

Ana J. Murteira  
Assistant Counsel – Property

Law Department – RTO Strategy  
PSEG Services Corporation  
80 Park Plaza – T5  
Newark, NJ 07102-4194  
T: 973-430-6131, F: 973-430-5983  
Email: [ana.murteira@pseg.com](mailto:ana.murteira@pseg.com)



October 9, 2020

**VIA OVERNIGHT MAIL &  
ELECTRONIC MAIL**

Aida Camacho-Welch, Secretary  
Board of Public Utilities  
44 South Clinton Avenue  
Trenton, NJ 08625

Re: Petition for Approval of Sale of Property  
Known as Block 59.02 a/k/a 59.2, Lot 26, Montville,  
Morris County, NJ  
NJ Docket No.:

Dear Secretary Camacho-Welch,

Enclosed herein please find the following on behalf of Public Service Electric and Gas Company in connection with the above-referenced matter:

1. Petition for Approval of Sale of Property, with attached Verification of Roger J. Trudeau, Manager – Corporate Real Estate Transaction; and
2. Affidavit of Roger J. Trudeau, Manager-Corporate Real Estate Transactions, in support of the Petition.

If you have any questions or need additional information, please contact me at the number above.

Respectfully submitted,  
Public Service Electric and Gas Company,

A handwritten signature in black ink, appearing to read "Ana J. Murteira".

Ana J. Murteira  
Assistant Counsel – Property

AJM/lw  
w/enc.

c: Stefanie A. Brand, Esq., Director, Division of Rate Counsel (via email)  
Stacy Peterson, Director, Division of Energy, BPU (via email)

**STATE OF NEW JERSEY BOARD  
OF PUBLIC UTILITIES**

IN THE MATTER OF THE PETITION OF PUBLIC	)	PETITION FOR APPROVAL OF
SERVICE ELECTRIC AND GAS COMPANY FOR	)	SALE AND CONVEYANCE
APPROVAL OF THE SALE AND CONVEYANCE	)	
OF REAL PROPERTY LOCATED AT 331 ROUTE	)	
202, WITH A MUNICIPAL TAX MAP	)	DOCKET NO. _____
DESIGNATION OF BLOCK 59.02 A/K/A 59.2,	)	
LOT 26 IN THE TOWNSHIP OF MONTVILLE,	)	
COUNTY OF MORRIS AND STATE OF NEW	)	
JERSEY TO DIVERSIFIED PROPERTIES	)	
LLC FOR \$1,200,000.00	)	

**To the Honorable Board of Public Utilities:**

Public Service Electric and Gas Company, a New Jersey corporation having its principal and executive offices at 80 Park Plaza, Newark, New Jersey 07102, is a public utility subject to the jurisdiction of your Honorable Board and files this petition pursuant to N.J.A.C. 14:1-5.6 for approval of a Contract for Sale and Conveyance of Real Estate (the "Contract") in the sale of a 15.05 acres parcel of vacant land bearing street address 331 Route 202, located at Lot 21 in Block 59.02 a/k/a 59.2 in the Township of Montville, County of Morris, State of New Jersey, (the "Property") and:

1. The Property, as described in Exhibit A and shown on attached map Exhibit B, was purchased by PSE&G on October 14, 2009 from the then owners, Morris Canil LLC, a NJ Limited Liability Company and JoeGrun LLC, a NJ Limited Liability Company, as Tenants in Common, in order to accommodate PSE&G's Susquehanna to Roseland ("SR") Project. The Property was and still is vacant land. PSE&G purchased the Property for \$2,075,000.00 in order to widen the existing Susquehanna Roseland Right-of-Way and build a new transmission tower on the Property. The Property was also used for access to the right-of-way during construction of the SR Project.

2. PSE&G advertised the Property for sale beginning in 2014. In 2016, PSE&G listed the Property for sale with a real estate broker, American Properties Realty Inc. Since 2016, the Property has been actively marketed for sale through typical commercial public marketing sites, CoStar and LoopNet, as well as signage placed on the Property. There were a few interested purchasers, but none committed to entering into a contract and purchasing the Property.

3. The Property was legally advertised twice in 2014 (October 20<sup>th</sup> and November 3<sup>rd</sup>), again in 2018 (November 16<sup>th</sup> and November 27<sup>th</sup>), and then most recently in 2019, on May 10<sup>th</sup>, May 21<sup>st</sup>, December 6<sup>th</sup>, and December 18<sup>th</sup>, in the Star Ledger newspaper in accordance with Rule 14:1-5.6(a). No bids were received in response to the advertisements. See attached Exhibit C Star Ledger Affidavit of Publication for the 2019 publications. Diversified Properties LLC (hereinafter referred to as “the Purchaser”) submitted its offer to purchase the Property through PSE&G’s real estate broker.

3. As a result of the advertising and marketing efforts made by PSE&G, Petitioner respectfully requests that the Board grant a waiver of the requirement to advertise this property pursuant to N.J.A.C. 14:1-5.6 (i)7, and submits the following in support of its request:

- a. the waiver shall not adversely affect the public interest because PSE&G has advertised the property on numerous occasions as referenced in paragraph 3 herein and received no bids. Thus, PSE&G contracted with a broker to assist in marketing the property, which has led to this offer.
- b. except for the portion to be retained by easement, the remainder of the Property has never been used or useful for utility purposes;
- c. there is no prospective use of the Property for utility purposes, since it is currently vacant, except for the portion of the Property for which an easement will be retained;
- d. there is no relationship between Purchaser and PSE&G other than prospective buyer and seller;
- e. the sale of the Property shall not affect the ability to render safe, adequate and proper service;
- f. the selling price represents the fair market value of the Property to be sold based on a current independent appraisal;
- g. re-advertising and bidding will likely not result in a higher purchase price.

4. On March 18, 2020, the Property was appraised by Professional Appraisal Associates (the “Appraisal”) and the fair market value reflected therein is \$1,350,000.00. This figure takes into account the discounted value of the portion of the Property, which will be subject to a perpetual easement that PSE&G will retain against the Property for future access to its electrical transmission line facilities. A copy of the Appraisal is Exhibit D-1 to Exhibit D, the Affidavit of Roger J. Trudeau, Manager-Corporate Real Estate, hereinafter referred to as “the Trudeau Affidavit”.

5. On August 4, 2020, PSE&G signed a Contract for the Sale of Real Estate (the "Contract") with the Purchaser at a guaranteed base consideration amount of \$1,200,000.00, subject to Purchaser's site development approvals consisting of 40,000 gross square feet of the Property. Pursuant to the Contract, PSE&G will be entitled to additional compensation (at closing or in the future) of \$7.50 per gross square foot, for any square footage permitted by Purchaser's site development approvals that exceed the initial 40,000 gross square feet. (See Paragraph 4 of the Contract.) A copy of the Contract is attached as Exhibit D-2 to the Trudeau Affidavit.

The Contract is subject to this Honorable Board's approval. The Contract is also subject to the consent of the PSE&G Real Property Committee, which consent has been obtained as evidenced by attached Exhibit E.

6. No relationship exists between the parties other than Seller and Purchaser. A copy of Purchaser's executed Certificate of Non-Affiliation is attached as Exhibit F.

7. The Property is not income producing and PSE&G pays all carrying charges including taxes, which are approximately \$33,000.00 annually.

8. PSE&G's purchase of the Property was charged to the Susquehanna to Roseland Electric Transmission project. Therefore, 100% of the net sales proceeds from the Property will be credited back against the project costs, which are included in the Company's Plant in Service accounts as the Susquehanna to Roseland Electric Transmission project is fully in service.

9. The book value of the Property is carried on the company books at \$2,177,286.00, which includes closing and other associated costs at the time of purchase and the journal entry is attached hereto as Exhibit D-3 to the Trudeau Affidavit.

10. The closing has been tentatively scheduled for some time in Fourth Quarter, 2021 conditioned upon the approval of this Board.

11. The Property is no longer needed or useful to PSE&G as evidenced by the Trudeau Affidavit. The Contract will not compromise PSE&G's ability to provide safe, adequate and reliable service to the public.

12. The Property is currently assessed on the municipal tax assessments records as follows: 14.890 acres assessed at \$1,364,900.00 with yearly real estate taxes for 2020 at \$33,000.00.

13. The Property is encumbered by the mortgage made by Public Service Electric and Gas Company to Fidelity Union Trust Company, now known as US Bank National Association, Trustee, dated August 1, 1924. PSE&G will request release of the mortgage upon Board approval of the sale.

14. Correspondence and communications with respect to the petition may be addressed to:

Ana J. Murteira, Esq.  
Assistant Counsel - Property  
Public Service Electric and Gas Company'  
80 Park Plaza, T5C  
Newark, New Jersey  
07102  
973-430-6131  
ana.murteira@pseg.com

Respectfully submitted,

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

By: 

Ana J. Murteira, Esq.  
Assistant Counsel – Property

Dated: October 9, 2020  
Newark, New Jersey

**STATE OF NEW JERSEY BOARD  
OF PUBLIC UTILITIES**

IN THE MATTER OF THE PETITION OF PUBLIC	)	
SERVICE ELECTRIC AND GAS COMPANY FOR	)	VERIFICATION OF
APPROVAL OF THE SALE AND CONVEYANCE	)	ROGER J. TRUDEAU
OF REAL PROPERTY LOCATED AT 331 ROUTE	)	
202, WITH A MUNICIPAL TAX MAP	)	DOCKET NO. _____
DESIGNATION OF BLOCK 59.02 A/K/A 59.2,	)	
LOT 26 IN THE TOWNSHIP OF MONTVILLE,	)	
COUNTY OF MORRIS AND STATE OF	)	
NEW JERSEY TO DIVERSIFIED PROPERTIES	)	
LLC FOR \$1,200,000.00	)	

1. I, ROGER J. TRUDEAU, am the Manager – Corporate Real Estate Transactions of PSEG Services Corporation, Agent to Public Service Electric and Gas Company, the Seller in the within sale transaction.

2. I have read the attached Petition for Approval of Sale and Conveyance dated September 30, 2020, and on my own personal knowledge, I know the facts set forth therein are true and are incorporated into this Verification by reference as if set forth at length.

3. I certify the above statements made by me are true. I am aware if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Dated: September 30, 2020



Roger J. Trudeau  
Manager – Corporate Real Estate Transactions

EXHIBIT A

METES AND BOUNDS DESCRIPTION

**EXHIBIT "A"**

Beginning at point said point being the intersection of the former centerline of Main Road and the former centerline of the Morris Canal (Abandoned) said point also being the Point of Beginning in Deed Book 6148 page 254;

Thence along the former centerline said Morris Canal the following ten (10) courses and distances:

1. S 61° 38' 06" E 60.84 feet to a point.
2. S 74° 00' 04" E 64.60 feet to a point.
3. S 76° 18' 04" E 127.26 feet to a point.
4. S 82° 47' 04" E 153.03 feet to a point.
5. N 88° 09' 56" E 191.38 feet to a point.
6. N 80° 22' 55" E 213.84 feet to a point.
7. N 76° 32' 17" E 183.44 feet to an iron pin and cap found.
8. N 73° 01' 26" E 125.24 feet to an iron pin and cap found.
9. N 73° 40' 15" E 128.03 feet to a point.
10. N 72° 27' 46" E 251.18 feet, passing over a concrete monument found to a point in the centerline of Change Road, a 58' Right-of-Way as per Montville Township Tax Map # 23.

Thence along the centerline of said Changebridge Road S 07° 02' 46" E 217.84 feet to a point in the centerline of said road and a common corner with Lot 27 now or formerly of Changebridge RD-Montville Self Storage.

Thence, along the Northerly line of said Lot 27 S 63° 57' 52" W, passing over an iron pin with a cap found and an 18" Blaze Tree, a total distance of 851.39 feet to an iron pin with cap found, said point being a common corner with said Lot 27 and Lot 2 now or formerly of Jersey Central Power and Light Co.

Thence along the Northerly line of said Lot 2 S 64° 01' 27" W 762.27 feet to a point in the line of Block 61 Lot 5 now or formerly of Anthony G. Mariane Jr.

Thence partly along the Easterly line of said Block 61 Lot 5 and along the Easterly line of Block 61 Lot 4 now or formerly of Janet C. Evans N 14° 45' 22" W, passing over an iron pin with cap found, 106.18 feet to an iron pipe found, a common corner with said Block 61 Lot 4.

Thence along the Easterly line of said Block 61 said Lot 4, Lot 3 now or formerly of Jack A. and Lillian W. Fleuridas, Lot 2 now or formerly of Francis A. and Mary Ann D. Henry, and partly along Lot 1 now or formerly of Primary Care Realty Holdings LLC, passing over an iron pipe found N 10° 18' 15" W a distance of 645.36 feet to a point in said former centerline of Main Road.

Thence along the former centerline of said Main Road the following two (2) courses and distance:

1. N 69° 49' 18" E 55.24 feet to a point.
2. N 63° 19' 43" E 67.59 feet to the Point of Beginning.



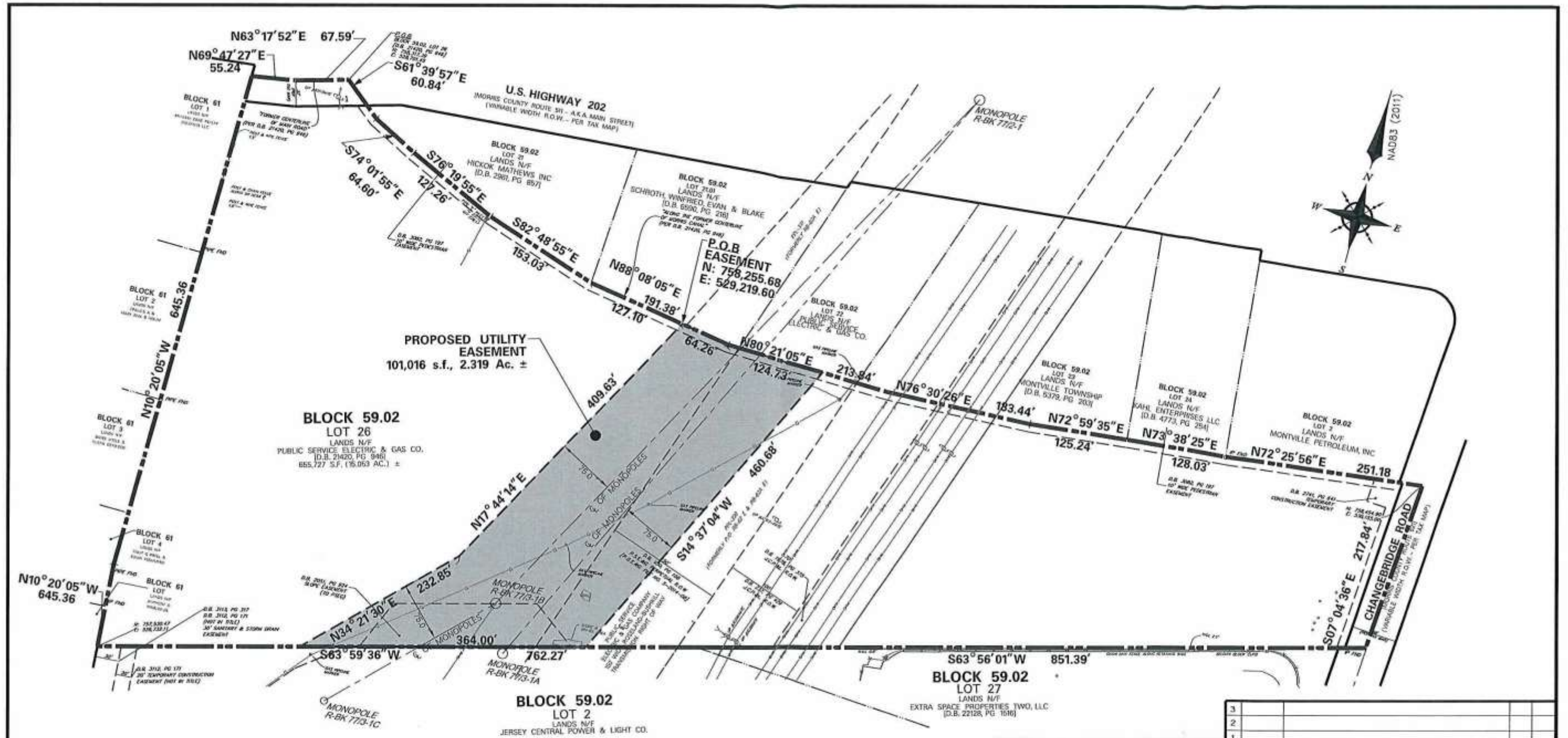
**The Above Description is in accordance with a survey prepared by Rettew Associates, Inc., dated July 28, 2009.**

**FOR INFORMATIONAL PURPOSES ONLY:**

**Premises described herein is designated as Lot 26, Block 59.02 on the Tax Map of the Township of Montville, County of Morris, State of New Jersey**

EXHIBIT B  
MAP/SURVEY

EXHIBIT B

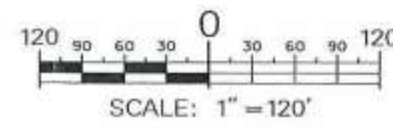


**NOTES:**

1. HORIZONTAL DATUM = NAD-83 (2011)  
UNITS = U.S. SURVEY FEET

**REFERENCES:**

1. "BOUNDARY & TOPOGRAPHIC SURVEY, BLOCK 59.02 - LOT 26, SITUATED IN MONTVILLE TOWNSHIP, MORRIS COUNTY, NEW JERSEY" PREPARED BY CARROLL ENGINEERING, HILLSBOROUGH, NJ DATED JANUARY 6, 2017.
2. "BOUNDARY SURVEY OF PUBLIC SERVICE ELECTRIC & GAS COMPANY PPL-330 (BLOCK 59.02, LOT 26) PARSIPPINAY-TROY HILLS, MORRIS COUNTY, NEW JERSEY" PREPARED BY RETTEW ASSOCIATES, INC., DATED 6/22/09.
3. SHEET 23 OF THE TAX MAPS OF THE TOWNSHIP OF MONTVILLE, MORRIS COUNTY, N.J.



PSEG SERVICES CORPORATION  
80 PARK PLAZA - NEWARK - NEW JERSEY - 07102-4194

I AM A DULY REGISTERED PROFESSIONAL LAND SURVEYOR UNDER THE LAWS OF THE STATE OF NEW JERSEY AND I HEREBY CERTIFY THAT THIS PLAN WAS PREPARED UNDER MY DIRECT SUPERVISION

11-13-18  
**BRIAN S. GREGIS**

N.J. PROFESSIONAL LAND SURVEYOR No. 24GS04329800  
COA No. 24GA28078500

NO.	DATE	DESCRIPTION	DRW	CHKD
3				
2				
1				

**PSEG** Services Corporation  
SURVEYS & MAPPING

CORPORATE HEADQUARTERS  
80 Park Plaza T6B  
Newark, N.J. 07102-4194  
Phone : (973) 430-6952  
Email : surveying@pseg.com

**BLOCK 59.02**  
**LOTS 26**

TOWNSHIP OF MONTVILLE MORRIS COUNTY, N.J.

**EASEMENT EXHIBIT**

DRAWN MJS CHECKED CML SCALE AS SHOWN  
DATE 10/23/18 EXAMINED BSG AUTH Proj-010161


EXHIBIT C  
AFFIDAVIT OF PUBLICATION



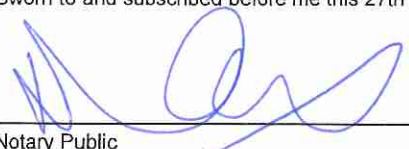
State of New Jersey,) ss  
County of Middlesex)

Cheri Alston being duly sworn, deposes that he/she is principal clerk of NJ Advance Media; that Star Ledger is a public newspaper, with general circulation in Atlantic, Burlington, Cape May, Essex, Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, Union, and Warren Counties, and this notice is an accurate and true copy of this notice as printed in said newspaper, was printed and published in the regular edition and issue of said newspaper on the following date(s):

Star Ledger 12/06, 12/18/2019

  
Principal Clerk of the Publisher

Sworn to and subscribed before me this 27th day of August 2020

  
Notary Public

Darian N Alexander  
Notary Public  
New Jersey  
My Commission Expires November 13, 2022  
No. 50071877



County of Essex, New Jersey – Public Service Electric and Gas Company (“PSE&G”) will accept bids for the purchase of a parcel of land containing approximately 15.05 acres, more or less, without improvements known as Lot 26 in Block 59.02 a/k/a 59.2, and by street number 331 Route 202, in the Township of Montville, County of Morris, State of New Jersey (the “Property”) and subject to a reservation of an easement onto PSE&G pertaining to its electric facilities presently located on the Property, which easement encumbers approximately 2.319 acres, more or less, of the Property. The proposed sale of the Property is in an “AS IS” and “WHERE IS” condition, for which PSE&G makes absolutely no representations or warranties with respect to the physical, environmental condition of the Property or the legal uses thereon. Sealed bids for the purchase of this property will be received by the Manager – Corporate Real Estate Transactions, or his duly authorized representative, at PSEG Services Corporation, 80 Park Plaza, T6B, Newark, New Jersey 07102, until 4:00 PM on Thursday, January 2, 2020, which bids will be opened in the office of the Manager – Corporate Real Estate Transactions at 10:00 AM on Monday, January 6, 2020. Bids must be sealed in an envelope containing such bids and labeled “Sealed Bid.” Anyone seeking to obtain additional information re-

garding the Property together with the proposed form of Contract for Sale of Real Estate should call the Corporate Real Estate Transactions Department, PSEG Services Corporation, at 973-430-6931 no later than 24 hours prior to the January 2, 2020 date mentioned herein. The sale of the Property will be subject to the following conditions:

- (a) Covenants, restrictions and reservations of record, encroachments, if any, and existing zoning laws, as well as such state of facts that an accurate survey may disclose;
  - (b) Approval of the Board of Directors of Public Service Electric and Gas Company and/or its Property Committee;
  - (c) Approval of the Board of Public Utilities of the State of New Jersey, if necessary;
  - (d) Obtaining of releases from Trustees of any mortgages that may be liens upon said Property;
  - (e) Any judgment or judgments against PSE&G, which the bidder will be indemnified from being required to pay;
  - (f) Bidder shall, at its own cost and expense, perform whatever investigative and/or remedial work which may be required to bring the property into compliance with all applicable federal, state or local environmental laws and regulations;
- RESERVING ONTO PSE&G an easement which provides PSE&G the right to access, construct, operate, own, reconstruct, add, alter, replace, relocate, upgrade and maintain overhead electric wires and towers, (the “Facilities”) on the Property, together

ties ) on the property, together with the right to remove any and all obstructions within the easement area and to trim, cut and remove at any time and without prior notice, any and all trees now located and which may hereafter be located on the Property which, in the sole judgment of the duly authorized representative of PSE&G, its affiliates, successors and assigns, endanger said Facilities, as they presently exist or shall exist at the time of future placement; together with the absolute right, liberty and sole authority of PSE&G, its affiliates, successors and assigns, to assign the whole or any part of said personalty, easement, or the use thereof, independent of or together or in conjunction with Seller.

Public Service Electric and Gas Company reserves the right to accept the highest net bid, free from any brokerage commission obligation. Any bid involving a real estate broker should include the name and address of such broker, and any brokerage commission shall be the responsibility of the bidder. Notwithstanding any provision to the contrary, Public Service Electric and Gas Company reserves the right to reject any and all bids in its sole discretion.  
12/6,18/19 \$356.50

EXHIBIT D

ROGER J. TRUDEAU AFFIDAVIT

**STATE OF NEW JERSEY BOARD  
OF PUBLIC UTILITIES**

IN THE MATTER OF THE PETITION OF PUBLIC	)	
SERVICE ELECTRIC AND GAS COMPANY FOR	)	AFFIDAVIT OF
APPROVAL OF THE SALE AND CONVEYANCE	)	ROGER J. TRUDEAU
OF REAL PROPERTY LOCATED AT 331 ROUTE	)	IN SUPPORT OF SALE
202, WITH A MUNICIPAL TAX MAP	)	AND CONVEYANCE
DESIGNATION OF BLOCK 59.02 A/K/A 59.2,	)	
LOT 26 IN THE TOWNSHIP OF MONTVILLE,	)	DOCKET NO.: _____
COUNTY OF MORRIS AND STATE OF	)	
NEW JERSEY TO DIVERSIFIED PROPERTIES	)	
LLC FOR \$1,200,000.00	)	

I, ROGER J. TRUDEAU, of full age, being duly sworn according to law, depose and say as follows:

1. I am employed as the Manager – Corporate Real Estate Transactions of PSEG Services Corporation agent for Public Service Electric and Gas Company ("PSE&G").

2. I make this Affidavit in support of PSE&G's Petition for Approval of the Sale and Conveyance of real estate known and designated as Block 59.02 a/k/a 59.2, Lot 26 in the Township of Montville, County of Morris, State of New Jersey (the "Property") to Diversified Properties LLC, a limited liability company of the State of New Jersey (the "Purchaser").

3. Attached as Exhibit D-1 is an appraisal dated March 18, 2020 prepared by Professional Appraisal Associates. The appraisal sets the fair market value of the Property as \$1,350,000.00 and takes into account the discounted value of that portion of the Property which will be transferred subject to a perpetual easement PSE&G will retain against the Property post-closing for future access to its electrical transmission line right-of-way facilities.

4. Attached as Exhibit D-2 is a true and correct copy of the Contract for Sale of Real

Estate with the Purchaser for a guaranteed sales price of \$1,200,000.00, subject to Purchaser's site development approvals consisting of 40,000 gross square feet of the Property, with additional compensation (at closing or in the future) of \$7.50 per gross square foot, for any square footage permitted by Purchaser's site development approvals beyond the initial 40,000 gross square feet.

5. The Property is carried on company books at \$2,177,286.00 which includes closing and other associated costs at the time of purchase. Attached hereto as Exhibit D-3 is a copy of the journal entry for this Property. PSE&G purchased the Property on October 14, 2009 for \$2,075,000.00.

6. PSE&G purchased the Property in order to widen its existing Susquehanna to Roseland ("SR") electric transmission line right-of-way and upgrade its facilities by adding an electrical transmission tower on the Property as part of PSE&G's SR Project. The Property was and still is vacant land. The Property was also used for access to the right-of-way during construction of the SR Project. Since the Project has been completed for some time now, PSE&G no longer has any use for the Property, other than maintaining rights to its electrical transmission facilities, which PSE&G will do so by reserving a perpetual easement onto itself at the time of title closing. Selling the Property will not compromise PSE&G's ability to provide safe, adequate and reliable service to the public.

7. Carrying costs for the Property are \$33,000.00 for real estate taxes. There are no landscaping or management fees associated with the Property.

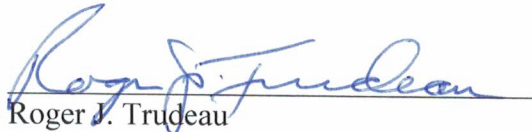
8. Attached as Exhibit D-4 is a draft closing statement itemizing the estimated closing costs.

9. The Property is encumbered by the mortgage made by Public Service Electric and Gas Company to Fidelity Union Trust Company, now known as US Bank National Association,



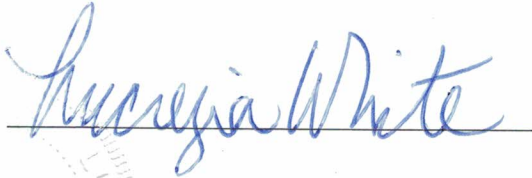
Trustee, dated August 1, 1924. PSE&G will request release of the mortgage upon Board approval of the sale.

Dated: September 24, 2020



Roger J. Trudeau  
Manager – Corporate Real Estate Transactions

Sworn and subscribed to before me  
this 24th day of September, 2020.



Lucrezia White  
Notary Public  
New Jersey  
My Commission Expires 9-1-21  
No. 2349234



EXHIBIT D-1 TO TRUDEAU AFFIDAVIT  
APPRAISAL

**AN APPRAISAL OF MARKET VALUE  
FOR  
PSEG SERVICES CORP.  
OF A  
PROPERTY  
AT**

**331 ROUTE 202 (MAIN ROAD)  
KNOWN AS  
BLOCK 59.02, LOT 26  
TOWNSHIP OF MONTVILLE  
MORRIS COUNTY, NEW JERSEY**

**CURRENT OWNER: PUBLIC SERVICE ELECTRIC & GAS CO.**

**PREPARED  
BY  
PROFESSIONAL APPRAISAL ASSOCIATES®  
RONALD D. CHIARELLO, MAI**

**PAA FILE #200896**

**Professional  
Appraisal  
Associates®**

**469 Morris Avenue  
P. O. Box 579  
Summit, NJ 07902-0579  
908-273-2412  
Fax: 908-273-9189**

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March 24, 2020

David C. Long, PMP, SR/WA  
Senior Consultant, Corporate Real Estate  
PSEG Services Corp.  
80 Park Plaza, T6B  
Newark, NJ 07102

Re: Valuation of Property Located at  
331 Route 202 (Main Road)  
Block 59.02, Lot 26  
Township of Montville, Morris County, NJ

Dear Mr. Long:

According to your request, we are pleased to submit the following appraisal report. The report, including exhibits, describes the various approaches and contains all pertinent data gathered in our investigation of the subject property. The appraisal was prepared in accordance with the standards and reporting requirements of The Appraisal Institute and USPAP.

After careful consideration, we have concluded the estimated Market Value of the subject property in fee simple interest, less the value (just compensation) for retention of the rights for a Permanent Easement for the existing Transmission ROW, as well as any other pre-existing easements, as it presently exists, in accordance with its highest and best use including land and improvements, subject to all of the assumptions and limiting conditions set forth in the accompanying narrative appraisal report, as of March 18, 2020, to be:

**ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS  
(\$1,350,000)**

David C. Long, PMP, SR/WA  
PSEG Services Corp.

March 24, 2020  
Page 2

We, the undersigned, hereby certify that to the best of our knowledge and belief, the statements contained in this appraisal and upon which the opinions herein are based are correct.

Employment in and compensation for making this report are in no way contingent upon the value reported, and we hereby certify that we have no financial interest in the subject property.

This appraisal report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP).

We certify that we have no present or contemplated future interest in this property and that my employment and compensation are in no way contingent upon the value reported.

Respectfully submitted,  
PROFESSIONAL APPRAISAL ASSOCIATES®



Ronald D. Chiarello, MAI  
Vice President/Appraiser-Consultant  
SCGRE4 42RG00135200

## PROPERTY APPRAISED

This is an appraisal of the market value of the subject property, less the value (just compensation) for retention of the rights for a PSE&G Permanent Easement for the pre-existing Transmission ROW, which extends in a generally north/south direction along the central area of the subject site as well as any other pre-existing easements. The subject property is unimproved vacant land containing a total of 655,709± SF (15.053± acres) with frontage on the south side of Route 202/Main Road and the west side of Changebridge Road. It is designated on the official tax records of the municipality as Block 59.02, Lot 26, currently listed in the ownership of Public Service Electric & Gas Co.

The PSE&G Permanent Transmission ROW easement will contain 116,051 sq. ft. (2.664 acres) and extends generally in a north/south direction south of Route 202/Main Road.

**The area in question contains a pre-existing ROW and the current appraisal will consider the value of the site, in fee, less the rights of a PSE&G Permanent Transmission ROW, as well as the other pre-existing easements.** The remainder of the site will not be affected. Therefore, only the value of the land will be considered in this report.

The date of valuation is March 18, 2020 which is the most recent date of the inspection of the property.

## PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to assist Public Service Electric & Gas Co. in estimating the market value of the subject property, less the value (just compensation) for retention of the rights for the existing Permanent Transmission ROW, as well as any other pre-existing easements in the event of a sale of the subject parcel.

The date of valuation is March 18, 2020 which is the date of the last inspection of the property.

### SUMMARY OF FINDINGS - VALUE CONCLUSION

The value of the subject property less the value of a Permanent PSE&G Transmission ROW Easement and other pre-existing easements is estimated to be:

10.652± acres unaffected @ \$105,000 per acre	=	\$1,118,460
4.401± acres in Easement Areas @ \$105,000 per acre		
Less 50%	=	\$ <u>231,053</u>
 Land Value <b><u>After</u></b> the Proposed New Easement		 \$1,349,513
Rounded:	=	\$1,350,000

**Therefore, the estimated market value of the subject, less just compensation for the rights of a Permanent PSE&G Transmission R.O.W. and the other pre-existing easements, is estimated to be:**

**ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS  
(\$1,350,000)**

## SCOPE OF THE APPRAISAL

### Introduction

The Uniform Standards of Professional Appraisal Practice (USPAP) defines scope of work as “the type and extent of research and analysis in an assignment”. Scope of work includes, but is not limited to:

- the extent to which the property is identified;
- the extent to which tangible property is observed;
- the type and extent of data researched; and
- the type and extent of analysis applied to arrive at opinions or conclusions.

The steps typically involved in the valuation process are as follows:

1. The subject property is physically inspected as of the date indicated in the transmittal letter and the subsequent Summary and Conclusion section of this report.
2. Regional, county, municipal and neighborhood data is based on information gathered from various sources including state agencies, newspaper publications and trade publications supplied by commercial sources, multiple listing systems, market participants (i.e., buyers/sellers/brokers) as well as the appraiser’s physical inspection and analysis of the area.
3. Data relating to the subject property is based on the appraiser’s physical inspection of the improvements, as well as building plans and/or site information supplied by municipal agencies or the owner, measurements made at the inspection and information extracted from the deed as well as other similar documentation. In cases where the improvements are proposed, information is based on available blueprints or other similar documentation.
4. In estimating **The Highest and Best Use** for the subject property, an analysis is made of the data compiled in the previously noted steps, and a study of the subject market area is conducted to determine which aspects of **The Highest and Best Use** are applicable to the subject.
5. In developing applicable approaches to value the appraiser analyzes market data relevant to the subject. Sales of land similar to the subject are researched from a variety of sources which may include SR1A records, deed transactions reported by commercial



information services, multiple listing services, interviews with municipal officials, realtors and other appraisers and buyers and sellers. Whenever possible, information is verified by more than one source in order to guarantee its accuracy. The search for data begins in the subject community and is expanded into surrounding communities until sufficient data is collected.

6. Only after assembling and analyzing the data defined in the **Scope of the Appraisal** can the appraiser establish a final estimate of Market Value.

**In this instance the Assignment Elements are as follows:**

The purpose of this assignment (the problem to be solved) is to form one or more opinions about value.

1. The client ( <i>the person who engaged the appraisal and an intended user</i> )	David C. Long, PMP, SR/WA PSEG Services Corp.
Client's Interest in Property Appraised	Market Value - Retaining a Permanent Transmission ROW Easement
2. Other Intended Users	Public Service Electric & Gas Co. and/or PSE&G
3. Intended use of Report	Estimate Market Value
4. Standard/Definition of Value Used To Form the Value Opinion	Market and Easement Values
5. Key Dates	
Effective Value Date (point in time the value applies)	March 18, 2020
Report Preparation Date (date the report was prepared)	March 2020
Date Property Appraised Was Observed By One or More Appraisers Signing This Report	March 18, 2020

## 6. Assignment Conditions

Extraordinary Assumptions	None
Hypothetical Conditions	None
Jurisdiction Exceptions	None Applicable
Supplemental Standards	None Applicable
Other	None Applicable

The scope of the report is to value the subject land parcel in fee simple interest, including an estimate of value of the Permanent Transmission ROW easement on the subject land.

In estimating a value for the land, the Market Data or the Sales Comparison Approach was considered to be the only appropriate method of valuation. Therefore, the most significant, similarly zoned land sales in the subject's general and/or competing market area(s) were collected and examined. The data obtained was checked for its authenticity through parties to the individual transactions, where possible, brokers with knowledge of the transactions and/or public records. It was then analyzed and adjustments were made to reflect differences between the comparable data and the subject properties in order to arrive at the value estimates set forth herein.

## APPRAISAL DEVELOPMENT

Appraisal development is the extent of research and analyses that produce one or more credible opinions of value for one or more specifically identified intended users and an explicitly stated intended use. In this context, credible is defined as “worth of belief”.

Depending upon the intended users, intended use, and agreements between the appraiser and the client, the appraisal development process may include several but not necessarily all of the following tasks:

- \* Observation of the property appraised
- \* Research for appropriate market data
- \* Data verification
- \* Consideration of influential market area, physical, economic and governmental factors
- \* Determination of the subject’s highest and best use(s), if appropriate
- \* Development of one or more applicable approaches to value
- \* Reconciliation of value indications
- \* Preparation of this report

According to USPAP, all valuation approaches that are applicable to the interest being appraised and necessary to produce credible results must be developed. The relevance and development of each major approach is listed below.

Cost Approach	Not Developed
Sales Approach	Developed
Income Approach	Not Developed

Applicable and necessary approaches were selected for development after consideration of available market data, intended user(s) and intended use. An approach considered not applicable was omitted because this methodology is not appropriate for the property interest being appraised or sufficient data to properly develop the approach was not available. Any approach judged not applicable yet included in this report was developed solely at our client’s request. Data used to develop an included approach that was deemed not applicable has a low to nil degree of comparability to the subject. Hence, no emphasis was given an approach deemed not applicable but included.

Highest and Best Use analyses can be categorized into two groups – inferred and fundamental. A fundamental analysis is quantified from broad demographic and economic data such as population and income. Supply is inventories. Subject specific characteristics are considered. Then, the relationship between supply and demand is weighed to determine a specific highest and best use for the subject. An inferred analysis uses local trends and patterns to infer a general highest and best use for the object. For an inferred analysis, market dynamics that might be considered include prices, market exposure times, rents, vacancy and listings of similar real estate. The kind of highest and best use analysis utilized in this assignment is listed above.

## CONCEPT EXPLANATIONS

Intended use and all intended user(s) should be weighed heavily during the scope of work decision. A single intended user who frequently engages appraisal services is likely very knowledgeable about the appraisal process. For this type user, appraisal development and reporting for less complex property types might be toward the lower end of the spectrum. By contrast, multiple intended users, especially those with opposing motivations, likely need extensive appraisal development and reporting. Litigation is a prime example when a thorough appraisal development and detailed reporting is warranted.

A loan to value ratio reflects risk. For commercial-grade loans, ratios over 75% are generally regarded as risky. If a contemplated loan is viewed as risky, then the extent of appraisal development and the level or report detail should be more comprehensive. Similarly, more complex property types generally require analysis that are more thorough; subject specific considerations; and more extensive report detail.

Prior engagement of appraisal services by a client implies a level of awareness about the appraisal process. This awareness may be useful when contemplating an appropriate appraisal development, or level of report detail.

Paraphrasing USPAP, Supplemental Standards are requirements issued by governmental agencies, governmentally sponsored enterprises or other entities that establish public policy. These requirements always add to and do not detract from the RULES and Standard Rules.

A Jurisdictional Exception is an assignment condition which voids a portion of USPAP that is contrary to law or public policy. When a Jurisdictional Exception applies, only the contrary portion is void. The remainder of USPAP remains in full force and effect. Jurisdiction Exceptions always shrink USPAP, not expand it.

Data verification affects reliability. Direct data verification confirms information used in the report with one or more parties who have in-depth knowledge about physical characteristics for the property being appraised, or related financial details. Indirect verification employs information obtained from a secondary source like a data reporting service, a multiple listing service or another appraiser. Direct verification is generally more time-consuming and costly, but also more reliable.

Information from all data sources was examined for accuracy, is believed reliable and assumed reasonably accurate. However, no guaranties or warranties for the information are expressed or implied. No liability or responsibility is assumed by Professional Appraisal

Associates® or the appraiser(s) for any inaccuracy from any seemingly credible information source.

A statement about observation of the subject real estate by the appraiser(s) is listed above. If the subject was observed, this viewing was not as thorough as a professional property inspection. A professional inspection determines the precise physical condition, remaining useful life and operability of major building components like the structural system, roof cover, electrical system, plumbing and heating plant. Inspectors typically do not ascertain size of the building or characteristics of the land. By contrast, an appraiser commonly determines both land and building size. Ordinarily, appraisers do not ascertain operability, or remaining useful life of building systems. An appraiser typically views real estate to determine only general attributes like physical condition of the property as a whole. For this appraisal, no probes, investigations, or studies were made to discover unapparent, adverse physical features.

Highest and Best Use analyses can be categorized into two groups – inferred and fundamental. A fundamental analysis is quantified from broad demographic and economic data such as population and income. Subject property specific characteristics are considered. Then, the relationship between supply and demand is weighed to determine a specific highest and best use for the subject. An inferred analysis uses local trends and patterns to infer a general highest and best use for the object. For an inferred analysis, market dynamics that might be considered include prices, market exposure times, rents, vacancy and listings of similar real estate. The kind of highest and best use analysis utilized in this assignment is listed above.

## **REPORT RELIANCE & USE RESTRICTIONS**

Restricted Use Reports: If this report is declared to be a “Restricted Use” or “2-2(b) Appraisal Report Option” report, usage of and reliance upon this report is restricted to just the client explicitly identified in this report. There are no other intended users. Furthermore, the client is warned the opinions and conclusions set forth in this report may not be properly understood without additional information in the appraiser’s work file. This reliance and use restriction supersedes all other comments, inferences or suggestions to the contrary.

Borrowers: If this appraisal report is prepared to assist in loan underwriting, the borrower does not become the appraiser’s client or an intended user simply because the borrower receives a copy of this report. Even though the borrower may directly or indirectly pay for this appraisal service, the borrower should not rely on, or use this report unless the borrower is explicitly identified as an intended user.

Other Readers: If anyone other than an explicitly identified intended user reads this report, the reader should not use or rely on any portion of this report.

Use of this report by anyone other than the intended user (client) is not authorized and done at their risk. No liability is assumed, expressed or implied by Professional Appraisal Associates®, or the appraiser(s) for unauthorized use of this report.

### **INTENDED USE OF THE APPRAISAL**

It is our understanding that the appraisal is to be used in connection with decision making purposes for the client related to the value of the vacant land known as Block 59.02, Lot 26 and the retention of the rights for a Permanent Easement for the existing Transmission ROW, as it presently exists, including the existing easements given a potential sale of this property. The property is owned Public Service Electric & Gas Co.

### **DELINEATION OF TITLE**

According to municipal records the subject property is currently owned by Public Service Electric & Gas Co. The property has been in their ownership for over 5 years. The most recent purchase transaction was in October 2009 with consideration of \$2,075,000. The transaction is recorded in Book 21420, Page 00946 in the County Hall of Records.

### **ASSESSED VALUATION AND TAXES**

The subject property was assessed as follows for 2019:

**Block 59.02, Lot 26**

Land	-	\$1,349,600
Improvements	-	<u>-0-</u>
Total	-	\$1,349,600

The 2019 tax rate in Montville was 2.426 per \$100 of assessed valuation and taxes were \$32,741.29. With a 2019 equalization ratio of 90.68% the subject's equalized value per the Montville Tax Assessor's Office is \$1,488,310.54.

The 2020 tax rate is not yet available.



## DEFINITIONS

The purpose of this report is to provide an estimate of the proposed permanent easements utilizing market (true) value of the Fee Simple Interest, defined as follows:

### Market Value:

“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 and 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:

- 1) buyer and seller are typically motivated;
- 2) both parties are well informed or well advised and acting in what they consider their best interests;
- 3) a reasonable time is allowed for exposure in the open market;
- 4) payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- 5) 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.”

### Fee Simple Estate:

Possession of a title in fee establishes the interest in property known as fee simple estate, i.e., Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation. (The Appraisal of Real Estate, Tenth Edition, Appraisal Institute, Chicago: 1992)

### Easement:

An interest in real property that conveys use, but not ownership, of a portion of an owner's property. Access or right of way easements may be acquired by private parties or public utilities. Governments dedicate conservation, open space, and preservation easements.

### Temporary Easement

An easement granted for a specific purpose and applicable for a specific time period. A construction easement, for example, is terminated after the construction of the improvement and the unencumbered fee interest in the land reverts to the owner.

### Appraisal Report:

This is an Appraisal Report presented for the exclusive purpose of assisting the client to establish the property's market value in connection with the possible sale of the subject property subject to any existing easements and retaining a Permanent Transmission ROW Easement at the property.

The appraisal is not to be used or relied upon by anyone other than the client, for any other purpose than that expressed above, without the written consent of the appraiser.

## **COMPETENCY STATEMENT**

The appraisers signing this report have recently appraised similar properties in the competitive market area and have the data, capability and knowledge to complete an appraisal assignment of this type.

## LOCATION AND SURROUNDINGS

The Township of Montville is situated in the northeastern quadrant of Morris County. It is bound to the north by Kinnelon Borough and Lincoln Park Borough, to the west by Boonton Township and the Town of Boonton, and to the south by Parsippany Township. The Passaic River serves as the eastern border, across from which is situated Essex County.

The Township's population has exhibited some growth over the last decade, increasing from 20,839 in 2000 to 21,528 in 2010 or an increase of 3.3% over the 2000 Census. Developmental pressure will continue as population estimates for the year 2016 are 21,700 or another 0.8% increase. With a total area of approximately 19.056 square miles, the current population is 1,145 persons per square mile. The Township is composed mainly as a bedroom community with almost 80% of the assessed value attributable to residential properties. The per capita income as of 2010 was \$54,618, whereas the median household income for the Township was \$119,493 as of 2010. Population projections suggest incrementing demand for all types of land into the foreseeable future. Supply is relatively stable and demand is expected to continue to increase due to increasing population. As a result, the long-term outlook is positive.

The primary thoroughfare is Route 202 which bisects the Township in an east/west fashion. The extension of Interstate Route 287 was completed in the early 1990s and parallels Route 202 through the Township. A major highway network consisting of Routes 46, 80 and 280 is located just to the south of the Montville Township municipal boundary.

The subject property is located in Montville, with some Route 202/Main Road frontage in the central section of Montville. In this area, Changebridge Road is a major commercial thoroughfare which is developed with various types of retail/residential/commercial uses including strip centers, commercial offices, auto service facilities and fast food restaurants. As noted, Route 202 is a major commercial thoroughfare displaying medical and general office uses, an Exxon gas station with convenience store, high tension power lines, an electrical substation, the Extra Space storage facility, banks, jewelry & silversmith store, farm stand, the "Jade Mountain" and "Changebridge @ Montville" townhouse developments, the Township Municipal Complex, industrial uses and strip retail. Interstate 287 is proximate to the subject site affording access to other major thoroughfares such as Interstate 80, Garden State Parkway, and the NJ Turnpike as well as major economic centers to the east. Residential uses are noted throughout the area.

The properties surrounding the subject property exhibit average to good condition and the surrounding uses are compatible with the current subject use and therefore have a neutral impact on the subject property.

**SUBJECT PHOTOGRAPHS – STREET VIEWS**



Route 202/Main Road Looking East



Route 202/Main Road Looking West

**SUBJECT PHOTOGRAPHS – STREET VIEWS**

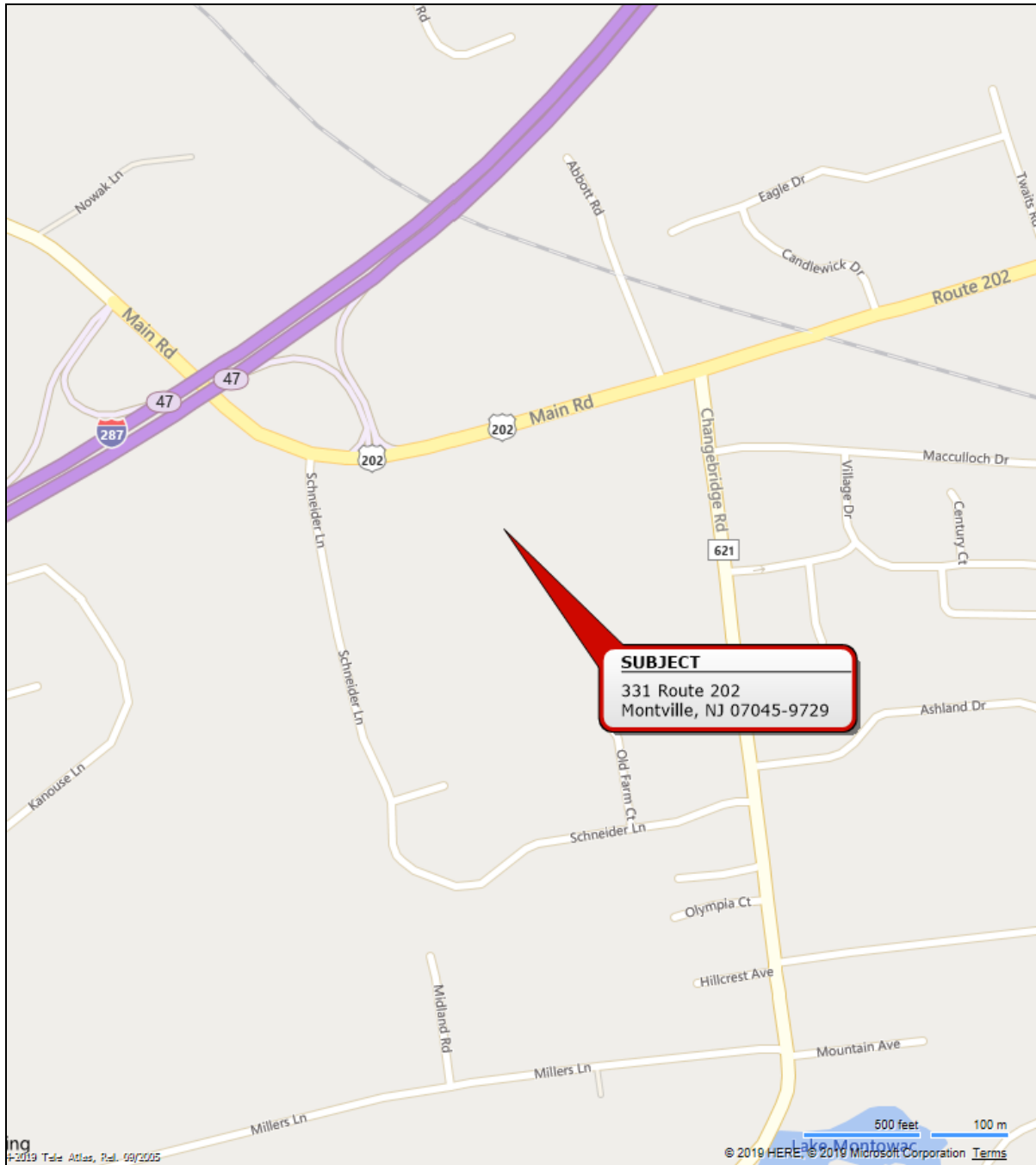


Changebridge Road Looking South



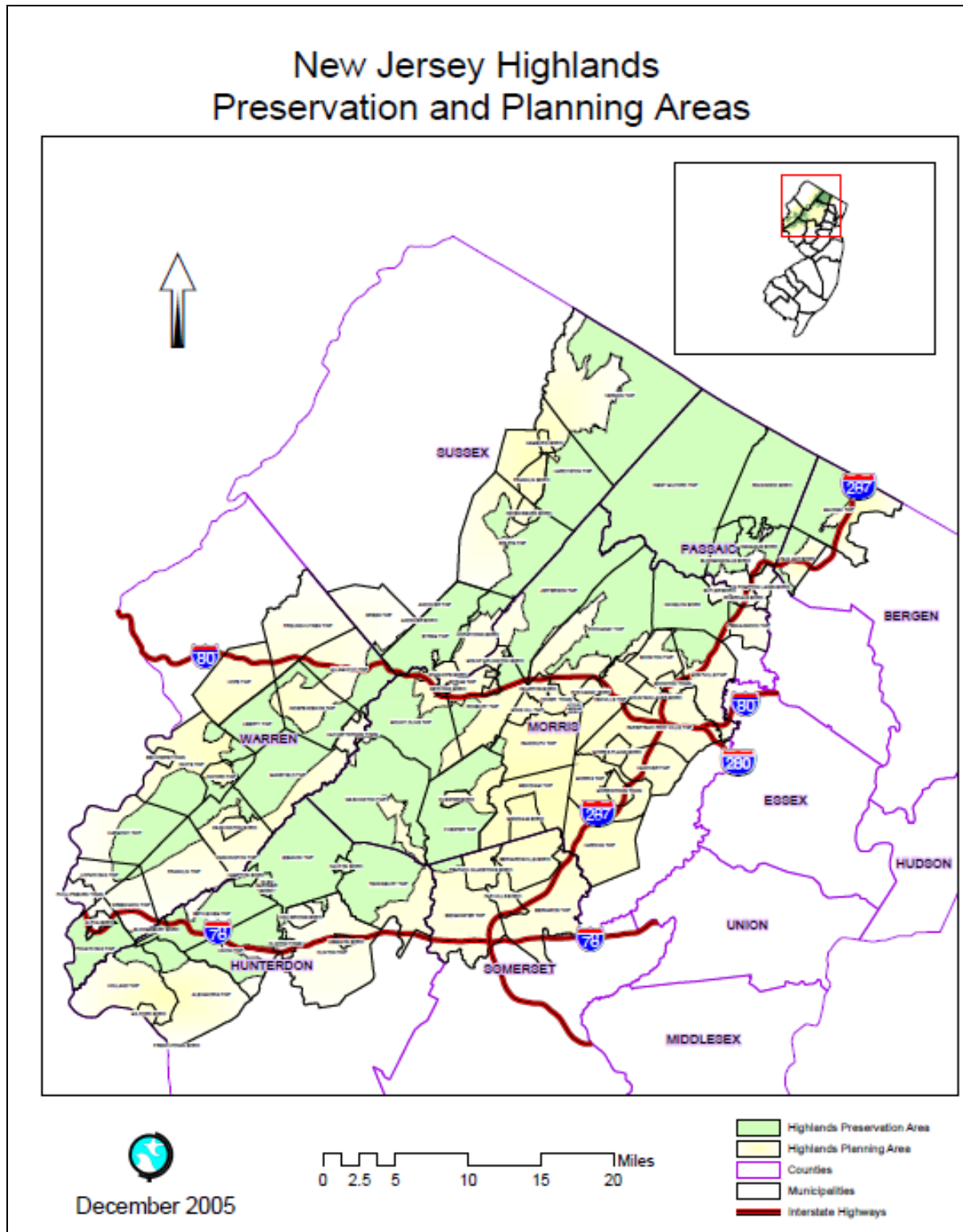
Changebridge Road Looking North

### LOCATION MAP





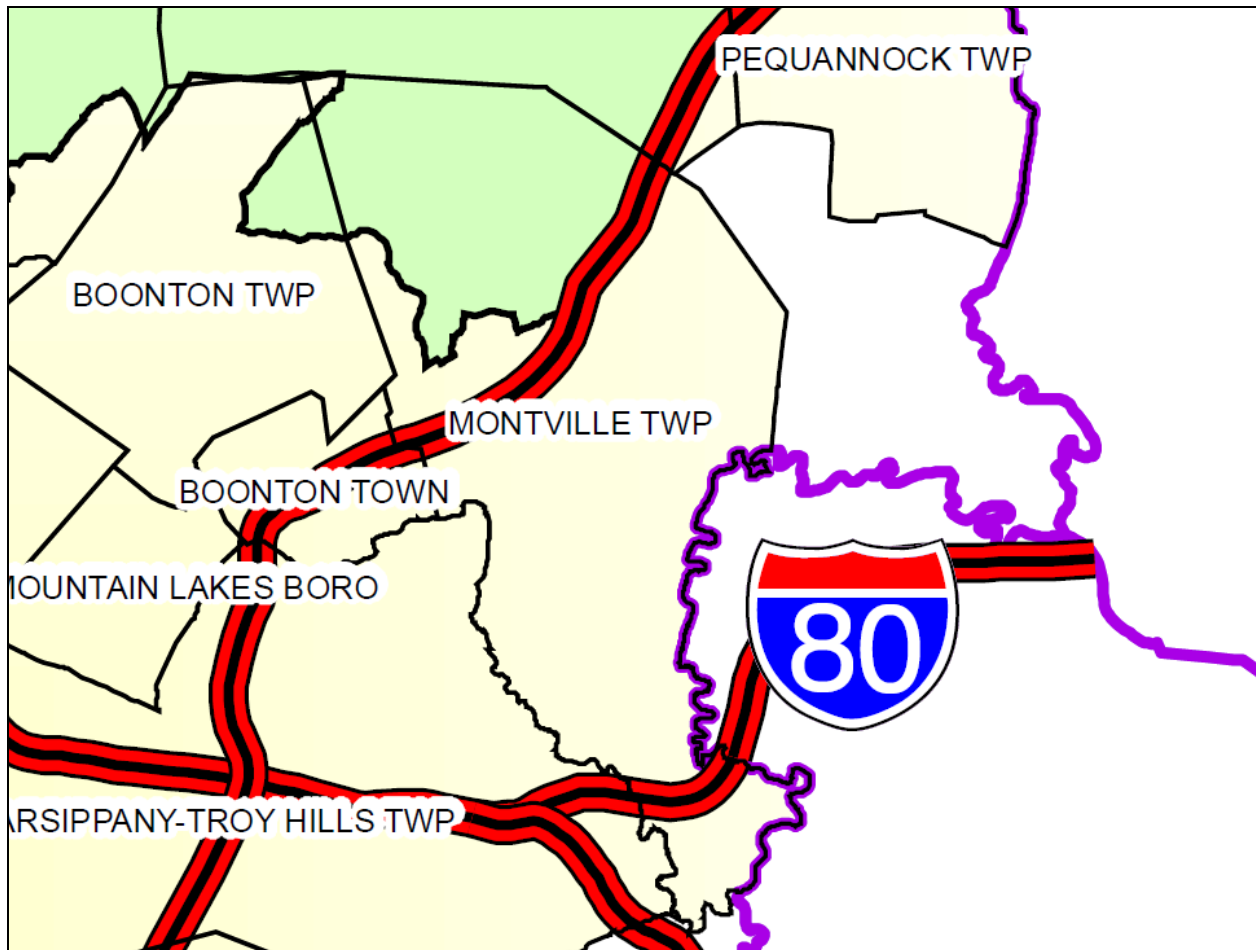
# NEW JERSEY HIGHLAND MAP



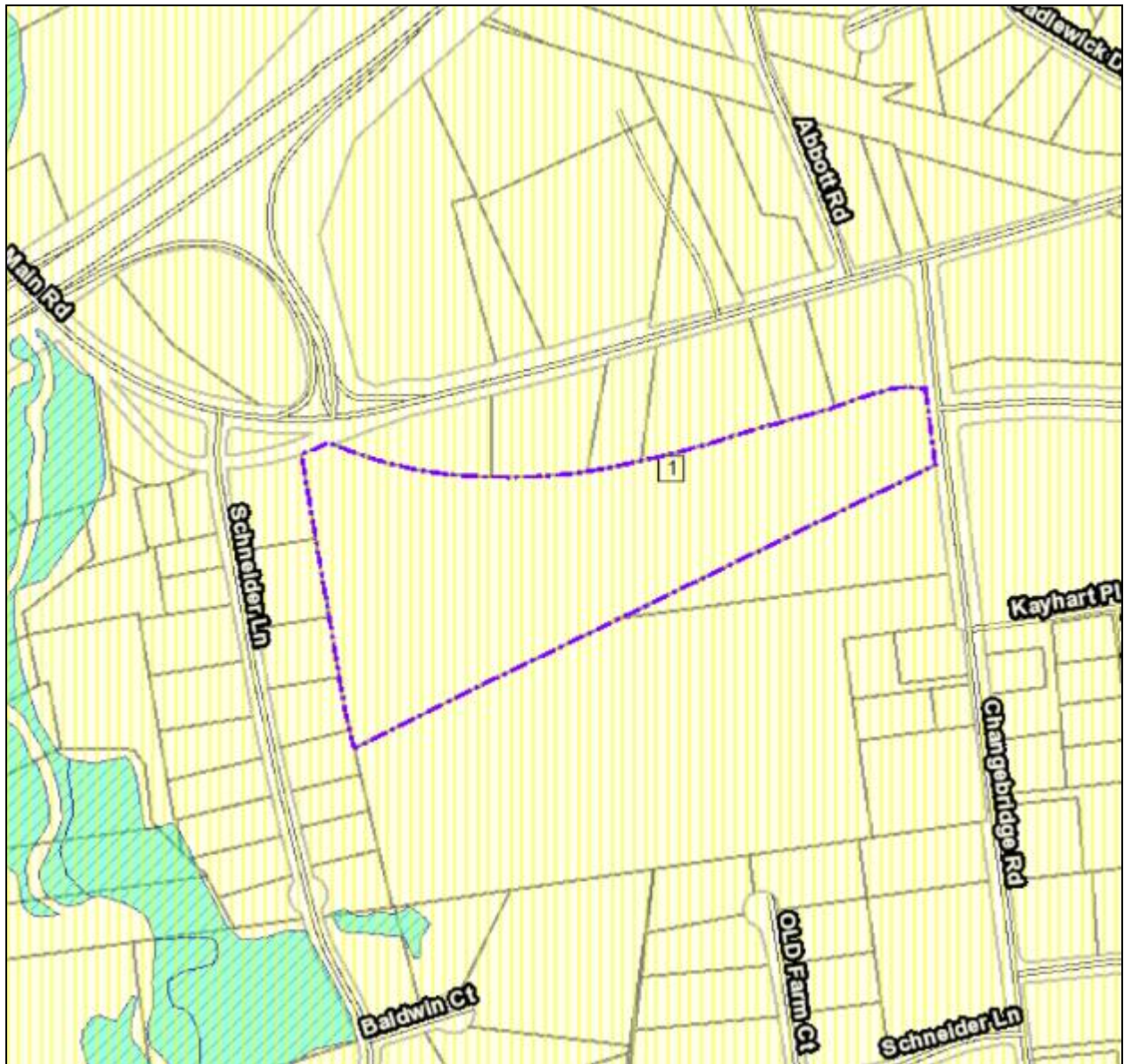


## HIGHLANDS REGION

The New Jersey Highlands Region is an over 800,000 acre region covering over 1,250 square miles and 88 municipalities in seven counties (Bergen, Hunterdon, Morris, Passaic, Somerset, Sussex and Warren). The Highlands Region is an essential source of drinking water for half of the residents of New Jersey.



The enlarged map above shows that an area of Montville Township east of Interstate 287 is being part of the Highlands Planning Area and NOT the more restrictive Highlands Preservation Area. The Highlands Planning Area is the portion of the Highlands Region that is not included in the Highlands Preservation Area. While the Act does not establish any new standards for the Highlands Planning Area, the Highlands regional master plan, which must be adopted by the Highlands Water Protection and Planning Council, will provide an avenue for enhanced standards, TDR and smart growth in this portion of the Highlands Region.

**NJ GEOWEB MAP - BLOCK 59.02, LOT 26****CONCLUSION:**

The subject property as outlined by the NJ GeoWeb mapping system shows that Lot 26 in Block 59.02 is regulated by the less restrictive Highlands Planning Area.



## ZONING

The subject site is located in the OB-5 Office Building District (and Morris Canal Historical District Overlay) whose uses are detailed in the excerpt from the Township of Montville, Morris County zoning regulations Chapter 230 which follows:

### Chapter 230. Land Use and Development

#### Part 4. Zoning Regulations

#### Article XIV. Zoning Districts Designated

#### § 230-116. Zoning districts.

##### A.

For the purposes of this chapter, the Township of Montville is hereby subdivided into 35 zone districts as follows:

R-120	Residential District
R-80	Residential District
R-43	Residential District
R-27A	Residential District
R-27B	Residential District — Townhouse Option
R-27C	Residential District — Adult Community Housing Option
R-27D	Residential District — Office Building Option
R-27E	Residential District — Retail Option
R-20A	Residential District
R-20B	Residential District — Townhouse Option
R-20C	Residential District — Office Building Option
R-15	Residential District
AH-1	Affordable Housing District
AH-2	Affordable Housing District
AH-4	Affordable Housing District
PBR	
[Added 9-27-2016 by Ord. No. Pine Brook Redevelopment District 2016-23]	
PURD	Planned Unit Residential Development District
TC1	Towaco Center Core Area District
TC2	Towaco Center Transitional Area District

B-1	Business District
B-2	Business District
B-3	Business District
B-4	Business District
B-5	Business District
B-6	Business District
OB-1	Office Building District
OB-1A	Office Building District — Adult Community Housing Option
OB-2A	Office Building District
OB-3	Office Building District
OB-4	Office Building District
OB-5	Office Building District
I-1A	Industrial District
I-1B	Industrial District
I-2	Industrial District
I-2A	Industrial District — Retail Option
LR	Lake Recreation District

**B.**

Overlay districts. In addition to the above zone districts, there are also established certain overlay districts, which are superimposed over and include portions of certain of the above districts, as follows:

**(1)**

CWR Critical Water Resources Districts, which include the CWR Prime Aquifer Area and the CWR Restricted Area.

**(2)**

Morris Canal in Montville and Capstick Historic Districts.

**(3)**

PBO Pine Brook Overlay District.

[Added 9-27-2016 by Ord. No. 2016-24]

**C.**

Also located in one or more of the above zone districts are historic sites or landmarks which are identified as locally designated historic sites in the Historic Preservation Plan Element of the Master Plan (see Schedule G) and which are subject to certain regulations contained in Article **XXV.**

[Amended 7-10-2012 by Ord. No. 2012-18]

## AREA AND YARD REQUIREMENTS

LAND USE AND DEVELOPMENT

230 Attachment 4

Township of Montville

**Schedule D**  
**Schedule of Area and Bulk Requirements**  
 [Amended 12-9-2014 by Ord. No. 2014-33]

Zone	Primary Permitted Uses	Minimum Lot Area (square feet)	Minimum Lot Width		Minimum Depth of Corner Lot <sup>1</sup> (feet)	Minimum Yards			Minimum Side Yards Combined <sup>2</sup> (percent)	Maximum Building Height <sup>3,4</sup>		Maximum Coverage		Maximum Floor Area Ratio (percent)	Minimum Distance Between Buildings <sup>5</sup> (feet)	
			At Street Line (feet)	At Required Setback Line (feet)		Front <sup>6</sup> (feet)	Rear (feet)	Each Side (feet)		(feet)	(stories)	Building (percent)	Impervious <sup>8</sup> (percent)			
R-120	One-family dwellings:															
	Conventional	120,000	144	216	240	60	85	40	40	35	2 1/2	10	20	—	—	
	Cluster	43,750	105	158	190	50	75	25	35	35	2 1/2	12	24	—	—	
R-80	One-family dwellings:															
	Conventional	80,000	120	180	220	50	75	30	35	35	2 1/2	10	20	—	—	
	Cluster	27,000	81	122	148	50	50	20	35	35	2 1/2	14	28	—	—	
R-43	One-family dwellings:															
	Conventional	43,750	105	158	190	50	75	25	35	35	2 1/2	12	24	—	—	
	Cluster	27,000	81	122	148	50	50	20	35	35	2 1/2	14	28	—	—	
R-27A	One-family dwellings:															
	Conventional	27,000	81	122	148	50	50	20	35	35	2 1/2	14	28	—	—	
	Cluster	21,850	69	104	125	50	50	15	35	35	2 1/2	15	29	—	—	
	Prime Aquifer (CWR District):															
	Conventional	80,000	120	180	220	50	75	30	35	35	2 1/2	10	20	—	—	
	Cluster	27,000	81	122	148	50	50	20	35	35	2 1/2	14	28	—	—	
	Restricted Area (CWR District):															
	Conventional	43,750	105	158	190	50	75	25	35	35	2 1/2	12	24	—	—	
	Cluster	27,000	81	122	148	50	50	20	35	35	2 1/2	14	28	—	—	
R-27B	One-family dwellings															
	Townhouses															
R-27C	One-family dwellings															
	Adult community housing															
R-27D	One-family dwellings															
	Child- and elder-care centers <sup>9</sup>	40,000	150	150	150	50	50	25	—	30	2 1/2	20	55	—	—	
	Office buildings															
R-27E	One-family dwellings															
	Retail, office															
R-20A	One-family dwellings:															
	Conventional	20,000	60	90	110	45	50	15	35	35	2 1/2	16	30	—	—	
	Prime Aquifer (CWR District):															
	Conventional	43,750	105	158	190	50	75	25	35	35	2 1/2	12	24	—	—	
	Restricted Area (CWR District):															
	Conventional	27,000	81	122	148	50	50	20	35	35	2 1/2	14	28	—	—	

MONTVILLE CODE

Zone	Primary Permitted Uses	Minimum Lot Area (square feet)	Minimum Lot Width		Minimum Depth of Corner Lot <sup>1</sup> (feet)	Minimum Yards			Minimum Side Yards Combined <sup>2</sup> (percent)	Maximum Building Height <sup>4,4</sup>		Maximum Coverage		Maximum Floor Area Ratio (percent)	Minimum Distance Between Buildings <sup>5</sup> (feet)	
			At Street Line (feet)	At Required Setback Line (feet)		Front <sup>10</sup> (feet)	Rear (feet)	Each Side (feet)		(feet)	(stories)	Building (percent)	Impervious <sup>11</sup> (percent)			
R-20B	One-family dwellings															
	Townhouses															
R-20C	One-family dwellings															
	Office buildings															
R-15	One-family dwellings	15,000	60	90	110	35	40	12	35	30	2 1/2	18	35	—	—	
AH-1	Multifamily dwellings															
AH-2	Multifamily dwellings															
AH-4	Multifamily dwellings															
PURD	One-family dwellings, townhouses															
TC1	Mixed-uses															
TC2	Mixed-uses															
B-1	Local business	20,000	100	100	125	25	30 <sup>7</sup>	10 <sup>6</sup>	—	30	—	30	75	25	—	
	Apartments															
B-2	Local business	43,750	175	175	200	40	50 <sup>7</sup>	20	—	30	—	20	55	25	—	
B-3	Highway business	43,750	175	175	200	40	50 <sup>10</sup>	20	—	30	—	30	75	—	—	
B-4	Highway business	217,800	360	360	360	75	50 <sup>10</sup>	25	—	30	—	20	55	25	—	
B-5	Garden centers															
	Self-storage facilities															
B-6	Age-restricted housing, self-storage facilities, hotel retail and residential mix															
OB-1	Office buildings	60,000	200	200	200	50	50 <sup>11</sup>	20 <sup>12</sup>	—	30	—	20	55	25	—	
OB-1A	Office buildings															
	Adult community housing															
OB-2A	Office buildings	87,000	200	200	200	50	50 <sup>11</sup>	25 <sup>13</sup>	—	30	—	20	55	25	—	
OB-3	Office buildings	217,800	360	360	360	150	50 <sup>11</sup>	50 <sup>11</sup>	—	30	—	—	30	15	—	
OB-4	Office buildings	87,000	200	200	200	50	50 <sup>11</sup>	25 <sup>13</sup>	—	30	—	25	65	30	—	
OB-5	Office buildings	217,800	360	360	360	150	50 <sup>11</sup>	50 <sup>11</sup>	—	30 <sup>9</sup>	—	—	40	20	—	
	Self-storage facilities															
I-1A	Industry	217,800 <sup>15</sup>	360	360	360	75 <sup>11</sup>	75 <sup>11</sup>	50 <sup>14</sup>	—	30 <sup>16</sup>	—	20 <sup>17</sup>	55 <sup>17</sup>	25	—	
I-1B	Industry	217,800	360	360	360	75 <sup>11</sup>	75 <sup>14</sup>	50 <sup>11</sup>	—	30 <sup>16</sup>	—	20 <sup>17</sup>	55 <sup>17</sup>	25	—	
	Self-storage facilities															
I-2	Industry	87,000	200	200	200	50	50 <sup>11</sup>	25 <sup>11</sup>	—	30 <sup>16</sup>	—	20 <sup>17</sup>	55 <sup>17</sup>	25	—	
I-2A	Industry	87,000	200	200	200	50	50 <sup>11</sup>	25 <sup>11</sup>	—	30 <sup>16</sup>	—	20 <sup>17</sup>	55 <sup>17</sup>	25	—	
	Retail															
LR	Country club															

LAND USE AND DEVELOPMENT

Footnotes to Schedule D:

- <sup>1</sup> Lot depth shall be calculated in accordance with § 230-54.
- <sup>2</sup> Percent of lot width at the setback line.
- <sup>3</sup> See § 230-131, Exceptions to height requirements.
- <sup>4</sup> Provided that in no event shall the maximum height for detached dwellings, as measured to the highest point of the ridge line for a sloped roof, exceed 45 feet, measured from any point around the building.
- <sup>5</sup> See § 230-127 for all zone districts.
- <sup>6</sup> See § 230-150 for additional requirements.
- <sup>7</sup> Must be free of structures, except fencing and screening, if it adjoins a residential district.
- <sup>8</sup> No side yard required if building abuts a building on an adjoining lot in the B-1 District.
- <sup>9</sup> (Reserved)
- <sup>10</sup> Must be free of structures, except fencing and screening.
- <sup>11</sup> One hundred feet when yard adjoins a residential district.
- <sup>12</sup> Forty feet when yard adjoins a residential district.
- <sup>13</sup> (Reserved)
- <sup>14</sup> (Reserved)
- <sup>15</sup> Notwithstanding the requirements for this zone district, the minimum lot size of lots hereafter created in the CWR Critical Water Resources District may be that required in the I-2 Industrial District, provided that the lots so created have an aggregate area not exceeding 20% of the total area of the tract being subdivided, and further provided that the balance of the tract not included in said lots or in streets shall be reserved as permanent open space either by dedication to public use or by private covenant or deed restriction. When lots are so created, the requirements of the I-2 Industrial District for minimum width of corner lot and minimum yards shall also apply. All other requirements applicable to the I-1A Industrial District shall be met.
- <sup>16</sup> Notwithstanding the provisions of § 230-131, vents, air-conditioning units, elevator lift housings and the like, and customary and normal roof appurtenances may extend up to 12 feet above the roof surface, provided that they occupy not more than 10% of the area of said roof surface.
- <sup>17</sup> The coverage limitations specified shall apply to the area of the lot excluding areas subject to certain physical and environmental constraint exceeding 25% of the lot area according to the schedule below.

Example  
Fifty-Acre Site

	Area (acres)	Reduction Factor	Area of Constraint (acres)
Bodies of water	0	100%	0
Floodways	5	100%	5
Flood fringe	0	75%	0
Freshwater wetlands	5	100%	5
Slopes 15% to 20%	5	40%	2
Slopes 20% to 25%	5	60%	3
Slopes 25% to 30%	5	80%	4
Slopes 30% and greater	2	100%	2
Major utility line easement	3	50%	1.5
<b>Total area of constraint</b>			<b>22.5</b>

Area of constraint (22.5 acres) – 25% of site (12.5 acres) = area by which site is to be reduced (10 acres).  
 Site area (50 acres) – area by which site is to be reduced (10 acres) = area by which maximum coverage determined (40 acres).  
<sup>18</sup> Maximum impervious coverage in portions located in the CWR Critical Water Resources District shall be 40% in the Prime Aquifer/aquifer proper area and 50% in the Restricted Area/aquifer recharge basin, unless a lesser percentage is specified in this schedule, in which case the lesser percentage shall apply.  
<sup>19</sup> See § 230-130A for additional requirements.

Constraint	Area Constraint By Which Lot Area Is Subject to Reduction*
Bodies of water	100%
Floodways <sup>a</sup>	100%
Flood fringe (100-year) <sup>a</sup>	75%
Freshwater wetlands, including transition areas <sup>b</sup>	100%
Slopes 15% to 20% <sup>c</sup>	40%
Slopes 20% to 25% <sup>c</sup>	60%
Slopes 25% to 30% <sup>c</sup>	80%
Slopes 30% and greater <sup>c</sup>	100%
Major utility transmission line easements and rights-of-way <sup>d</sup>	50%

- \* If more than one constraint applies to a given area, the constraint with the greatest reduction shall apply. The lot area shall be reduced only by the total area of constraint that exceeds 25% of the lot area.
- <sup>a</sup> As determined by the Department of Environmental Protection or other governmental agency with jurisdiction of floodways.
- <sup>b</sup> As determined by a survey by a qualified expert confirmed by the Department of Environmental Protection.
- <sup>c</sup> Calculated within two-foot contour intervals from aerial topography confirmed by survey of a New Jersey licensed land surveyor.
- <sup>d</sup> Includes water, power and fuel and pipelines and sanitary sewer interceptor lines. Does not include easements and rights-of-way serving the property.



## SCHEDULE OF PERMITTED USES

### LAND USE AND DEVELOPMENT

230 Attachment 3

Township of Montville

Schedule C  
Schedule of Permitted Uses

[Amended 3-27-2012 by Ord. No. 2012-04; 8-14-2012 by Ord. No. 2012-22; 12-9-2014 by Ord. No. 2014-33]

	R-120	R-90	R-43	R-27 A, B, C, D, E	R-20 A, B, C	R-15	AH-1, -2, -4	PURD	TCL, TC2	B-1, B-2	B-3, B-4	B-5	B-6	OB-1, -3	OB-1A	OB-2A, -4	OB-5	I-1A, I-1B	I-2	I-2A	LR
<b>PRINCIPAL USES</b>																					
<b>Residential</b>																					
Dwellings, one-family	X	X	X	X	X	X		X <sup>1</sup>	X <sup>2</sup>												
Apartments							X <sup>3</sup>		X <sup>4</sup>												
Townhouses				X <sup>5</sup>	X <sup>6</sup>		X <sup>7</sup>	X <sup>8</sup>													
Adult community housing				X <sup>9</sup>											X <sup>10</sup>						
Senior citizen housing							X <sup>11</sup>														
Age-restricted housing													X <sup>12</sup>								
<b>Business, Commercial, Industrial</b>																					
Retail stores and shops									X	X	X		X <sup>13</sup>								
Personal service establishments									X	X	X		X <sup>14</sup>								
Banks and financial institutions, including banks with drive-through facilities									X <sup>15</sup>	X	X		X <sup>16</sup>						X	X <sup>17</sup>	X
Offices for business, professional and administrative purposes									X <sup>18</sup>	X	X		X <sup>19</sup>	X	X	X	X	X	X	X	X
Restaurants									X	X <sup>20</sup>	X		X <sup>21</sup>								
Restaurants, fast-food									X <sup>22</sup>	X <sup>23</sup>	X										
Theaters, indoor											X										
Hotels and motels										X	X		X <sup>24</sup>	X	X	X	X				
Funeral homes										X	X			X	X						
Business and vocational schools										X	X			X	X						
Studios for instruction in voice, dance, martial arts, musical instruments and art									X	X	X			X	X	X	X				
Medical clinics and laboratories									X <sup>25</sup>	X	X		X <sup>26</sup>	X	X	X	X	X	X	X	X
Bowling alleys											X										
Indoor tennis, racquetball and similar court sports											X					X	X	X	X	X	X
Country clubs																					X
Municipal uses not including municipal administrative offices									X							X	X				
Motor vehicle sales, new <sup>15</sup>											X										
Wholesale distribution centers											X							X	X	X	X
Health and fitness centers											X			X <sup>16</sup>	X	X	X	X	X	X	X

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	R-120	R-80	R-43	R-27 A, B, C, D, E	R-20 A, B, C	R-15	AH-1, -2, -4	PURD	TC1, TC2	B-1, B-2	B-3, B-4	B-5	B-6	OB-1, -3	OB-1A	OB-2A, -4	OB-5	I-1A, I-1B	I-2	I-2A	LR	
Professional studios for photography and fine arts									X	X	X			X	X							
Bars and taverns										X <sup>17</sup>	X											
Museums, art galleries and libraries									X	X	X			X	X							
Animal hospitals and clinics									X <sup>24</sup>	X	X											
Public garages <sup>18</sup>											X											
Motor vehicle service stations <sup>18</sup>										X	X											
Automatic car washes <sup>18</sup>										X	X											
Greenhouses and garden centers										X	X	X <sup>19</sup>						X	X	X		
Printing and duplicating										X	X					X	X	X	X	X		
Computer and data processing centers											X			X	X			X	X	X		
Convention, conference and corporate training centers											X		X <sup>19</sup>	X	X							
Laundromats										X	X											
Plumbing, heating, electrical supply and air-conditioning showrooms and shops											X											
Building materials and contractor's yards											X											
Manufacturing, fabrication, packaging and treatment of products <sup>21</sup>																X	X	X	X	X		
Laboratories for research, design and experimentation <sup>20</sup>														X <sup>21</sup>	X	X	X	X	X	X		
Warehousing <sup>22,23</sup>																		X	X	X		
Moving and storage operations											X							X	X	X		
School bus storage and maintenance											X											
Self-storage facilities													X <sup>26</sup>	X	X		X <sup>27</sup>					
Miscellaneous Uses																						
Public parks and recreation facilities	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Municipal buildings	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Public utility installations and facilities													X			X	X	X	X	X		
Nonprofit clubs, lodges, civic and fraternal organizations										X				X	X	X	X	X	X	X		
Agriculture and farming <sup>25</sup>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Family child-care homes <sup>28</sup>	X	X	X	X	X	X		X	X													
Child-care centers <sup>24</sup>				X <sup>28</sup>					X	X	X		X <sup>19</sup>	X	X	X	X	X	X	X		
Assisted living facilities														X	X	X	X	X	X	X		
Nursing homes														X	X	X	X	X	X	X		
Residential health care facilities														X	X	X	X	X	X	X		
Hospitals																		X	X	X		
Elder-care centers <sup>24</sup>				X <sup>28</sup>					X				X <sup>19</sup>						X	X	X	
Places of worship <sup>27</sup>														X	X	X	X	X	X	X		

LAND USE AND DEVELOPMENT

	R-120	R-80	R-43	R-27 A, B, C, D, E	R-20 A, B, C	R-15	AH-1, -2, -4	PURD	TC1, TC2	B-1, B-2	B-3, B-4	B-5	B-6	OB-1, -3	OB-1A	OB-2A, -4	OB-5	I-1A, I-1B	I-2	I-2A	LR
Wireless telecommunications towers <sup>28</sup>									X	X	X	X	X	X	X	X	X	X	X	X	X
<b>CONDITIONAL USES</b>																					
Apartments <sup>29</sup>										X											
Public and private schools <sup>30</sup>	X <sup>71</sup>	X <sup>71</sup>	X <sup>71</sup>	X <sup>71</sup>	X <sup>71</sup>	X <sup>71</sup>											X	X	X	X	
Commercial stables and arenas <sup>31</sup>			X <sup>71</sup>																		
Kennels <sup>63</sup>	X <sup>71</sup>	X <sup>71</sup>	X <sup>71</sup>	X <sup>71</sup>																	
Community shelters <sup>32</sup>	X <sup>71</sup>	X <sup>71</sup>	X <sup>71</sup>	X <sup>71</sup>	X <sup>71</sup>	X <sup>71</sup>															
Office buildings				X <sup>15, 71</sup>	X <sup>14, 71</sup>																
Retail stores and shops				X <sup>15, 71</sup>																	X <sup>16</sup>
Personal service establishments				X <sup>15, 71</sup>																	
Banks and financial institutions, excluding banks with drive-through facilities				X <sup>15, 71</sup>																	
Health and fitness centers				X <sup>15, 71</sup>																	
Animal hospitals and clinics				X <sup>15, 71</sup>																	
Public utility buildings and power-generating stations <sup>34</sup>																			X	X	X
Self-storage facilities <sup>39</sup>													X						X <sup>60</sup>		
Restaurants, excluding fast-food restaurants and drive-through facilities																					X <sup>16</sup>
Retail food establishments																					X <sup>16</sup>
<b>ACCESSORY USES</b>																					
Roomers and boarders <sup>41</sup>	X	X	X	X	X	X	X	X													
Private garages	X	X	X	X	X	X	X	X					X		X						
Residential storage and maintenance sheds	X	X	X	X	X	X	X	X					X		X						
Shelters for domestic pets	X	X	X	X	X	X															
Private swimming pools <sup>42</sup>	X	X	X	X	X	X	X	X					X		X						
Normal residential accessory structures, such as fireplaces, trellises, lampposts and the like	X	X	X	X	X	X	X	X	X	X			X		X						
Off-street parking <sup>43</sup>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Off-street loading <sup>44</sup>									X	X	X	X	X	X	X	X	X	X	X	X	X
Signs <sup>45</sup>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Sale of farm produce <sup>46</sup>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Temporary structures <sup>47</sup>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Private stables <sup>48</sup>	X	X	X	X	X	X															
Satellite dish antennas, amateur radio antennas and receive-only antennas <sup>49</sup>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Wireless telecommunications antennas <sup>50</sup>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Wireless telecommunications towers <sup>51</sup>									X	X	X	X	X	X	X	X	X	X	X	X	X
Tennis courts and other racquet courts <sup>52</sup>	X	X	X	X	X	X	X	X					X		X						

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	R-120	R-90	R-43	R-27 A, B, C, D, E	R-20 A, B, C	R-15	AH-1, -2, -4	PURD	TC1, TC2	B-1, B-2	B-3, B-4	B-5	B-6	OB-1, -3	OB-1A	OB-2A, -4	OB-5	I-1A, I-1B	I-2	I-2A	LR
Playhouses	X	X	X	X	X	X	X	X													
Open decks, patios and porches	X	X	X	X	X	X	X	X	X	X			X		X						
Walls and fences <sup>53</sup>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Garbage, trash and recycling containers and enclosures	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Outdoor cafes <sup>54</sup>									X	X	X		X							X <sup>55</sup>	
Parking garages <sup>55</sup>													X	X	X	X	X	X	X	X	X
Accessory uses normally incidental to hotels, including newsstands, tobacconists, gift shops, restaurants, bars, beauty parlors, conference rooms										X	X		X	X	X	X	X				
Accessory uses normally incidental to office buildings, including newsstands, convenience stores, coffee shops, snack bars, child-care and adult-care facilities, health clubs										X	X		X	X	X	X	X	X	X	X	
Accessory uses normally incidental to country clubs, including court sports, ball fields, swimming pools, boathouses, docks, playgrounds, picnic areas, locker rooms, gate houses, storage and maintenance buildings, sales or rental of recreational equipment and related merchandise																					X
Employee cafeteria and commissaries														X	X	X	X	X	X	X	X
Retail sale of goods and products manufactured or warehoused on the premises by the firm or establishment occupying the premises <sup>56</sup>																		X	X	X	
Outdoor storage <sup>57</sup>												X						X	X	X	X
Outdoor display of merchandise <sup>58</sup>									X	X	X	X	X								
Recreational vehicles and equipment <sup>59</sup>	X	X	X	X	X	X	X	X													
Home occupations <sup>59</sup>	X	X	X	X	X	X		X	X												
Solar energy devices <sup>61</sup>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Ecoroofs <sup>62</sup>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

## LAND USE AND DEVELOPMENT

## Footnotes to Schedule C:

- <sup>1</sup> See Article XXI.
- <sup>2</sup> Limited to residential units along Waughaw Road which existed as of May 27, 2008. (See § 230-188E.)
- <sup>3</sup> See § 230-179A.
- <sup>4</sup> Only permitted above at-grade retail or other principal permitted uses set forth in § 230-188A(1) through (7).
- <sup>5</sup> Permitted in the R-27B District only. See § 230-144.
- <sup>6</sup> Permitted in the R-20B District only. See § 230-144.
- <sup>7</sup> Permitted in the R-27C District only. See § 230-145.
- <sup>8</sup> See § 230-146.
- <sup>9</sup> See §§ 230-192 and 230-194.
- <sup>10</sup> See § 230-194.
- <sup>11</sup> Drive-through facilities prohibited.
- <sup>12</sup> Banks prohibited in those portions of the I-2 District located along Route 202 to the east of Changebridge Road.
- <sup>13</sup> In TC1 District, only permitted above at-grade retail or other principal permitted uses set forth in § 230-188A(1) through (7).
- <sup>14</sup> Excluding a restaurant serving alcoholic beverages unless said restaurant constitutes the only use of the property.
- <sup>15</sup> Not including used car lots except as accessory to a new motor vehicle franchise located on the premises.
- <sup>16</sup> Permitted in the OB-3 District only.
- <sup>17</sup> Permitted only when said facility constitutes the only use of the property, is part of a restaurant which is the only use of the property, or is operated in conjunction with a package liquor store which is the only use of the property.
- <sup>18</sup> See § 230-147.
- <sup>19</sup> See § 230-148.
- <sup>20</sup> Not involving chemical or liquid treatment, processes or wastes when located in the CWR Overlay District.
- <sup>21</sup> In the OB-3 District only, engineering research and design of products and materials, including the testing of finished or prototype products as an adjunct to an office facility, subject to the following limitations:
- (a) No products or materials shall be manufactured or produced on the premises.
  - (b) The products and materials involved in the research process shall be those produced by a business of which the office facility is a part.
  - (c) The operation shall not involve biological research or the research, development and testing of organic, chemical or potentially hazardous products, materials or substances nor dispose of any materials, except water, into the sanitary sewer disposal system.
  - (d) The floor area devoted to the design and testing of products and materials shall not exceed the lesser of 20% of the total floor area of the office facility, including the research portion or 15,000 square feet.
  - (e) Any research operation shall comply with limitations imposed by the performance standards set forth in § 230-142.
  - (f) The foregoing shall not be deemed to exclude economic, sociological and educational research which, for purposes of these provisions, shall be deemed to be office uses.
- <sup>22</sup> Limited to the storage of dry goods, products or other articles.
- <sup>23</sup> Not involving the storage of liquid or chemical materials when located in the CWR Overlay District.
- <sup>24</sup> Permitted in the TC2 District only. See § 230-188B.
- <sup>25</sup> See § 230-143.
- <sup>26</sup> Permitted in the R-27D and R-27E Districts only.
- <sup>27</sup> See § 230-151.
- <sup>28</sup> See § 230-227.
- <sup>29</sup> Permitted in the B-1 District only. See § 230-170.
- <sup>30</sup> See § 230-163.
- <sup>31</sup> See § 230-164.
- <sup>32</sup> See § 230-166.
- <sup>33</sup> Permitted in the R-27D and R-27E Districts only. For the R-27D District, see § 230-167. For the R-27E District, see § 230-168.
- <sup>34</sup> Permitted in the R-20C District only. See § 230-169.
- <sup>35</sup> Permitted in the R-27E District only. See § 230-168.
- <sup>36</sup> See § 230-171.
- <sup>37</sup> (Reserved)
- <sup>38</sup> See § 230-172.
- <sup>39</sup> See § 230-173.
- <sup>40</sup> Permitted in the I-1B District only.
- <sup>41</sup> Limited to the leasing or rental of a room or rooms within a single-family dwelling owned by any senior citizen, provided such dwelling is the senior citizen's primary residence, and further provided such room or rooms are leased or rented to not more than one person (per N.J.S.A. 40:55D-68.4).
- <sup>42</sup> See § 230-152.
- <sup>43</sup> See § 230-203.
- <sup>44</sup> See § 230-204.
- <sup>45</sup> See Article XXVII.
- <sup>46</sup> See § 230-143.
- <sup>47</sup> See § 230-133.
- <sup>48</sup> Accessory to a one-family dwelling only. See § 230-154.
- <sup>49</sup> See § 230-155.
- <sup>50</sup> Antennas on existing principal structures shall be a permitted accessory use in all I Districts, pursuant to § 230-226A. In all other zones, antennas shall only be permitted on property owned, leased or otherwise controlled by the Township of Montville, pursuant to § 230-226C.
- <sup>51</sup> See § 230-227.
- <sup>52</sup> See § 230-153.
- <sup>53</sup> See § 230-159.
- <sup>54</sup> See § 230-96C(1).
- <sup>55</sup> See § 230-157.
- <sup>56</sup> Subject to the following limitations:
- (a) Said retail sales shall take place entirely within the confines of a building.
  - (b) The area devoted to retail sales shall be limited to a maximum 10% of the floor area occupied by the firm or establishment or 2,500 square feet, whichever is the lesser.
  - (c) There shall be at least one off-street parking space for each 200 square feet of floor area devoted to retail sales. The required number of parking spaces shall be determined separately from other operations in the building.
  - (d) Said retail sales shall be conducted during the hours of 9:00 a.m. to 5:00 p.m., Monday through Friday only.
- <sup>57</sup> See § 230-156.
- <sup>58</sup> See § 230-136.
- <sup>59</sup> See § 230-158.
- <sup>60</sup> (Reserved)
- <sup>61</sup> See § 230-160.
- <sup>62</sup> (Reserved)
- <sup>63</sup> See § 230-161.
- <sup>64</sup> See § 230-150.
- <sup>65</sup> See § 230-165.
- <sup>66</sup> See § 230-193.
- <sup>67</sup> See § 230-149.
- <sup>68</sup> Family child-care homes shall be subject to the Manual of Requirements for Family Child Care Registration, N.J.A.C. 10:126, as well as the requirements for home occupations, as set forth in § 230-158. In the case of a conflict, N.J.A.C. 10:126 shall govern.
- <sup>69</sup> Only permitted as an accessory to a conditionally permitted restaurant use pursuant to § 230-171B.
- <sup>70</sup> See § 230-156.1.
- <sup>71</sup> Also see § 230-162.

## ZONING SUMMARY

The subject site is located within the OB-5 Office Building zone which permits office development, as well as hotels & motels, medical clinics and laboratories, indoor sport courts such as tennis and racquetball, health & fitness uses, manufacturing and fabrication, warehousing and moving and storage operations to name a few. The subject lot has sufficient size (minimum lot size 5 acres - 217,800 sq. ft.) to be in substantial conformance with the current zoning requirements. The subject property is not located in a designated Highlands Preservation Area; however, it is subject to the Planning Area according to the Highlands maps and data previously cited.

*We are not experts in the interpretation of complex zoning ordinances but the property appears to be a conforming use based on our review of public information. The determination of compliance is beyond the scope of a real estate appraisal.*

We know of no deed restrictions, private or public, that further limit the subject property's use. The research required to determine whether or not such restrictions exist, however, is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and only a title examination by an attorney or Title Company can usually uncover such restrictive covenants. Thus, we recommend a title search to determine if any such restrictions do exist.

The foregoing is only a brief summary of the provisions of the zoning ordinance and related regulations. All applicable statutes should be read by an attorney to determine their entire and exact content to properly interpret the regulations and to determine their effect upon the subject property. A more complete copy of the zoning requirements is available at the municipality, online or perhaps in the appraiser's work file.

## HIGHEST AND BEST USE

Highest and best use may be defined as that use which will fully develop the site's potential utility and which will produce the greatest future benefit to owner.

In evaluating a property, in order to determine its highest and best use, many factors, including its location and present zoning, are considered. Within this concept is the assumption that demand exists for this use and that it is economically feasible.

The highest and best use must be a use or combination of uses: (1) which or will be permitted under existing or reasonably attainable zoning and/or other regulations; (2) for which there is an economic, social and/or market demand; (3) for which the property is physically suitable and adaptable.

The subject property is located within the Township's OB-5 Office Building District which was created to provide for office commercial development as well as the uses previously cited to name a few. It is our opinion that the highest and best use for the subject property, given the zoning of the property would be for commercial use in accordance with its current zoning.

## DESCRIPTION OF THE SUBJECT PROPERTY

The subject property is unimproved vacant land containing a total of 655,726± SF (15.053± acres) located on the south side of Route 202/Main Road and the west side of Changebridge Road/Route 621. It is designated on the official tax records of the municipality as Block 59.02, Lot 26, listed in the ownership of Public Service Electric & Gas Co.

As of our 2017 inspection, the subject property was being marketed by American Properties Realty, Inc. According to Mitch Leff, the listing broker, the subject property has some grade and fill issues; however, the asking price was between \$2,500,000 and \$2,600,000.

As of our 2018 inspection, the subject property was still being marketed by American Properties Realty, Inc., with Mitch Leff and Greg Kanter as listing brokers. Mr. Leff stated that prospective buyers enquired about the possibility of the following uses, to name a few; sports bubble, hotel, industrial, assisted living, and nursing home. After numerous inquiries from dozens of prospective buyers and conversations with the municipality it was revealed that there is significant resistance from residents and that town officials are reluctant to accept any use on the site that would require variances. Additionally, Mr. Leff stated that preliminary engineering studies revealed the site to be a sand pit and dependent upon the proposed use, site costs could be in the \$2,000,000 to \$4,000,000 range. Given the above, the current asking price is \$2,000,000 for a site with reportedly 97,291± SF of buildable area. A copy of the listing is included in the addenda of this report.

In 2018, Mr. Leff further stated that there is a current offer to purchase the subject site by a self-storage company (not related to the adjacent property owner) for \$1,500,000 assuming approval of a specific size self-storage building/facility. Per the OB-5 Office Building District, a self-storage use is permitted by right. The contract of sale reportedly has a provision that if the buyer can obtain approval for a larger self-storage building the 'contract price' of the site would increase. We do not have a copy of the contract of sale nor are not privy to any other aspects of the contract, especially the building sizes which necessitated the offered contract price or if applicable, an adjusted contact price.

In email correspondence dated June 5, 2019, Mr. Leff, with American Properties Realty, Inc., stated that "nothing has changed. Still pursuing that offer and approval."

The foregoing information obtained from Mr. Leff and Mr. Kanter, over the years, is relevant to the appraisal process. However, a potential proposed offer and the marketing of a site lacking approvals, has remained status quo. Additionally, CoStar Realty Information, Inc., (CoStar Group) has the subject property listed for sale, by American Properties Realty, Inc., with an undisclosed asking price.



**As of 2020, PSE&G reports that there is interest by a purchaser for the property but they have provided an engineering study from Menlo Engineering indicating an expense in the millions of dollars in order to fill and develop the site (see copy in the Addenda).** The appraisers are not engineers and cannot verify the efficacy of their estimates, but we will give some consideration to their findings in our evaluation.

This is an appraisal of the market value of the subject property, less the value (just compensation) for retention of the rights for the pre-existing (2.664± acre) Permanent Transmission ROW that extends in a north/south direction along the central area of the subject site as well as any pre-existing easements.

Lot 26 is irregular in shape and contains a total area of 15.053± acres according to PSEG Services Corp. The Township indicates the site to display 14.89± acres; however, we have included a site survey in the report and consider the owner's site size of 15.053± acres to be more accurate and used throughout the report. It has 122.83' of road frontage on State Highway Route 202, also known as Main Road, and 217.84' of frontage on Changebridge Road. The land is generally level at Route 202 then descending and then rising again to road grade level at Changebridge Road. The property is mostly wooded.

There is an **existing PSE&G transmission Right Of Way (R.O.W.)** that extends in a north/south direction along the central area of the subject site according to the PSEG Property Maps (see copies enclosed hereafter). One measures 150 feet wide and the other is of varying widths and both extend the width of the site.

In addition to the PSE&G transmission R.O.W. , the subject is impacted by two existing 70' wide and 100' wide JCP&L R.O.W's. estimated to contain 38,974± sq. ft. (0.895± acres) and 25,547± sq. ft. (0.586± acres) for a total 64,521± sq. ft. (1.481± acre) JCP&L easement. Also, there is a Texas Eastern Gas Transmission Corporation easement said to contain 33,463± sq. ft. (0.768± acre), part of which is within the PSE&G pre-existing easement area. The Texas Eastern easement outside of the PSE&G easement is estimated to be approximately one-third (1/3<sup>rd</sup>) of the total or 11,154± sq. ft. (0.256± acres).

Based on the above, the additional easement areas on the site (outside of the PSE&G easement area) total 75,675± square feet or 1.737± acres.

In addition to the aforementioned right-of-ways (R.O.W.) and/or easements, the subject site is also impacted by the following:

1. It has a temporary construction easement along its Changebridge Road frontage.
2. It has a slope easement that is mostly below or contained within other existing easements; however, a small portion or one-tenth (1/10<sup>th</sup>) of this easement is not within an existing

easement area and needs to be taken into account or consideration.

3. The subject site has a monopole within the varying width PSE&G transmission R.O.W.
4. There are three (3) wetland areas impacting the site.
  - a. One is situated on the east side of the site near to its Changebridge Road frontage.
  - b. One is situated in the central portion of the site mainly under existing easement areas.
  - c. One is situated on the southwest side of the site.

It is assumed that access is not impeded despite the fact that there is a temporary construction easement along the site's frontage on Changebridge Road.

The subject of this appraisal is the value of the entire site giving consideration to the area within the pre-existing PSE&G Transmission ROW (which would become a Permanent Easement upon potential sale of the subject) as well as the other easement areas.

**AERIAL MAP**



### BROADER AERIAL MAP

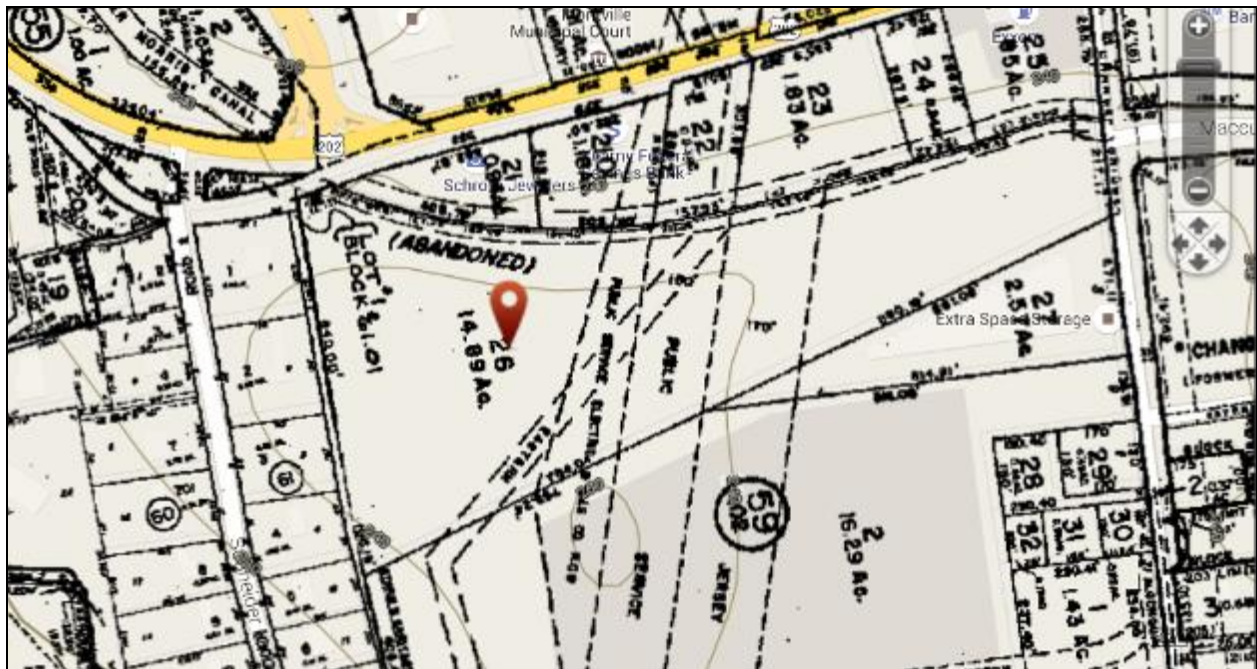


### WETLANDS MAP



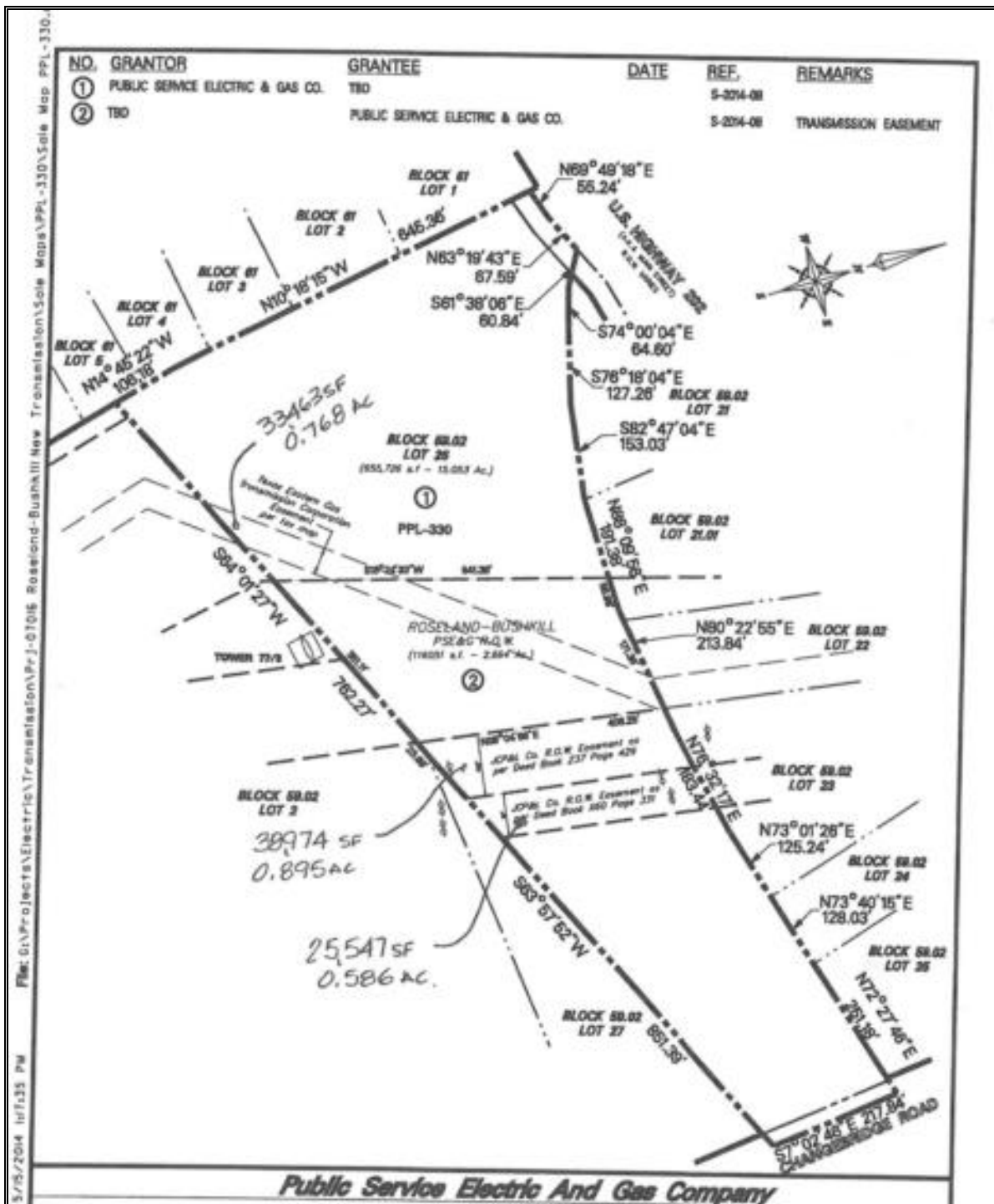
The above wetlands map, from NJ – GeoWeb, shows no known wetlands

### TOPOGRAPHICAL MAP



The subject site's topography is generally level

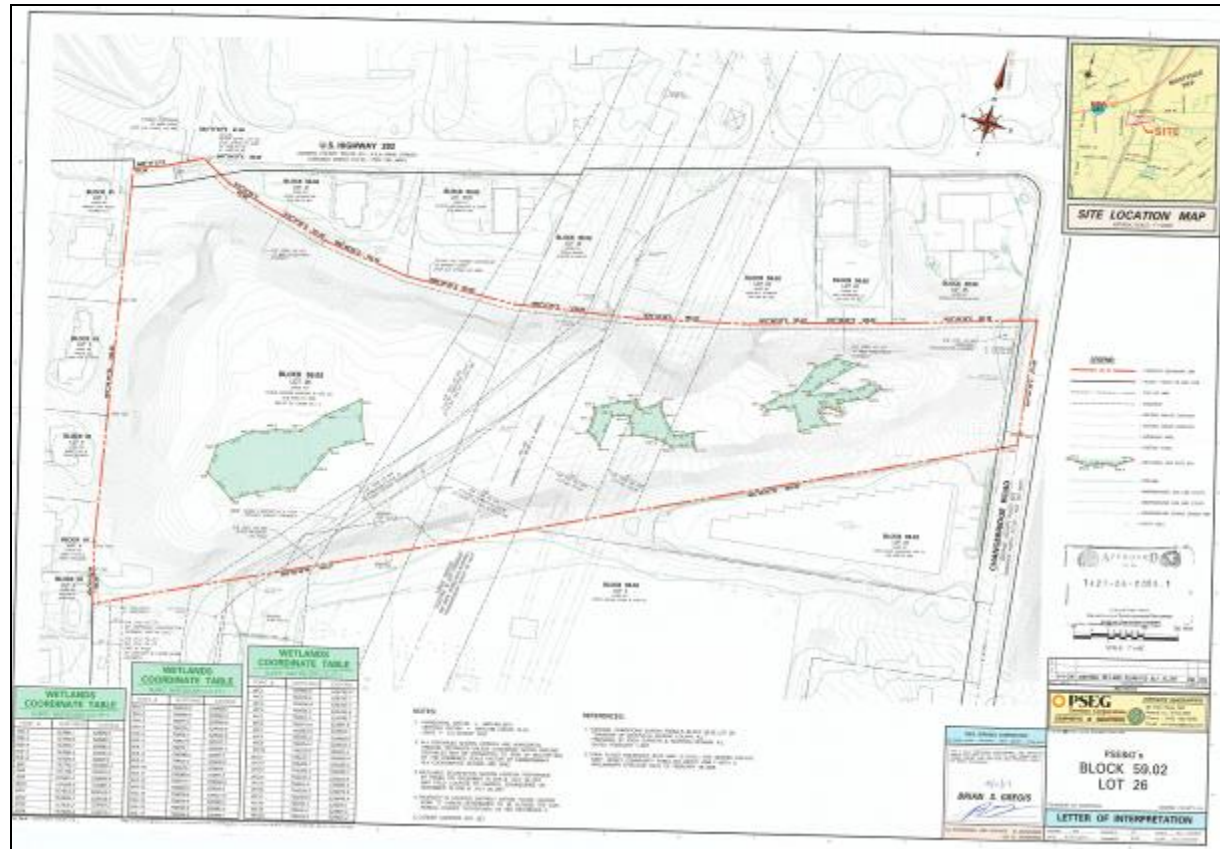
### SURVEY & EASEMENTS MAP



The survey & easements map above shows the PSE&G, JCP&L and Texas Eastern easements and/or right-of-ways; however it is not comprehensive as it does not show the temporary construction and/or slope easements. See Wetlands – Letter of Interpretation/Easements Map.



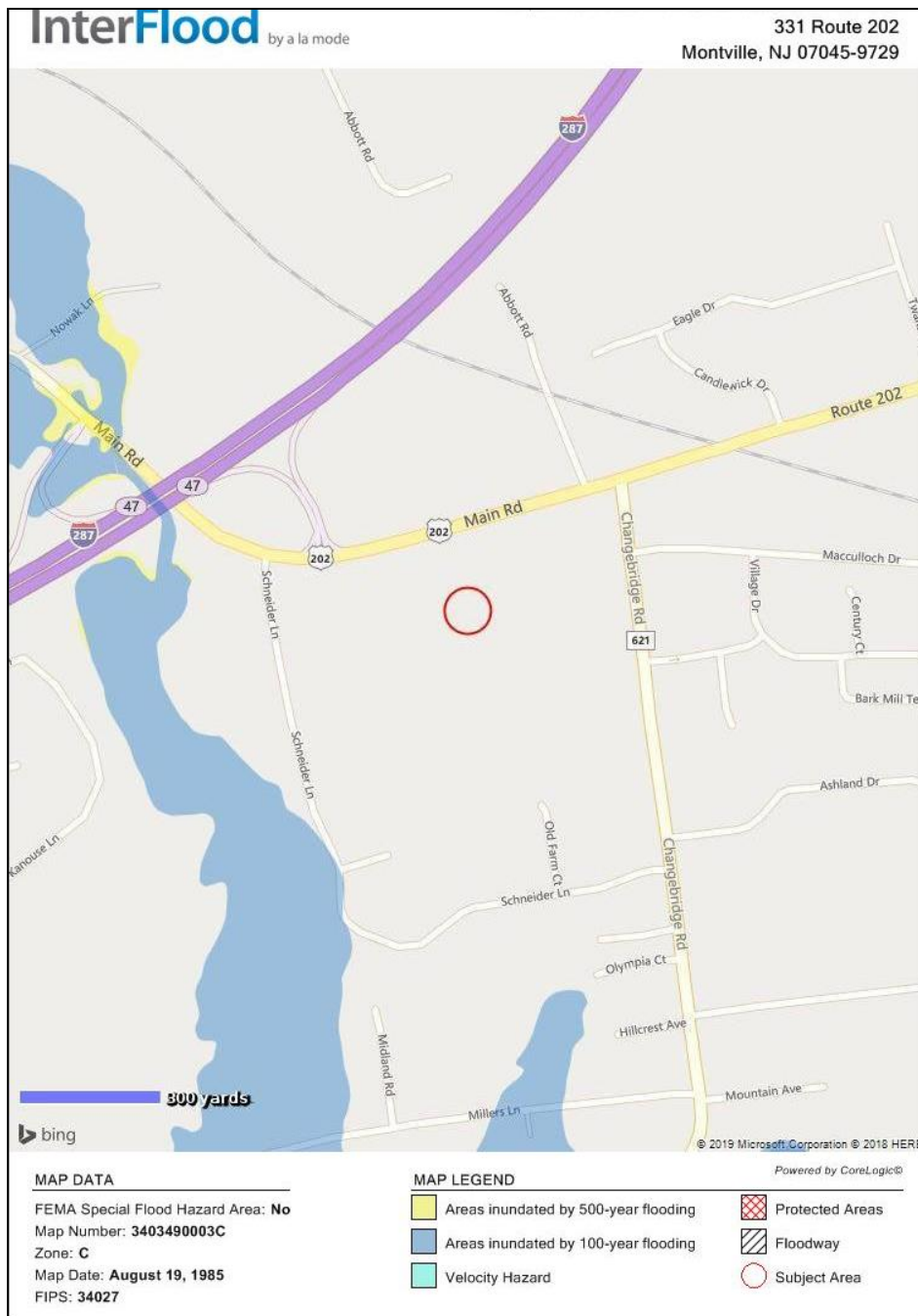
**WETLANDS – LETTER OF INTERPRETATION/EASEMENTS MAP**



Despite the NJ – Geo Web wetlands map cited earlier, the wetlands – letter of interpretation map, obtained from the client (PSEG) above shows three (3) wetland areas with one effectively within the existing right-of-way or under the power lines and the other two (2) located east and west of the ‘central’ existing easement area. Additionally, this map shows the subject site size to be 15.053± acres.



## FLOOD MAP



According to Flood Hazard Community Map #3403490003C, dated August 19, 1985 for the Township of Montville, Morris County, New Jersey, the subject parcel is NOT located in a high risk flood area, but rather a portion is in the Zone C area.

2019 - SUBJECT PICTORIAL SUMMARY



**2018 - SUBJECT PICTORIAL SUMMARY**



Subject For Sale Sign



Subject from Route 202/Main Road

**2018 - SUBJECT PICTORIAL SUMMARY (Cont'd)**



Subject from Changebridge Road



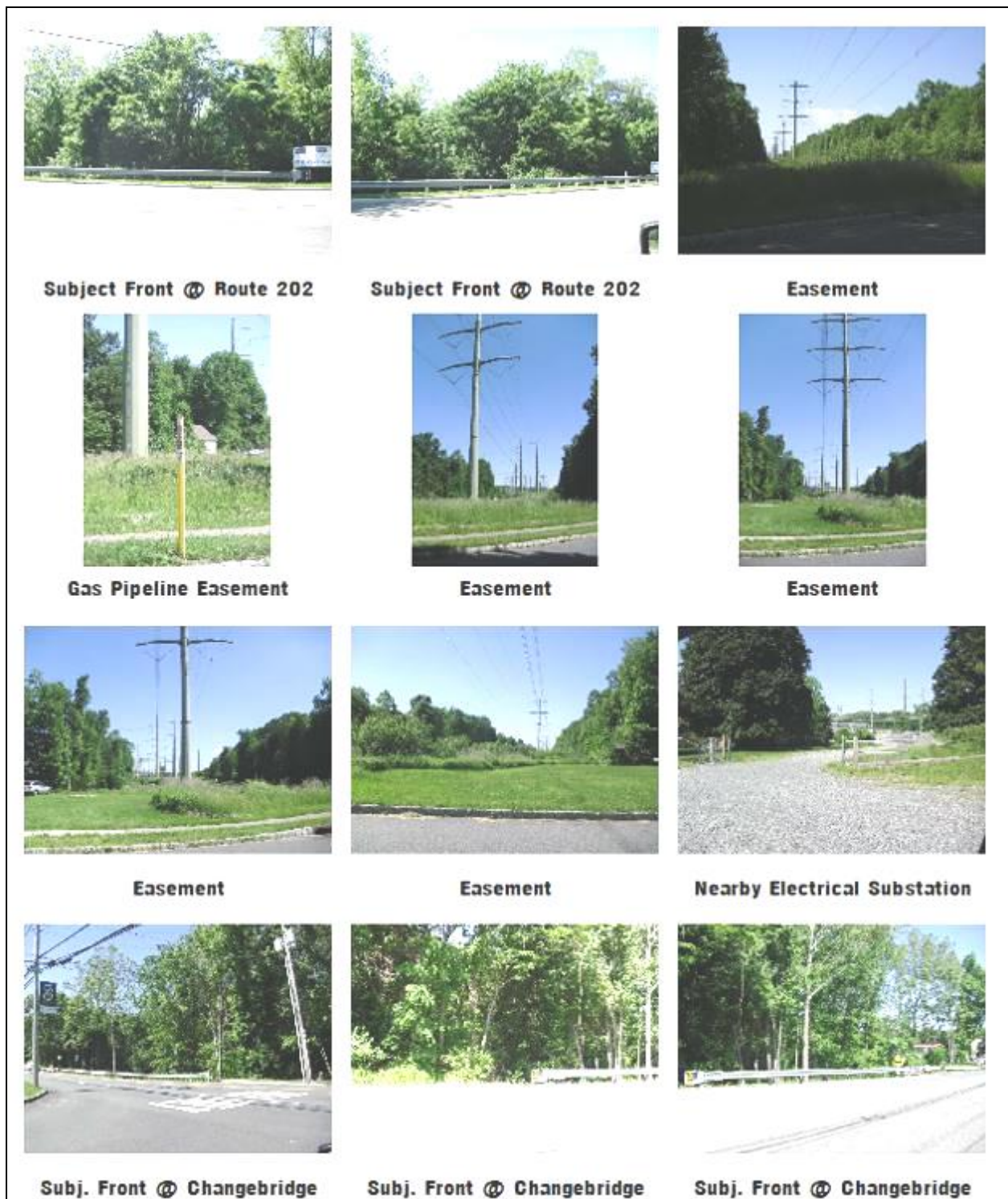
Subject from Changebridge Road

**2018 - SUBJECT PICTORIAL SUMMARY (Cont'd)**



The foregoing photographs were taken at the time of our prior site inspection on August 22, 2018.

**2017 - SUBJECT PICTORIAL SUMMARY**



The above photographs were taken at the time of our prior site inspection on June 1, 2017.

## **DESCRIPTION OF THE PROPOSED PERMANENT TRANSMISSION R.O.W EASEMENT**

In the event of a sale, there will be a Permanent PSE&G Transmission ROW Easement encompassing a pre-existing utility R.O.W. that extends in a north/south direction along the central area of the subject site.

The PSE&G Permanent Transmission ROW easement will contain 116,051± sq. ft. (2.664± acres). The other JCP&L and Texas Eastern pre-existing easements contain a total of 75,675± sq. ft. (1.737± acres).

**The current appraisal is for valuation of the entire parcel, less the value of a Permanent Transmission ROW Easement incorporating the existing R.O.W.,** in the event of a sale of the subject parcel. Insofar as the easement area is vacant land, only the value of the land will be considered in this report.

Copies of property maps prepared by PSEG Services Corporation or others can be found as prior exhibits. These maps denote differing information; however, we have considered all issues relating to the subject site as found in our Description of the Subject Property.

## VALUATION TECHNIQUE

Since this appraisal deals with the value of the land and does not include improvements, the only applicable approach to value is by means of the Sales Comparison Approach and a direct comparison with sales of comparable land parcels is most appropriate.

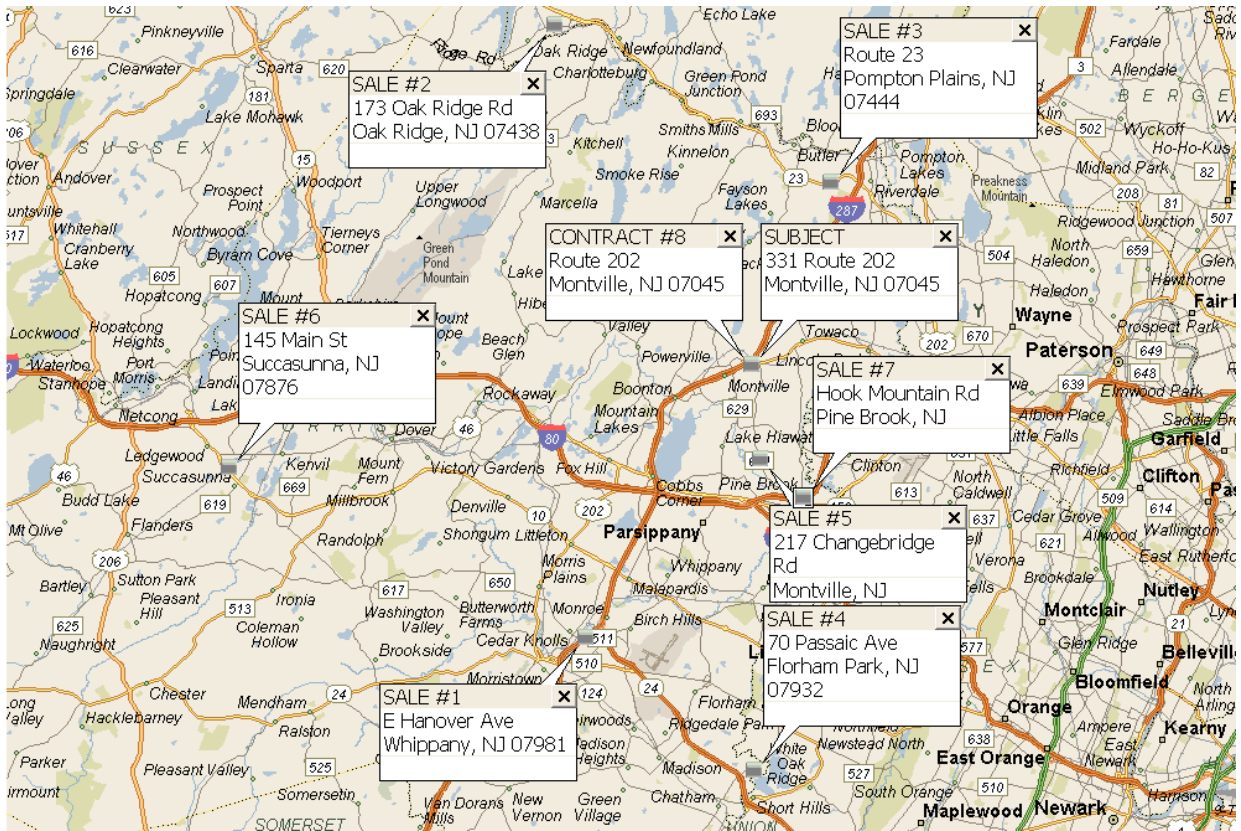
The typical valuation technique used in estimating the amount of just compensation for the proposed Permanent Transmission ROW easement is the Sales Comparison method. The entire property value is estimated (land only), and then the fair compensation for the use of the permanent ROW easement area, (including damages, if any).

In estimating the value of the subject land parcel, we considered sales of vacant properties in similar Commercial Zoning Districts of the Township of Montville as well as other competitive areas.

The seven (7) vacant land sales and one contract land sale summarized on the following pages are the most meaningful sales that have taken place in recent years. The Contract Sale (#8) is a much smaller 1 acre parcel that is located opposite the subject on Route 202. It is included here for informational purposes and is not on the adjustment grid due to its much smaller size.



### COMPARABLE LAND SALES LOCATION MAP



**COMPARABLE LAND SALE 1**

Address: 230 (200 East) Hanover Avenue  
Hanover, Morris County, NJ  
Block 601, Lot 1

Land: 18.822 acres/819,886 sq. ft.

Zone: I-B3 Industrial and Business District

Date Sold: June 20, 2018

Sale Price: \$3,850,000

Recorded: Book 23366, Page 952

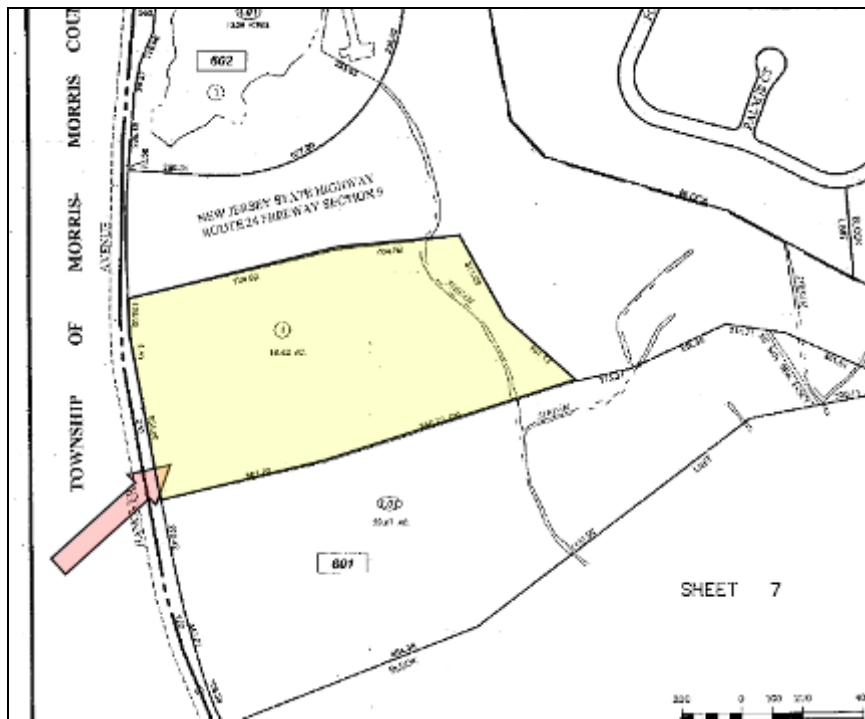
Grantor: Cresticon, Inc.

Grantee: RJ Parent Investors LLC

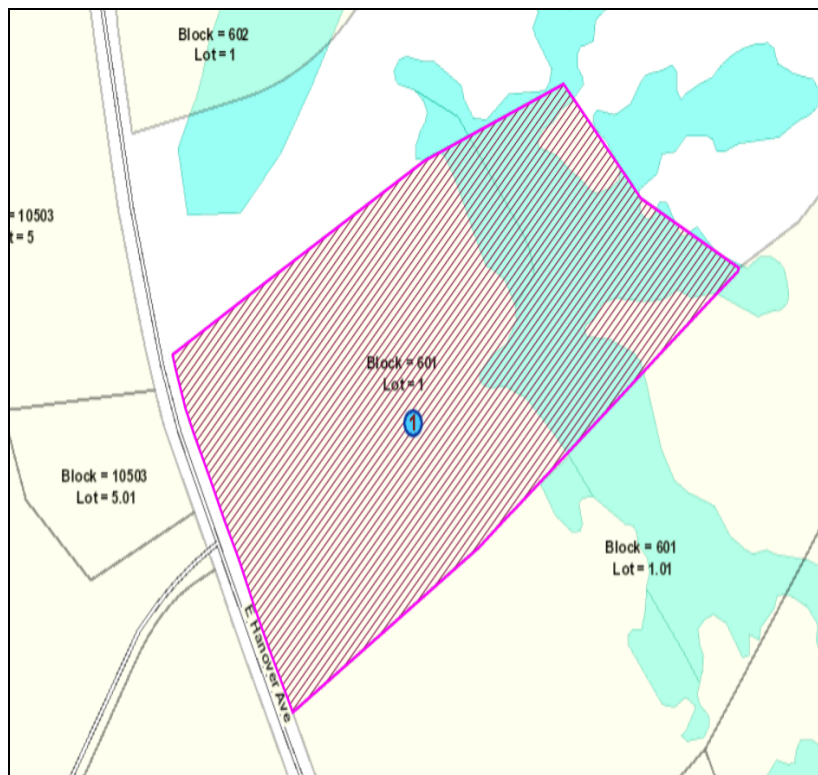
Unit Price: \$204,548 per acre or \$4.70 per sq. ft.

Comments: All utilities are at or available to the sites. This site is open and wooded. This sale consist of a lot formerly used by Northrup Grumman Corp. (parent company Cresticon, Inc) known as the Airtron/Litton site and reportedly this site had contamination issues. According to the Township planning board RJ Parent Investors LLC proposed a preliminary and final site plan approvals for an 89,770± SF BJ's Warehouse Club and gas station along with a 20,100± SF restaurant and 7,750± SF of additional retail space. BJ's canceled its move to this site and the planning board instead approved a Lowe's home improvement store without the gas station component. The buyer obtained (contingent sale) approvals for a shopping center. The rear of the site is impacted by a stream and approximately 6.25 acres of the site is impacted by wetlands.

### COMPARABLE LAND SALE 1 (Cont'd)



TAX MAP



WETLANDS MAP

**COMPARABLE LAND SALE 2**

Address: 173 Oak Ridge Road  
West Milford, Passaic County, NJ  
Block 15901, Lots 5 & 13

Land: 12.98± acres/565,408± sq. ft.  
(Lot 5 = 6.90± acres and Lot 13 = 6.08± acres)

Zone: LMI – Limited Manufacturing & Industrial zone

Date Sold: January 9, 2018

Sale Price: \$2,000,000 (Lot 5 = \$750,000 & Lot 13 = \$1,250,000) Minus  
Contributory Improvement Values \$400,000 = \$1,600,000 (adjusted)

Recorded: Deed Book 3260, Pages 169 & 176

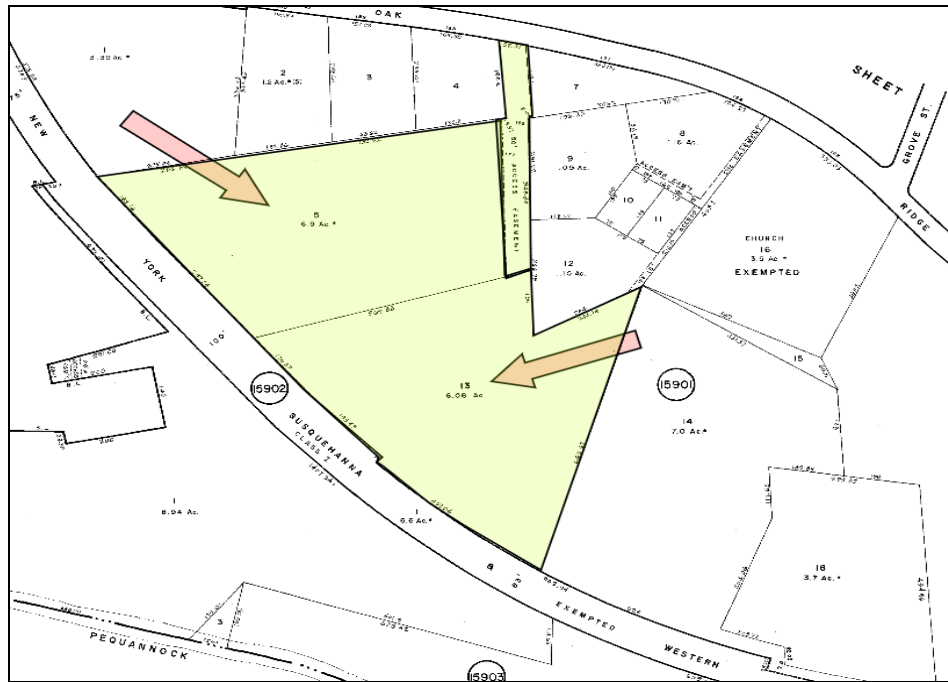
Grantor: Amalgamated Mud Corp. and Oak Ridge Associates, LLC

Grantee: 173 Service Properties, LLC

Unit Price: \$123,267 per acre or \$2.83 per sq. ft. (adjusted)

Comments: All utilities are at or available to both sites. This sale consists of two (2) adjacent lots sold by separate entities but purchased by the same entity. These sites are used by an aggregate/concrete company. These sites are improved with several industrially related buildings. This sale was allocated or adjusted for these improvements in considering it a vacant site. Lot 13 is accessed via a 52' wide access easement off Oak Ridge Road over Lot 13. Both lots have limited visibility. The sites are open and wooded with a small portion impacted by wetlands; however they are not situated in a high-risk flood plain.

### COMPARABLE LAND SALE 2 (Cont'd)



TAX MAP



WETLANDS MAP

PSE&G - 331 Route 202 (Main Road), Block 59.02, Lot 26, Montville, NJ (2019)

**COMPARABLE LAND SALE 3**

Address: 1441 Route 23  
Butler, Morris County, NJ  
Block 58, Lots 1, 2, and 3

Land: 5.89 acres/256,568 sq. ft.

Zone: HC-1 Highway Commercial

Date Sold: April 17, 2017

Sale Price: \$2,750,000

Recorded: Book 23112, Page 879

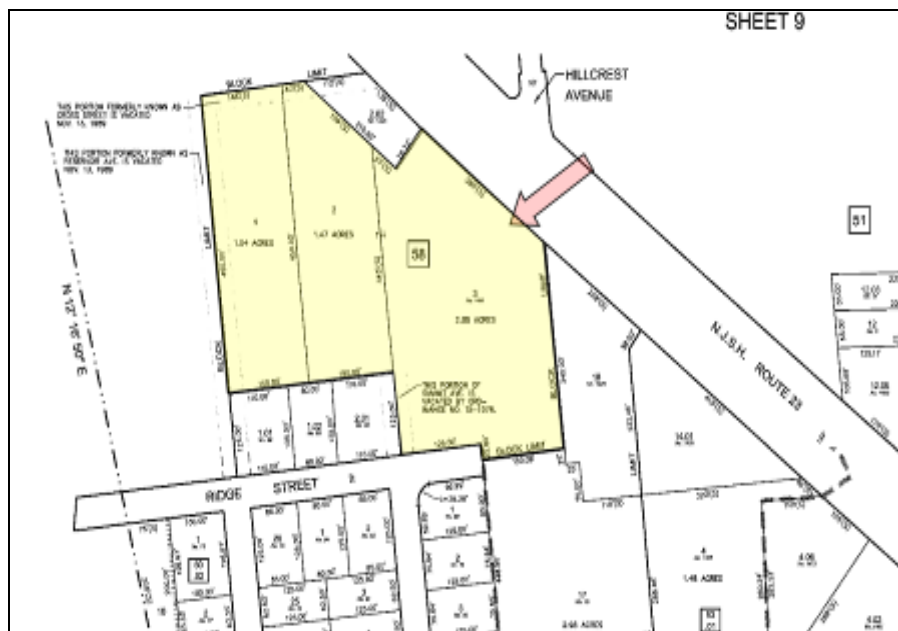
Grantor: Raymond Joseph Realty, LLC.

Grantee: ER/UDC Butler, LLC

Unit Price: \$466,893 per acre or \$10.72 per sq. ft.

Comments: All utilities are at or available to the sites. This combined site is mainly wooded with an open/cleared area fronting on Route 23. This sale, contingent upon obtaining approvals, consists of three (3) lots totaling 256,568± SF of commercially zoned land. It is a combined interior lot that fronts on State Highway 23 North with 280± feet of frontage and is south of Kiel Avenue/Kinnelon Road. This site has an additional 150± feet of frontage on Ridge Street. It is in an area characterized as transient highway commercial. The combined site is irregular in shape and its physical characteristics were typical to the area. This site is not impacted by wetland or flood plain. The buyer obtained approvals for a Quick Chek Convenience Store (5,496± SF) and Multi-Pump Gas Station.

### COMPARABLE LAND SALE 3 (Cont'd)



TAX MAP



WETLANDS MAP

**COMPARABLE LAND SALE 4**

Address: 70-76 Passaic Avenue  
Florham Park, Morris County, NJ  
Block 4202, Lots 4 & 5

Land: 16.85 acres/733,986 sq. ft.

Zone: C-1 - Office & Manufacturing

Date Sold: February 10, 2017

Sale Price: \$3,600,000

Recorded: Book 23082, Page 01207

Grantor: 2006 Realty LLC

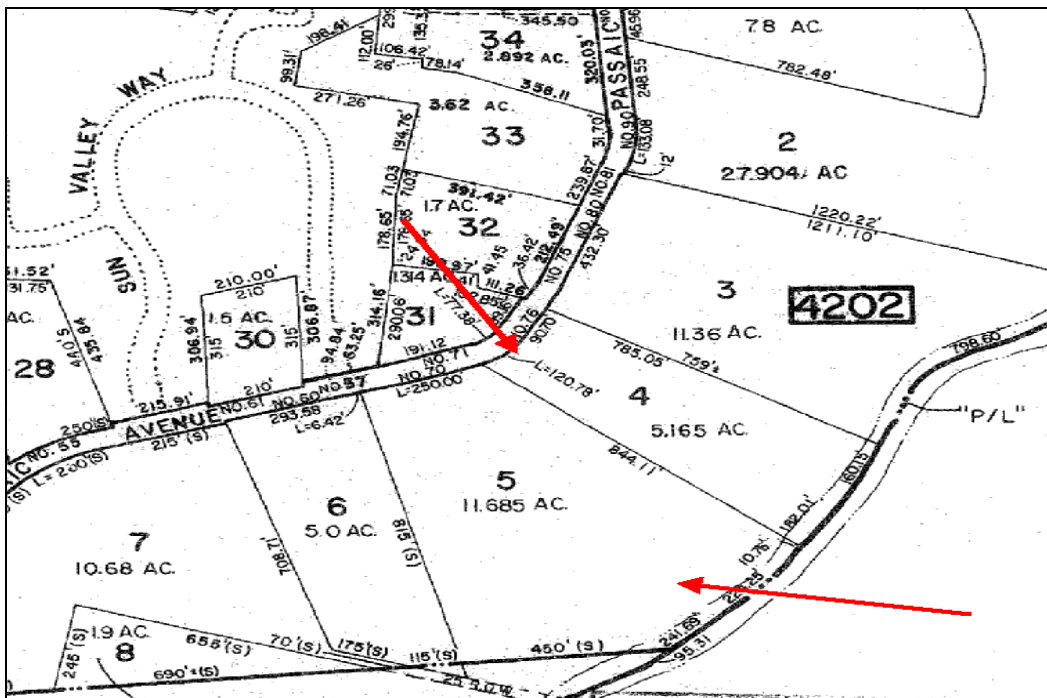
Grantee: 70-76 Passaic Avenue LLC

Unit Price: \$213,650 per acre or \$4.90 per sq. ft.

Comments: All utilities are at or available to the sites. This sale consists of two adjacent lots formerly used as landscaping/contractor yard. Proposed use is for a Sports Complex including an indoor domed ice skating rink/hockey stadium. Other anticipated improvements include ample parking, outdoor soccer, ballfields and a retail/concession building. Buyer obtained approvals in 2015/2016. The rear of the site is treed and adjoins the Passaic River. The combined site is impacted by wetlands; however, there are no known easements.



### COMPARABLE LAND SALE 4 (Cont'd)



TAX MAP



WETLANDS MAP

**COMPARABLE LAND SALE 5**

Address: 217 Changebridge Road  
Montville, Morris County, NJ  
Block 138, Lot 8

Land: 8.82 acres/384,199 sq. ft.

Zone: R-27D – Residential District — Office Building Option

Date Sold: March 18, 2016

Sale Price: \$1,500,000

Recorded: Book 22893, Page 0217

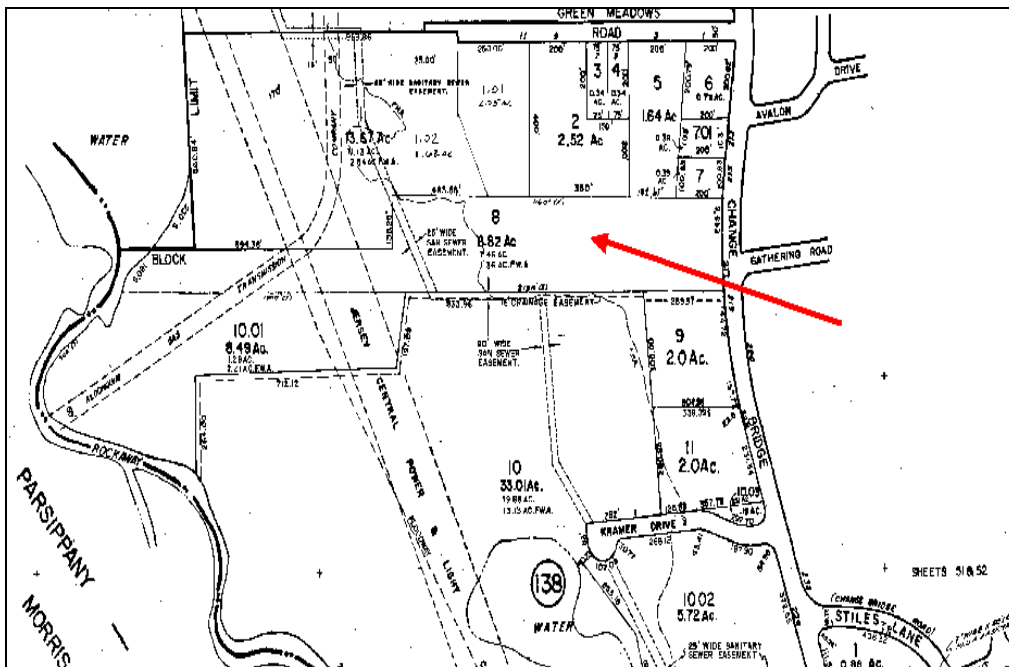
Grantor: Nazim & Shamshadbegum Hassam

Grantee: JLJ&J Management, LLC

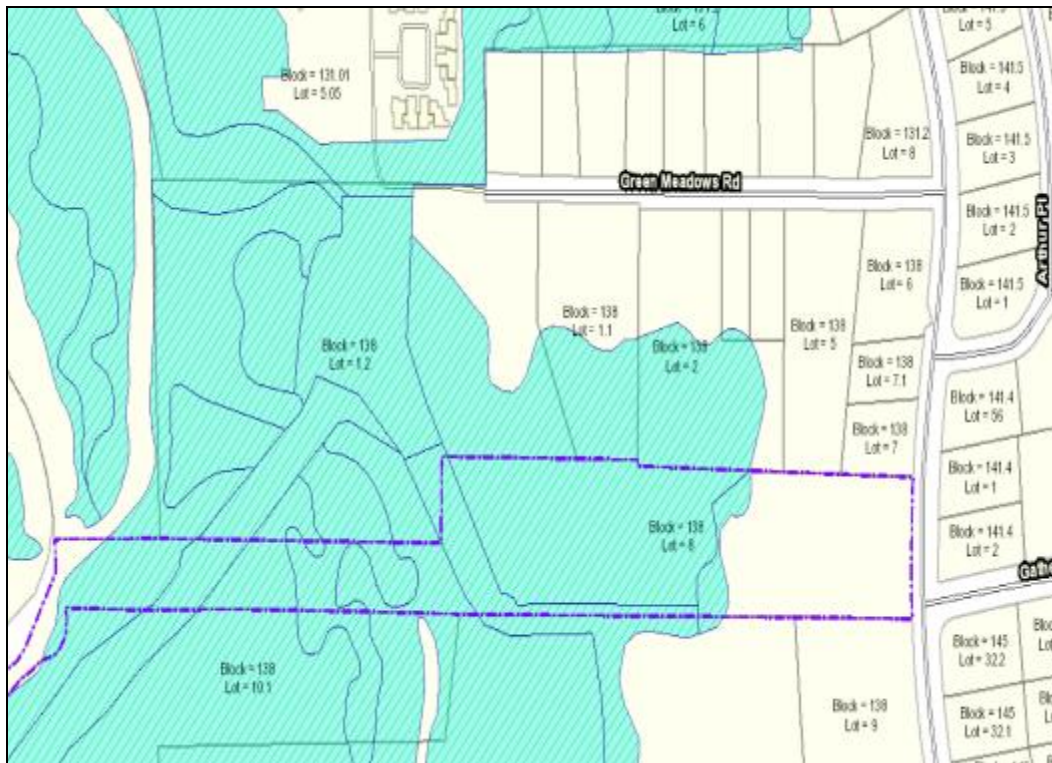
Unit Price: \$170,068 per acre or \$3.90 per sq. ft.

Comments: All utilities are at or available to the site. This site is effectively rectangular in shape. Proposed use is for a school/day care center. Buyer obtained approvals in 2009. There is a 25' wide sanitary sewer, a 50' wide Algonquin Gas Transmission Company easement as well as a 170' wide JCP & L easement. The rear of or majority of this site is treed and is impacted by wetlands – see enclosed wetlands map.

### COMPARABLE LAND SALE 5 (Cont'd)



TAX MAP



WETLANDS MAP

PSE&G - 331 Route 202 (Main Road), Block 59.02, Lot 26, Montville, NJ (2019)

**COMPARABLE LAND SALE 6**

Address: 145 Main Street  
Roxbury Township (Succasunna), Morris County, NJ  
Block 5103, Lot 1.02 (Part Of former Block 5103, Lot 1)

Land: 6.08 acres/265,032 sq. ft.

Zone: R -3 Residential

Date Sold: October 5, 2018

Sale Price: \$995,000

Recorded: Book 23432, Page 0843

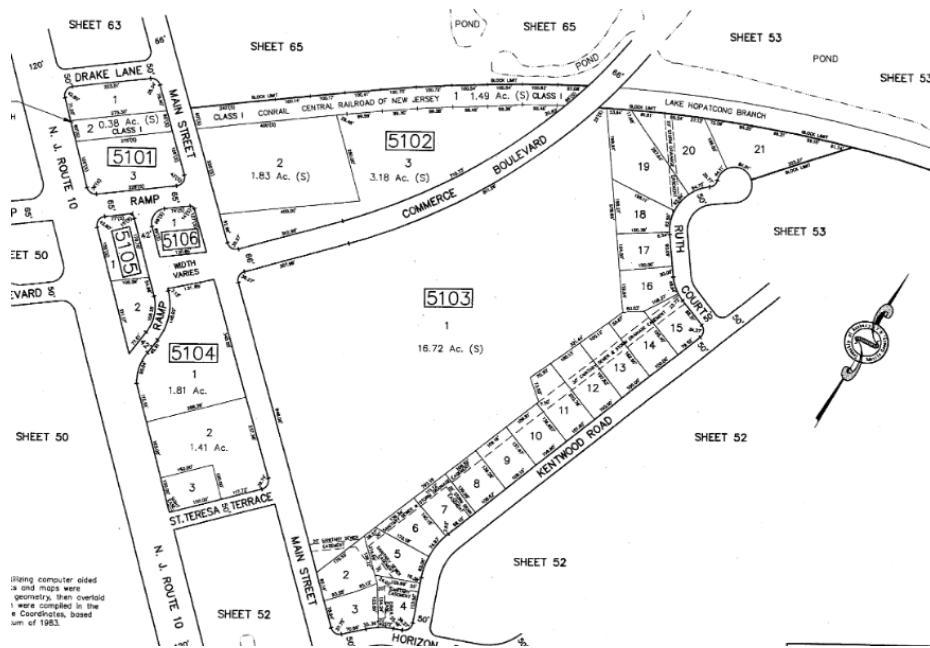
Grantor: Church of St. Therese Succasunna

Grantee: Merry Heart Assisted Living (199 Powerville Road, LLC)

Unit Price: \$163,536 per acre or \$3.75 per sq. ft.

Comments: All utilities are at or available to the site. This site was subdivided from the 16.61 acre site that was owned by the Church of St. Therese. It is situated on the main thoroughfare and was approved before the purchase to build a 96 unit assisted living facility. Although the subdivided lot is not yet available on the Wetlands website it appears that a small portion of this site is impacted by wetlands.

### COMPARABLE LAND SALE 6 (Cont'd)



TAX MAP Lot 1 (prior to subdivision)



WETLANDS MAP (prior to subdivision)

**COMPARABLE LAND SALE 7**

Address: 21 Hook Mountain Road  
Montville, Morris County, NJ  
Block 159, Lot 18

Land: 6.10 acres/265,716 sq. ft.

Zone: OB-3 – Office Buildings

Date of Sale: October 14, 2019

Sales Price: \$650,000

Recorded: Book 23554 Page 0874

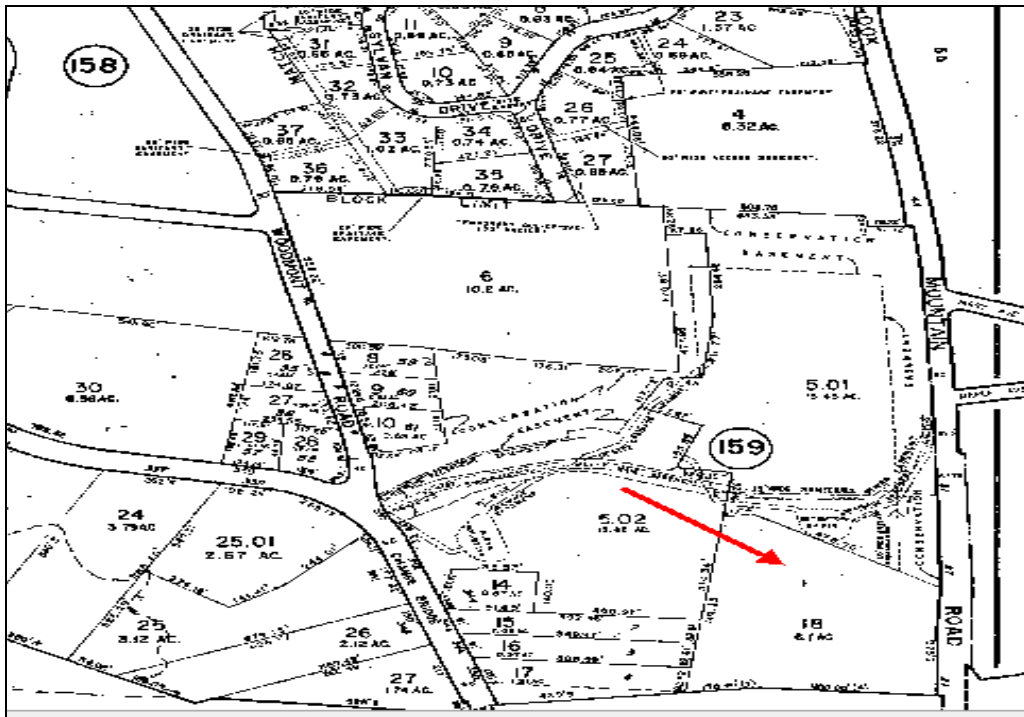
Grantor: Van Duyne Est. A A c/o Kurt Roessner

Grantee: AMJM Holdings LLC

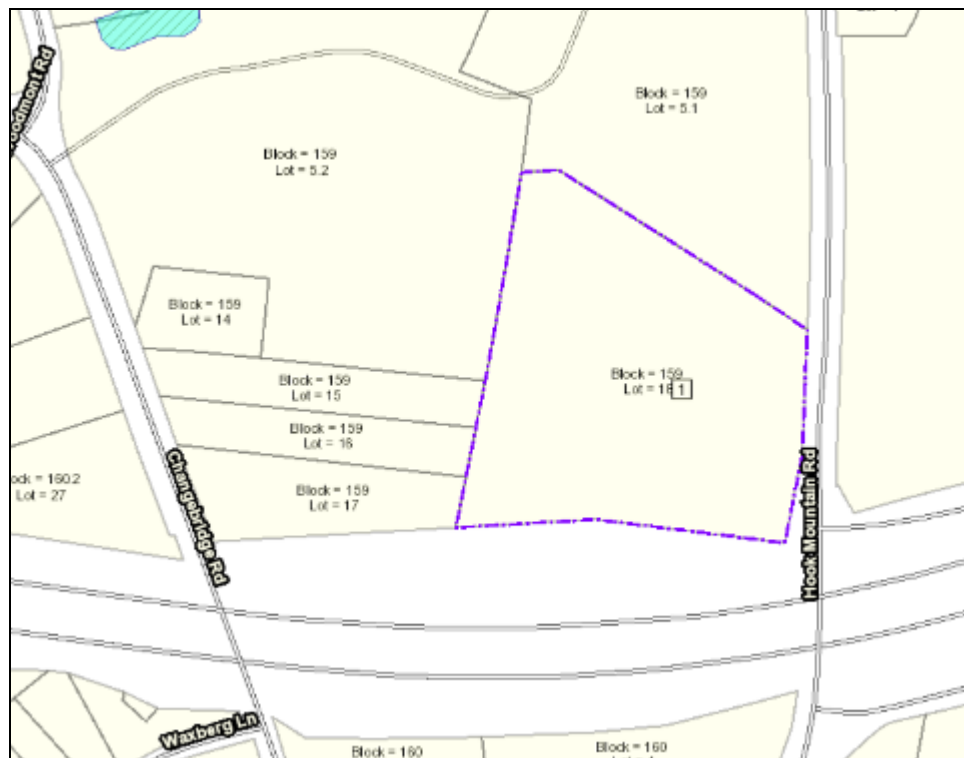
Unit Price: \$106,557 per acre or \$2.45 per sq. ft.

Comments: All utilities are at or available to the site. No known easements. The site has a rolling topography and is fully treed. Proposed uses include commercial/office/multi-family. However, according to the listing broker Lissa Roy of Team Resources, Inc., the site has significant granite rock and development is difficult. She also indicated that the prospective buyer; a sign company, is attempting to utilize this site for signage advertisement. The township's approval process has delayed settlement of this property, which has been under contract for approximately 5 years. The site's location directly adjacent to Route 80 would be ideal for advertisement.

### COMPARABLE LAND SALE 7 (Cont'd)



TAX MAP



WETLANDS MAP

**COMPARABLE LAND SALE 8 – CONTRACT/PENDING SALE**  
**(Not included on the Adjustment Grid – due to size)**

Address: 330 Route 202  
Montville Township, Morris County, NJ  
Block 55, Lot 1

Land: 1 acre/43,560 sq. ft.

Zone: OB-2A

Date Sold: Under Contract

Sale Price: \$160,000

Recorded: N/A

Grantor: Bruckmuhl Penne, LLC

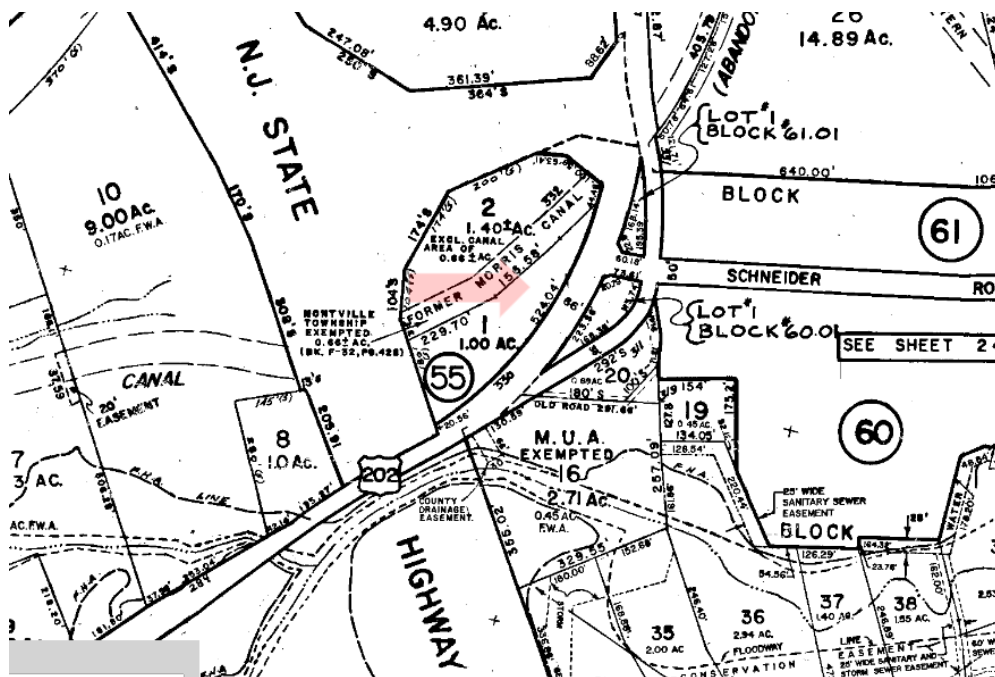
Grantee: N/A

Unit Price: \$160,000 per acre or \$3.67 per sq. ft.

Comments: Broker Douglas Balduini of Evergreen Realty advises that this property is under contract subject to approvals from the Municipality for office development. They have already received a Letter of Intent from the Morris Canal Commission. Situated at Route 202 in Montville near the subject property.



### COMPARABLE CONTRACT LAND SALE 8(Cont'd)



TAX MAP



WETLANDS MAP

Comparable (Land) Sales Adjustment Grid							
PSE&G							
Block 59.02, Lot 26							
Township of Montville							
Morris County, NJ							
Subject Property	Sale #1	Sale 2	Sale #3	Sale #4	Sale #5	Sale #6	Sale #7
331 Route 202	230 (200 East) Hanover Ave	173 Oak Ridge Road	1441 Route 23	70-76 Passaic Avenue	217 Changebridge Road	145 Main Street	21 Hook Mountain Road
Township of Montville Morris County, NJ	Hanover Morris County	West Millford Passaic County	Butler Morris County	Florham Park Morris County	Montville (Lake Hiawatha) Morris County	Succasunna (Roxbury Twp.) Morris County	Montville (Pine Brook) Morris County
Block/Lot:	601/1	15901/5 & 13	58/1, 2, & 3	4202/4 & 5	138/8	5103/1.02	159/18
Subject: Block 59.02, Lot 26							
Date of Sale:	6/20/2018	1/9/2018	4/17/2017	2/10/2017	3/18/2016	10/25/2018	6/14/2019
Valuation Date: March 18, 2020							
Consideration:	\$3,850,000	\$1,600,000	\$2,750,000	\$3,600,000	\$1,500,000	\$995,000	\$650,000
Subject: 15.053± Acres or 655,709± SF							
Land Area: Acres	18.82	12.98	5.89	16.85	8.82	6.08	6.10
Land Area: SF	819,886	565,409	256,568	733,986	384,199	264,845	265,716
Zoning: OB - 5 Office Building District	I-B3	LMI	HC-1	C-1	R-27D	R-3	OB-3
Approvals: Subject: None	Yes	None	Yes	Yes	Yes	Yes	None
Property Rights: Subject: Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Price Per Acre:	\$204,548	\$123,267	\$466,893	\$213,650	\$170,068	\$163,651	\$106,557
<u>Adjustments</u>							
Property Rights:	0%	0%	0%	0%	0%	0%	0%
Conditions of Sale:	0%	0%	0%	0%	0%	0%	0%
Financing:	0%	0%	0%	0%	0%	0%	0%
Market Conditions:	2%	4%	5%	6%	9%	5%	15%
Net Adjustments:	2%	4%	5%	6%	9%	5%	15%
Adjusted Price Per Acre:	\$208,639	\$128,197	\$490,238	\$226,469	\$185,374	\$171,834	\$122,541
<u>Adjustments</u>							
Location:	0%	10%	-10%	0%	0%	0%	0%
Topography/Utility:	-20%	-20%	-20%	-20%	-20%	-20%	0%
Size:	0%	0%	-5%	0%	-5%	-5%	-5%
Zoning:	0%	0%	-5%	0%	5%	5%	0%
Easements:	-5%	-5%	-5%	-5%	0%	0%	0%
Approvals:	-20%	0%	-20%	-15%	-15%	-15%	0%
Access/Frontage:	0%	10%	0%	0%	0%	0%	10%
Wetlands:	0%	-10%	-10%	0%	0%	0%	0%
Miscellaneous:	-5%	-5%	-5%	-5%	-5%	-5%	-5%
Net Adjustments:	-50%	-20%	-80%	-45%	-40%	-40%	0%
<b>RID</b> Adjusted Price Per Acre:	\$104,319	\$102,558	\$98,048	\$124,558	\$111,224	\$103,100	\$122,541

## RECONCILIATION OF COMPARABLE LAND SALES

There were several comparable land sales available in Morris and Passaic Counties in recent years and Montville Township specifically. The commercial land sales in the general market area reflect unadjusted unit prices ranging from \$106,557 to \$466,893 per acre of land. The sales have many characteristics, some of which are similar to the subject and others that vary. Adjustments to the sales have been made, as discussed below, and then have been detailed on the accompanying Comparable (Land) Sales Adjustment Grid.

### Property Rights:

Sales may transfer in fee simple interest or as a leased fee estate. All sales herein reflect the transfer of a fee simple interest and no adjustment is required.

### Conditions of Sale and Financing:

The transfer of sales may rely upon non-typical terms of financing or other non-typical terms and conditions, which affect market prices. All of the sales are cash equivalent sales requiring no financing adjustments. All of the sales are arm's length transactions.

### Market Conditions:

This adjustment relates to market changes between the date of appraisal and the sale date which might have influenced prices to rise or drop in the interim. The overall real estate market has rebounded from the "Great Recession" and in certain instances may require upward adjustments to older sales for market conditions. Therefore, Sales 1 through 6 - the 2016 to 2018 transactions have been adjusted upward 3% annually to 2020. The remaining Sale 7, although occurring in 2019, was under contract for approximately 5 years and is adjusted accordingly.

### Location:

These adjustments relate to economic and/or street locations (i.e. highway) or otherwise which locale or location makes one preferable to another in a particular market or market segment. In addition, as a result of the desirability of a neighborhood, the development potential of a parcel is affected. All sales, except Sales 2 and 3 are basically located on similar street locations and in somewhat similar neighborhoods and no adjustments are required. Sale 2 is located in a generally similar locale but is on a remote street with limited vehicular traffic and is adjusted upward for its inferiority. Sale 3 is located in a generally similar locale but is on Route 23, a highway, and is adjusted downward for its superior overall location.

Topography/Utility:

The subject is being valued as a vacant parcel of land. The subject site is generally level at road grade and is mostly wooded. However, based on the Engineering studies provided, there is significant cost involved in development of the site. All sales, except Sale 7 are considered superior and needed downward adjustments in this regard. Sale 7 is impacted by having boulders/granite rock and is not adjusted due to its similar lack of overall site utility.

Size of Parcel:

Smaller sized sites usually will sell at higher unit values than larger tracts, although buyers are occasionally willing to pay a premium for a larger parcel. All sales, except Sales 1, 2 and 4 are smaller than the subject and downward adjustments, by varying degrees, are necessary. Sales 1, 2 and 4 are considered similar in size requiring no adjustment.

Zoning:

All Comparable Sales, except Sales 3, 5 and 6 are similar in this regard requiring no adjustment. Sale 5 and 6 are in more restrictive residential zones requiring an upward adjustment due to their inferiority as compared to the subject site. Conversely, Sale 3 is situated in less restrictive commercial zones requiring a downward adjustment due to its superiority when compared to the subject site.

Easements:

All Comparable Sales, except Sale 5, are superior in this regard therefore all sales are adjusted downward due to the existence of significant easements impacting the subject site. Sale 5 which is similar to the subject site has several easements on the site and no adjustment is taken. It should be noted, however, the actual adjustment value of the subjects' easements will be taken in our final value estimate hereafter.

Approvals:

Comparable Sales 7 and 8, which sold lacking any type of building approvals are similar in this regard therefore no adjustment is indicated. Approvals allowing a site to be improved (building approvals) have implications to the underlying land value and the type of approval can be significant. Sales 2, 4, 5 and 6 are superior as they had some in-place approvals for use either subject to or outright, at the time of sale and downward adjustments are applied. By contrast, Sales 1 and 3 are adjusted downward significantly as Sale 1 has (major) in-place approvals for major retail development and Sale 3 has in-place (major) approvals for gas station and retail convenience store. Sale 7 and approvals for signage, which did not indicate adjustment compared to the subject.

Access/Frontage:

This adjustment reflects differences in value as a result of configuration and frontage. The subject site has road frontage on two roads but it is mostly situated behind several other properties fronting on Changebridge Road. All comparable sales, except Sales 2 and 7 are considered roughly equal requiring no adjustment. Sale 2 although purchased as a 2-lot property has limited frontage and Lot 13 is land locked with access via an easement crossing Lot 5, therefore Sale 2 is adjusted upward for its inferiority in this category. Sale 7 is somewhat inferior less access and an upward adjustment is applied.

Wetlands:

This adjustment reflects the overall utility of the comparable sales vs. the subject parcel as well as the impact of wetlands. The subject site displays three areas of isolated wetlands. One of the subject's wetlands areas is situated mainly within a pre-existing easement area and was not considered to be of consequence; however, the other two wetlands areas are considered to impact development. Sales 1, 4, 5 and 7 contain wetlands and required no adjustment. Sale 3 displays no wetlands and is adjusted downward for its superiority. Sales 2 and 6 display minimal wetlands which are not considered to impact development and are also not adjusted.

Miscellaneous:

This adjustment reflects the diminution issues relating to the subject's temporary construction easement along Changebridge Road as well as the area of the slope easement not previously accounted for that is outside the variable width PSE&G R.O.W. and the Texas Eastern easement. All sales are adjusted downward for their superiority in this category.

Conclusion:

The Comparable (Land) Sale Adjustment Grid, previously cited, shows the individual adjustments and the net effect of these adjustments on the unit prices of each comparable sale. As previously stated, prior to adjustments the land sales indicated an unadjusted price range of \$106,557 to \$466,893 per acre. After adjustment, the sales reflect a narrower price range of \$98,048 to \$124,558 per acre. The average/mean adjusted price is \$109,478 per acre and the adjusted median price is \$104,319 per acre. Slightly more emphasis was given to Sale 5 which is the most recently contracted sale located in the subject municipality. The adjusted unit prices suggest a unit value of \$105,000 per acre, and we have concluded that as a unit value for the subject property.

**VALUE BEFORE THE CREATION OF RIGHTS UNDER  
THE EXISTING EASEMENTS**

Based on the comparable land sales, the appraiser estimates a unit value of \$105,000 per acre for the subject parcel.

Computation of the “Before” Subject Land Value in its entirety without consideration of Easements is as follows:

$$15.053\pm \text{ acres @ } \$105,000/\text{acre} = \$1,580,565$$

**VALUE AFTER THE CREATION OF RIGHTS UNDER  
THE PROPOSED NEW EASEMENT**

The unit value will remain the same in the after value. As stated earlier, it is our opinion that the value of the remainder property will not be affected by the imposition of the rights within the proposed new easement area. Also, the site contains additional pre-existing easement areas for JCP&L and Texas Eastern. Our conclusion that the remainder is unaffected is based on our experience, and market research and analyses indicating that buyers of properties do not recognize a difference in value in the before and after value estimate. Thus, the following **after** value calculations are as follows:

10.652± acres unaffected @ \$105,000 per acre	=	\$1,118,460
4.401± acres in Easement Areas @ \$105,000 per acre		
Less 50%	=	<u>\$ 231,053</u>
 Land Value <b><u>After</u></b> the Proposed New Easement		 \$1,349,513
Rounded:	=	\$1,350,000

**Therefore, the estimated market value of the subject, less just compensation for the rights of a Permanent PSE&G Transmission R.O.W. and the other pre-existing easements, is estimated to be:**

**ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS  
(\$1,350,000)**

## RECONCILIATION AND CONCLUSION

Reconciliation is the final phase of the appraisal process in which the data obtained from the three approaches to value is reviewed, and strengths and weaknesses of the respective approaches are evaluated. The data from the value approaches is thus correlated into a Final Value Estimate.

After consideration of all pertinent data, the results of the approaches to value are as follows:

COST APPROACH:	NA
SALES COMPARISON APPROACH:	\$1,350,000
INCOME APPROACH:	NA

Only the Sales Comparison Approach was employed because the subject property is vacant land. This appraisal did not employ any extraordinary assumptions and/or hypothetical conditions:

Based upon these considerations, it is our opinion that the market value of the subject site less just compensation for the rights of the proposed Permanent Transmission ROW in the event of sale of the subject parcel, in fee simple interest, as of March 18, 2020, is estimated to be:

**ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS**  
**(\$1,350,000)**

## CERTIFICATION

I, Ronald D. Chiarello, MAI, certify that 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 they are my personal, impartial and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is 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 Standard of Professional Appraisal Practice.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification
- The reported analyses, opinions and conclusions were developed and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.



- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives
- The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
- I have not appraised, nor provided any other services relative to the subject property within the past three years.

Compliance with the Competency Provision in the USPAP as adopted in FIRREA 1989 and has sufficient education and experience to perform the appraisal of the subject property.

March 24, 2020

Date



Ronald D. Chiarello, MAI

Vice President

N. J. License #42RG00135200

**ADDENDA**

## Engineering Study

**Greg Kanter**

**From:** Ken Grisewood [KGRISEWOOD@menloeng.com]  
**Sent:** Tuesday, August 15, 2017 9:40 AM  
**To:** Greg Kanter  
**Cc:** Scott Turner  
**Subject:** FW: MONTVILLE CP CUT/FILL CALCULATIONS  
**Attachments:** 2017.087-MONTVILLE-CP-CUT-FILL.pdf

Ok the quantity of fill is extreme... according to Joe T calcs the project requires 3,952,000 cft of fill with 50,000 cft of cut... so  $3,900,000 \text{ cft} / 27 = 144,445 \text{ cu yards of fill...}$  or 9630 truck loads...import... (not realistic for the yield)  
 The reason this occurs with the scheme is the max slope of the driveway for the west side cannot exceed 6% (large tractor trailers).. The driveway is currently shown at 5%.. so a little steeper will drop the building finished floor 2-3 feet... The east side is far more difficult to reduce ... The driveway throat to the parking is too short to allow the driveway to significant drop. The run has to be much longer in turn reducing the viable access and parking .. That is why I had originally proposed parking under medical office...  
 Please let me know you thoughts before we hard-line this plan...

**From:** Joseph Tidona  
**Sent:** Tuesday, August 15, 2017 9:17 AM  
**To:** Ken Grisewood  
**Subject:** MONTVILLE CP CUT/FILL CALCULATIONS



**Joseph Tidona**  
 Intern  
 261 Cleveland Avenue  
 Highland Park, NJ 08904  
 T 732 846 8585  
 F 732 846 9439  
[www.menloeng.com](http://www.menloeng.com)  
 Follow us on [Facebook](#)

*Fill:*  
 $9630 \times \$250/\text{truckload} = \$2,407,500$   
 $9630 \times \$300/\text{truckload} = \$2,889,000$

*Walls:*  
 $2,1640 \text{ SF} \times \$30/\text{SF} = \$649,200$   
 $2,1640 \text{ SF} \times \$35/\text{SF} = 757,400$

*Total Fill + Walls:*  
 $\$3,056,700 - \$3,646,400$   
 Don't include any pump station

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**Greg Kanter**

---

**From:** Scott Turner [STURNER@menloeng.com]  
**Sent:** Tuesday, September 12, 2017 8:26 AM  
**To:** Greg Kanter  
**Cc:** Ken Grisewood  
**Subject:** Montville

Greg - Approximate retaining walls per Concept Plan-1 dated 8/09/17:

East Side: 1,200 lf - 11,200 sf

West Side: 950 lf - 10,440 sf

Wall heights up to 20'.

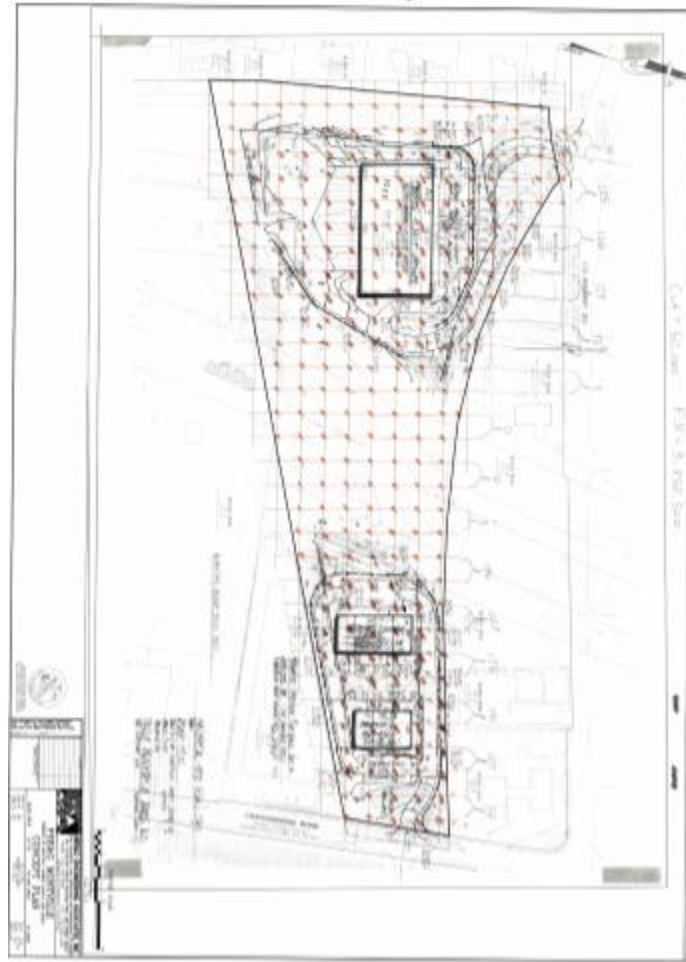
Thanks..Scott



**Scott Turner, P.E., C.M.E.**  
Vice President  
261 Cleveland Avenue  
Highland Park, NJ 08904  
T 732 846 8585  
F 732 846 9439  
[www.menloeng.com](http://www.menloeng.com)



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2017 - ACTIVE LISTING - SUBJECT PROPERTY – PAGE 1



**FOR SALE:**  
±15 Acres VACANT LAND

Zoning: OB-5

**Permitted Uses:**

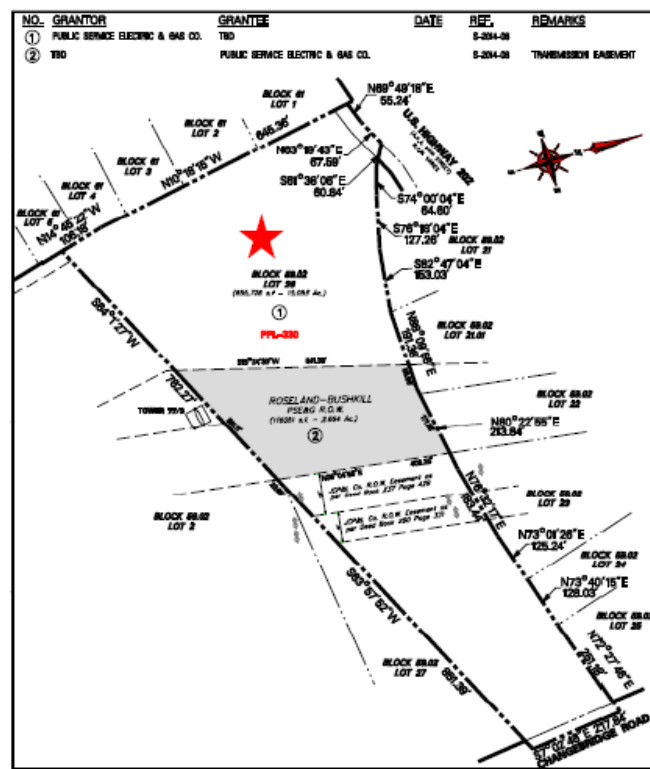
- Offices: Business, Professional, Administrative
- Studios: Voice, Dance, Martial Arts, Musical Instruments, and Art
- Medical Clinics and Labs
- Indoor Tennis, Racquet Ball and similar court sports
- Municipal use, not including Municipal Administrative Offices
- Health and Fitness Centers
- Printing and Duplicating
- Manufacturing, fabrication, packaging and treatment of products
- Warehousing
- Self-Storage Facilities
- Public Parks and Recreation Facilities
- Municipal buildings
- Public utility installations and facilities
- Non-profit Clubs, Lodges, Civic and Fraternal Organizations
- Agriculture and Farming
- Child Care Centers
- Assisted Living Facilities
- Nursing Homes
- Residential Health Care Facilities
- Wireless/Telecommunication Towers
- Public and Private Schools
- Personal Service Establishments
- Banks and financial institutions, excluding banks with drive-through facilities

Call for further details

**Mitch Leff**, extension 146  
201.412.4194 (cell)  
mleff@americanproperties.net

**Exclusive Broker**

**Montville Township  
Morris County, New Jersey**



Lot 26 / Block 59.02

(over)

517 Route One South, Suite 2100  
Iselin, New Jersey 08830

Phone: 732.283.9700  
Fax: 732.283.1009

No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions imposed by our principals.

For more information please visit:

americanproperties.net

2017 - ACTIVE LISTING - SUBJECT PROPERTY – PAGE 2

 AMERICAN PROPERTIES REALTY, INC.



**FOR SALE:**  
±15 Acres VACANT LAND

Zoning: OB-5

**Permitted Uses:**

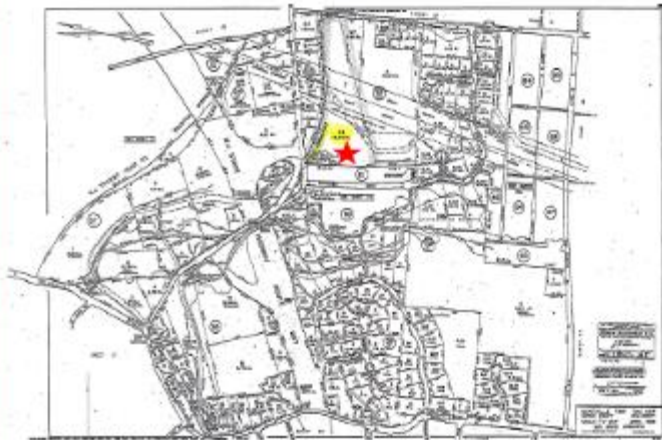
- Offices: Business, Professional, Administrative
- Studios: Voice, Dance, Martial Arts, Musical Instruments, and Art
- Medical Clinics and Labs
- Indoor Tennis, Racquet Ball and similar court sports
- Municipal use, not including Municipal Administrative Offices
- Health and Fitness Centers
- Printing and Duplicating
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- Warehousing
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*Call for further details*

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*For more information please visit:*

[americanproperties.net](http://americanproperties.net)

## 2018 - ACTIVE LISTING - SUBJECT PROPERTY – PAGE 1




**American Properties**  
REALTY INC.  
A HOLLAND REAL ESTATE GROUP

## LAND FOR SALE

### Montville, New Jersey

**±15 Acres VACANT LAND | Zoning: OB-5**



**Permitted Uses:**

- Offices: Business, Professional, Administrative
- Studios: Voice, Dance, Martial Arts, Musical Instruments, and Art
- Medical Clinics and Labs
- Indoor Tennis, Racquet Ball and similar court sports
- Municipal use, not including Municipal Administrative Offices
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- Nursing Homes
- Residential Health Care Facilities
- Wireless/Telecommunication Towers
- Public and Private Schools
- Personal Service Establishments
- Banks and financial institutions, excluding banks with drive-through facilities

---

**CONTACT EXCLUSIVE BROKER FOR MORE INFORMATION:**

**Greg Kanter**  
973.945.4504  
201.412.4194  
  
email: [gkanter@americanproperties.net](mailto:gkanter@americanproperties.net)

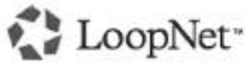
**American Properties Realty, Inc.**  
**517 Route One South, Suite 2100**  
**Iselin, New Jersey 08830**

No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions imposed by our principals.



2018 - ACTIVE LISTING - SUBJECT PROPERTY - PAGE 2

331 Main Rd, Montville, NJ, 07045 - Commercial Property For Sale on LoopNet.com Page 1 of 5


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**331 Main Rd**  
Montville, NJ 07045 · 14.89 AC ·  
Land For Sale

**Price Not Disclosed**

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[Print](#)



**VACANT LAND**

Price	Price Not Disclosed	Sale Type	Investment
Property Type	Land	Total Lot Size	14.89 AC
Property Sub-type	Commercial	No. Lots	1
Proposed Use	Commercial More.	APN / Parcel ID	21-00059-2-00026

[Find out more...](#)

Listing ID: 11184027      Date Created: 08/26/2016      Last Updated: 07/31/2018

---

**1 Lot Available**

Lot	
Lot Size	14.89 AC

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Greg Kan...  
(732) 283-9700

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2018 - ACTIVE LISTING - SUBJECT PROPERTY – PAGE 3

331 Main Rd, Montville, NJ, 07045 - Commercial Property For Sale on LoopNet.com

Page 2 of 5

### Attachments



Montville land flyer...



### Sale Notes

Located off of Route 202 and Route 80. Description: A vacant parcel of land for commercial development. Buildable Area 97,291-sf. Maximum height is 30' (three stories). Permitted Uses: - Offices: Business, Professional, Administrative- Studios: Voice, Dance, Martial Arts, Musical Instruments, and Art- Medical Clinics and Labs- Indoor Tennis, Racquet Ball and similar court sports- Municipal use, not including Municipal Administrative Offices- Health and Fitness Centers- Printing and Duplicating- Manufacturing, fabrication, packaging and treatment of products- Warehousing- Self-Storage Facilities- Public Parks and Recreation Facilities- Municipal buildings- Public utility installations and facilities- Non-profit Clubs, Lodges, Civic and Fraternal Organizations- Agriculture and Farming- Child Care Centers- Assisted Living Facilities- Nursing Homes- Residential Health Care Facilities- Wireless/Telecommunication Towers- Public and Private Schools- Personal Service Establishments- Banks and financial institutions, excluding banks with drive-through facilities Plot Size: 14.89 Acres (646,608-sf) non-divisible. Located off of Route 202 and Route 80. Descriptio

### Financial Summary (Actual - 2016)

	Annual	Annual Per SF
Taxes	-	-
Operating Expenses	\$30,919	0.05
Total Expenses	-	-

### Public Transportation

Commuter Rail	Drive	Distance
Towaco Commuter Rail (Montclair-Baonton Line)	2 min	1.4 mi

<http://www.loopnet.com/Listing/331-Main-Rd-Montville-NJ/11184027/>

8/17/2018

**2018 - ACTIVE LISTING - SUBJECT PROPERTY – PAGE 4**


331 Main Rd, Montville, NJ, 07045 - Commercial Property For Sale on LoopNet.com Page 3 of 5

<p>Commuter Rail</p> <p>Boonton Commuter Rail (Montclair-Boonton Line)</p> <p>Airport</p> <p>Newark Liberty International Airport</p> <p>La Guardia Airport</p>	<table border="0" style="width: 100%;"> <tr> <td style="text-align: right;">Drive</td> <td>Distance</td> </tr> <tr> <td style="text-align: right;">5 min</td> <td>2.6 mi</td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td style="text-align: right;">Drive</td> <td>Distance</td> </tr> <tr> <td style="text-align: right;">30 min</td> <td>30.2 mi</td> </tr> <tr> <td style="text-align: right;">51 min</td> <td>36.7 mi</td> </tr> </table>	Drive	Distance	5 min	2.6 mi			Drive	Distance	30 min	30.2 mi	51 min	36.7 mi
Drive	Distance												
5 min	2.6 mi												
Drive	Distance												
30 min	30.2 mi												
51 min	36.7 mi												

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**Greg Kanter**  
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8/17/2018

## GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

The Appraisal report has been made with the following general assumption:

No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.

The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.

Responsible ownership and competent property management are assumed.

The information furnished by others is believed to be reliable but no warranty is given for its accuracy.

All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.

It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover.

It is assumed that the property is in full compliance with all applicable federal, state and local environmental regulations and laws unless the lack of compliance is stated, described and considered in the appraisal report.

It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described and considered in the appraisal report.

It is assumed that all required licenses, certificates of occupancy, consents and other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.

It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

Unless otherwise stated in this report, the existence of hazardous materials which may or may not be present on the property was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous material may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in this field, if desired.

Any proposed improvements are assumed to have been completed unless otherwise stipulated, so any construction is assumed to conform with the building plans referenced in the report. The appraiser has based his or her appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.

Any opinions of value provided in the report apply to the entire property and any proration or division of the total into fractional interests will invalidate the opinion of value unless such proration or division of interests has been set forth in the report.

The forecasts, projections or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.

The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with the various detailed requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative impact upon the value of the property. Since the appraiser has no direct evidence relating to the issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.

## ADDITIONAL ASSUMPTIONS

We assume no responsibility for site, soil or subsurface conditions that are not readily evident upon a visual inspection of the property. It is further assumed that the land is environmentally sound. Our analysis assumes the subject property is in compliance with all federal, state and local codes regarding its operation as a rental complex.

The subject property may contain wetlands. We have not been provided with a wetlands study. Should a wetlands study be provided and it reveals the presence of wetlands, we reserve the right to review/amend the report.

This analysis assumes that there are no onerous off-site development obligations that could become part of the development process.

In the course of the investigation of the property, we did not discover any off-site development obligations. Should off-site development obligations be a part of the approval process, we reserve the right to amend/review the appraisal. We have not been provided with any soil studies. We assume the soil is conducive to residential development.

No hypothetical conditions or extraordinary circumstances.

**QUALIFICATIONS OF  
RONALD D. CHIARELLO, MAI, SCGRE  
REAL ESTATE APPRAISER AND CONSULTANT**

**1993 - PRESENT:**

*Vice President – Real Estate Appraiser-Consultant with Professional Appraisal Associates®, specializing in realty appraisals of all type properties, property tax consulting, with respect to county and state tax boards, marketability and feasibility studies, extensive experience in Easement and Condemnation for Utility and Transportation companies, as well as other related real estate advisory services, with offices located in Summit, NJ.*

**EDUCATIONAL BACKGROUND:**

*St. Michaels College, Bachelor of Arts in Business Administration*

*Pace University, MBA Program-Finance and Management*

*Various Real Estate Appraisal Courses Sponsored by The Appraisal Institute:*

*Real Estate Appraisal Principles and Techniques*

*Real Estate Basic Valuation Procedures*

*Basic Income Capitalization – 310*

*Advanced Income Capitalization – 510*

*Advanced Applications – 550*

*Report Writing and Valuations Analysis – II540*

*Non-Residential Appraisal Report Writing Seminar*

*Standards of Professional Practice – October 2007*

*Standards of Professional Practice – October 2009*

*Standards of Professional Practice – December 2011*

*Standards of Professional Practice – December 2013*

*Standards of Professional Practice – November 2015*

*Standards of Professional Practice – October 2017*

*Uniform Standards for Federal Land Acquisition—Yellow Book, September 2018*

*Review Theory – General - June 2019*

*Standards of Professional Practice Update – November 2019*

*Seminars:*

*A.I. 83<sup>rd</sup> Annual Princeton Conference, April 2019*

*New Jersey 2-Hour Law Course – March 2019*

*Urban Development: The Rebirth of Perth Amboy – February 2019*

*Business Practices and Ethics, June 2018*

*A.I. 12<sup>th</sup> Annual Meadowlands Conference, May 2018*

*A.I. 15<sup>th</sup> Annual Fall Conference, October 2017*

*A.I. 81<sup>st</sup> Annual Princeton Conference, April 2017*

*A.I. 14<sup>th</sup> Annual Fall Conference, October 2016*

*A.I. 80<sup>th</sup> Annual Princeton Conference, April 2016*

**QUALIFICATIONS OF  
RONALD D. CHIARELLO, MAI, SCGREA  
REAL ESTATE APPRAISER AND CONSULTANT**

**PAGE 2**

**EDUCATIONAL BACKGROUND: (Cont'd.)**

*Seminars:*

*New Jersey Appraisal Law and Regulations, February 2016*  
*A.I. 79<sup>th</sup> Annual Princeton Conference, April 2015*  
*The Approval Process for Real Estate Development, March 2015*  
*A.I. 12<sup>th</sup> Annual Fall Conference, October 2014*  
*Right-of-Way – Three Case Studies with Two Approaches to Value, October 2014*  
*Property Tax Appraisal of Complex Industrial Facilities, March 2014*  
*A.I. 11<sup>th</sup> Annual Fall Conference, October 2013*  
*A.I. 77<sup>th</sup> Annual Princeton Conference, April 2013*  
*Port Authority R.E. Projects & Recent Economic Development  
in Newark, September 2012*  
*Business Practices and Ethics, September 2012*  
*Litigation Cases and Alternatives to Court Resolutions, December 2011*  
*A.I. 9<sup>th</sup> Annual Fall Conference, October 2011*  
*Appraisal Curriculum Overview, July 2011*  
*A.I. Annual Princeton Conference, April 2011*  
*Real Estate Industry Perspectives on Lease Accounting, April 2011*  
*Business Communications & Gadgets for Today's Appraiser, February 2011*  
*A.I. 8<sup>th</sup> Annual Fall Conference, October 2010*  
***Mortgage Fraud, September 2010***  
*Solar Energy: The Greening of Real Estate, June 2010*  
*A.I., 74<sup>th</sup> Annual Princeton Conference, April 2010*  
*Hotel Appraising—New Techniques for today's Uncertain Times, January 2010*

**PROFESSIONAL AFFILIATIONS:**

*MAI – Appraisal Institute*  
*SCGREA – State Certified General Real Estate Appraiser*  
*State of New Jersey License #42RG00135200*  
*Past President – Metro New Jersey Chapter of the Appraisal Institute, 2011*



**QUALIFICATIONS OF  
RONALD D. CHIARELLO, MAI, SCGREA  
REAL ESTATE APPRAISER AND CONSULTANT**

**PAGE 3**

**GENERAL EXPERIENCE:**

*Since 1982 have been actively engaged in real estate with diversified experience in sales and appraisal of commercial, industrial, apartment, residential and vacant land properties. Appraiser-Consultant associated with McGowan Appraisal, Inc. 1991-1993; Real Estate Brokerage-commercial, investment, and residential properties 1982-1991. N.A.S.D. Principal (Series 39) Real Estate Investments 1985-1988 and member of Real Estate Securities and Syndication Institute 1983-1987.*

**QUALIFIED BEFORE THE FOLLOWING COURTS:**

*Qualified as an expert witness before the Superior Court of New Jersey, New Jersey Tax Court, Condemnation Commissioners, County Boards of Taxation and Municipal Planning and Zoning Boards.*

**COMMERCIAL REVIEW APPRAISER:**

*Has performed Commercial Review Appraisals for the following clients; Boiling Springs Savings Bank, Valley National Bank, Peapack-Gladstone Bank, 1<sup>st</sup> Republic Bank, ConnectOne Bank, Millington Bank, First Bank, Provident Bank, Bank of America N.A., Chase Bank and PSEG Services Corporation.*

EXHIBIT D-2 TO TRUDEAU AFFIDAVIT  
CONTRACT OF SALE

**CONTRACT FOR SALE OF REAL ESTATE**

This Contract for Sale is made on Aug. 4<sup>th</sup>, 2020 ("Effective Date"),

BETWEEN

PUBLIC SERVICE ELECTRIC AND GAS COMPANY, a corporation of the State of New Jersey, whose address is 80 Park Plaza, 16b, Newark, NJ 07102, referred to as the Seller,

AND

Diversified Properties, LLC, whose address is 350 Main Road, Suite 201, Montville, New Jersey 07045, referred to as the Buyer.

The words "Buyer" and "Seller" include all Buyers and all Sellers listed above.

**1. Purchase Agreement.**

The Seller agrees to sell and the Buyer agrees to buy the property described in this contract.

**2. Property.**

The property to be sold consists of: (a) the land, and if applicable, all the buildings, other improvements and fixtures on the land; (b) all of the Seller's rights relating to the land; and (c) all personal property specifically included in this contract, if any. The real property to be sold is reflected on the public tax assessment records as having a street address of 331 Route 202 in the Township of Montville, County of Morris and State of New Jersey. It is also known on the municipal tax map as Lot 26 in Block 59.02 a/k/a 59.2 ("Property"). This property is more fully described in attached Exhibit A.

**3. Purchase Price.** The purchase price is \$1,200,000.00.

**4. Payment of Purchase Price.** The Buyer will pay the purchase price as follows:

Contract Deposit (Upon signing of this contract on the Effective Date):  
\$50,000.00

Balance to be paid at Closing of title, in cash or  
by certified or bank cashier's check (subject to  
adjustments at Closing):

\$1,150,000.00

The Purchase Price is subject to the Buyer obtaining site plan approval and all other required governmental approvals (as described herein) for a minimum of 40,000 gross square feet of commercial space at the Property. In the event the Buyer receives approval for additional space over the 40,000 gross sq. ft. minimum, then the Purchase Price shall

be increased to an amount equal to \$7.50 per sq. ft. in excess of the 40,000 sq. ft. minimum. For purposes of the Purchase Price, the calculation of gross square feet shall be equal to the square footage of the building footprint.

**A. Contract Deposit.**

The Contract Deposit shall be placed in escrow with Buyer's attorney until the earlier of the termination of the Contract by Buyer, in which event the Contract Deposit and all accrued interest will be returned to Buyer, or Closing, in which case the Deposit and all accrued interest will be delivered to the Seller and credited against the Purchase Price.

**B. Due Diligence and Right of Entry**

(a) Buyer shall have a period of ninety (90) calendar days from the Effective Date of this Agreement (the "Due Diligence Period") to conduct any due diligence on the Premises, including, but not limited to zoning inspections, feasibility studies, onsite tests and other analyses necessary or advisable to proceed with Buyer's proposed project on the Premises, and other relevant information on the Premises deemed necessary or advisable by the Buyer, including but not limited to review of all environmental reports, zoning and other restrictions. Prior to conducting any invasive testing, such as soil sampling, groundwater testing, or physical penetration, Buyer shall provide Seller with a plan describing the nature of the testing and showing the locations of proposed sampling. Upon completion of the Due Diligence Period, the Buyer shall restore the Premises to its condition prior to the testing. Upon completion of the Due Diligence investigation and if the Buyer has not terminated the Contract as permitted herein, then the Buyer shall be permitted access to the Property upon reasonable notice to the Seller to continue to investigate the Property relative to environmental, zoning, and other and use and contractual aspects of the Property and project. In the event, in the course of its investigation, the Buyer wishes to cancel for any reason or no reason at all, then Buyer shall have the right to terminate the agreement within the ninety (90) calendar day period and receive a return of the Deposit together with any interest accrued thereon. Failure of the Buyer to terminate the agreement within the ninety (90) day period shall be deemed a full waiver of this contingency and Buyer's acknowledgement that it has chosen to proceed with the transaction. Buyer's right of entry to the Premises shall be governed under this Agreement. To the extent reasonably available to Seller, Seller shall provide Buyer with copies of relevant books and records relating to the Premises and agrees to provide copies of any and all physical and environmental reports, its owner's title insurance policy, surveys, plans and specifications relating to the Premises simultaneously with within ten (10) days of execution of this Agreement.

(b) If the Buyer determines that, prior to the end of the Due Diligence period, it requires additional time to complete its Due Diligence investigation and is diligently pursuing said investigation, Buyer shall be entitled to a one time forty-five (45) day extension to the Due Diligence Period and all dates for approvals, closing, etc. shall be extended accordingly.

(c) Buyer agrees to indemnify and hold harmless Seller from any loss, cost, expense or damage incurred by Seller as a result of any investigations by Buyer, its employees, agents, licensees or other invitees retained by Buyer, which indemnity shall not be limited by the liquidated damages provision herein. Prior to any entry upon the

Premises by Buyer or Buyer's invitees, Buyer shall furnish Seller with proof of the existence of liability insurance policies and coverage with respect to Buyer and Buyer's invitees, providing coverage against injury or damage to persons and/or the Premises in an amount not less than One Million (\$1,000,000.00) Dollars per person per occurrence where no invasive sampling is to be conducted or in an amount of not less than One Million (\$1,000,000.00) Dollars per invitee per occurrence and Two Million (\$2,000,000.00) Dollars in the aggregate per occurrence where invasive sampling is to be conducted, in the form of certificates of insurance in favor of Seller, naming Seller as an additional insured and providing for at least twenty (20) days advance notice to Seller of any amendment or cancellation of such certificates or the policy of insurance reflected on such certificates.

**C. Intentionally Omitted.**

**D. Approval Contingency.** (a) This Agreement is subject to and contingent upon Buyer obtaining within one (1) year (the "Approval Period") from the expiration of the Due Diligence Period referenced above all necessary Municipal, County and State final and unappealable approvals and permits required to obtain municipal building permits (with the exception of the actual building permits themselves), (all such approvals and permits being collectively the "Approvals") , relative to and necessary for the redevelopment of the Property for at least 40,000 gross sq. ft. of commercial space the use of which will be consistent with the current zoning of the Property along with any and all permitted and approved variances and waivers (the "Project"). Such Approvals shall include but not be limited to municipal site plan approval, county approval, if applicable, municipal approvals and permits for public water and sewer, natural gas, electric, telephone and cable service in sufficient capacity to service the project on the Property without conditions beyond the reasonable control of the Buyer (conditions within the reasonable control of Buyer are the delivery by Buyer of performance guaranties or inspection fees). In the event the required Approvals are not obtained within one (1) year from the expiration of the Due Diligence Period referenced herein, Buyer shall have the option to (i) terminate this Agreement and receive a return of the Deposit or (ii) receive two three (3) month extensions of the Approval Period, subject to the Buyer diligently pursuing said Approvals. Thereafter, in the event Buyer is unable to obtain the Approvals, Buyer shall still have the right to terminate the Agreement and receive a return of the Deposit. Seller agrees, at no cost or expense to Seller, to execute and file documents and otherwise cooperate with and assist Buyer in obtaining all approvals and permits for the project, which includes but is not limited to the execution of any application forms and owner consents required by the governmental authorities having jurisdiction over the necessary applications. Buyer shall maintain property taxes current until Closing. Notwithstanding anything to the contrary contained in this Agreement, if in the event any approval and/or permit contains terms or conditions which in the opinion of Buyer are unreasonable, then, in that event, Buyer shall in its reasonable discretion have the right to terminate this Agreement upon written notice to Seller and receive a return of the Deposit. (b) Notwithstanding anything to the contrary, Seller and Buyer hereby agree that, in the event of (i) any building, sewer or water moratorium imposed by any governmental authority against the Property; (ii) any governmental action precluding the processing of Buyer's applications for approvals or precluding or unduly delaying the development of the proposed project on the Property, or (iii) any

events defined as force majeure, all time periods contained in the Agreement shall be tolled commencing upon Seller's receipt of notice from Buyer that it is invoking the tolling provisions of this paragraph and identifying the event that constitutes the moratorium, and continuing until (a) the lifting of said moratorium or (b) the discontinuance of the governmental action precluding consideration of Buyer's application for Approvals, or precluding or delaying construction, provided however, that in no event shall the time periods hereunder be extended or tolled for more than twelve (12) months due to moratorium unless such extension is agreed upon in writing by the parties. In the event that a moratorium continues in excess of twelve (12) months, then either party shall have the right to terminate this Agreement, in which case the Deposit shall be promptly returned to the Buyer, or within those twelve (12) months, Buyer shall have the right, upon notice to Seller to waive the Approvals contingency, and proceed to Closing without diminution of Purchase Price.

**E. Title.** Title to the Premises shall be good and marketable, and insurable at regular rates, by a reputable title insurance company licensed to do business in the State of New Jersey, without such exception as would impair the intended use of the Premises by Buyer, subject to:

- a. the rights of utility companies to maintain pipes, poles, cables and wires over, on and under the street, the part of the Property next to the street and running to improvements on the Property;
- b. any covenants, easements, reservations and restrictions presently of record, if any, provided that same are not violated and that same do not affect the marketability of title or prohibit or interfere with the operation and maintenance of the present structures or their present or Buyer's proposed uses and occupancy;
- c. outstanding rights of the public in any road, street, path or right of way abutting the Property;
- d. federal and state laws, and local zoning and building regulations and ordinances;
- e. taxes and assessments not yet due and payable;
- f. any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection or survey of the Property;
- g. discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which an accurate survey would disclose;
- h. riparian rights, if any.

Promptly after the Effective Date, Buyer shall order, at its sole cost and expense, a title commitment from a reputable title insurance company licensed to do business in the State of New Jersey (the "Title Company") with respect to the Premises (the "Title Commitment") and shall cause the Title Commitment, together with all title exceptions referred to therein, to be delivered promptly.

If the Premises do not comply with the quality of title provision contained herein, then Buyer shall, within forty-five (45) days after the Effective Date, notify Seller in writing of the title defect to which Buyer objects and Seller will be given until the Closing Date to render title insurable and in compliance herewith. Seller shall not be required to institute a legal proceeding or action to render title insurable or in compliance. [NTD: See section 5G regarding indemnification of judgements] Seller shall send a written notice to Buyer, advising Buyer whether it is electing to (i) attempt to remove any

lien, encumbrance or other title exception or matter, or (ii) choosing not to remove any such lien, encumbrance or other title exception or matter. If Seller fails to send the written notice provided for in the prior sentence prior to closing of title, Seller shall have been deemed to have chosen not to attempt to remove any such lien, encumbrance or other title exception or matter. In addition, if Seller refuses to remove any liens, encumbrances or title exception or matters raised by Buyer, or if Seller has elected to proceed under (i) above, but Seller cannot cure the defect in title, then Buyer may elect to either (a) terminate this Agreement by written notice to Seller, in which event this Agreement shall terminate and be of no force and effect, and Buyer shall receive a return of the Deposit or (b) to waive any defect of Seller's title and close without abatement or diminution of the Purchase Price.

## **5. Transfer of Ownership.**

At the Closing, the Seller will transfer ownership of the property to the Buyer subject to the following:

- A. This transfer of ownership will be free of all claims and rights of others except as provided in other parts of this contract, and subject to all title exceptions reflected in attached Exhibit "B"; including covenants, restrictions and reservations of record, encroachments, if any, and existing zoning laws, as well as such state of facts that an accurate survey may disclose;
- B. This transfer of ownership will be subject to Seller reserving onto itself an easement area as reflected in attached Exhibit "C", reserving onto itself the right to construct, operate, own, reconstruct, add, alter, replace, relocate, upgrade and maintain overhead electric wires, (the "Facilities") on the property herein being sold, together with the right to remove obstructions and to trim, cut and remove at any time and without prior notice, any and all trees now located and which may hereafter be located on said property which, in the judgment of the duly authorized representative of PSE&G, its affiliates, successors and assigns, endanger said Facilities, as they presently exist or shall exist at the time of future placement; together with the absolute right, liberty and sole authority of PSE&G, its affiliates, successors and assigns, to assign the whole or any part of said personalty, easement, or the use thereof, independent of or together or in conjunction with Seller;
- C. Seller will give to the Buyer a properly executed deed and adequate affidavit of title. It will also deliver a corporate resolution authorizing sale. Seller agrees to cooperate with Buyer in complying with the State of New Jersey Bulk Sale Law;
- D. Approval of the Board of Directors of Public Service Electric and Gas Company and/or its Property Committee;
- E. Approval of the Board of Public Utilities of the State of New Jersey, for which a petition shall be filed by Seller during the Due Diligence Period;
- F. Obtaining of a mortgage release from Trustees or Mortgagees of any mortgages that may be liens upon said property;

G. Indemnification against any judgment or judgments against Public Service Electric and Gas Company, which the Buyer and its successors in title will be indemnified from being required to pay subject to approval by Buyer's title company. Said indemnifications shall be recorded and shall be of record against the property and included in the Buyer's title report.

H. Buyer shall, at its own cost and expense, perform whatever investigative and/or remedial work which may be required to bring the property into compliance with all applicable federal, state or local environmental laws and regulations; and

I. Buyer shall, at its own cost and expense, comply with any and all ordinances or laws affecting the use of said property and shall obtain the necessary permits and licenses for use of the property.

#### **6. Type of Deed.**

A deed is a written document used to transfer ownership of the property. In this sale the Seller agrees to provide and the Buyer agrees to accept a deed known as bargain and sale with covenants against grantors' acts.

#### **7. Physical Condition of the Property.**

It is expressly understood and agreed between the Parties that Seller assumes no responsibility, express or implied, for the condition, quality, character or maintenance of the property and that the property is being conveyed "AS IS" and "WHERE IS" including environmental condition and any regulated substance or noncompliance with environmental law. Except for any warranty of title expressly stated herein, Seller makes no other representation and disclaims any other warranty, whether statutory, written, oral, express or implied, including but not limited to any warranties of merchantability, fitness for a particular purpose, zoning, or arising out of any course of dealing or usable of trade. Any information provided by Seller that relates to the property shall be for information purposes only and shall not be guaranteed or warranted. Buyer hereby assumes the risk that adverse past, present or future conditions may not be revealed in its inspection or investigation.

As a material inducement and consideration for the transfer hereunder, Buyer, for itself and its affiliates, successors, heirs and assigns, does hereby agree to release, defend, indemnify, hold harmless and forever discharge Seller, its affiliates, successors and assigns, from all actions, causes of action, obligations, expenses, liabilities, losses, penalties, fines, fees (including counsel fees and costs of investigations and defense) or costs (including environmental monitoring, clean-up, remediation, compliance and/or litigation costs), claims, lawsuits, damages (including personal injury, death, property and natural resource damages unless said damages are the results of gross negligence and willful misconduct on the part of the Seller) (collectively "Claims"), which Seller or Buyer may, at any time and from time to time, incur, pay out, be exposed to and/or be responsible for which arises from or is related to the property. The provisions of this Paragraph shall survive Closing.



**8. Seller's Conditions:**

This Contract and the sale of the Property are subject to the following:

- A. Subject to any and all easements, rights, privileges, licenses or grants of whatever nature heretofore given by Seller or otherwise created, which now exist and which affect the lands to be conveyed, such as but not limited to drainage rights, streets, roadways, telephone lines, underground conduits, sewers, manholes, pipes or rights-of-way.
- B. Also subject to site, surface and subsurface conditions affecting the land herein described not disclosed by any instrument recorded in the Offices of the Clerk/Register of Morris County.
- C. Also subject to such state of facts as an accurate survey and a thorough inspection of the property may disclose.
- D. Also subject to any judgment or judgments against Seller that may be a lien or liens against the lands. The existence of any such judgment or judgments shall not preclude the consummation of this transaction, unless Buyer's title insurance company will not insure over such judgments, at which point, Buyer's only remedy will be to either accept the indemnification itself and take title with the judgments as an exception to its title insurance policy, or cancel this contract and receive full return of its down payment. In any such case, Seller will provide in the Deed by which the aforesaid lands are conveyed to Buyer that Seller will protect, indemnify, defend and save harmless Buyer and its successors and assigns from being required to pay said judgments, or any of them, or any part thereof, to the date of delivery of the Deed.

**9. Closing.**

The Closing of title ("Closing") shall take place at the offices of Seller at 80 Park Plaza, Newark, New Jersey. Since the Closing date cannot be made final at this time the Parties agree to make March 1, 2022 the estimated date for the Closing but at no time shall the Closing occur prior to forty-five (45) days following the expiration of the appeal periods for any of the Buyer's developmental approvals, and not less than (i) ten (10) days after receipt of required approval of the New Jersey Board of Public Utilities; or (ii) the twentieth (20<sup>th</sup>) day following Seller's receipt of a fully executed and recordable form of Release of Mortgage from its Corporate Mortgage Trustee (collectively, the "Conditions to Close"), whichever is later, subject to a reasonable extension agreed to by the Parties, provided that notwithstanding the estimate date, Closing shall occur no later than thirty (30) days after each of these Conditions to Close are satisfied. At the time of the Closing, Owner shall deliver the Property free of any liens, tenancies, machinery, equipment, materials, personal property, and non-vegetative debris, except for the judgements for which Buyer shall be indemnified by Seller pursuant to Paragraph

8(D). Any dumping and/or related debris found on the Property shall be removed by Seller prior to Closing.

**10. Risk of Loss.**

The Seller is responsible for any damage to the property, except for normal wear and tear, until the Closing.

**11. Representations and Warranties.**

- (a) Each party warrants and represents to the other, as of the date hereof and as of the date of closing, knowing that the other party shall rely therein in consummating this transaction, that:
- (i) It has full power and authority under all applicable laws and all agreements to which it is a party or by which it is bound to enter into this Agreement and perform all of the terms and conditions and covenants set forth herein.
  - (ii) The execution and delivery of this Agreement and the performance of all the terms, conditions and covenants set forth herein are neither prohibited by, nor would constitute presently or after the passage of time, a breach or violation of any agreement or other instrument to which it is a party or by which it is bound, nor result in the creation or imposition of any lien on any of such party's assets or property which would materially and adversely affect the ability of such party to carry out the terms of this Agreement.
  - (iii) This Agreement, when executed and delivered on behalf of each party will be legal, valid, binding and enforceable against it in accordance with its terms, subject as to enforceability only, to applicable laws relating to bankruptcy, creditors' rights and equitable rights and remedies.
- (b) Seller represents to Purchaser, as of the date hereof and as of the date of Closing, which representations shall survive Closing for a period of six (6) months, that:
- (i) There are no actions, suits or proceedings pending, or, to Seller's actual knowledge, threatened, involving or relating to the Property or that could have an adverse effect on the Property or Seller.
  - (ii) Seller has received no notice of any violations against the Property with which it has not complied.
  - (iii) To the Seller's knowledge without investigation: (a) there are no environmental conditions which would have a material negative impact upon the Property; (b) the Property has never been used as a landfill or dumping site; and (c) there is an underground fuel storage tank at the Property.
  - (iv) Seller has received no notices of any revaluation or reassessment for the Property. In the event Seller should receive any such notices prior to Closing, Seller shall immediately forward same to Purchaser.
  - (viii) There are no pending tax appeals filed by the Seller or the municipality. In the event an appeal is filed or received by the Seller, Seller shall immediately forward a copy of such appeal to Purchaser.
  - (ix) Seller is unaware of any claims of adverse possession or easement by prescription against the Property.
  - (x) To the Seller's knowledge without investigation, there are no threatened or pending condemnation or similar proceedings against the Property.

(xi) To the Seller's knowledge without investigation, there are no claims, litigation, administrative proceedings, actual or threatened or judgments or orders, or any notices, relating to any hazardous substances or any environmental condition concerning the Property. To the Seller's knowledge without investigation, no hazardous substances or wastes, as defined by law, are generated, manufactured, refined, transported, treated, stored, handled or disposed of on the Property by Seller except for cleaning and other materials used in the ordinary course of operations.

**12. Damage and Condemnation.** The risk of loss from casualty or condemnation shall be on the Seller. In the event that all or any substantial portion of the Premises shall be damaged before the Closing Date, or a condemnation proceeding seeking to take all or a substantial portion of the Premises shall be threatened before the Closing Date, the Buyer may, at its option, either (a) terminate this Agreement by delivering written notice to Seller within ten (10) days of Seller's notification of such damage or condemnation, and receive a return of the Deposit or (b) proceed to the closing pursuant to the terms hereof, in which event Seller shall assign to Buyer at the Closing any insurance or condemnation proceeds (and pay to Purchaser any applicable insurance deductible) attributable to the Premises from such damage or condemnation, with no reduction in the Purchase Price. For the purpose of this provision, a "substantial portion" of the Premises shall be deemed to include any damage or taking, the cost of repair for which is greater than TWO HUNDRED THOUSAND (\$200,000.00) DOLLARS.

Seller shall notify Buyer of the occurrence of a casualty or condemnation within ten (10) business days after Seller receives knowledge thereof, and if Seller fails to do so, Purchaser shall have the right to terminate this Agreement upon notice to Seller, and receive a refund of the Deposit.

If less than a substantial portion (as defined above) of the Premises shall be damaged or condemned before the Closing, then the parties shall proceed to closing of this transaction, provided that Seller shall either repair the damage before the Closing or assign to Purchaser any insurance (along with a closing credit equal to the deductible) or just compensation proceeds attributable to the Premises from such casualty or condemnation.

**13. Brokers; Indemnification.**

Each party represents and warrants to the other that it dealt with no broker or other person entitled to claim fees for such services in connection with the negotiation, execution and delivery of this Contract other than American Properties Realty, Inc. Seller and Buyer shall indemnify, defend and hold the other harmless against any and all claims, damages, loss, cost or expense, including attorneys' fees, or other liability of any nature incurred by reason of the breach by such party of any warranty or representation contained in this Article. The provisions of this Article shall survive Closing or the termination of this Contract.

**14. Complete Agreement.**

This contract is the entire and only agreement between the Buyer and Seller. This contract replaces and cancels any previous agreements between the Buyer and the Seller.

This contract can only be changed by an agreement in writing signed by both Buyer and Seller. The Seller also promises that the Seller has not made any other contract to sell the property to anyone else.

**15. Parties Liable.**

This contract is binding upon all parties who sign it and all who succeed to their rights and responsibilities. Assignment of contract by Buyer is expressly forbidden without the written consent of the Seller. It shall be governed by the laws of the State of New Jersey.

**16. Termination Rights.**

In this Contract, the parties have the right to cancel this Contract under certain circumstances. In order to cancel, a party must give written notice to the other. The Seller and the Buyer shall then be released from all further liability to each other.

**17. Notices.**

All notices given under this Contract must be in writing. They may be given by: (a) personal delivery to the other party or to that party's attorney; (b) Federal Express or other receipted overnight delivery service; or (c) certified mail, return receipt requested, addressed to the other party at the addresses written below:

Seller:  
Manager-Corporate Real Estate Transactions  
PSEG Services Corporation  
80 Park Plaza, Mail Code: T6B  
Newark, NJ 07102

With a copy to:  
Ana J. Murteira, Esq.  
PSEG Law Department  
80 Park Plaza, Mail Code: T5  
Newark, NJ 07102

Buyer:  
Nicolas Minoia  
Diversified Properties, LLC  
350 Main Road  
Montville, New Jersey 07045

With copies to:  
Attn: Robert Cash  
Diversified Properties, LLC  
350 Main Road  
Montville, New Jersey 07045

The Law Office of Steven C. Schepis, LLC

339 Changebridge Road, Suite 3  
Pine Brook, NJ 07058

Each party must accept and claim the notices given the other.

**18. Remedies of Default**

In the event of a default and/or breach of this Agreement, either party may seek remedy that may be available at law or equity.

**19. Assignment.**

This Agreement may be assigned by the Purchaser to a related subsidiary or an entity controlled by, or under common control with principals of Purchaser, provided that the Purchaser shall remain liable for the obligations of Purchaser hereunder.

**20. Sufficient Financial Ability**

Buyer warrants that it has good and sufficient financial ability to fulfill its obligations and responsibilities hereunder.

**21. Buyer's Certification of Non-Affiliation.**

This transaction is specifically subject to Buyer's review and completion of the attached Certificate of Non-Affiliation (Exhibit E).

**SIGNATURE PAGE FOLLOWS**

**SIGNATURES:**

**ATTEST:**

By: Lucrezia White  
Lucrezia White  
Senior Conveyancer - PSEG

**SELLER:**

PUBLIC SERVICE ELECTRIC AND  
GAS COMPANY

BY: PSEG Services Corporation, Agent

By: Stephen M Kelly  
Print Name: Stephen M Kelly  
Print Title: Sr. Director - CREEM

**ATTEST:**

By: Michelle Paranzik  
Print Name: Michelle Paranzik  
Print Title: Executive Assistant

**BUYER:**

DIVERSIFIED PROPERTIES, LLC

By: Nick Minoia  
Print Name: Nick Minoia  
Print Title: Manager

EXHIBIT "A"

**EXHIBIT "A"**

Beginning at point said point being the intersection of the former centerline of Main Road and the former centerline of the Morris Canal (Abandoned) said point also being the Point of Beginning in Deed Book 6148 page 254;

Thence along the former centerline said Morris Canal the following ten (10) courses and distances:

1. S 61° 38' 06" E 60.84 feet to a point.
2. S 74° 00' 04" E 64.60 feet to a point.
3. S 76° 18' 04" E 127.26 feet to a point.
4. S 82° 47' 04" E 153.03 feet to a point.
5. N 88° 09' 56" E 191.38 feet to a point.
6. N 80° 22' 55" E 213.84 feet to a point.
7. N 76° 32' 17" E 183.44 feet to an iron pin and cap found.
8. N 73° 01' 26" E 125.24 feet to an iron pin and cap found.
9. N 73° 40' 15" E 128.03 feet to a point.
10. N 72° 27' 46" E 251.18 feet, passing over a concrete monument found to a point in the centerline of Change Road, a 58' Right-of-Way as per Montville Township Tax Map # 23.

Thence along the centerline of said Changebridge Road S 07° 02' 46" E 217.84 feet to a point in the centerline of said road and a common corner with Lot 27 now or formerly of Changebridge RD-Montville Self Storage.

Thence, along the Northerly line of said Lot 27 S 63° 57' 52" W, passing over an iron pin with a cap found and an 18" Blaze Tree, a total distance of 851.39 feet to an iron pin with cap found, said point being a common corner with said Lot 27 and Lot 2 now or formerly of Jersey Central Power and Light Co.

Thence along the Northerly line of said Lot 2 S 64° 01' 27" W 762.27 feet to a point in the line of Block 61 Lot 5 now or formerly of Anthony G. Mariane Jr.

Thence partly along the Easterly line of said Block 61 Lot 5 and along the Easterly line of Block 61 Lot 4 now or formerly of Janet C. Evans N 14° 45' 22" W, passing over an iron pin with cap found, 106.18 feet to an iron pipe found, a common corner with said Block 61 Lot 4.

Thence along the Easterly line of said Block 61 said Lot 4, Lot 3 now or formerly of Jack A. and Lillian W. Fleuridas, Lot 2 now or formerly of Francis A. and Mary Ann D. Henry, and partly along Lot 1 now or formerly of Primary Care Realty Holdings LLC, passing over an iron pipe found N 10° 18' 15" W a distance of 645.36 feet to a point in said former centerline of Main Road.

Thence along the former centerline of said Main Road the following two (2) courses and distance:

1. N 69° 49' 18" E 55.24 feet to a point.
2. N 63° 19' 43" E 67.59 feet to the Point of Beginning.



**The Above Description is in accordance with a survey prepared by Rettew Associates, Inc., dated July 28, 2009.**

**FOR INFORMATIONAL PURPOSES ONLY:**

**Premises described herein is designated as Lot 26, Block 59.02 on the Tax Map of the Township of Montville, County of Morris, State of New Jersey**

EXHIBIT "B"



Policy File Number: 08-000419  
Policy Order Number: 11494829

**Issued by**  
**Commonwealth Land Title Insurance Company OWNERS POLICY OF TITLE INSURANCE**

Any notice of claim and any other notice or statement in writing required to be given to the Company under this Policy must be given to the Company at the address shown in Section 18 of the Conditions.

**COVERED RISKS**

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, Commonwealth Land Title Insurance Company, a Nebraska corporation ("Company"), insures, as of Date of Policy and, to the extent stated in Covered Risks 9, and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to Insurance against loss from
  - (a) A defect in the Title caused by
    - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
    - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
    - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
    - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
    - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
    - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
    - (vii) a defective judicial or administrative proceeding.
  - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
  - (c) 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. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to:
  - (a) the occupancy, use, or enjoyment of the Land;
  - (b) the character, dimensions, or location of any improvement erected on the Land;
  - (c) the subdivision of land; or
  - (d) environmental protectionif a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.
6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. Title being vested other than as stated in Schedule A or being defective
  - (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
  - (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
    - (i) to be timely, or
    - (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

Commonwealth Land Title Insurance Company

**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10; or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
  - (a) a fraudulent conveyance or fraudulent transfer; or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.



File No.: 11494829  
Order No.: 08-000419  
Property: 331 Rt 202  
Montville, NJ 07045

**POLICY OF TITLE INSURANCE**

**SCHEDULE A**

Amount of Insurance: \$2,075,000.00

Premium: STANDARD RATES

Date of Policy: October 27, 2009

1. Name of Insured:

Public Service Electric and Gas Company

2. The estate or interest in the land described herein and which is covered by this policy is Fee Simple and is at Date of Policy vested in:

Public Service Electric and Gas Company under deed from Morris Canll, LLC, dated October 14, 2009, recorded October 27, 2009 in the Morris County Clerk's Office in Deed Book 21420 page 946.

3. The land referred to in this Policy is described as set forth in Exhibit 'A' attached hereto, is situated in the Township of Montville, County of Morris, State of New Jersey.

Commonwealth Land Title Insurance Company

Countersigned: \_\_\_\_\_

  
Authorized Officer or Agent

**This Policy is not complete without Schedule B and Cover**

ALTA Owner's Title Insurance Policy

**EXHIBIT "A"**

Beginning at point said point being the intersection of the former centerline of Main Road and the former centerline of the Morris Canal (Abandoned) said point also being the Point of Beginning in Deed Book 6148 page 254;

Thence along the former centerline said Morris Canal the following ten (10) courses and distances:

1. S 61° 38' 06" E 60.84 feet to a point.
2. S 74° 00' 04" E 64.60 feet to a point.
3. S 76° 18' 04" E 127.26 feet to a point.
4. S 82° 47' 04" E 153.03 feet to a point.
5. N 88° 09' 56" E 191.38 feet to a point.
6. N 80° 22' 55" E 213.84 feet to a point.
7. N 76° 32' 17" E 183.44 feet to an iron pin and cap found.
8. N 73° 01' 26" E 125.24 feet to an iron pin and cap found.
9. N 73° 40' 15" E 128.03 feet to a point.
10. N 72° 27' 46" E 251.18 feet, passing over a concrete monument found to a point in the centerline of Change Road, a 58' Right-of-Way as per Montville Township Tax Map # 23.

Thence along the centerline of said Changebridge Road S 07° 02' 46" E 217.84 feet to a point in the centerline of said road and a common corner with Lot 27 now or formerly of Changebridge RD-Montville Self Storage.

Thence, along the Northerly line of said Lot 27 S 63° 57' 52" W, passing over an iron pin with a cap found and an 18" Blaze Tree, a total distance of 851.39 feet to an iron pin with cap found, said point being a common corner with said Lot 27 and Lot 2 now or formerly of Jersey Central Power and Light Co.

Thence along the Northerly line of said Lot 2 S 64° 01' 27" W 762.27 feet to a point in the line of Block 61 Lot 5 now or formerly of Anthony G. Mariane Jr.

Thence partly along the Easterly line of said Block 61 Lot 5 and along the Easterly line of Block 61 Lot 4 now or formerly of Janet C. Evans N 14° 45' 22" W, passing over an iron pin with cap found, 106.18 feet to an iron pipe found, a common corner with said Block 61 Lot 4.

Thence along the Easterly line of said Block 61 said Lot 4, Lot 3 now or formerly of Jack A. and Lillian W. Fleuridas, Lot 2 now or formerly of Francis A. and Mary Ann D. Henry, and partly along Lot 1 now or formerly of Primary Care Realty Holdings LLC, passing over an iron pipe found N 10° 18' 15" W a distance of 645.36 feet to a point in said former centerline of Main Road.

Thence along the former centerline of said Main Road the following two (2) courses and distance:

1. N 69° 49' 18" E 55.24 feet to a point.
2. N 63° 19' 43" E 67.59 feet to the Point of Beginning.

The Above Description is in accordance with a survey prepared by Rettew Associates, Inc., dated July 28, 2009.

FOR INFORMATIONAL PURPOSES ONLY: Premises described herein is designated as Lot 26, Block 59.02 on the Tax Map of the Township of Montville, County of Morris, State of New Jersey

**This Policy is not complete without Schedule B and Cover**

**SCHEDULE B - PART I**  
**Exceptions from Coverage**

IN ADDITION TO THE EXCLUSIONS, YOU ARE NOT INSURED AGAINST LOSS, COSTS, ATTORNEY'S FEES, AND EXPENSES RESULTING FROM:

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. Lien of real estate taxes for the year 2009. Taxes have been paid through the 3<sup>rd</sup> quarter; remaining quarters are not yet due and payable. Subject to possible liability for additional taxes assessed or levied under R.S. 54:4-63.1 et seq.; a lien which is not yet due and payable.
3. Subject to Grant of Right of Way granted to Public Service Electric and Gas Company as set forth in Deed Book V30, page 108 and Deed Book 1977, page 805.
4. Subject to Right of Way Agreement granted to Jersey Central Power & Light Company as set forth in Deed Book Z37, page 429.
5. Subject to Right of Way Grant for Electric Lines granted to Jersey Central Power & Light Company as set forth in Deed Book X60, page 331, and Deed Book 1978, page 325.
6. Subject to Report of Commissioners as set forth in Deed Book 1983, page 464.
7. Subject to easement granted to Public Service Electric and Gas Company to maintain slopes as set forth in Deed Book 2051, page 924
8. Subject to Temporary Construction Easement as set forth in Deed Book 2741, page 641.
9. Subject to terms and conditions of Site Plan Agreement as set forth in Deed Book 2942, page 51.
10. Subject to Grant of Easement as set forth in Deed Book 3082, page 197, and Deed Book 3090, page 183.
11. Subject to terms and conditions of Agreement for Sewer and Drainage Easement as set forth in Deed Book 3094, page 34.
12. Subject to terms and conditions of Developer's Agreement as set forth in Deed Book 3133, page 317.

**This Policy is not complete without Schedule B and Cover**

Page 4 of 4

ALTA Owner's Title Insurance Policy

**SURVEY ENDORSEMENT  
(Plain Language Form)**

**ATTACHED TO COMMITMENT NO. 11494829**

**Commonwealth Land Title Insurance Company**

Exception No.: 1 is removed. Notwithstanding any provision in the policy to the contrary, unless an exception is taken in Schedule B, the policy insures against loss arising from any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title. The following matters shown on a survey prepared by Rettew Associates, Inc., dated July 28, 2009 are added to Schedule B:

- a. Retain Wall Located along southeasterly title lines
- b. Possible mislocation of fences
- c. Trees and Brush Line inside outside and along title lines.

Policy insures against loss by reason of cost of removal of the aforesaid mislocations or encroachment(s) if said removal is so ordered by a court of Competent Jurisdiction.

Policy does not insure acreage or quantity of land.

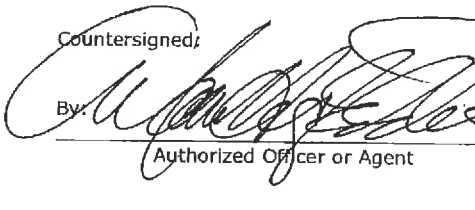
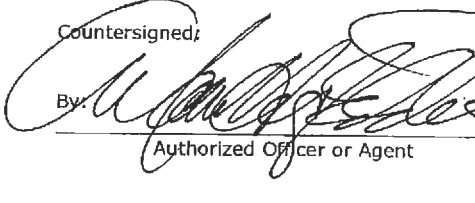
This policy does not insure against errors or inaccuracies in the survey with respect to matters which do not affect title.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

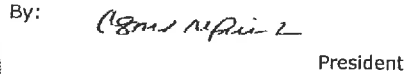
This endorsement is part of your policy or commitment and nothing else in your policy or commitment changes.

**IN WITNESS WHEREOF**, Commonwealth Land Title Insurance Company has caused its corporate name to be hereunto affixed by its duly authorized officers, the Endorsement to become valid when countersigned by an authorized officer or agent of the Company.

COMMONWEALTH LAND TITLE INSURANCE COMPANY

Countersigned:   
By:   
Authorized Officer or Agent



By:   
President

Attest:   
Secretary



## CONDITIONS

### 1. DEFINITION OF TERMS

The following terms when used in this policy mean:

- (a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by enforcement to this policy, increased by Section 8(b), or decreased by Sections 11 and 12 of these Conditions.
- (b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.
- (c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.
- (d) "Insured": The Insured named in Schedule A. (i) The term "Insured" also includes (A) successors to the title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin; (B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization; (C) successors to an Insured by its conversion to another kind of Entity; (D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title (1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured, (2) if the grantee wholly owns the named Insured, (3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or (4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes. (ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.
- (e) "Insured Claimant": An Insured claiming loss or damage.
- (f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title. (g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.
- (h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.
- (i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.
- (j) "Title": The estate or interest described in Schedule A.
- (k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

### 2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money mortgage given to the Insured.

### 3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as Insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title, as Insured, is rejected as unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

### 4. PROOF OF LOSS

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

### 5. DEFENSE AND PROSECUTION OF ACTIONS

(a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action

alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.

(b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as Insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently. Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

### 6. DUTY OF INSURED CLAIMANT TO COOPERATE

- (a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as Insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.
- (b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

### 7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

- (a) To Pay or Tender Payment of the Amount of Insurance.  
To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay. Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.
- (b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant. (i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or (ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay. Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments

## CONDITIONS

required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

### 8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

- (a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of (i) the Amount of Insurance; or (ii) the difference between the value of the Title as Insured and the value of the Title subject to the risk insured against by this policy.
- (b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as Insured, (i) the Amount of Insurance shall be increased by 10%, and (ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.
- (c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

### 9. LIMITATION OF LIABILITY

- (a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, all as Insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.
- (b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as Insured.
- (c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

### 10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.

### 11. LIABILITY NONCUMULATIVE

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

### 12. PAYMENT OF LOSS

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

### 13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

- (a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.

If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

- (b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

### 14. ARBITRATION

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be

arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

### 15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

- (a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
- (b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.
- (c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.
- (d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

### 16. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

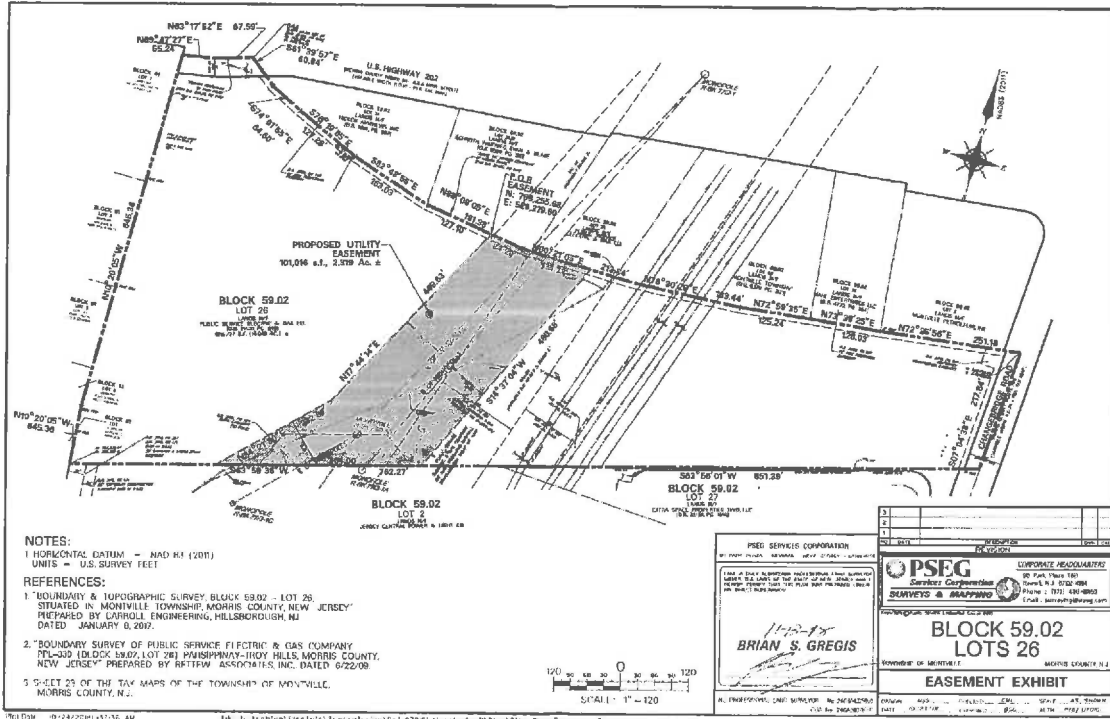
### 17. CHOICE OF LAW; FORUM

- (a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefore in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located. Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.
- (b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

### 18. NOTICES, WHERE SENT

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at Consumer Affairs Department, P.O. Box 27567, Richmond, Virginia 23261-7567.

EXHIBIT "C"



PROPOSED UTILITY EASEMENT IN BLOCK 59.02, LOT 26

TOWNSHIP OF MONTVILLE, MORRIS COUNTY

PSEG FILE – S-2018-17

**Utility Easement to Public Service Electric & Gas Company (PSE&G) Crossing through a certain lot, tract or parcel of land situate, lying and being in the township in the Township of Rockaway in the County of Morris and the State of New Jersey being known as lands now or formerly Public Service Electric and Gas Company as described in deed book 21420 page 946 (Block 59.02, Lot 26) and being more particularly described as follows:**

**BEGINNING** at a point in the northwesterly line of lands now or formerly Public Service Electric and Gas (Block 59.02, Lot 26), said beginning point being distant the following five courses and distances from the termination of the aforementioned lands previously conveyed to Public Electric and Gas Company dated October 14, 2009, and recorded October 27, 2009, in Morris County Clerk's office in Book 21420, page 946;

- (a) From the former centerline of Main Street, S 61°39'57" E a distance of 60.84 feet along the southwesterly line of lands now or formerly Hickok Mathews Inc., deed book 2961, page 857 (Block 59.02, Lot 21), to a point along the same; thence
- (b) S 74°01'55" E a distance of 64.60 feet, to a point in the same thence
- (c) S 76°19'55" E a distance of 127.26 feet to a point, thence
- (d) S 82°48'55" E a distance of 153.03 feet to a point being the southwesterly corner of lands now or formerly Winfred, Evan & Blake Schroth, deed book 6590, page 216 (Block 59.02, Lot 21.01), thence
- (e) N 88°08'05" E a distance of 127.10 feet to the point in the same being the **Point-of-beginning** having New Jersey state Plan Coordinates: N 758,225.68, E 529,219.60; thence
  1. N 88°08'05" E a distance of 64.26 feet along the southeasterly line lands now or formerly Winfred, Evan & Blake Schroth, deed book 6590, page 216 (Block 59.02, Lot 21.01) to a point in the same; thence
  2. N 80°21'05" E a distance of 124.73 feet along lands now or formerly Winfred, Evan & Blake Schroth, deed book 6590, page 216 (Block 59.02, Lot 21.01) and other lands of Public Electric and Gas Company (Block 59.02, Lot 22) to a point in the same, thence
  3. S 14°37'04" W a distance of 460.68 feet through lands now or formerly Public Service Electric and Gas Company (Block 59.02, Lot 26), to a point in the northerly line of lands now or formerly Jersey Central Power and Light Company (Block 59.02, Lot 2); thence

4. S 63°59'36" W a distance of 364.00 feet along lands now or formerly Jersey Central Power and Light Company (Block 59.02, Lot 2) to a point in the same, thence
5. N 34°21'30" E a distance of 232.85 feet through lands now or formerly Public Service Electric and Gas Company, (Block 59.02, Lot 26), to a point in the same, thence
6. N 17° 44' 14" E a distance of 409.63 feet to the Point and Place of **BEGINNING**

**CONTAINING** approximately 101,016 Square feet or 2.319 acres of land, more or less.

**SUBJECT TO** All Easements and restrictions of record.

THE HEREIN ABOVE description was prepared in accordance with a plan entitled "Block 59.02, Lots 26, Easement Exhibit", Prepared by PSE&G Services Corporation, Surveys and Mapping, Newark, NJ and dated October 23, 2018.

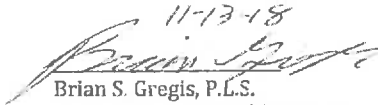
11-13-18  
  
Brian S. Gregis, P.L.S.  
NJ Professional Land Surveyor  
No. GS043298

EXHIBIT "E"  
CERTIFICATE OF NON-AFFILIATION

**TRANSACTION:**

PUBLIC SERVICE ELECTRIC AND GAS COMPANY TO DIVERSIFIED PROPERTIES, LLC  
FEE SALE TO: BLOCK 59.02, LOT 26, MONTVILLE, NJ

CERTIFICATION OF NON-AFFILIATION

1. By signing and submitting this Certification, the prospective purchaser is providing the certification set forth below.
2. This Certification is a material representation of fact upon which PSEG Services Corporation, its subsidiaries and affiliates (hereinafter "PSEG"), will rely upon. If it is determined prior to any close of title that the prospective purchaser knowingly rendered an erroneous certification, in addition to other remedies available to PSEG at law or equity, PSEG has the absolute right, to be exercised at its sole discretion, to cancel and/or void any contract for sale, letter of intent, or other similar instrument, with which this transaction originated (upon which any deposit will be refunded to the prospective purchaser minus any actual costs incurred by PSEG).
3. The prospective purchaser shall provide immediate written notice to PSEG if at any time the prospective purchaser learns that their certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The prospective purchaser hereby certifies, that, to the best of their knowledge, they are neither presently nor have they in the past been affiliated with (either through full-time employment, contractor employment, or as a supplier/vendor) Public Service Enterprise Group, Inc., PSEG Power, LLC, Public Service Electric and Gas Company, PSEG Energy Holdings, LLC and/or PSEG Services Corporation or any subsidiary/affiliate thereof other than as noted below:

Date:

7-10-20

Signature:



Address:

Print Name: NICK MINOIA

350 MAIN Rd.

MONTVILLE, NJ 07045

EXHIBIT D-3  
JOURNAL ENTRY



### **Morris Canil Land Sale Pro Forma Entries**

The proceeds from the sale of the Property will be credited to the Susquehanna-Roseland Project as an offset to construction costs, excluding the value of an easement on the property retained by PSE&G as a condition of sale.

This property was purchased to widen the existing right of way in order to build a transmission tower, as well as for construction access. PSE&G will reserve all easements currently encumbering the property.

The pro forma journal entries are as follows:

1. Original Purchase of Morris Canil property:

DR 101 Plant in Service	\$ 2,177,286
CR 131 Cash (including closing costs)	\$ 2,177,286

2. Upon Settlement (Sale) of the Morris Canil property (\$1,200,000 sales price less estimated closing costs of \$94,145):

a. Record sale of property to third party

DR 131 Cash	\$ 1,105,855
CR 101 Plant in Service (Towers & Fixtures)	\$ 1,105,855

b. Reclass portion of costs associated with easement retained as Land and Land Rights based on fair market value of the retained easement:

DR 101 Land and Land Rights	\$ 140,000
CR 101 Plant in Service (Towers & Fixtures)	\$ 140,000

EXHIBIT D-4 TO TRUDEAU AFFIDAVIT  
DRAFT TITLE CLOSING STATEMENT

## DRAFT TITLE CLOSING STATEMENT

SELLER: PUBLIC SERVICE ELECTRIC AND GAS COMPANY  
 BUYER: DIVERSIFIED PROPERTIES LLC  
 PROPERTY: 331 ROUTE 202, LOT 26 IN BLOCK 59.02 (A/K/A 59.2) MONTVILLE, NJ  
 DATE OF ADJUSTMENTS: TBD

	Seller's Credits	Buyer's Credits
PURCHASE PRICE:	\$1,200,000.00	
DEPOSIT:		\$50,000.00
TAXES: <span style="float: right;">TBD but will be to PSE&amp;G's credit.</span>		
INTEREST ON UNPAID TAXES: n/a		
ASSESSMENTS: n/a		
WATER AND SEWER: n/a (vacant land)		
NJ MANSION TAX: to be paid by buyer, if applicable		
Payments on Behalf of Seller		
REALTY TRANSFER FEE:	\$11,995.00	
BROKER'S COMMISSION: American Properties Realty Inc.	\$72,000.00	
PAYOFF MORTGAGE LOAN: n/a		
MORTGAGE RELEASE RECORDING FEE:	\$150.00	
INCIDENTALS - ESTIMATED, if applicable	\$10,000.00	
<b>TOTALS:</b>	<b>\$94,145.00</b>	<b>\$50,000.00</b>

**SUMMARY TOTALS:**

Seller's Credits:		\$1,200,000.00
Less Buyer's Credits:	\$50,000.00	
Less Payments on Behalf of Seller:	\$94,145.00	
Total Deductions:		\$144,145.00
Subtotal Amount to Seller:		\$1,055,855.00
Add back down payment sum due Seller:		\$50,000.00
Total Amount Paid to Seller:		\$1,105,855.00 <b>ESTIMATED</b>

SELLER:  
 Public Service Electric and Gas Company  
 By PSEG Services Corporation, Agent

BUYER:  
 Diversified Properties LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

EXHIBIT E

APPROVAL OF THE PSE&G REAL PROPERTY COMMITTEE

## WRITTEN CONSENT OF THE PSE&G REAL PROPERTY COMMITTEE

THE UNDERSIGNED, being all of the members of the PSE&G Real Property Committee of Public Service Electric and Gas Company, a New Jersey corporation (the "Company"), approve and adopt the following resolutions by written consent:

WHEREAS, by resolutions of the Board of Directors adopted December 17, 2019, this Company adopted the PSEG 2020 Financial Risk Management Practice pursuant to which this Real Property Committee ("Committee") was given authority to grant, bargain, sell, alienate, remise, release, convey, confirm, assign, transfer and set over any and all property of the Company, real, personal or mixed, having a fair value of not more than \$100,000,000; and

WHEREAS, it has been reported to this Committee by the Chairman of the Committee that, subject to proper approval, an agreement has been made to sell to Diversified Properties LLC in \$1,200,000.00 cash ("Sale") the property known as Lot 26 in Block 59.02 on the tax assessment map of the Township of Montville, County of Morris, State of New Jersey, known by street address as 331 Route 202, Montville, New Jersey, said Property being shown on a map attached hereto and made a part hereof as Schedule "A" ("Property"); and

WHEREAS, in the judgment of this Committee, such Sale is advisable and in the best interest of this Company; and

WHEREAS, said Property is subject to the lien of the First and Refunding Mortgage under the Indenture from this Company to Fidelity Union Trust Company, dated August 1, 1924 (which, as amended and supplemented, is hereinafter call the "Mortgage"), and the release of said lands from the lien of the Mortgage ("Release") will be required to consummate such Sale; and

WHEREAS, management of this Company has represented to this Committee that said Property is no longer necessary for the proper conduct of the business of this Company, the further retention thereof is not desirable or expedient therefor, the proposed release thereof will not be disadvantageous to this Company, will not be detrimental to the interests of the holders of bonds issued and outstanding under the Mortgage, and will not impair the operating integrity of the remainder of the mortgaged property or the right of this Company to operate the same, or the ability of this Company to perform its functions throughout the territory to which its remaining franchises extend, as evidenced by the Compliance Certification executed by the Manager – Corporate Real Estate Transactions in the attached letter dated August 26, 2020; and

WHEREAS, approval of the Board of Public Utilities of the State of New Jersey for said Sale of the Property is by law required:

NOW, THEREFORE, BE IT RESOLVED, that in the judgment of this Committee, said Property is no longer necessary for the proper conduct of the business of this Company, the further retention thereof is not desirable or expedient therefor, the proposed release thereof will not be disadvantageous to this Company, will not be detrimental to the interests of the holders of bonds issued and outstanding under the Mortgage, and will not impair the operating integrity of the remainder of the mortgaged property or the right of this Company to operate the same, or the ability of this Company to perform its functions throughout the territory to which its remaining franchises extend;

FURTHER RESOLVED, that the Sale be, and the same hereby is, approved;

FURTHER RESOLVED, that, application be made to the Board of Public Utilities of the State of New Jersey ("BPU") for its approval of the said Sale of the Property;

FURTHER RESOLVED, that the Chairman of the Board, the President, each Vice President of this Company and the Manager-Corporate Real Estate Transactions of this Company's affiliate, PSEG Service Corporation ("Services") be, and each of them hereby is, authorized and directed to execute the written request of this Company to US Bank, National Association, successor Trustee to Wachovia Bank, National Association, previously known as Fidelity Union Trust Company, under the Mortgage, to release said Property from the lien of the Mortgage, which Release this Real Property Committee hereby requests;

FURTHER RESOLVED, that the Chairman of the Board, the President and each Vice President of this Company be, and each of them hereby is, authorized to give the certificate or opinion required by Subdivision B of Section 2 of Article Eight of the Mortgage;

FURTHER RESOLVED, that the Chairman of the Board, the President and each Vice President of this Company and the Manager – Corporate Real Estate Transactions of Services, as competent persons, be, and each of them hereby is, selected to give the certificate required by Subdivision C of Section 2 of Article Eight of the Mortgage, and the Executive Vice President and General Counsel of this Company or the Vice President and Deputy General Counsel of Services, each an attorney-at-law of the State of New Jersey, is selected to give the opinion required by Subdivision D of Section 2 of Article Eight of the Mortgage;

FURTHER RESOLVED, that the Chairman of the Board, the President, each Vice President of this Company, and the Manager-Corporate Real Estate Transactions of Services be, and each of them hereby is, authorized and empowered, and concurrently with the receipt of the aforesaid Release, provided, however, the approval of the Sale has been obtained from the BPU, to execute and deliver to Diversified Properties LLC a deed for the Property in which this Company will covenant to protect, indemnify and save harmless the purchaser and its successors and assigns from paying any sum or sums of money in satisfaction or on account of any judgments or any part thereof which may be of record against this Company, and in addition thereto, to execute and deliver such instruments and papers as may be necessary or advisable to give effect to these resolutions.

IN WITNESS WHEREOF, the undersigned have executed this consent as of September 3, 2020.



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David M. Daly, Chairman



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Daniel J. Cregg, Member



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Tamara L. Linde, Member

**COMPLIANCE CERTIFICATION**

I HEREBY CERTIFY that I have reviewed the information herein contained and this transaction for which approval of the PSE&G Real Property Committee is requested in compliance with the practices contained in the Corporate Real Estate Manual. I further certify that I have confirmed that the property subject to the transaction (“Property”) as set forth on the attached memorandum to the PSE&G Real Property Committee is no longer necessary for the proper conduct of the business of PSE&G and further retention of it is not desirable or expedient therefor.

I FURTHER CERTIFY that the proposed release of this Property from the First and Refunding Mortgage under the Indenture dated August 1<sup>st</sup>, 1924 (“Mortgage”) will not be disadvantageous to PSE&G nor detrimental to the interests of the holders of bonds issued and outstanding under the Mortgage, and will not impair the operating integrity of the remainder of the mortgaged property or the right of PSE&G to operate the same or the ability of PSE&G to perform its functions throughout the territory to which its remaining franchises extend.

I FURTHER CERTIFY that the Property does not consist of any stocks, bonds or other securities.

I acknowledge that the PSE&G Real Property Committee will rely on my Certification in considering its determination of this request for approval of the transaction.

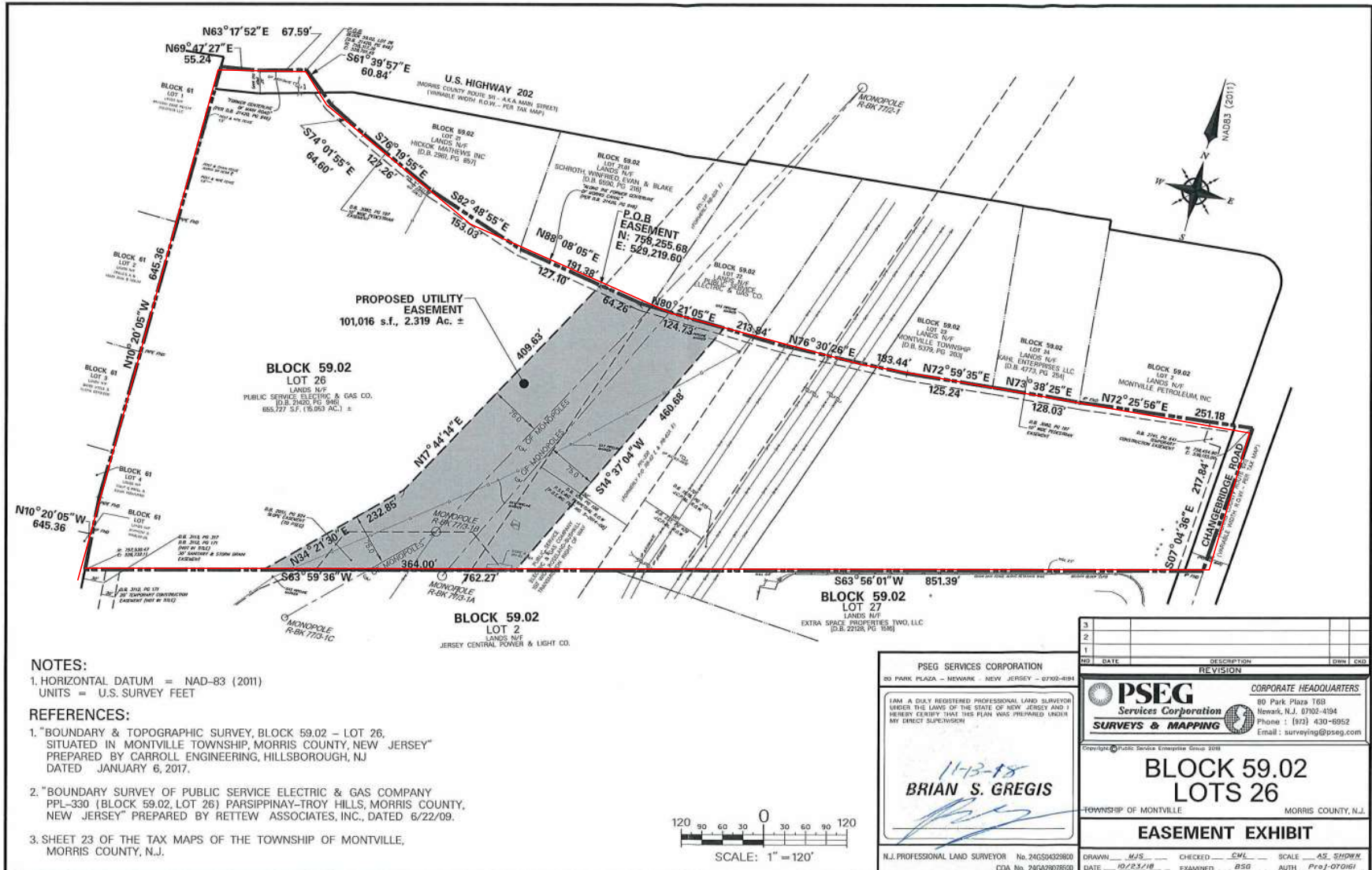


-----  
Roger J. Trudeau,  
Manager-Corporate Real Estate Transactions

Dated: August 26, 2020



# SCHEDULE A



Plot Date: 10/24/2018 11:37:36 AM

File: J:\Archive\Electric\Transmission\Pr1-070161.MorrIs.Conf\Plan\Site Plan\Proposed Easement\MorrIs.Conf\Easement Exhibit.dwg

EXHIBIT F

CERTIFICATE OF NON-AFFILIATION

**TRANSACTION:**

PUBLIC SERVICE ELECTRIC AND GAS COMPANY TO DIVERSIFIED PROPERTIES, LLC  
FEE SALE TO: BLOCK 59.02, LOT 26, MONTVILLE, NJ

CERTIFICATION OF NON-AFFILIATION

1. By signing and submitting this Certification, the prospective purchaser is providing the certification set forth below.
2. This Certification is a material representation of fact upon which PSEG Services Corporation, its subsidiaries and affiliates (hereinafter "PSEG"), will rely upon. If it is determined prior to any close of title that the prospective purchaser knowingly rendered an erroneous certification, in addition to other remedies available to PSEG at law or equity, PSEG has the absolute right, to be exercised at its sole discretion, to cancel and/or void any contract for sale, letter of intent, or other similar instrument, with which this transaction originated (upon which any deposit will be refunded to the prospective purchaser minus any actual costs incurred by PSEG).
3. The prospective purchaser shall provide immediate written notice to PSEG if at any time the prospective purchaser learns that their certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The prospective purchaser hereby certifies, that, to the best of their knowledge, they are neither presently nor have they in the past been affiliated with (either through full-time employment, contractor employment, or as a supplier/vendor) Public Service Enterprise Group, Inc., PSEG Power, LLC, Public Service Electric and Gas Company, PSEG Energy Holdings, LLC and/or PSEG Services Corporation or any subsidiary/affiliate thereof other than as noted below:

Date:

7-10-20

Signature:



Address:

Print Name: NICK MINOIA

350 MAIN Rd.

MONTVILLE, NJ 07045