



STERLING DiSANTO & ASSOCIATES

REAL ESTATE ADVISORS

December 14, 2005

Mark M. Krane
Township Administrator
Township of Warren
46 Mountain Boulevard
Warren, NJ 07059

Re: ***Real Estate Appraisal Preliminary Analysis***
Gallic Property
101-107 Stirling Road
Block 114, Lots 28 and 29
Warren Township, NJ
Our File No. 05093

Dear Mr. Krane:

In accordance with your request, we have completed our analysis and valuation of the above referenced property, and the following limited, restricted use appraisal of the above captioned property submitted. This is a Limited Appraisal Assignment in a Summary Report format that can only be used to assist in making financial decisions regarding the property but is not designed to meet the needs of any third party users. This report conforms with the departure provisions under the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the Appraisal Institute. As a restricted report, this contains only a synopsis of the relevant information and analyses.

The purpose of this report is to estimate the market value of the property to assist the Township in the acquisition of the property. The intended user of this is the Township of Warren.

At the instruction of the Client, the property will be appraised "as is", as if approved for three lots and as if approved for five lots.

The subject property is a vacant, 9.5228 acre tract at the northwestern corner of Stirling Road and Interstate Route 78. The lot has approximately 323' of frontage along Stirling Road and approximately 1,000' of frontage along Route 78. There is a v-shaped area of wetlands at the northeast corner of the property that requires a 50' transition area for which an LOI was issued on July 11, 2005. Public water is available in Stirling Road. Individual on-site septic systems are required. The Warren Township Board of Health has certified the proposed three-lot subdivision. According to Mr. Gallic, water table tests have been completed and soil analysis is ongoing for the two additional lots to be subdivided.

Russell K. Sterling, MAI ~ Victor D. DiSanto, MAI

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Comparable Land Sales

No.	Location	Date	Price	# of Lots	Price/Lot	Comments
1.	38 Hillcrest Road Block 207, Lot 5	P-4/05	\$825,000	2	\$412,500	Contingent sale of 2.58 acre for subdivision into two 1.25± acre lots at end of a cul-de-sac. Sewer connections present for two exiting dwellings. Pending sale to close February 2006. Developer will build homes in the \$1.1M – \$1.2M range.
2.	Beechwood Court Block 24, Lots 4.04, 4.05, 4.06, 4.07	1/14/03	\$1,200,000	4	\$300,000	Approved 4 lot subdivision at end of cul-de-sac. 1.7-1.9 acre lots. Homes in the 5,000SF range sold for \$1.4M range.
3.	Mount Horeb Road Block 47, Lots 5.01, 5.02 and 5.03	6/15/04	\$910,000	3	\$303,333	Contingent sale of three lots with road frontage. Lot sizes of 1.5, 2 and 2.5 acres. Dwellings had to be built closer to the road due to slopes in rear. Homes in the \$1.1M to \$1.5M range.
4.	Washington Valley Road Block 69, Lot 2.01	7/5/04	\$2,450,000	8	\$306,250	Springdale Estates. Contingent sale of 9 lots with the owner retaining one of the nine. Homes of 4,800SF to 5,800SF selling for \$1.3M to \$2.1M. One cul-de-sac serves all 9 lots. Most lots are 1.2 to 1.8 acre with one 2.1 acres fronting on Washington Valley Road.
5.	Ferguson Road Block 55, Lots 23.03 & 23.04	11/21/03	\$650,000	2	\$325,000	Sale of two lots fronting on Ferguson Road. Lots of 2.5 acres and 3.2 acres. Homes of 5,700 to 5,800SF on the market for \$1,850,000 and \$1,850,000.
6.	10 & 12 Sawmill Road Block 85, Lot 3.01 and 3.02	5/7/04	\$755,000	2	\$377,500	Two lots of 1.5 and 1.7 acres fronting on Saw Mill Road. 6,000SF homes to be built on each lot on the market for \$2,390,000.

Certificate of Value

I 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 are my personal, unbiased professional analyses, opinion, and conclusions.

I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.

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

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, the requirements of the Code of Professional Ethics, and the Standards of Professional 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.

A personal inspection of the property that is the subject of this report was made by Victor D. DiSanto, MAI and Russell K. Sterling, MAI.

In arriving at the analyses, conclusions and opinions concerning real estate contained in this appraisal, I was assisted by Victor D. DiSanto, MAI.

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

As of the date of this report, Russell K. Sterling, MAI and Victor D. DiSanto, MAI have completed the requirements of the continuing education program of the Appraisal Institute.

Certificate of Value
Contd.

The appraiser has extensive experience in appraising properties similar to the subject throughout this area and has the knowledge, experience, and training to complete this valuation assignment.

Market Value of the subject property, as of December 14, 2005 is as follows:

As Is **\$1,500,000**

As Approved for 3 Lots: \$1,725,000

As Approved for 5 Lots: \$1,875,000

STERLING DISANTO & ASSOCIATES, LLC

Russell K. Sterling, MAI, CRE ✓
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Member
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