (R= 9). **Note: Field insulation fastening rate will change with additional insulation. Minimum R=15 insulation is a requirement of some local building codes.**



**Proposal Qualifications:**

- Permits shall be obtained and paid for by others. Local taxes, business privilege taxes & fees are excluded. If required shall be paid for by others.
- All disconnects and reconnects to be done by others including but not limited to mechanical, electrical, satellite dish, cell phone tower, microwave dish and HVAC.
- Jottan, Inc. is not responsible for conduits penetrated/punctured during new roofing system installation.
- Cutting, patching or otherwise handling of hazardous materials is not within this scope of work unless specifically noted.
- Plumbing connections if required to be by others.
- FM (Factory Mutual) is excluded.
- All work by other trades and owner must be completed prior to Jottan, Inc. commencing its work to allow for the continuous operation of Jottan Inc.'s scope of work. Any unscheduled delays or mobilizations will be at an additional cost.

**Note:** Jottan Roofing employees utilize years of commercial roofing expertise in the development of this detailed analysis of existing conditions. We reference our vast experience with various roof system design options when making our recommendations. Our goal is to select products that will not only fit project budget parameters but also provide the best long-term value for your roofing investment. We ask that the enclosed documents remain the confidential proposal of Jottan Roofing and in no way be used as bid documents for this project.



# Proposal

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To: Mr. Stephen Blau	Date: July 20, 2010
NAI Mertz Commercial Real Estate	Project: 100 Grove St. Roofing Project
21 Roland Ave.	100 Grove St.
Mt. Laurel, N.J. 08054	Bridgeton, N.J.

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Base Bid price below includes all labor, material, equipment, supervision, safety and insurance as per Jottan's Scope of Work document (9 pages) dated July 20, 2010:

**Alternate #1:** Substitute a 20 year warranty for the base bid 15 year warranty. Price- \$408,378.00

**Alternate #2:** Substitute .060 TPO membrane for the base bid .045 TPO membrane. Price- \$415,893.00

**Alternate #3:** Substitute 2.5" polyisocyanurate insulation (R=15.3) for the base bid 1.5" insulation- (R=6). Price- \$442,849.00

**\*Please Initial Accepted Alternates; upon acceptance of any alternates an updated scope of work will be provided as part of formal contract execution.**

#### Project Qualifications:

- Permits shall be obtained and paid for by others. Local taxes & fees are excluded. If required shall be paid for by others.
- All disconnects & reconnects to be done by others including but not limited to mechanical, electrical, satellite dish, cell phone tower, microwave dish and HVAC.
- Jottan, Inc. is not responsible for conduits penetrated/punctured during new roofing system installation.
- Cutting, patching or otherwise handling of hazardous materials is not within this scope of work unless specifically noted.
- All work by other trades and Owner must be completed prior to Jottan, Inc. commencing its work to allow for the continuous operation of Jottan, Inc.'s scope of work. Any unscheduled delays or mobilizations will be at an additional cost.

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**Base Bid: \$403,339.00**

This Proposal includes the terms and conditions on Page 2 and will be void unless Jottan receives a signed copy with initialed terms and conditions page within thirty (30) days of the date first set forth above.

Proposal To: \_\_\_\_\_ Jottan, Inc.

Accepted by: \_\_\_\_\_ (Signature) By: \_\_\_\_\_

Print Name/Title: \_\_\_\_\_ Bill Prendergast  
Jottan Roofing

Date: \_\_\_\_\_

## Terms and Conditions

**General:** When accepted this Proposal, together with any documents referenced on Page 1, shall form the complete contract (hereinafter the "Contract") between the party to whom this Proposal is directed (hereinafter "Owner") and Jottan, Inc. (hereinafter "Jottan") concerning the Project indentified on Page 1, and shall supersede and replace any and all prior negotiations, agreements and understandings with respect to the Project, whether written or oral. This Contract may only be amended by a subsequent written document signed by both parties.

1. **Guarantee:** The type of guarantee and extent of coverage shall be as stated in the Contract, and in the event the manufacturer/supplier of any material installed by Jottan provides a written guarantee or warranty for such material, in accordance with any such written guarantee/warranty. Jottan guarantees its workmanship and materials for a period of thirty (30) days following Jottan's completion of work, with its liability being expressly limited to any necessary repair of the work performed and/or materials installed by Jottan and excluding any resulting or consequential damage to the Project building or its contents.

2. **Insurance:** Jottan agrees to maintain required workers compensation insurance and commercial general liability insurance covering the owner against claims arising out of Jottan's negligence as provided in the applicable policy. Jottan will provide a certificate of insurance showing its insurance coverage upon request. The Owner agrees to have and maintain sufficient property insurance to protect Jottan against loss of materials installed or at the Project site due to fire, theft, windstorm, hail or floods.

3. **Trash Removal:** Jottan shall clean up and haul away from the project site all trash and debris resulting from the work under Contract.

4. **Project Structural Integrity:** The Owner is responsible for determining the effect, if any, of the new roofing work on the structural integrity of the building. Jottan, at the Owner's written direction, will remove and replace any defective substrate which is disclosed as the work progresses on a time-and-material basis as an extra to this contract.

5. **Limitations:** Repair of any preexisting interior or exterior damage is not part of this contract unless specifically stated in the Contract as being included in Jottan's scope of work. Jottan shall not be liable for any water damage (consequential or otherwise) that may occur prior to completion of work and issuance of warranty.

6. Contractor is not responsible for indoor air quality including growth of mold or other organisms. The Owner shall hold harmless and indemnify the contractor from all claims, including claims of tenants and occupants, arising from indoor air quality for any reason whatsoever, including claims resulting from a failure by the Owner to maintain the interior and exterior of the building in a manner to avoid growth of mold.

7. **Facilities:** Owner agrees to provide Jottan without charge proper working space, sufficient storage for all materials and reasonable use of such facilities as elevators, toilets, parking, electricity and water. The Owner further agrees to permit Jottan use of driveways and paved areas at or adjacent to the Project for equipment and material storage without liability to Jottan occasioned by such use.

8. **Force Majeure:** Jottan shall not be responsible for damage or delay due to strikes, fires, accidents or other causes beyond its reasonable control.

9. **Additional Charges:** Additions or deviations from the scope of work set forth in the Contract, repair of damage to Jottan's work by others and any labor required to be done other than during regular working hours shall be considered an addition to the Contract price and charged on a time-and-material basis. Jottan will not accept any set-offs or back charges unless submitted with a previously signed authorization from Jottan.

10. **Terms of Payment:** Payment due as follows: 60% of contract upon delivery of material; 30% at 70% completion; 10% at final completion. Final payment must be received prior to the issuance of any required warranties or guarantees. If payments are not made when due, interest, costs incidental to collection and attorney's fees (if any attorney is retained for collection) shall be added to the unpaid balance. Interest shall accrue at the rate of 2% per month (24% per annum) on the unpaid balance. Jottan reserves the right to stop work due to any delays in payment and failure to pay in accordance with above shall be cause for terminating the Contract.

**Initialed on Behalf of (Company Name gets filled in here) \_\_\_\_\_**

**Date \_\_\_\_\_**

QUALIFICATIONS OF LEE L. ROMM, M.A.I., S.R.A., A.S.A.

APPRAISAL EXPERIENCE

Present and prior experience includes intensive and varied appraisal and counseling assignments covering all types of real property, machinery and equipment, and intangibles throughout the Metropolitan Philadelphia area and other geographical areas in the United States as follows:

Previously associated with Jackson-Cross Company from February 1971 to January 1973, as Senior Appraiser.

Employed by the First Pennsylvania Banking and Trust Company from December 1965 to January 1971, as Mortgage Loan Appraiser specializing in income producing properties. Duties included the appraisal of both existing and proposed real estate, preliminary negotiation with borrower relative to mortgage terms, presentation of cases to bank's Mortgage Committee and submission of cases to various institutional investors. Property types included hi-rise and garden apartments, retail stores, shopping centers, office and professional buildings, varied industrial properties and vacant land.

Employed by the Manufacturer's Appraisal Company, Philadelphia from January 1964 to December 1965, as staff appraiser specializing in commercial and industrial property. Duties included appraisals of many types of commercial and industrial property, machinery and equipment, and intangibles for functions of transfer, financing, taxes, insurance and condemnation proceedings. These assignments covered the Eastern, Southern and Midwestern sections of the United States.

PROFESSIONAL AFFILIATIONS

Member - Appraisal Institute (M.A.I.), #4819  
Senior Member - American Society of Appraisers (A.S.A.)  
Residential Member - Appraisal Institute (S.R.A.)  
Pennsylvania Real Estate Broker's License #023806  
Licensed & Certified - State of New Jersey - Certificate #RG 00271  
Licensed & Certified - Commonwealth of Pennsylvania -  
Certificate #GA 000835-L

EDUCATIONAL BACKGROUND

Temple University - September 1956 - August 1958  
September 1963 - January 1964  
Appraisal I, AIREA-Philadelphia Board of Realtors, 1966-67  
Appraisal II, AIREA-Philadelphia Board of Realtors, 1967-68  
Appraisal VI, AIREA-Lake Shore Laboratory, Chicago, 1971  
Various Real Estate Appraisal Seminars attended, 1971-Present  
Northwestern University - School of Mortgage Banking, Graduate, 1968-70  
Real Estate Law, Real Estate Theory, Real Estate Practice, Liens and Estate  
and Mortgage Financing, Philadelphia Board of Realtors, 1968-69

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**LEE L. ROMM, INC.**

*Real Estate Appraiser and Consultant*

Instructor - Appraisal II, Manor College, Jenkintown, PA - 1973, under the  
auspices of the American Society of Appraisers

Expert Witness: Atlantic County Superior Court  
Atlantic County Board of Taxation  
Burlington County Superior Court  
Burlington County Board of Taxation  
Camden County Superior Court  
Camden County Board of Taxation  
Cape May County Superior Court  
Cape May County Board of Taxation  
Cherry Hill Township Zoning Board  
Gloucester County Board of Taxation  
Hunterdon County Board of Assessment  
Middlesex County Board of Assessment  
New Jersey Tax Court

Member - Cherry Hill Township Tax Equalization Review Commission, 1974

Various lectures and speeches on appraisal topics at seminars, meetings, etc.,  
1971 - Present (continuing education)

PARTIAL LIST OF CLIENTS (Alphabetical Order)

ABC Companies  
Aids Coalition of Southern New Jersey  
AMC Inc.  
American Red Cross  
Archer & Greiner  
AtlantiCare  
Aurora Financial Group, Inc.  
Avalon Carpet & Tile  
Ballard, Spahr, Andrews & Ingersoll, LLP  
Bankers Trust Company  
Bank of America  
Bank of Gloucester County (The Bank)  
Bank of Mid-Jersey  
B.F. Goodrich  
Board of Chosen Freeholders, Burlington County  
Board of Chosen Freeholders, Camden County  
Board of Education, Cherry Hill Township  
Board of Education, Moorestown Township  
Borough of Avalon  
Borough of Laurel Springs  
Bradley Corporation  
Camden County College  
Camden County Improvement Authority  
Camden County Parking Authority  
Camden Redevelopment Agency  
Campbell Soup Company  
Charles Matison, Esquire  
Cherry Hill Board of Education

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**LEE L. ROMM, INC.**

*Real Estate Appraiser and Consultant*

PARTIAL LIST OF CLIENTS, continued

Citibank, N.A.  
City of Camden  
City of Northfield  
City of North Wildwood  
City of Sea Isle City  
City of Wildwood  
City of Wildwood Crest  
CLT Appraisal Services  
Cooper Levenson  
Cornell & Company  
Cornerstone Bank  
County of Cape May  
Dilworth, Paxson, Kalish & Kauffman  
Drinker, Biddle & Reath  
Duane, Morris & Heckscher  
Eastman-Kodak Company  
Equity Savings & Loan Association  
Federal Deposit Insurance Corporation  
Federal Home Loan Mortgage Corporation  
First American Savings  
First Trust Savings Bank  
Ford Motor Company  
General Electric Credit Corporation  
Gerstein Grayson, LLP  
Glenn Insurance  
Gulf Oil Company - U.S.  
Hallmark Cards  
Hudson United Bank  
Institutional Investors Trust  
Internal Revenue Service  
International Rollforms  
Interstate Net Bank  
Jefferson Bank  
Jirair S. Hovnanian & Sons  
Kraft, Inc.  
Markeim-Chalmers Appraisals, Inc.  
Mellon Bank  
Minotola National Bank  
Mobil Oil Corporation  
Morey Development Company  
Mutual Life Insurance Company  
New Jersey American Water Company  
New Jersey Department of Transportation  
New Jersey Turnpike Authority  
Niagara Pools  
Northfield Board of Education  
Nurse Care Health Center, Inc.

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**LEE L. ROMM, INC.**

*Real Estate Appraiser and Consultant*



PARTIAL LIST OF CLIENTS, continued

Parke Bank  
Parker McCay & Criscuolo P.A.  
Peninsula United Methodist Homes & Hospitals  
PNC Bank  
Progress Bank  
Provident National Bank  
Prudential Fox & Roach  
Prudential Savings Bank  
Redevelopment Authority of Philadelphia  
Renewal Willingboro  
Resolution Trust Corporation  
Rite Aid Corporation  
Rohm & Haas  
Sun National Bank  
Sun Oil Company  
TD Bank  
Title Company of New Jersey  
Town of Hammonton  
Township of Cherry Hill  
Township of Chesterfield  
Township of Cinnaminson  
Township of Delanco  
Township of Delran  
Township of Evesham  
Township of Gloucester  
Township of Mansfield  
Township of Medford  
Township of Moorestown  
Township of Mount Holly  
Township of Pennsauken  
Township of Southampton  
Township of Voorhees  
Township of Washington  
Union National Bank  
United Medical Corporation  
United Savings & Loan Association  
United States Department of Justice  
United States Postal Service  
United Way of Camden County  
University of Medicine & Dentistry of New Jersey  
U.S. Trust Company  
Vital Appraisal Systems  
Wachovia Corporation  
Wawa Inc.  
Weyerhaeuser Company  
Wilmington Savings Fund Society

LEE L. ROMM, INC.  
*Real Estate Appraiser and Consultant*

PAVILIONS AT GREENTREE, SUITE 207  
12000 LINCOLN DRIVE WEST  
MARLTON, NEW JERSEY 08053  
PHONE: (856) 983-5500  
FAX: (856) 983-9523  
email: [chippyamy@verizon.net](mailto:chippyamy@verizon.net)

P.O. BOX 536  
OCEAN CITY, NEW JERSEY 08226  
(609) 390-8444

May 14, 2010

Stephen F. Blau  
Director of Corporate Services  
NAI Mertz  
21 Roland Avenue  
Mt. Laurel, NJ 08054

RE: Industrial Building  
Block 146, Lot 1  
100 Grove Street  
City of Bridgeton  
Cumberland County, New Jersey

Dear Mr. Blau:

We appreciate your interest in our real estate valuation and counseling services. We would be pleased to prepare an appraisal report covering the above captioned property for the purpose of providing an opinion of their market value. The appraisal will be narrative in format and will include, inter alia, a description of the property and its immediate environs, zoning, highest and best use, as well as an application of generally acceptable valuation methodologies. The property will be personally inspected and the report will be prepared by the undersigned.

It will require approximately 30-45± days to complete the appraisal report after we receive authorization to proceed together with the receipt of necessary exhibits. Our fee for this assignment will be \$3,950. We will also need a retainer of \$1,975 at this time. The balance will be due when the report is completed. Additionally, deposition and/or court appearance(s) will be billed at our current per diem of \$1,450. Pre-trial conference(s) and/or telephonic communication, etc., will be billed at \$275 per hour or fraction thereof.

The appraisal shall be prepared for you and is for the sole and exclusive use of ~~Stephen F. Blau, Director of Corporate Services~~. We request that you seek our written authorization before releasing the report to any other party. The report will contain our Standard Assumptions, Limiting Conditions, and Contingencies, a copy of which is attached hereto and made a part of this letter agreement. Any use of the report contrary thereto is prohibited.

LEE L. ROMM, MAI SRA, ASA



MAI MERTZ CORPORATION, RECEIVER  
EXCEPT  
THOSE  
DIRECTLY  
INVOLVED  
IN THE  
COURT  
PROCEEDINGS

Stephen F. Blau  
May 14, 2010  
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We will provide three copies of the report, however, additional copies are available at an additional cost.

If this proposal is acceptable to you, please authorize us to proceed by signing in the space provided below where indicated and **initialing the attachments**. Please return one copy to us and retain the other for your files.

We will need the following items in order to complete the reports:

1. Complete interior and exterior access to perform an inspection
2. Access to roof.
3. Copy of the most recent survey.
4. Check for retainer in the amount of \$1,975

Thank you for considering us for this assignment and we look forward to working with you. Attached for your review are our professional qualifications.


Very truly yours,

LEE L. ROMM, INC.



Lee L. Romm, MAI, SRA, ASA  
President

LLR/ms  
Enclosures

AUTHORIZATION:   
DATE: 6.24.2010

LEE L. ROMM, INC.  
*Real Estate Appraiser and Consultant*