

**SELF-CONTAINED  
APPRAISAL REPORT OF:**

**Pennytown**

**LOCATION:**

Route 31  
Block 33, Lot 1.02  
Township of Hopewell  
County of Mercer  
State of New Jersey

**DATE OF VALUATION:**

April 21, 2008

**DATE WRITTEN:**

May 5, 2008

**FILE NUMBER:** 15365

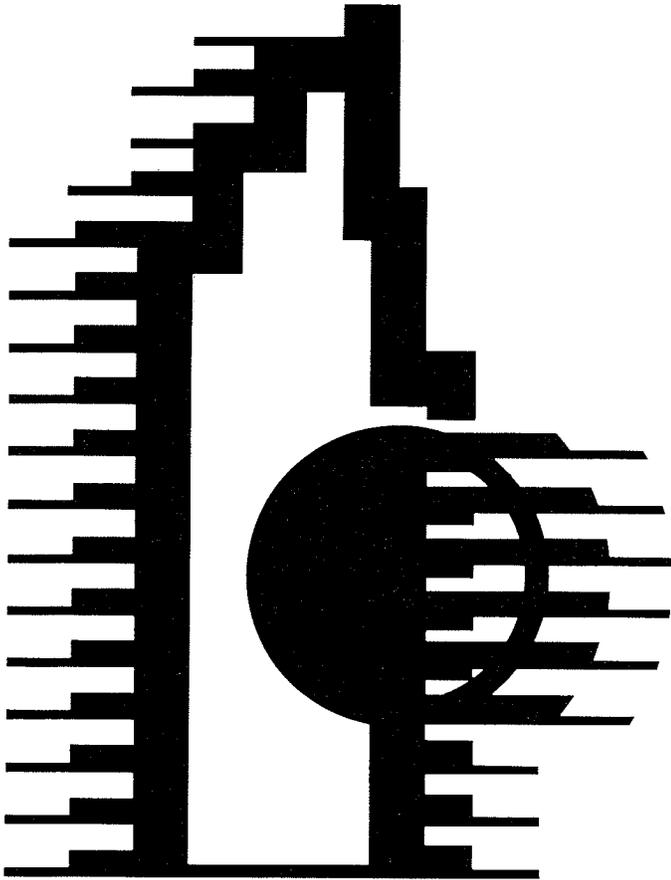
**PREPARED FOR:**

The Ewing Companies  
Attn: Bruce R. Meier  
PO Box 1056  
Pennington, NJ 08534

**PREPARED BY:**

Richard J. Carabelli, Jr. MAI  
David J. Levy, CTA,  
Martin Appraisal Associates, Inc.  
123 Franklin Corner Road, Suite 203  
Lawrenceville, NJ 08648

A comprehensive real estate service corporation specializing in appraisals, brokerage and consultation providing market, location and valuation studies of commercial, industrial, residential and vacant properties. Services include: surveys of current and alternate land uses; analysis and advice regarding transactions, financial arrangements and marketing strategies; negotiations of contracts, options and leases.



**Martin**  
**Appraisal**  
**Associates, Inc.**

May 5, 2008

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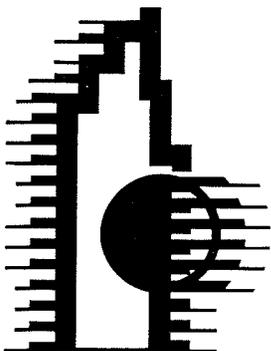
RE: Self-Contained Appraisal Report  
Pennytown  
Route 31  
Block 33, Lot 1.02  
Township of Hopewell  
County of Mercer  
State of New Jersey  
File #: 15365

Dear Mr. Meier:

In accordance with your request, we have examined and investigated the above captioned property in order to estimate its market value as of April 21, 2008.

Our appraisal is based on the fee simple interest and is a self-contained appraisal report. It is prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and the New Jersey Administrative Code. The accompanying report describes the method of the appraisal and includes all data gathered in our investigation.

We hereby certify that Richard J. Carabelli and David J. Levy are currently state certified as General Real Estate Appraisers in the State of New Jersey.

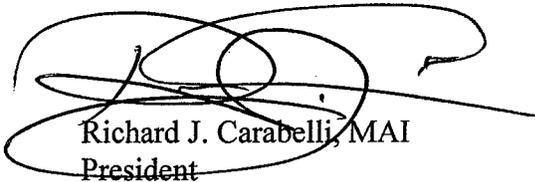


RE: Self-Contained Appraisal Report  
Route 31  
Block 33, Lot 1.02  
Township of Hopewell  
County of Mercer, N.J.

After a complete study of all matters important to the estimation of value, subject to the Contingent and Limiting Conditions contained herein, it is our opinion that the market value for the purpose cited herein, based on a marketing period of one year or less, as of April 21, 2008 is:

**Five Million Eight Hundred Twenty-Five Dollars**

**\$5,825,000**



Richard J. Carabelli, MAI

President

State Certified General

Real Estate Appraiser [RG00108]



David J. Levy, CTA

State Certified General

Real Estate Appraiser [RG00597]

## TABLE OF CONTENTS

### INTRODUCTION:

Summary of Important Facts and Conclusions	6
Scope of Work	7
Self-Contained Appraisal Format	9
Purpose of the Appraisal	9
Date of Valuation	9
Property Rights Appraised	9
Definition of Market Value	10
Exposure Time	10
Competency Statement	11
Extraordinary Assumptions	11
Hypothetical Conditions	12
Identification of the Property	12
Existing Ownership	12
History of the Property	12

### DESCRIPTIONS:

Community Profile	15
Neighborhood Analysis	20
Zoning	22
Assessment and Tax Data	25
Description of the Land	26
Description of the Improvements	27

### VALUATION PROCESS:

Highest and Best Use	34
Appraisal Process	39

### SALES COMPARISON APPROACH:

Sales Comparison Process	42
Comparable Sales	43
Explanation of Adjustments	59
Land Sales Comparative Rating Grid	62
Summary and Value Conclusion	63

### CONCLUSION:

Reconciliation and Final Value Estimate	65
Certification	66
Contingent and Limited Conditions	68

### ADDENDA:

References	
Marketing Time	
Valuation As Improved In Use	
Subject Photos	
Survey	
Flood Map	
Qualifications, Client List	

# **INTRODUCTION**

## SUMMARY OF IMPORTANT FACTS & CONCLUSIONS

Property Location:	Route 31 Block 33, Lot 1.02 Township of Hopewell County of Mercer State of New Jersey
Type of Property:	Mixed Use
Highest and Best Use:	Demolition of the current improvements and commercial redevelopment
Land Size:	24.936± acres
Zoning:	SC-1, Shopping Center 1
Improvement Size:	11,220 sq. ft. office building 19,158 sq. ft. motel 5,150 sq. ft. restaurant w/apartments 19,889 sq. ft. retail buildings 2,640 sq. ft. two-story residence 800 sq. ft. one-story residence
Building Age:	Various, dating from 1920 to 1985
Purpose of the Report:	To determine the market value of the subject property for use in foreclosure
Date of Valuation:	April 21, 2008
Identity of Client/User of Report:	The Ewing Companies
Value Estimate by the Cost Approach:	Not applicable
Value Estimate by the Sale Comparison Approach:	\$5,825,000
Value Estimate by the Income Approach:	Not applicable
<b>Final Value Estimate As of April 21, 2008.....</b>	<b>\$5,825,000</b>

## SCOPE OF WORK

Bruce R. Meir and Peter D. Carone, in conjunction with The Ewing Companies have requested the firm of Martin Appraisal Associates, Inc. to perform an appraisal of the subject property in order to establish its market value.

The document is a self contained appraisal report. The important and salient facts utilized in this report have been verified through public records, brokers, and attorneys, as well as parties to the transactions. This appraisal report shall contain, but not be limited to the following:

- (1) Identification and description of the specific fee simple estate to be appraised and the effective date;
- (2) A description of the subject property;
- (3) A description of the subject's neighborhood, zoning, assessment and taxes, and delineation of title
- (4) An analysis of the subject's highest and best use;
- (5) A discussion of the appraisal techniques and/or analytical methods employed in the development of the valuation;
- (6) Implementation of the applicable appraisal approaches to value;
- (7) A summary and reconciliation of the applicable approaches to value, as well as a final value estimate as of the date of value.

In preparing this appraisal, David J. Levy of this office performed an inspection of the subject property on April 21, 2008. The appraiser was able to access the interior of only portions of the subject property, which are delineated in the description of the improvements. The interior description of the portions of the property the appraiser was unable to access, as well as measurements of the improvements on the subject property are based on public records obtained from the Hopewell Township municipal assessor's office.

## SCOPE OF WORK

Under previous editions of USPAP, this appraisal would be considered a *Complete Appraisal*, which is defined as “the act or process of developing an opinion of value in which the scope of work includes the research and analyses typically necessary to develop credible assignment results”.

In determining the highest and best use of the subject property, the appraiser analyzed the value of the property, both as currently improved, as well as vacant and available for development. In determining the value of the subject property utilizing the current improvements, the appraiser analyzed sales of motels, retail buildings, restaurants, and office buildings to determine the market value of the subject property by the sales comparison approach. The appraiser also accounted for the existing leases in place on the subject property for the retail, restaurant, and residential portions of the property, and the current motel room rates, in conjunction with market rents for the vacant office space, in determining the value of the property by the income approach. The appraiser relied most heavily on the value derived by the income analysis due to the leases in place and the income producing nature of the existing improvements. This valuation was based on the leased fee interest in the subject property.

In determining the value of the subject property as developable commercial land, the appraiser considered comparable land sales along Route 31 in Hopewell Township. This resulted in three sales sufficiently comparable to the subject property. These sales were each significantly smaller than the subject property in land size. The appraiser also considered four additional sales in central New Jersey more comparable in size to the subject property and with shopping center uses. These sales were analyzed utilizing the sales comparison approach to value. Finally, the estimated demolition costs of the existing improvements was deducted to arrive at the as-is value of the subject property.

## **SELF-CONTAINED APPRAISAL FORMAT**

This appraisal report complies with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation. It is a self-contained appraisal report and fully describes the data and analyses of the assignment. All appropriate information is contained within the report.

### **PURPOSE OF THE APPRAISAL**

The purpose of this appraisal is to estimate the market value of the fee simple interest in the subject property for the function of foreclosure.

### **IDENTITY OF CLIENT/USER OF REPORT**

The Ewing Companies.

### **DATE OF VALUATION**

The property will be valued as of April 21, 2008.

### **PROPERTY RIGHTS APPRAISED**

Fee simple is an absolute fee,

*“absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”<sup>1</sup>*

Leased fee estate is the lessor’s or landlord’s estate and is defined as follows:

*“A leased fee estate is an ownership interest held by a landlord with specified rights that include the right of use and occupancy conveyed by lease to others; the rights of lessor (the leased fee owner) and lease (leaseholder) are specified by contract terms contained within the lease”<sup>2</sup>*

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<sup>1</sup> The Appraisal of Real Estate, 12<sup>th</sup> Edition, Appraisal Institute

<sup>2</sup> The Appraisal of Real Estate, 12<sup>th</sup> Edition, Appraisal Institute

## DEFINITION OF MARKET VALUE

Market value is defined as:

*“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, knowledgeable, and assuming the price is not affected by undue stimulus.”<sup>1</sup>*

Implied in this definition are 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 each acting in what he considers his own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto;
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.

## EXPOSURE TIME

Under Paragraph 3 of the Definition of Market Value, the value estimate presumes the “A reasonable time is allowed for exposure in the open market.”<sup>2</sup> Exposure time is defined as the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at the market value on the effective date of the appraisal. Exposure time is presumed to precede the effective date of the appraisal. Based on conversations with local brokers and appraisers, we have estimated the appropriate exposure time to have been approximately 12 months for the subject property.

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<sup>1</sup> Ibid. p. 23

<sup>2</sup> Federal Register, No 163, August 22, 1990, pages 34228 and 34229, also quoted in the definitions section of the Uniform Standards of Professional Practice, 1996, ed.

## **COMPETENCY STATEMENT PERTAINING TO THIS ASSIGNMENT**

A requirement from the Uniform Standards of Professional Appraisal Practice (USPAP) affecting the appraiser is that...*"Prior to accepting an assignment or entering into an agreement to perform any assignment, an appraiser must properly identify the problem to be addressed and have the knowledge and experience to complete the assignment competently; or alternatively, must:*

- *Disclose the lack of knowledge and/or experience to the client before accepting the assignment;*
- *Take all steps necessary or appropriate to complete the assignment competently; and*
- *Describe the lack of knowledge and or experience and the steps taken to complete the assignment competently in the report".*

This appraiser has the appropriate knowledge, education, and experience to complete this assignment with competence. The appraiser's qualifications are submitted in the addenda of this report.

## **EXTRAORDINARY ASSUMPTIONS NECESSARY IN THIS APPRAISAL**

Extraordinary assumptions may be used per USPAP in an assignment only if:

- *"It is required to properly develop credible opinions and conclusions;*
- *the appraiser has a reasonable basis for the extraordinary assumption;*
- *use of the extraordinary assumption results in a credible analysis; and*
- *the appraiser complies with the disclosure requirements set forth in USPAP in extraordinary assumptions."*

Extraordinary assumptions are defined by USPAP as *"an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions with the following comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property or about conditions external to the property, such as market conditions or trends, or about the integrity of data used in an analysis"*. The appraiser was unable to gain access to significant portions of the subject property. Certain assumptions have been made on the interior finishes where public records did not provide sufficient detail.

## **HYPOTHETICAL CONDITIONS NECESSARY IN THIS APPRAISAL**

Hypothetical conditions may be used per USPAP in an assignment only if:

- *“use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;*
- *use of the hypothetical condition results in a credible analysis; and*
- *the appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions.”*

Hypothetical conditions are defined by USPAP as *“that which is contrary to what exists, but is supposed for the purpose of analysis with the following comment: Hypothetical conditions assume conditions contrary to known facts about physical, legal, economic characteristics of the subject property or about conditions external to the property, such as market conditions or trends, or the integrity of data used in the analysis.*

Hypothetical conditions are not present in this appraisal assignment.

## **IDENTIFICATION OF THE PROPERTY**

The subject property is located at the southeast corner of Route 31 and Old Woodsville Road. It has an identification of Block 33, Lot 1.02, Township of Hopewell, County of Mercer and State of New Jersey.

## **EXISTING OWNERSHIP OF THE SUBJECT PROPERTY**

- Name: Koviloor Aadheenam Vendanta Center, Inc.
- Address: 216 Stelton Road, Suite A1  
Piscataway, NJ 08854

## HISTORY OF THE PROPERTY

The prior sales history of the subject property is:

Deed Date:	7/29/04	Recorded:	10/7/04
Deed Book:	4854	Deed Page:	242
Grantor:	Ewing Pennytown Enterprises, Inc.		
Grantee:	Koviloor Aadheenam Vendanta Center, LLC		
Consideration:	\$5,000,000		

To the best of our knowledge the subject property is not currently under contract for sale.

**DESCRIPTIONS**

## **COMMUNITY PROFILE – Hopewell Township**

The subject property is located within Hopewell Township in the northwest section of Mercer County. The township is bordered to the north by Somerset and Hunterdon Counties; to the east by Lawrence and Princeton Townships; to the south by Ewing Township; and to the west by the Delaware River. The township comprises approximately 58.12± square miles, of which 0.54± square miles is water. Hopewell Township surrounds the smaller Boroughs of Hopewell and Pennington, as well as the historic Washington Crossing area.

Population in Hopewell Township has increased approximately 6.3 percent from 1980 to 1990. From the 1990 population of 11,590 persons, the township has experienced a growth of 39 percent to the 2000 population of 16,105. The current population represents a density of 277 persons per square mile. Even with this significant growth over the past twenty years, Hopewell Township still remains rural and semi-rural.

Recreational facilities include Howell Farm, Rosedale Park, Washington Crossing State Park, and Belle Mountain Picnic area. The nearest hospital is the Medical Center of Princeton (10 miles), along with Capital Health System—Fuld Campus and Mercer Campus.

Commercial services are currently generally limited to Route #31 and areas surrounding the Pennington Circle. Based on the availability of municipal sewer, vacant tracts along Route #31 are being developed with new shopping districts.

The median household income for Hopewell Township has more than doubled since the 1980's. The 2000 median household income of \$94,833 is 68 percent above the county level of \$59,670. Overall, this pattern should continue into the near future.

## COMMUNITY PROFILE – Hopewell Township

From 1980 to 1990, the township’s housing stock experienced an overall growth rate of 12.1 percent. Between 1990 and 1998, an average of 114 units were added each year, more than 2½ times the growth rate experienced in the 1980’s. Currently approximately 82 percent of the housing units are owner occupied. Around four percent of these homes were built before 1950. The median value for single-family homes is \$228,000, and the median rent is \$868 per month.

Two significant events over the past few years stand to make an impact on the economy of Hopewell Township. In June 1997, Bristol-Myers-Squibb acquired the 433 acre, former Mobil Technical Center. This site, which was vacant for several years due to Mobil’s relocation, includes 800,000± square feet of existing office/research space. Bristol-Myers-Squibb plans to expand the facility for drug discovery and development.

The second and most significant development, involves Merrill Lynch. The internationally known broker and investment firm has completed construction of a 3.5 million square foot office complex along I-95 at Scotch Road. The complex reportedly houses 5,000 employees.

Hopewell Township appears to have a diversified ratable base:

Property Class	No. of Parcels	% Valuation
Vacant	824	4.7
Residential	4,350	71.8
Farm	895	7.1
Commercial	132	4.9
Industrial	25	11.3
Apartments	9	0.2

## COMMUNITY PROFILE – Hopewell Township

The township’s effective tax rate, based upon the 2007 rate of \$1.905 and the equalization rate of 104.24% is \$1.99. This is competitive with the surrounding suburban municipalities.

Municipalities	Effective Tax Rate
East Windsor	\$2.37
Ewing	\$2.23
Hamilton	\$2.01
Lawrence	\$1.82
Princeton	\$1.65
Washington	\$2.06
West Windsor	\$2.02

The township’s current land use ordinance favors planned non-residential growth, which still maintains the rural character of the municipality.

The township provides most typical municipal services. Hopewell has a full time police force and ambulance squad, along with three volunteer fire companies. A Township Committee form of government, with predominantly full-time public employees, governs the township.

Primary and secondary education is offered through a number of public and private schools. Hopewell Township has four elementary schools, one middle school and one senior high school.

Hopewell Township is a semi-rural, bedroom community with the predominant housing type being single-family detached dwellings on moderate to large size lots. The township also has a significant amount of open (preserved) space. Two larger preservation acquisitions by the County of Mercer include the “Woodward” farm, a 300± acre tract along Marshalls Corner-Woodsville Road west of Route #31, and “Kuser Mountain” or “Baldpate Mountain”, a 1,100-acre tract located in the northwest corner of the township and presently mined by Trap Rock Quarry.

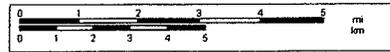
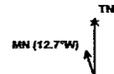
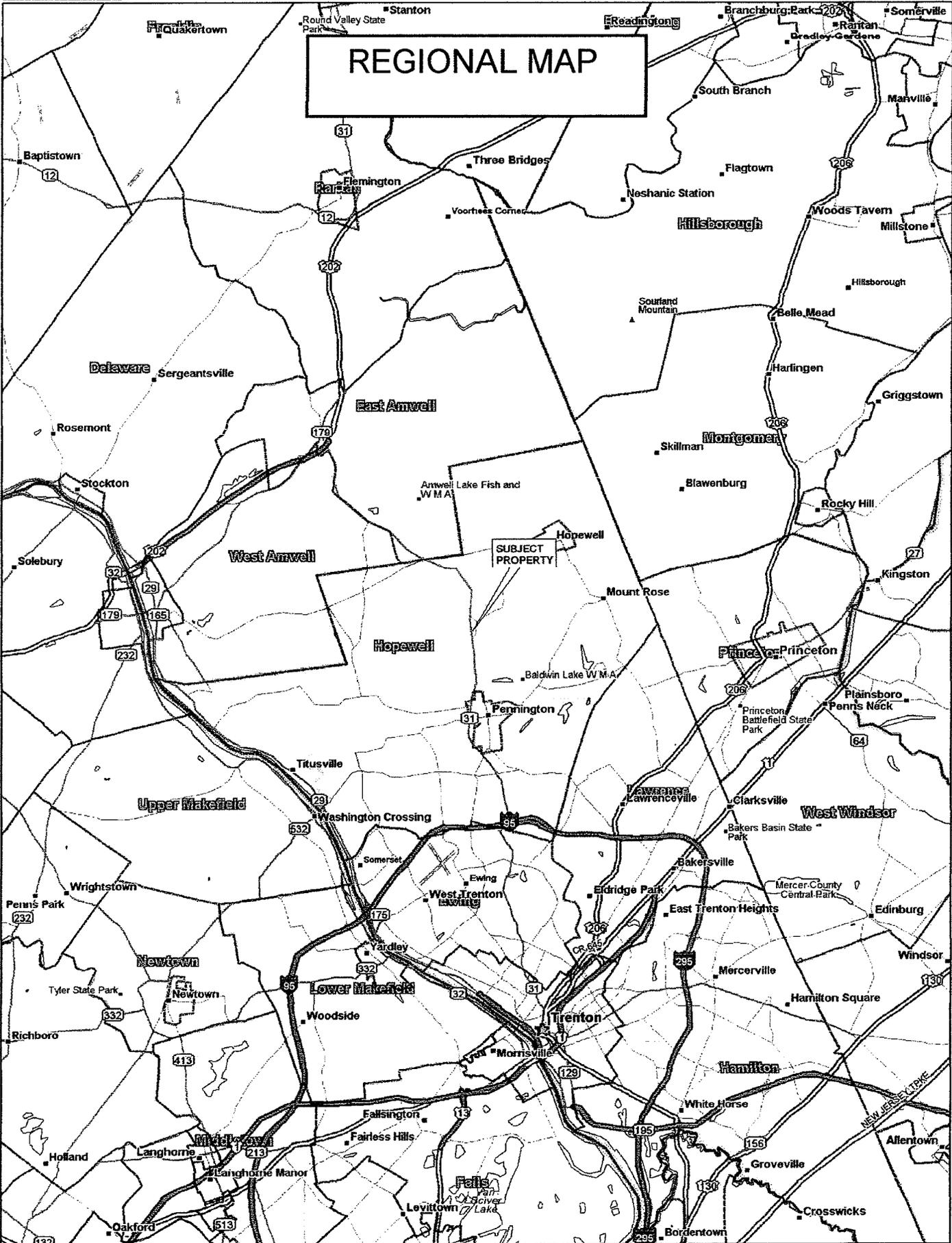
## **COMMUNITY PROFILE – Hopewell Township**

Topographical features throughout the township range from cultivated farmland to dense woodlands. However, most of the terrain is rolling or sloping. The high levels of shale within the subsoil make development somewhat difficult, but not impossible. The lack of municipal water and sewer in most areas may limit the growth of commercial and high-density residential development.

There are several principal roadways serving the township. Route #31 spans in a north to south direction through the township, accessing Hunterdon County in the north and Interstate 295/95 and the City of Trenton to the south. Interstate 295/95 provides a beltway around the City of Trenton, accessing the Scudder Falls Bridge and Pennsylvania in the west and U. S. Route #1 in the east. These primary roads provide convenient access to numerous secondary roads, offering vehicular access to all points of interest within the township. Finally, there are no known environmental considerations, which would limit the desirability of the community for any type of development.

Hopewell Township is a semi-rural, affluent community, in close proximity to Princeton area employment centers. Over the past ten years, this area has experienced significant growth in population, housing units, and income. This trend is expected to continue, although growth will be limited by the lack of public water and sewer in most areas of the township. The approval of the Trenton sewer link and recent completion of the Merrill Lynch tract could dramatically increase employment and development projections.

# REGIONAL MAP



## NEIGHBORHOOD ANALYSIS

Social, economic, governmental, and environmental forces influence property values near a subject property, which in turn directly affect the value of the subject property itself. Therefore, it is necessary to delineate the boundaries of the area of influence to conduct a thorough analysis. These boundaries are identified by determining the area within which the forces affect all surrounding properties in the same way they affect the property being appraised. The area of influence is commonly called a neighborhood.

*"A neighborhood is a group of complementary land uses."*<sup>1</sup>

### **Locational/Physical:**

The subject property is located in the north central section of Hopewell Township approximately halfway between Pennington Borough and Hopewell Borough. The immediate area is developed with a mix of commercial, industrial and rural residential and agricultural uses. Nearby uses include a Quik-Chek convenience store, a service station, township owned open space, several light industrial uses, a quarry, 84 Lumber, a new Roma Bank, Rosedale Mills, Hopewell Valley Tennis and Fitness Center and Hopewell Valley Country Club.

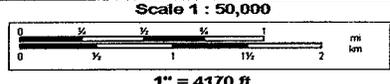
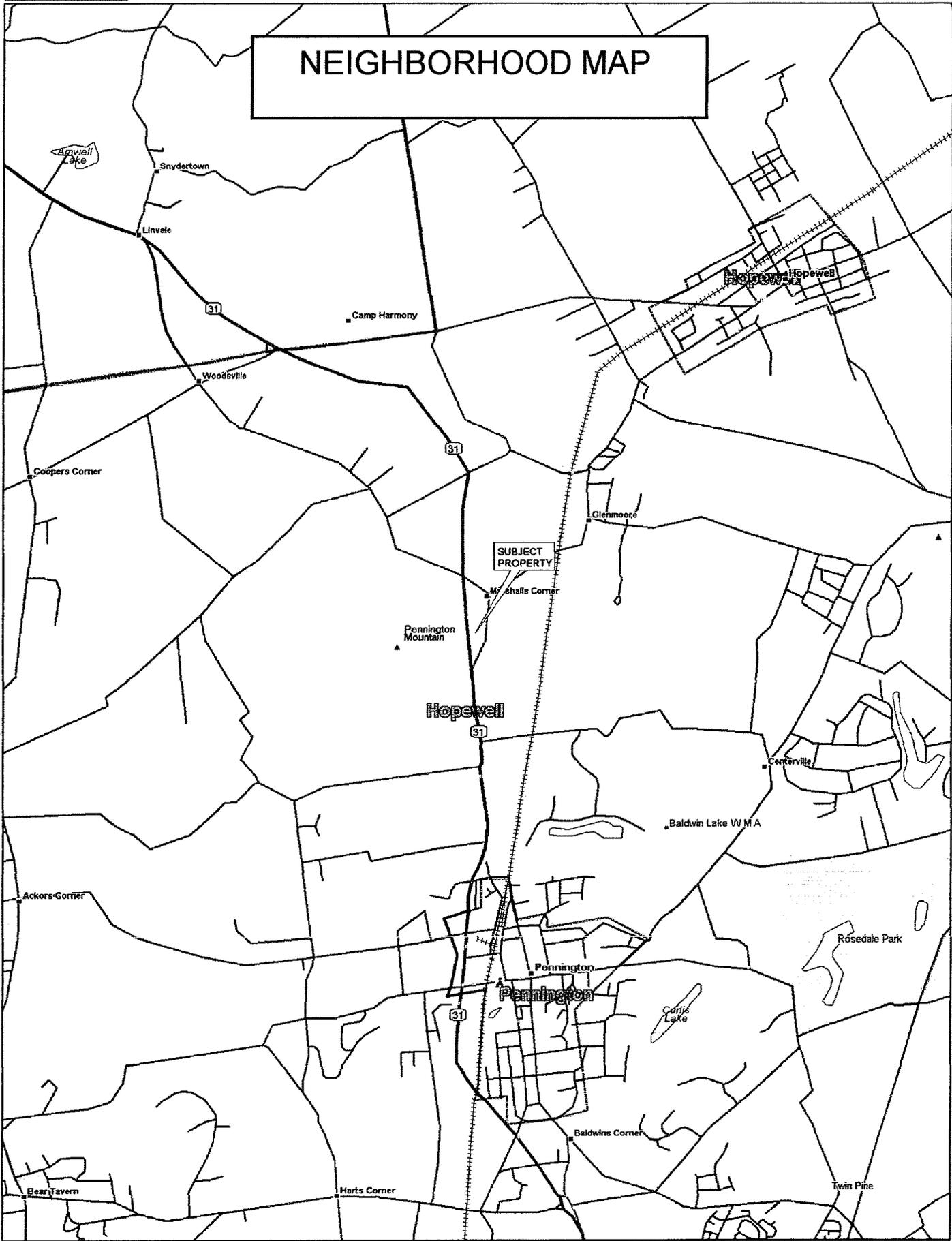
### **Economic/Financial:**

The residential market has shown signs of appreciation up to late 2005 when values began to stabilize. This trend continues into 2007 until the end of the year when residential values started to decline along with the sale of new homes. This pattern continued into 2008, up to the present. However, non residential values (commercial, office, and industrial) have experienced rates of appreciation over this same time period.

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<sup>1</sup> Ibid, p. 164

# NEIGHBORHOOD MAP



## ZONING

The subject property is located within the SC-1, Shopping Center District, as indicated by the Hopewell Township zoning map dated November 2002 and last revised May 2006. The requirements of the ordinance, according to the municipal code are highlighted as:

**I. Permitted Uses<sup>1</sup> - All uses must be in a shopping center design with at least six separate businesses**

- A. Retail sales
- B. The sale of personal services
- C. Offices, medical clinics, and banks
- D. Theater, bowling alleys, gymnasiums, library, night club, bar, or restaurant
- E. Motel
- F. Child care centers

**II. Conditional Uses**

- A. Pumping stations, transformers, and similar utility facilities

**III. Area, Yard, and Building Regulations**

Min. Lot Area	5 acres
Maximum Lot Area	18 acres
Minimum Lot Width	300 feet
Minimum Lot Depth	300 feet
Minimum Yard Requirements	
Front Yard	100 feet
Rear Yard	75 feet
Side Yard	75 feet
Maximum Lot Coverage	
Floor Area Ratio	0.20
Impervious Service	60%
Maximum Building Height	35 feet

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<sup>1</sup> Permitted uses A through E are required to participate in the townships effort to produce lower income housing.

## ZONING

### **IV. Off-Street Parking Regulations**

4.5 spaces per 1,000 sq. ft. of shopping center

The subject property meets all of the specified zoning regulations except that it exceeds the maximum lot area and is a legal conforming use. A zoning map has been included on the following page.

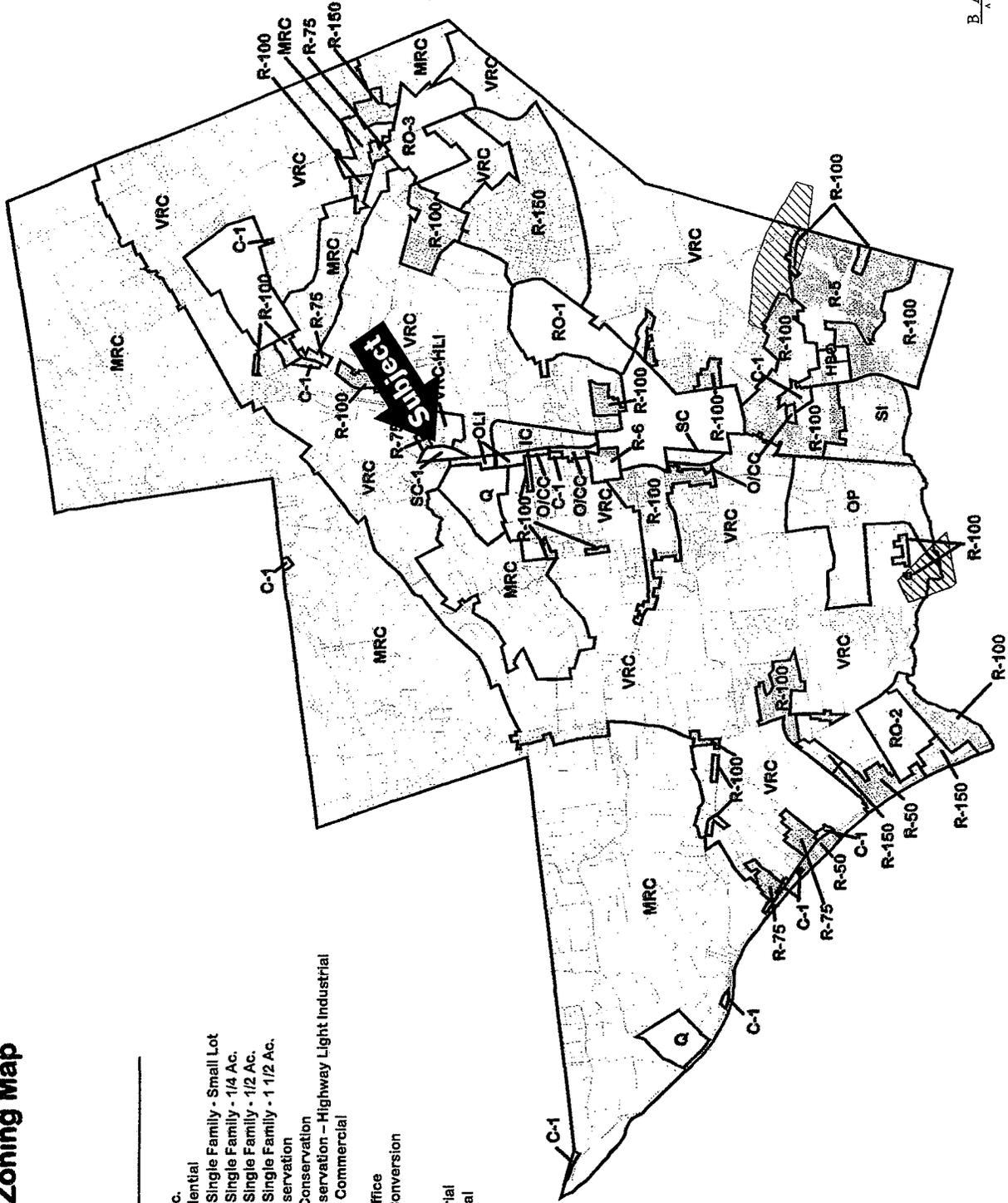
# Hopewell Township Zoning Map

November 2002  
 Revised November 2003  
 Revised November 2004  
 Revised May 2006

## Legend

Zone	Zone Name
R-5	Residential 5 Units/Ac.
R-6	Age Restricted Residential
R-50	Residential, Existing Single Family - Small Lot
R-75	Residential, Existing Single Family - 1/4 Ac.
R-100	Residential, Existing Single Family - 1/2 Ac.
R-150	Residential, Existing Single Family - 1 1/2 Ac.
VRC	Valley Resource Conservation
MRC	Mountain Resource Conservation
VRC - HLI	Valley Resource Conservation - Highway Light Industrial
C-1	Neighborhood Retail Commercial
SC & SC-1	Shopping Center
HBO	Highway Business Office
O/C/C	Office/Commercial Conversion
SI	Special Industrial
OP	Office Park
OLI	Office - Light Industrial
IC	Industrial/Commercial
RO-1	Research Office
RO-2	Research Office
RO-3	Research Office
Q	Quarry

 Airport Hazard Area



Data Source:  
 Van Cleef Engineering Assoc.

## ASSESSMENT AND TAX DATA

For the 2008 tax year, the real estate tax assessment on the subject property is:

Land:	\$3,100,000
Improvements:	<u>\$3,000,000</u>
Total:	\$6,100,000

The 2007 tax rate was \$1.905 per \$100 of assessed valuation. The resultant real estate taxes were \$116,205.

The assessed value is based on a 2006 revaluation for market values as of October 1, 2005. The equalization ratio (the theoretical relationship of assessed-to-true value based on prior year usable sales) is 104.24%. Two years ago, the Township of Hopewell completed a municipality-wide revaluation, which went on the books in 2006. Therefore, no further revaluation is anticipated.

Real estate taxes are likely to increase moderately in the future, due to governmental dependence on the local property tax structure.

## DESCRIPTION OF THE LAND

The site is an irregular shaped parcel of land comprising 24.936± acres with a frontage of 1,985.32± feet along the east side of Route 31, 783.68± feet along the southwest side of Old Woodsville Road and a split frontage of 1,167.05± feet along the west side of Pennington-Hopewell Road. Access to the subject property is available from each of the three streets.

Topography of the site is at road grade, generally level to gently sloping and partly wooded, then sloping down to the pond at the southern end of the property. Drainage appears to be adequate. The subject property is not located within a delineated flood hazard. Only the pond appears to be impacted by an area of designated wetlands. There is a 15-foot wide stream maintenance easements around the pond. The property is further encumbered by a NJ Bell Telephone Easement as depicted on the survey.

The appraiser is not aware of any apparent environmental hazards, which might affect the subject property. Nor is he aware of any apparent natural, cultural, recreational, or scientific value in the subject property.

Utilities available to the site include gas, electric, and telephone only. The property has a private on-site sewer system and well water. The sewer system was recently replaced at a cost of \$1,035,000±.

The subject property is best described on survey included in the appendix of this report, which illustrates its size, shape, and metes and bounds.

## DESCRIPTIONS OF THE IMPROVEMENTS

The subject property is improved with multiple buildings including retail, office, motel and residential uses, and associated site improvements. The buildings were constructed between 1920 and 1985 and comprise a total of 58,857± square feet (as per tax assessment records). The individual buildings were further described as follows:

### Motel

The motel consists of two separate buildings comprising 12,898± square feet and 6,260± square feet (of which 1,860± square feet is restaurant) respectively, totaling 19,158± square feet. The larger building contains 22 units and the office. The smaller building contains 24 units and the restaurant. This building is not currently in use.

The exterior of the buildings are comprised of wood siding or shingles supported by a wood frame and masonry foundation. The roof construction is gable in style, surfaced with asphalt shingles over a wood deck, and draining into aluminum gutters and downspouts. Windows are primarily vinyl clad replacement windows or older wood frame double hung.

The larger building contains nine rooms and four suites upstairs and nine rooms downstairs. The suites include a sitting room as well as a bedroom and bathroom. The interior of the rooms are generally finished with carpeted floors, sheetrock walls and sheetrock ceilings. The bathrooms have ceramic tile floors and plastic diffuser ceilings. Each room has a gas-fired heating and air-conditioning unit.

The smaller building contains 24 rooms and the Backstage restaurant. The rooms are similar in finish to the larger building, with the exception that the bathrooms have sheetrock ceilings. These rooms are also generally smaller than the rooms in the larger building. The restaurant is generally finished with carpeted floors, sheetrock walls and sheetrock ceilings. It includes a full service kitchen and restrooms.

The motel was observed to be in average overall physical condition considering its age and quality of construction with several items of deferred maintenance.

## DESCRIPTIONS OF THE IMPROVEMENTS

### Restaurant with Apartments

The restaurant consists of H.I. Rib Restaurant and apartments, comprising 5,150± square feet of which 3,690± square feet is occupied by the restaurant. The remaining 1,460± square feet is used as apartments.

The exterior of the building is comprised of wood siding or shingles supported by a wood frame and masonry foundation. The roof construction is gable in style, surfaced with asphalt shingles over a wood deck and draining into aluminum gutters and downspouts. Windows are primarily fixed insulated glass or older wood frame double hung.

The restaurant contains three dining rooms, a bar, a full service kitchen and restrooms. It is generally finished with hardwood or carpeted floors, sheetrock or paneled walls and sheetrock ceilings. The kitchen and restrooms have ceramic tile floors. The kitchen is fully equipped with stainless steel commercial restaurant equipment. The restaurant has gas-fired forced hot air heating and central air-conditioning. The restaurant was observed to be in good overall physical condition considering its age and quality of construction with few items of deferred maintenance.

The appraiser was unable to inspect the interior of the apartments. The records maintained by the township tax assessor's office do not provide any detail into the finishes of the interior of the apartment section of the building.

## DESCRIPTIONS OF THE IMPROVEMENTS

### Multi -Tenanted Commercial Building

The front multi-tenanted commercial building comprises 12,852± square feet of gross structural area. In addition, there are storage attics over three sections of the building. The exterior of the building is comprised of wood siding or shingles or stucco supported by a wood frame and masonry foundation. The roof construction is gable in style, surfaced with asphalt shingles over a wood deck and draining into aluminum gutters and downspouts. Windows are primarily vinyl clad replacement windows or older wood frame double hung.

The appraiser was unable to inspect the interior of any of the units. As of the date of inspection, only two of the units are occupied. The appraiser visually inspected the interior of these units through the windows. The first of these units is occupied by "Creative Kids". It appeared to be finished with carpeted floors, sheetrock walls and sheetrock ceilings. The second of the occupied units is used as a psychologist's office. It appeared to be finished similarly to the other suite. It is assumed that each of the vacant units has a similar finish to the occupied units, but will need fresh carpeting and paint in order to be occupied. It is further assumed that each of the units has private restrooms and forced hot-air heating and central air-conditioning.

The building was observed to be in average overall physical condition considering its age and quality of construction with several items of deferred maintenance. As previously noted, we have assumed that the interior of the vacant units require new fit-out.

## DESCRIPTIONS OF THE IMPROVEMENTS

### Free Standing Retail Buildings

There are three freestanding retail buildings on the subject property comprising 3,600± square feet, 2,008± square feet and 1,429± square feet respectively. The first (largest) building has an apartment on the second floor. The other two buildings are one-story. The buildings each contain either one or two retail uses and are fully occupied.

The exterior of the buildings are comprised of wood siding or shingles or stucco supported by a wood frame and masonry foundation. The roof construction is gable in style, surfaced with asphalt shingles over a wood deck and draining into aluminum gutters and downspouts. Windows are primarily vinyl clad replacement windows or older wood frame double hung.

The appraiser was unable to inspect the interior of any of the units. It is assumed that the units are finished with carpeted or vinyl tile floors, sheetrock walls, and sheetrock ceilings. It is further assumed that each of the units has private restrooms and forced hot-air heating and central air conditioning. These buildings were observed to be in average overall physical condition considering their age and quality of construction with several items of deferred maintenance.

### Office Building

The two-story office building comprises 11,220± square feet of gross structural area. As of the date of inspection, only one of the office units was occupied.

The exterior of the building is comprised of stucco or wood siding supported by a wood frame and masonry foundation. The roof construction is gable in style, surfaced with asphalt shingles over a wood deck and draining into aluminum gutters and downspouts. Windows are primarily vinyl clad replacement windows.

## DESCRIPTIONS OF THE IMPROVEMENTS

### **Office Building**

The interior of the building is partitioned for multiple tenants and is generally finished with carpeted or vinyl tile floors, sheetrock walls and sheetrock or suspended acoustical tile ceilings. Each unit has private restrooms. The building has gas-fired forced hot air heating and central air-conditioning. The building was observed to be in average overall physical condition considering its age and quality of construction with several items of deferred maintenance. We have assumed that the interior of the vacant units require new fit-out.

### **Single Family Residences**

There are two single-family residences on the subject property comprising 2,640± square feet and 800± square feet respectively. The first (largest) dwelling is a two story farmhouse. This dwelling has an 880± square foot detached garage. The second dwelling is a one-story, ranch style residence with a full basement and a one-car detached garage.

The exterior of the homes are comprised of wood or asbestos siding supported by a wood frame and masonry foundation. The roof construction is gable in style surfaced with asphalt shingles over a wood deck and draining into aluminum gutters and downspouts. Windows are primarily vinyl clad replacement windows or older wood frame double hung.

The appraiser was unable to inspect the interior of either home. Furthermore, the tax assessor's records do not indicate room counts or interior finishes. The dwellings were observed to be in average exterior physical condition considering their age and quality of construction with few items of deferred maintenance. The interior condition of these homes is not known.

## DESCRIPTIONS OF THE IMPROVEMENTS

### Site Improvements

The subject property is further improved with an asphalt parking lot and driveways, an in-ground pool associated with the motel (has not been used in several years), a drive-thru carport formerly used as a remote teller window for a bank, a pond and other miscellaneous site improvements including mature lawn and landscaping. As previously mentioned, the subject property has an on-site sewage system, which has recently been replaced at a cost in excess of \$1,000,000.

**VALUATION PROCESS**

## HIGHEST AND BEST USE

Highest and best use may be defined as:

*“the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and results in the highest value.”<sup>1</sup>*

In an instance where a site has existing improvements, the highest and best use may be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use.

These definitions imply recognition of the contribution of a specific use to community, environment, or to community development goals, in addition to wealth maximization of individual property owners. Also implied is that the determination of highest and best use results from the appraiser’s judgment and analytical skill; that the use determined from the analysis represents an opinion, not a fact. In appraisal practice, the concept of highest and best use represents the premise upon which value is based. In regards to “most probable selling price” (market value), another term to reflect highest and best use would be “most probable use”. In the context of investment value, an alternative term would be “most profitable use”.

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<sup>1</sup> Ibid, p. 305

## HIGHEST AND BEST USE

Criteria for determining the highest and best use include:

1. The use must be legal and in compliance with zoning and building restrictions.
2. The use must be within the realm of probability; a likely one, not speculative or conjectural.
3. A demand for such use must exist.
4. The use must be profitable.
5. The use must provide the highest net return to the land.
6. The use must produce the return for the longest possible time.

### As Though Vacant

Physically Possible: The subject property consists of an irregular shaped parcel of land comprising 24.936± acres with frontages along Route 31, Old Woodsville Road and Pennington Hopewell Road. It is generally level to gently sloping with a pond in the southern portion of the property. The property has a private, on-site sewer system and well water. Access to the property is adequate. The property is not located with an area of delineated flood hazard and only the immediate area of the pond appears to be impacted by designated wetlands. The size and shape of the property would permit most development typical of the neighborhood.

Legally Permissible: The subject property is located within SC-1, Shopping Center District of Hopewell Township which permits primarily retail, personal service and office uses on a minimum lot area of five acres, a maximum lot area of 18 acres, with a maximum FAR of 0.20 feet. Development within this district also requires a contribution towards the township's efforts to produce affordable housing. The subject property exceeds the maximum lot size of 18 acres. However, based on the history of the property and the need to keep some open areas around the pond, it is the appraiser's opinion that the property could be developed to its maximum potential. Utilizing the maximum lot size of 18 acres and the maximum FAR of 0.20, the subject property could support up to 156,816 square feet of gross floor area. If the entire 24.936 acres were considered developable and a variance obtained for maximum lot size, the property could support up to 217,242 square feet.

## HIGHEST AND BEST USE

### As Though Vacant

Financially Feasible: The subject property is located along Route 31 in Hopewell Township. The Route 31 corridor has recently experienced significant growth in the commercial sector, including a new bank/office building and several new retail buildings. Based on the property's highway frontage, it would be financially feasible to develop the subject property, as though vacant, with a new shopping center.

Maximally Productive: The highest and best use, as though vacant, which is also physically possible, legally permissible, and financially feasible is ultimately for its development with a new shopping center.

### As Improved

Physically Possible: The subject property consists of an irregular shaped parcel of land comprising 24.936± acres with frontages along Route 31, Old Woodsville Road and Pennington Hopewell Road. It is generally level to gently sloping with a pond in the southern portion of the property. The property has a private, on-site sewer system and well water. Access to the property is adequate. The property is not located with an area of delineated flood hazard and only the immediate area of the pond appears to be impacted by designated wetlands.

The subject property is improved with a mixed-use, village type development known as Pennytown. The buildings were constructed in phases from 1920 to 1985 and comprise a total of 58,857 square feet of total gross building area. There are two motel buildings totaling 19,158 square feet, a restaurant with apartments comprising 5,150 square feet, a multi-tenanted commercial building comprising 12,852 square feet, three freestanding retail buildings totaling 7,037 square feet, an office building comprising 11,220 square feet and two single family residences comprising 2,640 square feet and 800 square feet respectively.

## HIGHEST AND BEST USE

### As Improved

Physically Possible: It would be physically possible to continue to use the existing improvements at their current use with some needed maintenance and upkeep, or to demolish all of the existing improvements and redevelop the property to its maximum potential.

Legally Permissible: The subject property is located within SC-1, Shopping Center District of Hopewell Township which permits primarily retail, personal service and office uses on a minimum lot area of five acres, a maximum lot area of 18 acres, with a maximum FAR of 0.20 feet. Development within this district also requires a contribution towards the township's efforts to produce affordable housing. The existing improvements are a legal, conforming use. The subject property exceeds the maximum lot size of 18 acres. However, based on the history of the property and the need to keep some open areas around the pond, it is the appraiser's opinion that the property could be redeveloped to its maximum potential. Utilizing the maximum lot size of 18 acres and the maximum FAR of 0.20, the subject property could support up to 156,816 square feet of gross floor area. If the entire 24.936 acres were considered developable and a variance obtained for maximum lot size, the property could support up to 217,242 square feet.

Financially Feasible: The subject property is located along Route 31 in Hopewell Township. The Route 31 corridor has recently experienced significant growth in the commercial sector, including a new bank/office building and several new retail buildings. It would be financially feasible to continue to use the subject property as currently improved, or to demolish the current improvements and redevelop the property up to its maximum potential.

## HIGHEST AND BEST USE

### As Improved

Maximally Productive: In order to determine the use of the property which is maximally productive, the appraiser has valued the property utilizing the current improvements and as if the current improvements were demolished and the property available for redevelopment. The results of this analysis showed that the maximally productive use of the property was to demolish the current improvements and redevelop the property. A summary of the valuation of the property utilizing the current improvements is included in the appendix to this report. The highest and best use, as improved, which is also physically possible, legally permissible, and financially feasible, is ultimately to demolish the current improvements and redevelop up to its maximum potential.

## APPRAISAL PROCESS

Generally, the process utilized by the appraiser in his estimate of market value of real estate includes the cost approach, the sales comparison approach, and the income or capitalization approach. The indicated value developed by these various approaches is correlated and weighed by the appraiser to arrive at the final estimate of the market value of the property.

The cost approach considers the current cost of reproducing a property, less depreciation from three sources; physical deterioration, functional obsolescence, and external obsolescence. This measure of value is utilized in the summation of the market value of the land assumed vacant, plus the depreciated reproduction cost of the improvements. Since the highest and best use has been determined to be the redevelopment of the property, the cost approach is not applicable.

The sales comparison approach produces an estimate of value by comparing the subject property to sales and/or listing of similar properties in the same or competing areas. This technique is used to indicate the value established by informed buyers and sellers in the market.

The income or capitalization approach measures the worth of anticipated future benefits (net income) derived from a property. This approach develops the subject property's estimated net income during the remaining economic life of the improvements. It consists of estimating gross income, vacancy, expenses, and other charges. The net income is capitalized or discounted to arrive at an indication of value from the standpoint of an investment alternative. Since the highest and best use has been determined to be the redevelopment of the property, the income approach is not applicable.

## APPRAISAL PROCESS

Each approach to value has significance in the appraiser's consideration of market value depending upon the type of property being appraised. In a situation of a special purpose or service property, which is designed for special use and is not commonly sold, the cost approach will tend to have the greatest weight. In the appraisal of a marketable non-investment property, such as single-family residences, the sales comparison approach will be given the greatest weight. Marketable investment properties, which are purchased for investment and the income stream, generally lend themselves to the use of the income or capitalization approach to value.

In this valuation the appraiser has considered and used the sales comparison to value due to the reasons stated.

A final step in the appraisal process is the reconciliation and correlation of the various computed value indications. In the reconciliation or correlation, the appraiser considers the relative applicability of each of the approaches utilized, examines the range between the value indications, and places major emphasis on the approach that appears to produce the most reliable solution to the specific appraisal problem. The purpose of the appraisal, the type of property, and the adequacy and reliability of the data are analyzed. These considerations influence the weight given to each of the approaches to value. In analyzing the approaches, it is readily apparent that most of the information pertaining to the market value of the subject property must be derived from the market place because the appraiser evaluates the actions of the buyers and sellers in the market. Since only the sales comparison approach has been considered applicable, a reconciliation is not required.

**SALES COMPARISON  
APPROACH**

## **SALES COMPARISON APPROACH**

The sales comparison approach is the process in which a market value estimate is derived by analyzing the market for similar properties recently sold or offered for sale and comparing these properties to the subject property.

Adjustments to the sales attempt to make each sale comparable to the subject property. Therefore a plus adjustment indicates the subject is superior to the comparable sale. A minus adjustment indicates the subject is inferior to the comparable sale. The most significant characteristic for this type of property is the per acre unit of comparison. The following sales are applicable to the subject property.

## COMPARABLE VACANT LAND SALE #1

### Property Information

*Location:* 84 Route 31 North  
Township of Hopewell  
County of Mercer  
State of New Jersey  
*Legal ID:* Block 49, Lot 5  
*Property Type:* Commercial land

### Sale Information

*Date of Sale:* 9/27/06  
*Deed Book/Page:* 5484/85  
*Grantor:* Pass Properties, LLC  
*Grantee:* 84 Hopewell, LLC  
*Consideration:* \$1,000,000  
*Financing:* Cash to Seller  
*Conditions of Sale:* Normal  
*Verified By:* Vince Scozzari, Grantee

### Site Information

*Land Size:* 3.20± acres  
*Shape:* Rectangular  
*Frontage/Depth:* 468.05± feet – Route 31  
300.00± feet - Woosamonsa Road  
*Topography:* Level, at road grade and cleared  
*Land to Building Ratio:* 8.71:1  
*Floor Area Ratio:* 0.11  
*Zoning:* OCC, Office and Commercial Conversion  
*Utilities:* Gas, electric, and telephone

### Unit of Comparison

*Price per Acre:* \$310,559  
*Price per Sq. Ft. Approved:* \$62.52

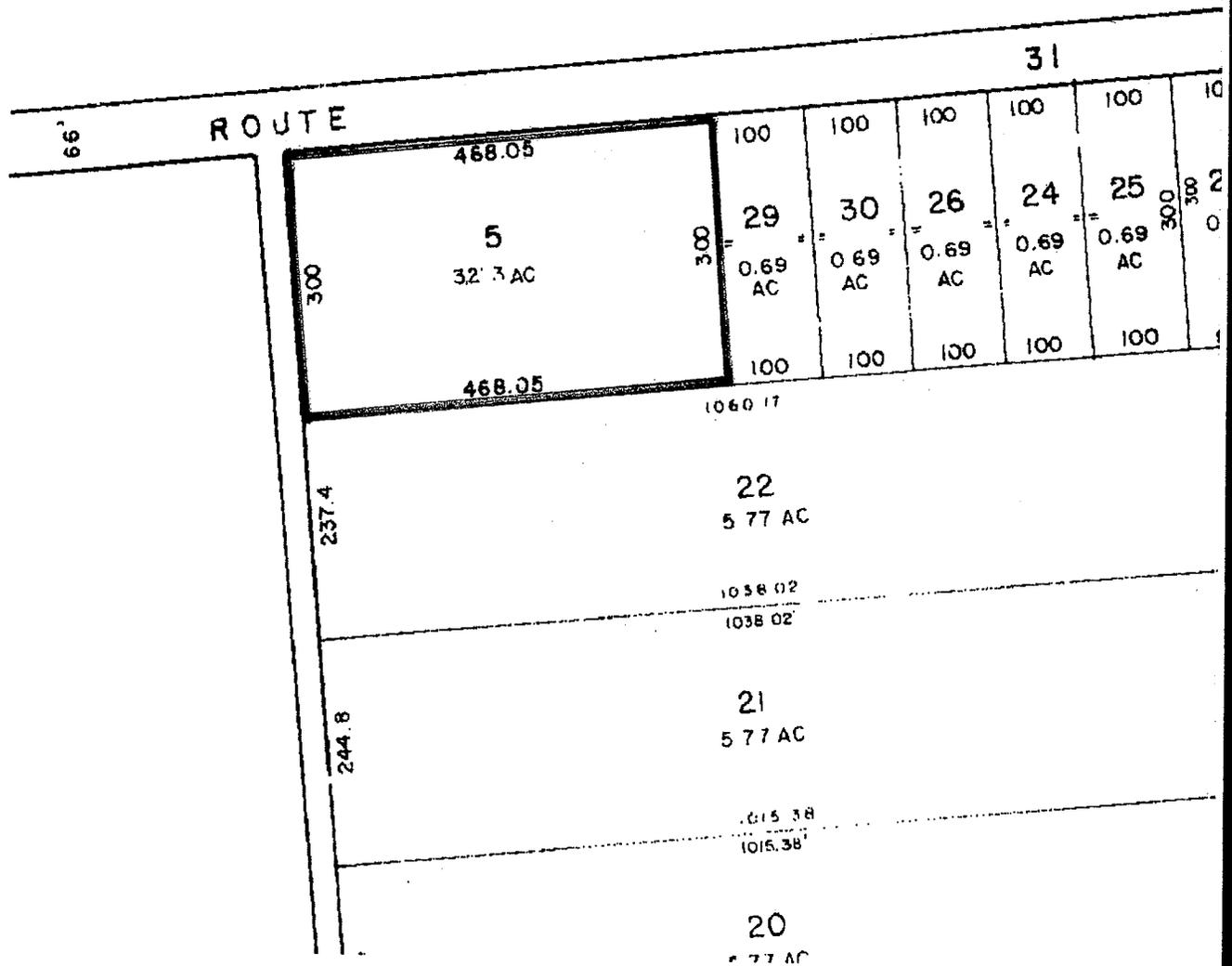
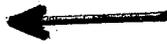
## COMPARABLE VACANT LAND SALE #1

### Comments

The purchaser subsequently obtained approvals (granted 2/8/07) for a 15,996 square foot bank/office building of which 3,575 square feet is a bank branch and 12,421 square feet is office.

File #: 2006104C.143P





TAX MAP

## COMPARABLE VACANT LAND SALE #2

### Property Information

*Location:* 67 Route 31 North  
Township of Hopewell  
County of Mercer  
State of New Jersey  
*Legal ID:* Block 46, Lot 22  
*Property Type:* Commercial land

### Sale Information

*Date of Sale:* 2/16/06  
*Deed Book/Page:* 5303/91  
*Grantor:* Ola V. Salyerds  
*Grantee:* Pennington 67, LLC  
*Consideration:* \$450,000 – Deed  
\$ 25,000 – Estimated demolition costs  
\$475,000 – Total consideration  
*Financing:* Cash to Seller  
*Conditions of Sale:* Normal  
*Verified By:* Tim Gasarowski, Finance Director for Grantee

### Site Information

*Land Size:* 2.088 acres  
*Shape:* Rectangular  
*Frontage/Depth:* 280.00± feet/340.55± feet  
*Topography:* Level, at road grade, partly wooded  
*Zoning:* IC, Industrial/Commercial  
*FAR:* 0.15 permitted for offices  
*Utilities:* Gas, electric, and telephone

### Unit of Comparison

*Price per Acre:* \$227,490

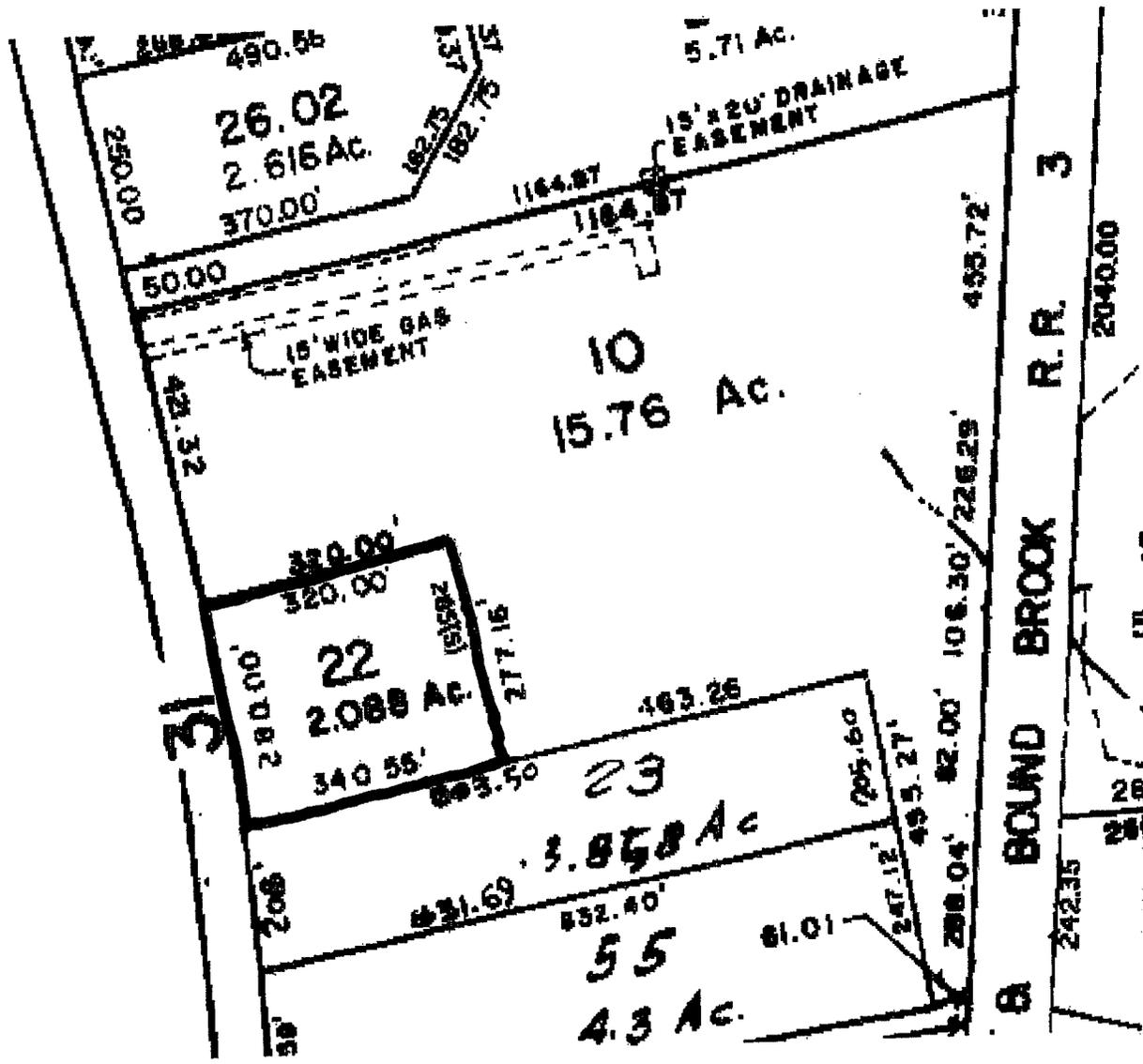
## COMPARABLE VACANT LAND SALE #2

### Comments

The property was purchased by the owner of the adjoining property. The property was improved with a 1,571 square foot house, a 1,242 square foot barn, a 240 square foot shed, a 360 square foot shed, and a 4,464 square foot barn, all in below average condition and planned to be demolished.

File #2006104C.144P





TAX MAP

## COMPARABLE VACANT LAND SALE #3

### Property Information

*Location:* 1 Tree Farm Road  
Township of Hopewell  
County of Mercer  
State of New Jersey  
*Legal ID:* Block 48.02, Lot 3  
*Property Type:* Commercial land

### Sale Information

*Date of Sale:* 10/17/05  
*Deed Book/Page:* 5202/165  
*Grantor:* Pennington Point Properties, Inc.  
*Grantee:* Hopewell Homes, Inc.  
*Consideration:* \$1,300,000.  
*Financing:* Cash to Seller  
*Conditions of Sale:* Normal  
*Verified By:* Michael Misiolek, Grantee

### Site Information

*Land Size:* 1.83± acres  
*Shape:* Irregular  
*Frontage/Depth:* 236.41± feet - Route #31 (No access)  
476.00± feet - Tree Farm Road  
56.82± feet - corner cut  
*Topography:* Level, at road grade  
*Land to Building Ratio:* 6.19 (FAR: 0.16)  
*Zoning:* CC, Commercial Conversion  
*Utilities:* Gas, electric, and telephones

### Unit of Comparison

*Price per Buildable Sq. Ft.:* \$100.97  
*Price per Acre:* \$710,383

## COMPARABLE VACANT LAND SALE #3

### Comments

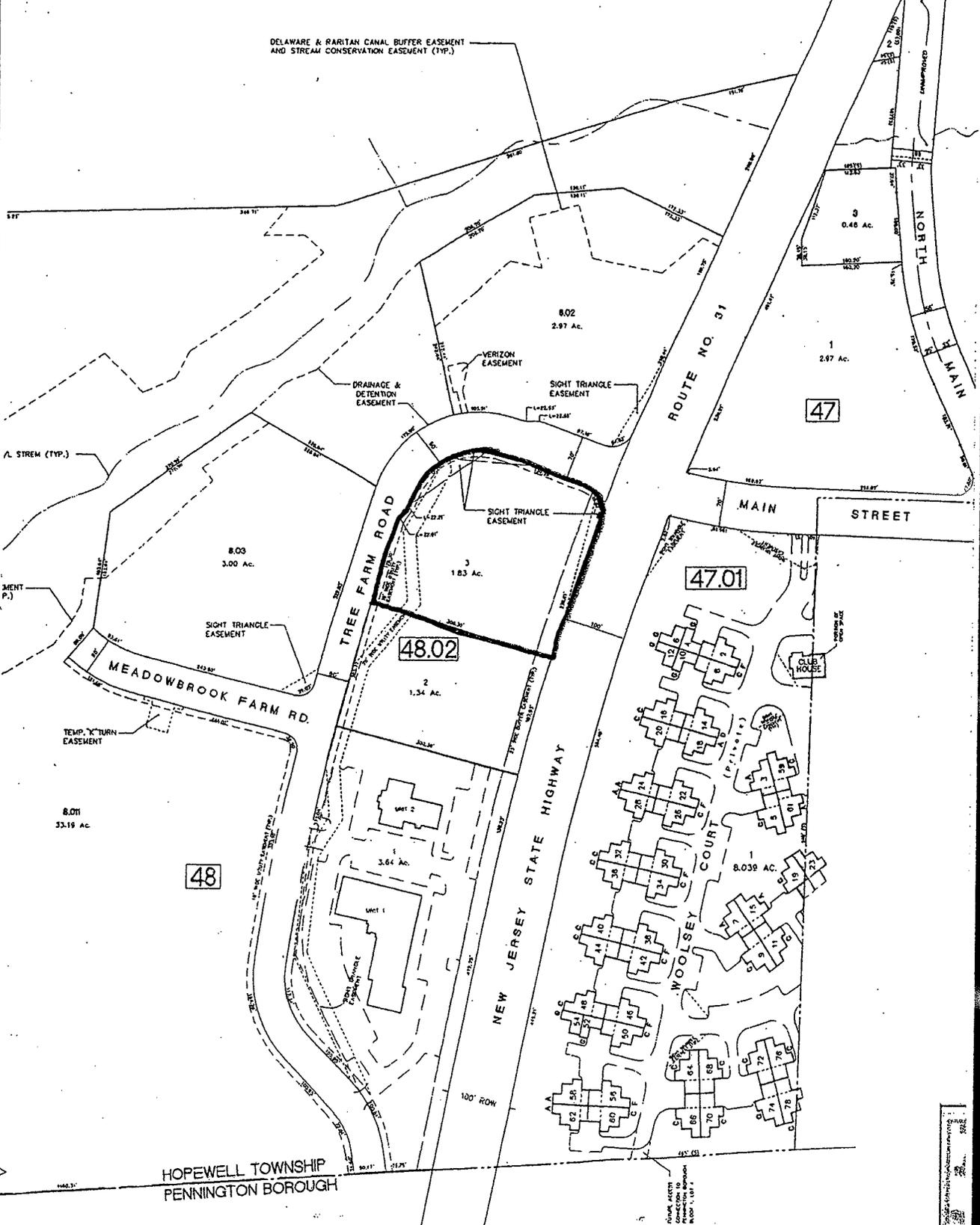
The sale property is located at the corner of Route #31 and Tree Farm Road, with access restricted to Tree Farm Road only. The site is encumbered by a 10-foot wide and 20-foot wide utility easement along Tree Farm Road, a 25-foot wide buffer easement along Route #31, and two small sight triangle easements.

The property was originally proposed to be developed with a drug store, with associated small strip shopping center, comprising 12,875 square feet. All approvals were in place at the time of sale.

File #: 2006104B.382P



DELAWARE & RARITAN CANAL BUFFER EASEMENT AND STREAM CONSERVATION EASEMENT (TYP.)



48

48.02

47

47.01

HOPEWELL TOWNSHIP  
PENNINGTON BOROUGH

ALL RIGHTS RESERVED  
 PENNINGTON BOROUGH  
 2011

## COMPARABLE VACANT LAND SALE #4 - Assemblage

### Property Information

*Location:* State Highway 130  
Township of Hamilton  
County of Mercer  
State of New Jersey  
*Legal ID:* Block 2712, Lots 131, 132, 133 and 134  
*Property Type:* Commercial Land

### Sale Information

*Date of Sale:* 11/28/07 – Lots 131, 132, and 133  
11/27/07 – Lot 134  
*Deed Book/Page:* 5765/191,199, and 207  
*Grantor:* Selco Holdings – Lots 131, 132, and 133  
Ronald Mule – Lot 134  
*Grantee:* Stanberry Hamilton, LLC  
*Consideration:* \$5,613,800 – Lots 131 and 132  
\$ 950,000 – Lot 133  
\$ 850,000 – Lot 134  
\$7,413,800 Total  
*Financing:* Cash to Seller  
*Conditions of Sale:* Normal  
*Verified By:* Mark Olinsky, Broker

### Site Information

*Land Size:* 26.534± acres  
*Shape:* Irregular  
*Frontage/Depth:* 1,656.88± feet/971.28± feet  
*Topography:* Generally level, at road grade, partly cleared  
*Land to Building Ratio:* 7.44:1 (FAR:0.13)  
*Zoning:* RD, Research and Development  
*Utilities:* Gas, electric, water, sewer, and telephone

### Unit of Comparison

*Price per Sq. Ft. Approved:* \$48.06  
*Price per Acre:* \$281,316

## COMPARABLE VACANT LAND SALE #4 - Assemblage

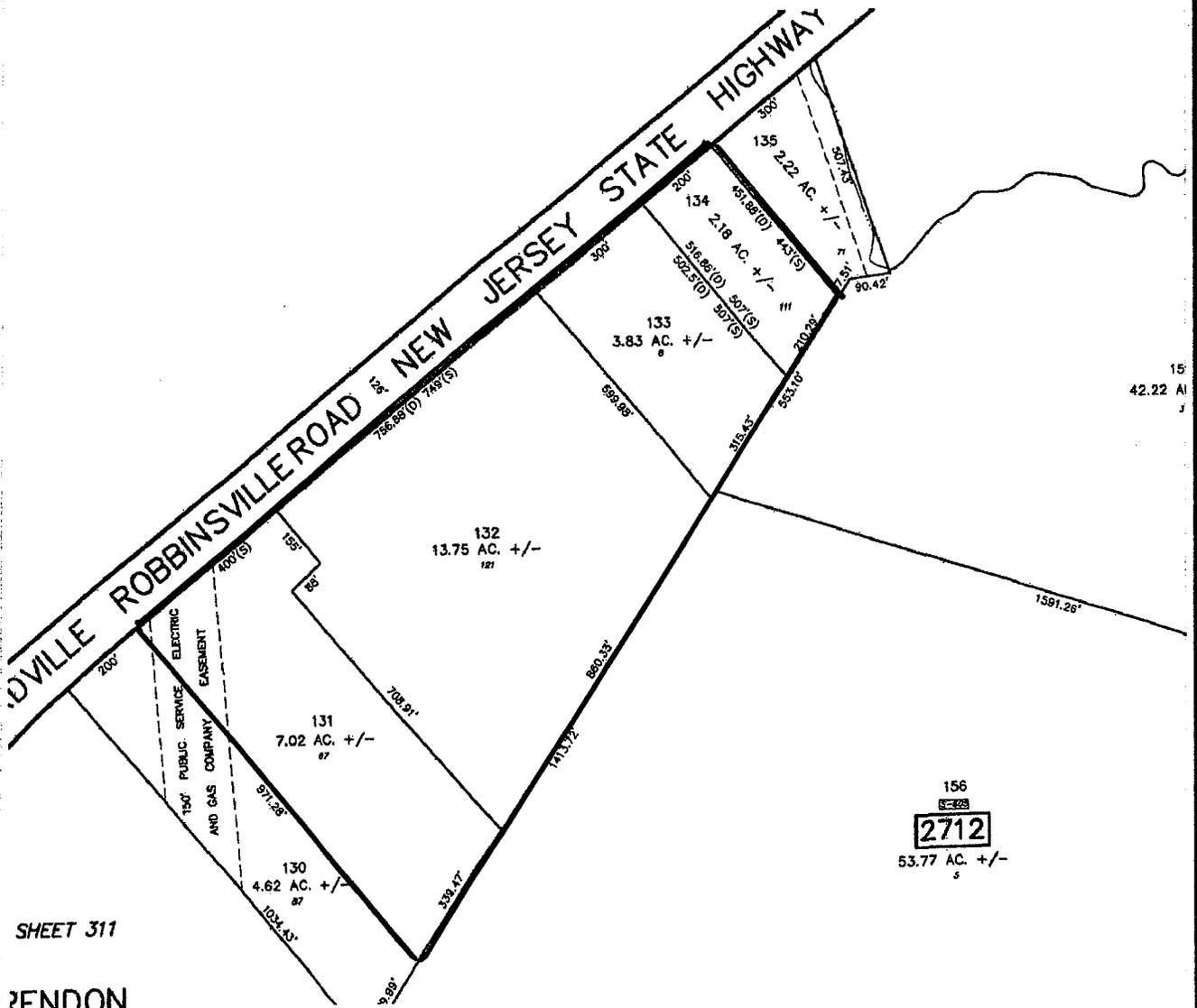
### Comments

The sale was subject to the purchaser obtaining approvals (granted 6/12/07) for a 154,235 square foot shopping center, to be known as the "Shoppes at Hamilton". The property includes 3.2± acres of wetlands and is encumbered by a 150 foot wide PSE&G easement.

File #:2003104C.145P



c



SHEET 311

RENDON

TAX MAP

**COMPARABLE VACANT LAND SALE #5**  
**Assemblage**

**Property Information**

*Location:* NJ State Highway 33 (Main Street)  
Township of Robbinsville  
County of Mercer  
State of New Jersey

*Legal ID:* (1) Block 14, Lot 37 and 65.02  
(2) Block 14, Lot 71

*Property Type:* Vacant land

**Sale Information**

*Date of Sale:* (1) 2/6/08  
(2) 2/6/08

*Deed Book/Page* (1) 5816/135  
(2) 5816/145

*Grantor:* (1) Mark A. Nebbia, Neil S. Nebbia, Todd N. Nebbia, co-trustees  
(2) Barry E. Phillips & Ana Isabel Phillips, h/w

*Grantee:* 130 Hankins, LLC

*Consideration:* (1) \$2,120,000  
(2) \$ 555,000  
\$2,675,000

*Financing:* Cash to Seller

*Conditions of Sale:* Normal

*Verified By:* Deed and Robert A. Kopnicki, Esquire, Attorney for grantee

**Site Information**

*Land Size:* 9.19± acres total

*Shape:* Irregular rectangle

*Frontage/Depth:* 807.24± feet and 539.34± feet

*Topography:* Sloping

*Land to Building Ratio:* 7.23:1

*Floor Area Ratio:* 0.14

*Zoning:* OW, Office Warehouse

*Utilities:* Gas, electric, water, and telephone. Sewer to be extended

**Unit of Comparison**

*Price per Sq. Ft. Building:* \$48.34

*Price per Acre:* \$291,077

## COMPARABLE VACANT LAND SALE #5 Assemblage

### Comments

The assembled sale property consists of three contiguous parcels conveyed in two transactions. The sale is summarized as follows:

Parcel I: Block 14, Lots 37 and 65.02 is a vacant tract of land totaling 8.470± acres with frontages of 807.24± feet along the northwest side of Route 130 and 389.34± feet along the southwesterly side of Hankins Road. The parcel is at road grade and mostly cultivated. Areas appear to be encumbered by freshwater wetlands.

Parcel II: Block 14, Lot 71 is an improved rectangular shaped parcel of land comprising 0.718± acres with a frontage of approximately 150 feet along Hankins Road. The lot is generally at road grade and level. At the time of sale it was improved with a two story 4,716± square foot frame dwelling built around 1950.

The parcels sold subject to the grantee obtaining approvals for a 51,840 square foot one-story retail building and 3,500 square foot one-story branch bank. The approvals also include a use variance since the OW Zone does not allow commercial (retail) use.

File #:2012115C.102P





## COMPARABLE VACANT LAND SALE #6

### Property Information

*Location:* Route 18 and Route 9  
Township of Old Bridge  
County of Middlesex  
State of New Jersey

*Legal ID:* Block 21003, Lot 1

*Property Type:* Commercial land

### Sale Information

*Date of Sale:* 3/30/06

*Deed Book/Page:* 5652/702

*Grantor:* MVB Holdings, LLC

*Grantee:* Stanbery Old Bridge, LLC

*Consideration:* \$4,129,702

*Financing:* Cash to Seller

*Conditions of Sale:* Normal

*Verified By:* Jon Meyer, Director of Acquisitions,  
Stanbery Development

### Site Information

*Land Size:* 23.548± acres

*Shape:* Irregular

*Frontage/Depth:* 1,040± feet - Route 9  
1,240± feet - Route 18  
910± feet - Texas Road

*Topography:* Level, at road grade, mostly wooded

*Land to Building Ratio:* 8.21:1

*Floor Area Ratio:* 0.12

*Zoning:* R-120, Residential

*Utilities:* Gas, electric, water, sewer and telephone

### Unit of Comparison

*Price per Acre:* \$175,374

*Price per Sq. Ft. Approved:* \$33.04

## COMPARABLE VACANT LAND SALE #6

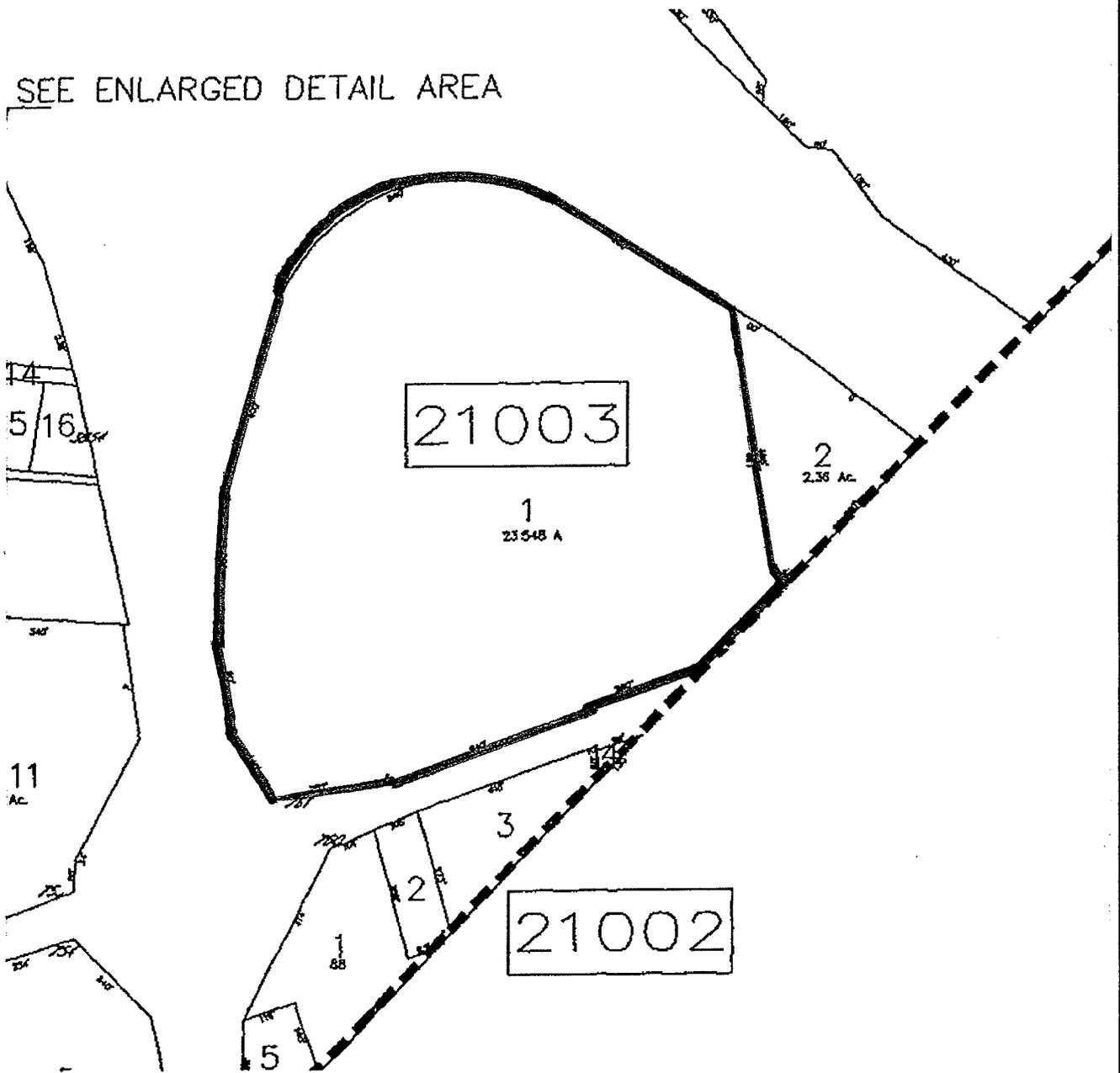
### Comments

The property sold subject to the grantee obtaining approvals for a 125,000 square foot shopping center. There are 101,000 square feet of retail space and 24,000 square feet of office space. There are significant areas of wetlands on the property, particularly along its frontage with Route 9. The new center has limited exposure and is not visible from the road.

File #: 2115104C.156P



SEE ENLARGED DETAIL AREA



TAX MAP

## COMPARABLE VACANT LAND SALE #7

### Property Information

*Location:* 4190 Route 1  
Township of South Brunswick  
County of Middlesex  
State of New Jersey  
*Legal ID:* Block 82, Lot 15.03  
*Property Type:* Commercial land

### Sale Information

*Date of Sale:* 6/19/06  
*Deed Book/Page:* 5699/319  
*Grantor:* Pineville Brunswick Development Associates  
*Grantee:* Target Corporation  
*Consideration:* \$4,280,000  
*Financing:* Cash to Seller  
*Conditions of Sale:* Normal  
*Verified By:* Public Records

### Site Information

*Land Size:* 14.711± acres  
*Shape:* Slightly Irregular  
*Frontage/Depth:* 680.00± feet/942.81± feet  
*Topography:* Level, at road grade  
*Land to Building Ratio:* 5.00:1  
*Floor Area Ratio:* 0.20  
*Zoning:* C-2, General Retail Commercial Center  
*Utilities:* Gas, electric, water, sewer and telephone

### Unit of Comparison

*Price per Acre:* \$290,939  
*Price per Sq. Ft. Approved:* \$33.42

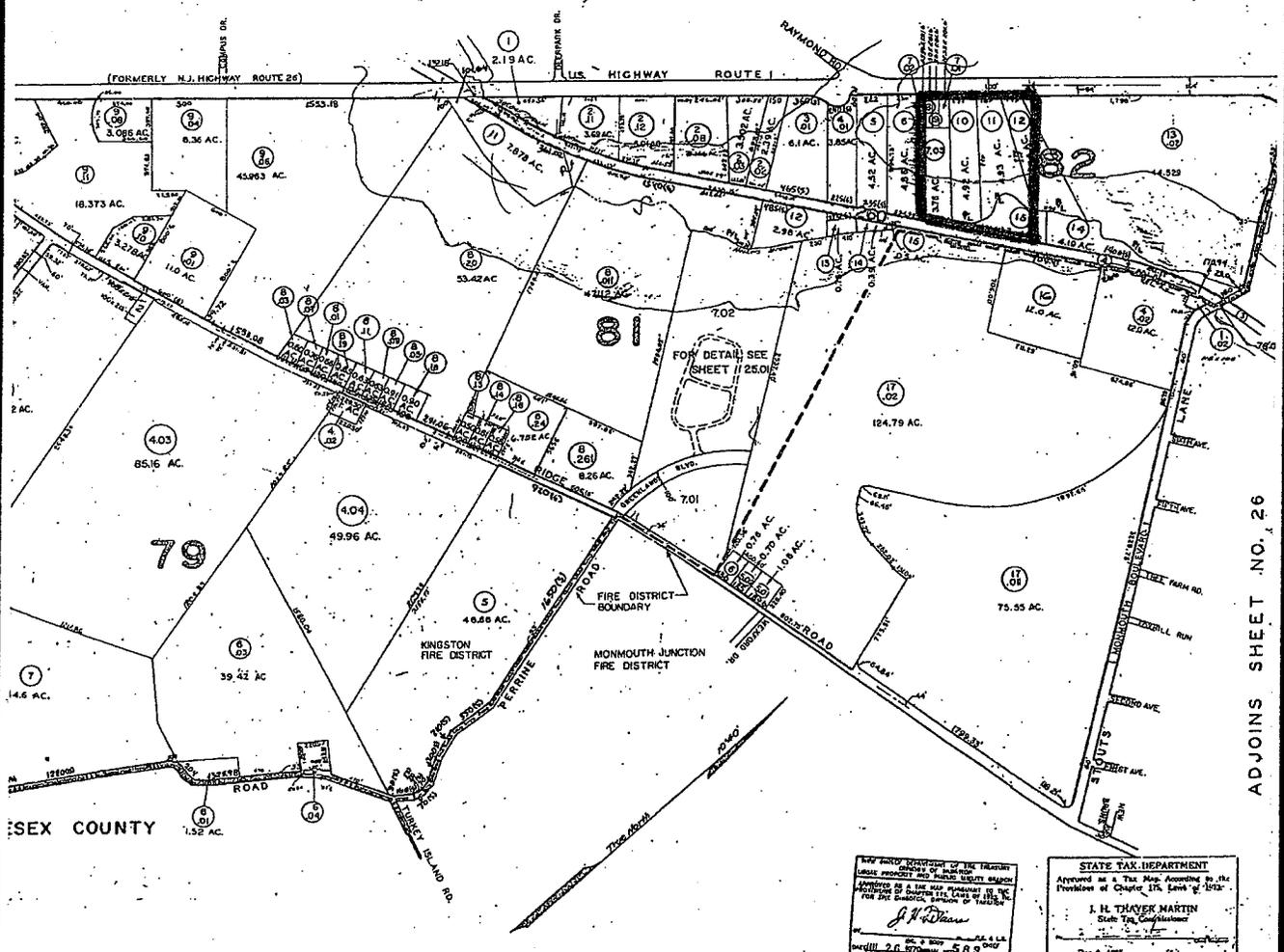
## COMPARABLE VACANT LAND SALE #7

### Comments

The property sold with approvals for a 128,059 square foot Target store. The rear portion of the property (approximately 30%) is located within an area of delineated flood hazard and designated wetlands. This parcel was subdivided from a larger lot, which previously sold on 7/9/04 for \$7,500,000. The lot was 71.575 acres, reflecting \$104,785 per acre. It sold without approvals.

File #: 2121104C.157P





NEW STATE DEPARTMENT OF THE TREASURY  
 OFFICE OF LAND AND MINERAL RESOURCES  
 LAND ACQUISITION AND PUBLIC WORKS DIVISION  
 APPROVED AS A TAX MAP PURSUANT TO THE  
 PROVISIONS OF CHAPTER 176, LAWS OF 1952  
 FOR THE DISTRICT OF COLUMBIA  
*J. H. Wilson*  
 DISTRICT ENGINEER  
 DISTRICT OF COLUMBIA

STATE TAX DEPARTMENT  
 Approved as a Tax Map according to the  
 provisions of Chapter 176, Laws of 1952  
 I. H. THAYER MARTIN  
 State Tax Commissioner  
 STATE TAX DEPARTMENT  
 100 SOUTH BRUNSWICK AVENUE  
 BRUNSWICK, N. J.

WILLIAM M. DORRIS & ASSOCIATES  
 PROFESSIONAL ENGINEERS AND SURVEYORS  
 100 SOUTH BRUNSWICK AVENUE  
 BRUNSWICK, N. J. 08812  
 PREPARED FOR: NOV 1974

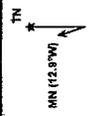
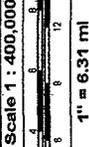
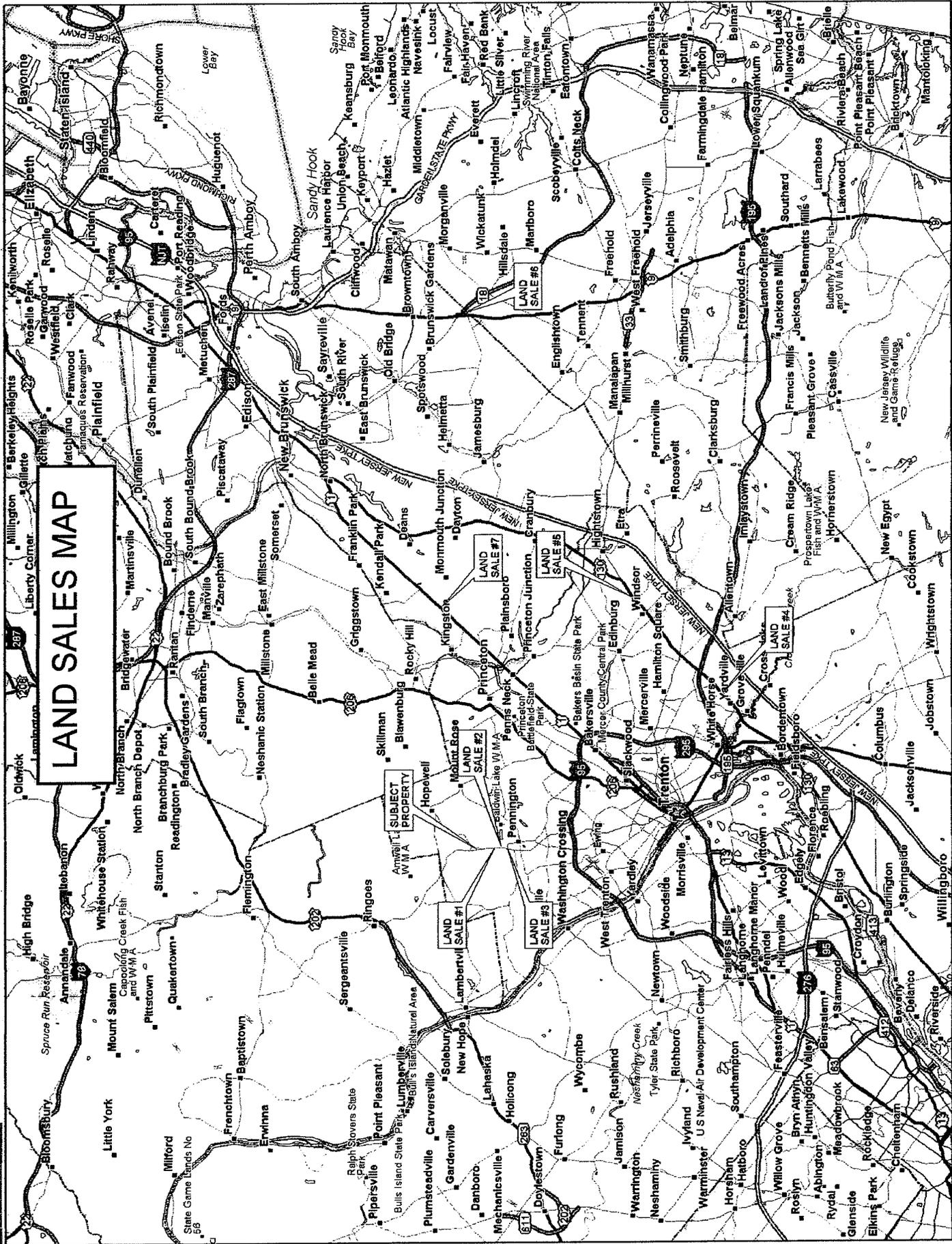
TAX MAP  
 SOUTH BRUNSWICK TOWNSHIP  
 MIDDLESEX COUNTY, N. J.  
 SCALE 1 IN. = 400 FT.  
 CORNER OF BRUNSWICK TOWNSHIP, MIDDLESEX COUNTY, N. J.  
 WILLIAM H. DAVIS, Township Engineer  
 65 PARKWOOD ST., NEW BRUNSWICK, N. J. 08901

ADJOINS SHEET NO. 21

EUGENE AMMON, TWP. ENGR. REVISION TO: NOV 81	EUGENE AMMON, TWP. ENGR. REVISION TO: JUN 27 1978	EUGENE AMMON, TWP. ENGR. REVISION TO: JUN 27 1978	EUGENE AMMON, TWP. ENGR. REVISION TO: JUN 1 1977	EUGENE AMMON, TWP. ENGR. REVISION TO: NOV 1 1976	EUGENE AMMON, TWP. ENGR. REVISION TO: NOV 1 1976	EUGENE AMMON, TWP. ENGR. REVISION TO: NOV 1 1976	EUGENE AMMON, TWP. ENGR. REVISION TO: NOV 1 1976
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# TAX MAP

# LAND SALES MAP



The appraisers have also considered the following Agreement of Sale.

## COMPARABLE AGREEMENT OF SALE #1

### Property Information

*Location:* Route 130  
Township of Hamilton  
County of Mercer  
State of New Jersey  
*Legal ID:* Block 2596, Lots 5 (P/O), 6, 8, 9, 10 and 26  
*Property Type:* Commercial land

### Sale Information

*Agreement of Sale:* January 10, 2008  
*Grantor:* Lenco Farm, LLC and MBM Associates  
*Grantee:* FC Hamilton Associates, LLC  
*Consideration:* \$10,300,000  
\$ 70,000 Plus estimated demolition costs  
\$10,370,000  
*Financing:* Cash to Seller  
*Conditions of Sale:* Normal  
*Verified By:* Bob Burke, Broker

### Site Information

*Land Size:* 60.77± acres (see comments)  
*Shape:* Irregular  
*Frontage/Depth:* 1,669.67± feet – US Route 130  
834.90± feet – Kuser Road  
*Topography:* Generally level at road grade  
*Zoning:* RD, Research and Development  
*Utilities:* Gas, electric, water, sewer and telephone

### Unit of Comparison

*Price per Sq. Ft. Buildable:* \$31.42

## COMPARABLE AGREEMENT OF SALE #1

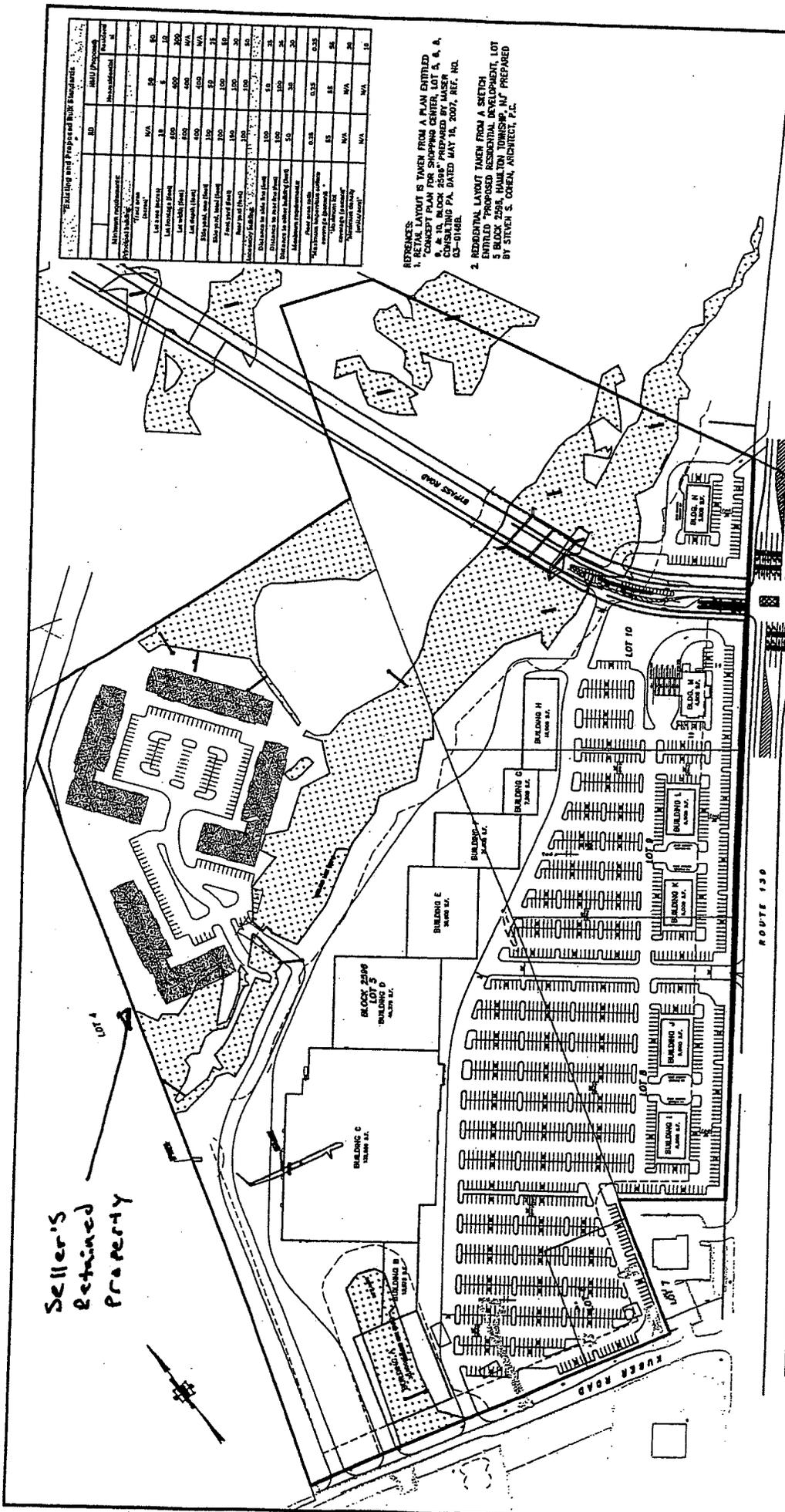
### Comments

The property is selling subject to the purchaser obtaining approvals for a minimum of 330,000 square feet of retail shopping center. The property is presently improved with a warehouse comprising 10,800± square feet and three small houses. Demolition costs are estimated at \$70,000. The seller will be retaining the rear portion of Lot 5. The exact acreage to be retained has yet to be determined, but it appears to be between 12 and 17 acres, reducing the land area to be transferred to 43 – 48 acres. There are significant areas of designated wetlands throughout the northern portion of the sale property (see maps). They do not appear to impact the proposed development of the property. Finally, a new bypass road will be built through the northeastern portion of the property. This will create a new intersection with a traffic light at Route 130.

In order to assemble the property, Lenco Farm, LLC entered into an agreement of sale for Block 2596, Lot 8, dated October 15, 2008 with Chandn Z. and Surya C. Patel for \$1,600,000. This will be assigned to FC Hamilton at the time of closing and has been included in the overall purchase price.

Lenco Farm, LLC has also entered into a “Like Exchange” agreement with Ernest Gaum, Inc. for Block 2596, Lot 9 and a second property not associated with this deal. In exchange, Lenco Farm is going to build a new building for Ernest Gaum, Inc. on a separate parcel for a total value of \$4,000,000, land and building combined. The broker has attributed \$3,000,000 of this to the subject property, which as been included in the purchase price.

File #: 2003104C.168



Seller's Retained Property

Building and Proposed Bulk Elevations		MINI PROPOSED	
ID	MINI PROPOSED	MINI PROPOSED	MINI PROPOSED
1	MINI PROPOSED	MINI PROPOSED	MINI PROPOSED
2	MINI PROPOSED	MINI PROPOSED	MINI PROPOSED
3	MINI PROPOSED	MINI PROPOSED	MINI PROPOSED
4	MINI PROPOSED	MINI PROPOSED	MINI PROPOSED
5	MINI PROPOSED	MINI PROPOSED	MINI PROPOSED
6	MINI PROPOSED	MINI PROPOSED	MINI PROPOSED
7	MINI PROPOSED	MINI PROPOSED	MINI PROPOSED
8	MINI PROPOSED	MINI PROPOSED	MINI PROPOSED
9	MINI PROPOSED	MINI PROPOSED	MINI PROPOSED
10	MINI PROPOSED	MINI PROPOSED	MINI PROPOSED
11	MINI PROPOSED	MINI PROPOSED	MINI PROPOSED
12	MINI PROPOSED	MINI PROPOSED	MINI PROPOSED
13	MINI PROPOSED	MINI PROPOSED	MINI PROPOSED
14	MINI PROPOSED	MINI PROPOSED	MINI PROPOSED
15	MINI PROPOSED	MINI PROPOSED	MINI PROPOSED

REFERENCES:  
 1. LAYOUT IS TAKEN FROM A PLAN ENTITLED "CONCEPTUAL LAYOUT OF PROPOSED CENTER, LOT 4, 5, 6, & 10, BLOCK 2596" PREPARED BY JAMES CONSULTING P.A. DATED MAY 18, 2007, AT. NO. 03-0148B.  
 2. REDUCED LAYOUT TAKEN FROM A SKETCH ENTITLED "PROPOSED RESIDENTIAL DEVELOPMENT, LOT 5 BLOCK 2596, HAMILTON TOWNSHIP, NJ PREPARED BY STEVEN S. COHEN, ARCHITECT, P.C.



CMX  
 Cert. Of Authorization 24CA27926200  
 P.O. BOX 900 MANALAPAN, NJ 07726  
 TEL (732)577-9000 FAX (732)577-9888

CONCEPTUAL LAYOUT  
 HAMILTON COMMONS

BLOCK 2596, LOTS 5, 6, 8, 9 & 10  
 HAMILTON TOWNSHIP, MERCER COUNTY, NEW JERSEY

PROJECT NO. 0604563  
 SCALE 1" = 200'  
 DATE 10/23/2007  
 CREATED BY JCS  
 SHEET NO. 1 of 1

NOTICE--  
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## SALES COMPARISON APPROACH

### Adjustments

In attempting to make the comparable sales equal to the subject property in order to estimate an indicated value applicable to the subject, certain adjustments are made to recognize the differences. An analysis of the adjustments is:

Property Rights Conveyed: All analyzed parcels reflect sales of fee simple interest and no adjustments were warranted.

Financing: All properties were transferred with conventional financing and no adjustments were required.

Conditions of Sale: The sales were verified for any abnormal conditions, motivational premiums, or discounts. All of the sales were transferred under normal conditions and therefore no adjustments were required.

Market Conditions (Time of Sale): Sales were considered from late 2005 through the present. In analyzing the sales, the appraiser noted generally level land values.

Location: Location is defined as:

*“The time-distance relationship or linkage between a property or neighborhood and all possible origins and destinations of residents coming to or going from the property or neighborhood.”<sup>1</sup>*

Adjustments were necessary when the comparable sales were not located in the subject’s neighborhood or the same general area.

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<sup>1</sup> Ibid, p.46

## SALES COMPARISON APPROACH

### Adjustments

#### Location:

The subject property is located along Route 31 in Hopewell Township with corner and multiple frontage exposure. Sales #1 through #3 are also located along Route 31 in Hopewell Township. Sale #2 does not have corner exposure and has been adjusted upward by 20%. Sale #3 is located in closer proximity to Pennington Borough and has been adjusted downward by 10%. Sale #4 is located along Route 130 in Hamilton Township and is considered comparable in location. Sale #5 is located along Route 33/130 in Robbinsville Township and has been adjusted upward by 10% for its inferior location. Sale #6 is located in Old Bridge and has poor exposure and has been adjusted upward by 10%. Sale #7 is located along Route 1 in South Brunswick and has been adjusted downward by 10%.

Physical Characteristics: The subject property has a pond at the southern end of the property, which limits the development potential of that end of the property. This is somewhat offset by the pond's aesthetically pleasing characteristics. Sales #1 through #3 have been adjusted downward by 10% for their superior physical characteristics. Sales #4 and #5 have some minimal areas of designated wetlands and have therefore been only adjusted downward 5% for their superior physical characteristics. Sale #6 has extensive wetlands and is wooded and has been adjusted upward 25%. Sale #7 also has extensive wetlands but they are located at the rear of the property and has been adjusted upward 10%.

Size: Consideration was made to reflect the premise that smaller parcels sell at higher unit values than do larger parcels. Sale #1, #2 and #3 are significantly smaller than the subject property and have each been adjusted downward 25% for land size. Sales #4, #6, and #7 are comparable in size to the subject property and have not been adjusted. Sale #5 is somewhat smaller than the subject and has been adjusted downward by 10%.

## SALES COMPARISON APPROACH

### Adjustments

Utilities: With increasing environmental regulations and requirements, the availability of public utilities has become a major factor when considering real estate development. The lack or limited availability of utilities to a site can have a negative effect on value. The subject property has a private on-site sewer system which has been considered in the land value estimation. Sales #1, #2, and #3 do not have sewer and have been adjusted upward by 10% for utilities.

Approvals: In order to be redeveloped to its highest and best use, the subject property will need site plan approvals for a new shopping center. Sale #3 had all approvals in place at the time of sale and has been adjusted downward by 25%. Sales #4, #5, and #6 sold subject to the purchaser obtaining approvals and have been adjusted downward by 10%. Sale #7 had all approvals in place, but they were for an individual "Big Box" store, and has been adjusted downward 10%.

Zoning: Only comparable sales which are located in zones with the same general permitted uses and minimum area and yard requirements as the subject property were taken into consideration. Sales #1 and #2 are located in zones with more restrictive permitted uses and lower FAR requirements and have been adjusted upward by 10%. Sale #6 is located in a residential zone and has been adjusted upward 10%.

LAND SALES GRID							
	SALE #1	SALE #2	SALE #3	SALE #4	SALE #5	SALE #6	SALE #7
SALE PRICE	\$1,000,000	\$475,000	\$1,300,000	\$7,413,800	\$2,675,000	\$4,129,702	\$4,280,000
REAL PROPERTY RIGHTS ADJUSTMENT	0%	0%	0%	0%	0%	0%	0%
ADJUSTED PRICE	\$1,000,000	\$475,000	\$1,300,000	\$7,413,800	\$2,675,000	\$4,129,702	\$4,280,000
REFLECTS PER ACRE	\$310,559	\$227,490	\$710,383	\$281,316	\$291,077	\$175,374	\$290,939
FINANCING	0%	0%	0%	0%	0%	0%	0%
CONDITIONS OF SALE	0%	0%	0%	0%	0%	0%	0%
ADJUSTED PRICE PER ACRE	\$310,559	\$227,490	\$710,383	\$281,316	\$291,077	\$175,374	\$290,939
DATE OF SALE ADJUSTMENT	0%	0%	0%	0%	0%	0%	0%
ADJUSTED PRICE PER ACRE	\$310,559	\$227,490	\$710,383	\$281,316	\$291,077	\$175,374	\$290,939
LOCATION	0%	20%	-10%	0%	10%	10%	-10%
PHYSICAL CHARACTERISTICS	-10%	-10%	-10%	-5%	-5%	25%	10%
LAND SIZE	-25%	-25%	-25%	0%	-10%	0%	0%
UTILITIES	10%	10%	10%	0%	0%	0%	0%
APPROVALS	0%	0%	-25%	-10%	-10%	-10%	-10%
ZONING	10%	10%	0%	0%	0%	10%	0%
NET ADJUSTMENT	-15%	5%	-60%	-15%	-15%	35%	-10%
ADJUSTED PRICE PER ACRE	\$263,975	\$238,865	\$284,153	\$239,119	\$247,415	\$236,755	\$261,845
TOTAL ADJUSTMENT PER ACRE	-\$46,384	\$11,375	-\$428,230	-\$42,197	-\$43,662	\$61,381	-\$29,094
TOTAL ADJUSTMENT AS PERCENTAGE OF SALES PRICE	-15%	5%	-60%	-15%	-15%	35%	-10%

## SALES COMPARISON APPROACH

### Vacant Land Sales Summary

The seven delineated sales range from 1.83 acres to 26.354 acres and have an unadjusted value of \$175,374 per acre to \$710,383 per acre. Based on the seven sales, as documented on the previous pages and adjusting for property rights, financing, conditions of sale, market conditions, location, physical characteristics (size, shape, and topography), approvals, zoning and utilities, we have an adjusted value of \$236,755 per acre to \$284,153 per acre.

It is our opinion that the indicated land value of the subject property is \$245,000 per acre.

Therefore – 24.936 acres @ \$245,000 per acre = \$6,109,320  
Rounded to: \$6,110,000

The appraiser has estimated the potential build-out on the subject property to be 156,816 square feet based on current zoning requirements. The reconciled land value reflects \$38.96 per buildable square feet. The four shopping center land sales range from \$33.04 per square foot buildable to \$48.34 per square foot either with approvals or subject to the purchaser obtaining approvals.

The current sewer system on the subject property has a capacity of 15,000 gallons daily. Based on NJDEP requirements for shopping centers of 0.125 gallons per square foot daily, to develop the subject property to the full potential allowed by zoning, a capacity of 19,602 gallons would be needed. The current system has the capacity to be expanded to 25,000 gallons. According to the Marshall and Swift cost manual, costs for a medium sized sewage treatment plant are from \$5.02 per gallon daily capacity to \$10.10 per gallon daily capacity. The appraiser has estimated a cost of \$50,000 to increase the capacity to 20,000 gallons.

## SALES COMPARISON APPROACH

### Vacant Land Sales Summary

The final step in the valuation of the subject property is to estimate the demolition costs of the existing improvements. According to the Marshall and Swift Cost Manual, demolition costs for Class "C" buildings range from \$3.55 to \$5.25 per square foot and demolition costs for Class "D" buildings range from \$3.00 to \$4.60 per square foot. The appraisers have estimated demolition costs for the subject property at \$4.00 per square foot.

Therefore – 58,857 square feet @ \$4.00 per square foot = \$235,428

Rounded to: \$235,000

The value of the subject property "as is" is therefore calculated as follows:

Land value (with sewer system).....	\$6,110,000
Less cost to expand sewer capacity.....	\$ 50,000
Less estimated demolition costs.....	<u>\$ 235,000</u>
Value "as is".....	\$5,825,000

**Total Value By the Sales Comparison Approach.....\$5,825,000**

## **CONCLUSION**

## RECONCILIATION AND FINAL ESTIMATE

The final step in the appraisal process is to reconcile the value estimates.

*“Reconciliation is the analysis of alternative conclusions to arrive at a final value estimate.”<sup>1</sup>*

Since only the sales comparison approach was utilized in this report, a reconciliation is not necessary.

After all considerations, it is this appraiser’s opinion that the estimated market value of the subject property is \$5,825,000.

**Final Value Estimate.....\$5,825,000**

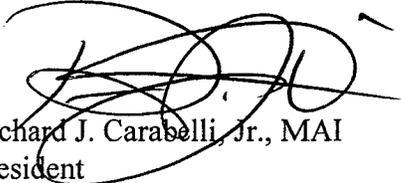
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<sup>1</sup> Ibid, p.601

## CERTIFICATION

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 is 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, to the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 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 & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice*.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have not 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.
- As of the date of this report, I Richard J. Carabelli, have completed the continuing education program of the Appraisal Institute.

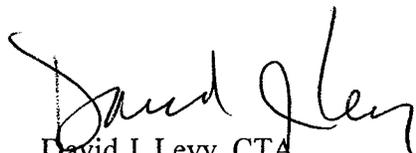
  
Richard J. Carabelli, Jr., MAI  
President  
State Certified General Real Estate Appraiser [RG00108]

Date: May 6, 2008

## CERTIFICATION

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 is 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, to the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 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 & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice*.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- 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.



David J. Levy, CTA  
State Certified General  
Real Estate Appraiser [RG00597]

Date: May 6, 2008

## **CONTINGENT AND LIMITING CONDITIONS:**

1. We assume no responsibility for matters legal in character; nor do we render any opinions as to title, which is assumed to be good and marketable. All existing liens and encumbrances have been disregarded and the property appraised as though free and clear, under responsible ownership and competent management.
2. The appraisers are not required to give testimony or attendance in court unless arrangements have been previously made therefore.
3. The legal description furnished is assumed to be correct. The sketch in this report, if any, is included to assist the reader in visualizing the property only. We have made no survey of the property and assume no responsibility in connection with such matters.
4. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted and considered in this report.
5. Neither all, nor any part of the content of the report, or copy thereof, (including conclusions as to the property value, the identity of the appraiser, professional designations, reference to any professional appraisal organization, or the firm with which the appraiser is connected) shall be used for any purposes by anyone but the client specified in the report, the mortgagee or its successors and assigns, mortgage insurers, consultants, professional appraisal organizations, any state or federally approved financial institution, any department, agency, or instrumentality of the United States or any State or the District of Columbia, without the previous written consent of the appraiser; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the appraiser.
6. The information which is identified and contained in this report, as furnished to me by others, is believed to be reliable; but we assume no responsibility for its accuracy. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions or for engineering, which might be required to discover such factors.
7. The distribution of the total valuation in this report between land and improvements would apply only under the existing program of utilization. The separate valuations as reported must not be used in conjunction with any other appraisal and would be invalid if so used.

## CONTINGENT AND LIMITING CONDITIONS

8. The inspection of the property and sales were made by the appraisers signing this report, unless specifically noted otherwise and we accept full responsibility for their description. The analysis, conclusions, and values are also solely the product of the appraiser(s) signing this report.
9. No environmental impact studies were either requested or made in conjunction with this appraisal, and the appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental impact studies, research, or investigation.
10. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws, unless non-compliance is stated, considered, or defined in the appraisal report. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation; asbestos, polychlorinated biphenyls, petroleum leakage, toxic waste, radon or agricultural chemicals, which may or may not be present on the property, or other environmental conditions were not called to the attention of the appraiser, nor did the appraiser become aware of such during the inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. Since the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicted on the assumption that there is no such condition on the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.
11. Development of land in New Jersey is subject to various environmental regulations, including regulations regarding wetlands as well as possible other regulations. Any references made to soil types, development capabilities, or to the location of wetlands were based on county agricultural soils and national inventory wetland maps. Such maps are useful as a guide only, and their accuracy and reliability cannot be guaranteed. The appraiser is not qualified to determine the type or quality of soils or wetland boundaries, and the evaluation of the site by a qualified expert is recommended.

The subject property has been appraised as if no wetlands or soil problems exist other than those expressly designated within this report. If an evaluation by a qualified expert reveals that the site contains additional designated wetlands or its soils present unusual development problems not previously delineated within this report, the value indicated herein should be adjusted accordingly.

## **CONTINGENT AND LIMITING CONDITIONS:**

12. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, considered, or defined in the appraisal report.
13. It is assumed that all required licenses, approvals, or other legislative or administrative authority from any local, state, or national government have been, or can be, obtained or renewed for any use on which the value estimate contained in this report is based.
14. It is assumed that there are no structural defects hidden by floor or wall coverings or any other hidden or unapparent conditions of the property; that all mechanical equipment and appliances are in good working condition; and that all electrical components and the roofing are in good condition.

If the client has any questions regarding these items, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise needed to make such inspections. The appraiser assumes no responsibility for these items.

15. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser(s) have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could 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 effect upon the value of the property. Since the appraiser(s) have no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
16. We further acknowledge that our analysis, opinions and conclusions within the appraisal have been made in strict accordance with the Uniform Standards of Professional Practice and the Code of Professional Ethics of various professional organizations, such as the Appraisal Institute and the National Association of Realtors, and the use of this report is subject to the requirements relating to review by each organization's duly authorized representatives.
17. The appraisal assignment was not based on a requested minimum or maximum valuation, a specific valuation or the approval of a loan.

**ADDENDA**

## REFERENCES

The Appraisal of Real Estate

12<sup>th</sup> Edition

Appraisal Institute

The Dictionary of Real Estate Appraisal

4<sup>th</sup> Edition

Appraisal Institute

Comparable Sale and Lease Files

Martin Appraisal Associates, Inc.

Tax and Zoning Data

Provided by the Township of Hopewell

2000 United States Census Data

Published by the US Census Bureau

Flood Insurance Rate Map

Community Panel #345298 0010 C, Dated: September 4, 1987

Published by the Federal Emergency Management Agency

Korpacz Real Estate Investor Survey, First Quarter 2008

Published by Price Waterhouse Coopers

## MARKETING TIME

This marketing time estimate represents our opinion as to the length of time necessary to sell a property interest in real estate at the estimated market level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. Marketing time is the future price based on current known and expected characteristics of the properties, their environs, and the real estate market existing during that period.

The ultimate future price that may be achieved at the conclusion of the marketing period may or may not equal the appraised value on the earlier valuation date, depending on potential changes during the marketing period to the physical real estate, demographic and economic trends, the real estate market, tenancy and property operations, among other factors. A reasonable marketing time is a function of price, time, and anticipated market conditions, such as changes in the cost and availability of funds, not an isolated estimate of time along.

Our estimate of marketing time is based on one or more of the following:

1. information gathered through sales verification,
2. interview of market participants and review of investor surveys,
3. anticipated changes in market conditions,
4. statistical information about days on the market.

In conversations with various brokers and our assessment of the current market for commercial land, marketing periods have increased somewhat over those experienced in the early to mid 2000's. Since there are few properties of a similar nature in the market area, and sufficient demand, we would reasonably anticipate that the marketing period would be less than one year.

## SALES COMPARISON ANALYSIS

The appraiser has searched for comparable sales of motels, shopping centers, restaurants, and office buildings. The residential uses have been considered accessory to the property and have been added based on their income producing potential. The comparable sales are delineated as follows:

### Motels

- |    |           |  |
|----|-----------|--|
| 1. | Location: | 1083 Route 206, Bordentown Township    |
|    | Sold:     | 4/29/04 for \$6,500,000                |
|    | Rooms:    | 97                                     |
|    | Reflects: | \$67,010 per room                      |
| 2. | Location: | 118 Route 206, Hillsborough Township   |
|    | Sold:     | 6/22/07 for \$5,075,001                |
|    | Rooms:    | 102                                    |
|    | Reflects: | \$49,755 per room                      |
| 3. | Location: | 3270 Brunswick Pike, Lawrence Township |
|    | Sold:     | 11/30/05 for \$5,551,000               |
|    | Rooms:    | 116                                    |
|    | Reflects: | \$47,853 per room                      |

The appraiser has considered the various aspects of each sale including the conditions of sale, market conditions, location, number of rooms, quality and condition, and it is the appraiser's opinion that the subject property has a value of \$20,000 per room. The reconciled value falls significantly below the range established by the comparable sales primarily due to its location in an area which would not normally support a motel and its non-traditional design.

Therefore-

$$46 \text{ rooms @ } \$20,000 \text{ per room} = \$920,000$$

## SALES COMPARISON ANALYSIS

### Restaurant

- |    |           |  |
|----|-----------|--|
| 1. | Location: | 429 Highway 156, Hamilton Township (Giovì's) |
|    | Sold:     | 11/2/05 for \$1,800,000                      |
|    | Size:     | 9,010 square feet                            |
|    | Reflects: | \$199.78 per square foot                     |
| 2. | Location: | 1250 Route 31, Clinton Township (Tiff's)     |
|    | Sold:     | 10/10/06 for \$1,300,000                     |
|    | Size:     | 7,560 square feet                            |
|    | Reflects: | \$171.96 per square foot                     |
| 3. | Location: | 1140 River Road, Ewing Township (Erini)      |
|    | Sold:     | 7/9/07 for \$1,700,000                       |
|    | Size:     | 11,200 square feet                           |
|    | Reflects: | \$151.79 per square foot                     |

The appraiser has considered the various aspects of each sale including the conditions of sale, market conditions, location, size, quality and condition, and it is the appraiser's opinion that the subject property has a value of \$250 per square foot. The reconciled value falls significantly above the range established by the comparable sales primarily due to its significantly smaller size.

Therefore – 3,690 square feet @ \$250 per square foot = **\$922,500**

## SALES COMPARISON ANALYSIS

### Retail

- |    |           |   |
|----|-----------|---|
| 1. | Location: | 399-413 Mercer Street, Hightstown Borough           |
|    | Sold:     | 2/15/07 for \$2,174,000                             |
|    | Size:     | 12,013 square feet                                  |
|    | Reflects: | \$180.97 per square foot                            |
| 2. | Location: | 1201 Whitehorse-Mercerville Road, Hamilton Township |
|    | Sold:     | 8/27/07 for \$1,780,000                             |
|    | Size:     | 8,222 square feet                                   |
|    | Reflects: | \$216.49 per square foot                            |
| 3. | Location: | 2534-2542 Brunswick Pike, Lawrence Township         |
|    | Sold:     | 5/5/06 for \$3,900,000                              |
|    | Size:     | 20,259 square feet                                  |
|    | Reflects: | \$192.51 per square foot                            |

The appraiser has considered the various aspects of each sale including the conditions of sale, market conditions, location, size, quality and condition, and it is the appraiser's opinion that the subject property has a value of \$115 per square foot. The reconciled value falls significantly below the range established by the comparable sales primarily due to its multi-building design, quality, layout and condition.

Therefore – 18,641 square feet @ \$115 per square foot = **\$2,143,715**

## SALES COMPARISON ANALYSIS

### Office

- |    |           |  |
|----|-----------|--|
| 1. | Location: | 2999 Princeton Pike, Lawrence Township                   |
|    | Sold:     | 1/2/06 for \$1,948,000                                   |
|    | Size:     | 11,808 square feet                                       |
|    | Reflects: | \$164.97 per square foot                                 |
| 2. | Location: | 2500 Brunswick Pike, Lawrence Township                   |
|    | Sold:     | 3/8/06 for \$1,920,750                                   |
|    | Size:     | 14,910 square feet                                       |
|    | Reflects: | \$128.82 per square foot                                 |
| 3. | Location: | 2303-2307 Brunswick Pike, Lawrence Township              |
|    | Sold:     | 12/27/07 for \$2,400,000                                 |
|    | Size:     | 30,600 square feet                                       |
|    | Reflects: | \$78.43 per square foot                                  |
| 4. | Location: | 1 Washington Crossing Pennington Road, Hopewell Township |
|    | Sold:     | 1/30/06 for \$1,050,000                                  |
|    | Size:     | 12,236 square feet                                       |
|    | Reflects: | \$85.81 per square foot                                  |

The appraiser has considered the various aspects of each sale including the conditions of sale, market conditions, location, size, quality and condition, and it is the appraiser's opinion that the subject property has a value of \$90 per square foot. The reconciled value falls within the range established by the comparable sales.

Therefore – 11,220 square feet @ \$90 per square foot = **\$1,009,800**

## SALES COMPARISON ANALYSIS

### Residential

The value of the accessory residential uses on the property including the two detached homes, the apartment uses in the restaurant building and the apartment above one of the freestanding retail buildings has been derived by an income analysis utilizing the existing rents for these units. The net operating income resulting from this analysis is \$22,226. More complete analysis is found in the income analysis of the property, which follows. Utilizing a capitalization rate of 8.5%, the contributing value of the residential uses on the property is **\$261,482**.

### Value Summary

<b>Motel</b>	<b>\$ 920,000</b>
<b>Restaurant</b>	<b>\$ 922,500</b>
<b>Retail</b>	<b>\$2,143,715</b>
<b>Office</b>	<b>\$1,009,800</b>
<b>Residential</b>	<b><u>\$ 261,482</u></b>
<b>Total</b>	<b>\$5,257,497</b>
<b>Rounded to:</b>	<b>\$5,250,000</b>

## INCOME ANALYSIS

The following steps will be applied in order to estimate the value of the subject property by the income approach.

### Motel

- 1. Estimate of Gross Income:** The following room rates are currently applicable to the motel:

9 rooms @ \$70 daily =	\$ 630
9 rooms @ \$65 daily =	\$ 585
4 rooms @ \$80 daily =	\$1,000
20 rooms @ \$50 daily =	<u>\$ 240</u>
Total daily	<u>\$2,775</u>

The potential gross income is calculated as:

$$365 \text{ days @ } \$2,775 \text{ per day} = \$1,012,875$$

- 2. Estimate of Effective Gross Income**

Effective gross income is derived by deducting an applicable vacancy and collection loss rate from the potential gross income. In appraising the subject property, the appraiser has estimated an appropriate vacancy and collection loss rate of 75%.

Therefore--

Potential gross income	\$1,012,875
Less vacancy and collection loss (75%)	<u>- \$759,656</u>
Effective gross income	\$253,219

- 3. Deduct operating expenses from the Effective Gross Income to arrive at Net Operating Income**

The appraiser has based our estimate of operating expenses upon information extracted from "trends in the hotel industry", USA edition, prepared by the Hospitality Research Group and RFK Consulting, and published by Hospitality Asset Advisors International, Inc. The survey of limited service hotels indicated operating expenses of 67.8% of effective gross revenue. The total operating expenses for the subject property are therefore estimated at \$171,682.

Therefore --

Effective gross income	\$253,219
Less operating expenses	<u>- \$171,682</u>
Net Operating Income	\$ 81,537

## INCOME ANALYSIS

### Restaurant

#### 1. Estimate of Gross Income

The restaurant is currently leased at \$10,066.67 monthly. Based on a gross leaseable area of 3,690 square feet. This reflects a rent of \$32.74 per square foot. The appraiser did not review the lease.

The potential gross income is calculated as follows:

\$10,066.67 monthly @ 12 month = \$120,800

#### 2. Estimate of Effective Gross Income

Effective gross income is derived by deducting an applicable vacancy and collection loss rate from the potential gross income. In appraising the subject property, the appraiser has estimated an appropriate vacancy and collection loss rate of 5%.

Therefore--

Potential gross income		\$120,800
Less vacancy and collection loss (5%)	-	<u>\$ 6,040</u>
Effective gross income		\$114,760

#### 3. Deduct operating expenses from the Effective Gross Income to arrive at Net Operating Expenses

In addition to the monthly rent, the restaurant also reimburses the owner \$1,472.14 monthly for property taxes. We have estimated the remaining expenses for the restaurant at 25% of effective gross income.

Therefore --

Effective gross income		\$114,760
Less operating expenses (25%)	-	<u>\$ 28,690</u>
Net Operating Income		\$ 86,070

## INCOME ANALYSIS

### Retail

#### 1. Estimate of Gross Income

The appraiser has reviewed the lease for "Creative Kids" which reflects \$19.04 per square foot. In addition, the cumulative rents for the freestanding retail buildings total 9,183.12 monthly, which also reflects \$19.04 per square foot for the 5,789 square feet of freestanding retail space. We have therefore concluded that the current market rent or the subject property is \$19.04 per square foot.

The potential gross income is calculated as follows:

12,852 square feet retail building	@ \$19.04 per square foot	=	\$244,702
Freestanding building	@ \$9,183.12 monthly	=	<u>\$110,197</u>
Total			\$354,899

#### 2. Estimate of Effective Gross Income

Effective gross income is derived by deducting an applicable vacancy and collection loss rate from the potential gross income. In appraising the subject property, the appraiser has estimated an appropriate vacancy and collection loss rate of 30%.

Therefore--

Potential gross income		\$354,899
Less vacancy and collection loss (30%)	-	<u>\$106,470</u>
Effective gross income		\$248,429

#### 3. Deduct operating expenses from the Effective Gross Income to arrive at Net Operating Expenses

Based on information extracted from comparable properties, we have estimated the remaining expenses for the retail space at 30% of effective gross income.

Therefore --

Effective gross income		\$248,429
Less operating expenses (30%)	-	<u>\$ 74,529</u>
Net Operating Income		<u>\$173,900</u>

## INCOME ANALYSIS

### Office

#### 1. Estimate of Gross Income

There is currently only one lease in place at the office building, with a monthly rent of \$2,300. The appraiser was unable to determine the unit size for this lease, although it appears to be located in a portion of the building which comprises 1,296 square feet. The lease would therefore reflect \$21.30 per square foot on a gross basis. The following leases have been considered comparable to the subject property.

- |    |                               |   |
|----|-------------------------------|---|
| 1. | Location:<br>Tenant:<br>Rent: | 16 Seminary Avenue, Hopewell Borough<br>A Pair of Threes<br>\$15.23 per sq. ft. plus interior maintenance and utilities |
| 2. | Location:<br>Tenant:<br>Rent: | 43 Railroad Place, Hopewell Borough<br>Corner Store Carpentry Contracting<br>\$17.50 per sq. ft. net                    |
| 3. | Location:<br>Tenant:<br>Rent: | 2 Tree Farm Road, Hopewell Township<br>Kumon Learning<br>\$20.00 per sq. ft. net  |
| 4. | Location:<br>Tenant:<br>Rent: | 65 South Main Street, Pennington Borough<br>William Clark, Esquire<br>\$18.60 per sq. ft. net                           |
| 5. | Location:<br>Tenant:<br>Rent: | 2 Tree Farm Road, Hopewell Township<br>Princeton Dermatology<br>\$20.75 per sq. ft. net                                 |

Based on the comparable leases, it is the appraiser's opinion that the market rent for the subject property is \$16.00 per square foot net.

The potential gross income is calculated as follows:

$$11,220 \text{ square feet retail building} \quad @ \text{ \$16.00 per square foot} \quad = \quad | \text{ \$179,520}$$

## INCOME ANALYSIS

### Office

#### 2. Estimate of Effective Gross Income

Effective gross income is derived by deducting an applicable vacancy and collection loss rate from the potential gross income. In appraising the subject property, the appraiser has estimated an appropriate vacancy and collection loss rate of 30%.

Therefore--

Potential gross income		\$179,520
Less vacancy and collection loss (30%)	-	<u>\$ 53,856</u>
Effective gross income		\$125,664

#### 3. Deduct operating expenses from the Effective Gross Income to arrive at Net Operating Expenses

Based on information extracted from comparable properties, we have estimated the remaining expenses for the office space at 25% of effective gross income.

Therefore --

Effective gross income		\$125,664
Less operating expenses (25%)	-	<u>\$ 31,416</u>
Net Operating Income		\$ 94,248

### Residential

#### 1. Estimate of Gross Income

The following rents are currently applicable to the accessory residential uses on the subject property.

Small house	@ 475 monthly	\$ 5,700
Large house	@ 750 monthly	\$ 9,000
Restaurant apartment 1	@ \$500 monthly	\$ 6,000
Restaurant apartment 2	@ \$450 monthly	\$ 5,400
Apartment over store	@ \$765 monthly	<u>\$ 9,180</u>
Potential Gross Income		\$35,280

## INCOME ANALYSIS

### Residential

#### 2. Estimate of Effective Gross Income

Effective gross income is derived by deducting an applicable vacancy and collection loss rate from the potential gross income. In appraising the subject property, the appraiser has estimated an appropriate vacancy and collection loss rate of 10%.

Therefore--

Potential gross income		\$35,280
Less vacancy and collection loss (10%)	-	<u>\$ 3,528</u>
Effective gross income		\$31,752

#### 3. Deduct operating expenses from the Effective Gross Income to arrive at Net Operating Expenses

Based on information extracted from comparable properties, we have estimated the remaining expenses for the office space at 30% of effective gross income.

Therefore --

Effective gross income		\$31,752
Less operating expenses (30%)	-	<u>\$ 9,526</u>
Net Operating Income		<u>\$22,226</u>

#### Total Net Operating Income

The total net operating income for the subject property is calculated as follows:

Motel	\$ 81,537
Restaurant	\$ 86,070
Retail	\$173,900
Office	\$ 94,248
Residential	<u>\$ 22,226</u>
Total	\$457,981

## INCOME ANALYSIS

### Overall

#### 4. Capitalize the Net Operating Income into an estimate of value

The appraiser has considered current mortgage rates and equity return rates and have selected an appropriate overall capitalization rate of 8.50% through use of the band of investment technique, supported by the Price Waterhouse Cooper Korpacz investor survey. We have therefore capitalized the Net Operating Income as:

Net Operating Income	\$ 457,981
Capitalized at 8.50%	<u>÷ 0.850</u>
Value Estimate	\$5,388,012
<b>Rounded to</b>	<b>\$5,400,000</b>

**Total Value By the Income Approach.....\$5,400,000**

## RECONCILIATION AND FINAL VALUE ESTIMATE

Sales Comparison Analysis	\$5,250,000
Income Analysis	\$5,400,000

The appraiser has considered the basis for each of the two applicable approaches to value and has given most weight to the income approach. It is the appraiser's opinion that the market value of the subject property, based on the utilization of the current improvements is \$5,400,000.

**Final Value Estimate.....\$5,400,000**



**Free Standing Retail Middle Building**



**Free Standing Retail North Building**



**Free Standing Retail South Building**



**Front View of Retail Building**



**H I Rib Restaurant**



**H I Rib North End**



**Motel North Building**



**Front View of Motel North Building**



**Front View Motel South Building**



**Rear View Motel South Building**



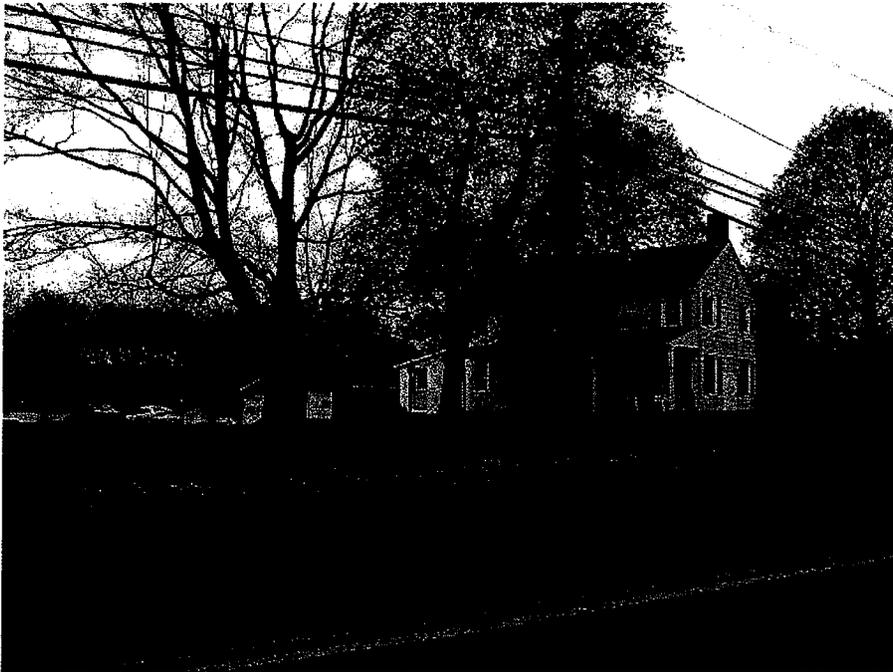
**Office Building**



**One-Story Residence**



**Pond**



**Two-Story Residence**



**Old Woodsville Road**



**Pennington Hopewell Road**



**Route 31 Looking North**



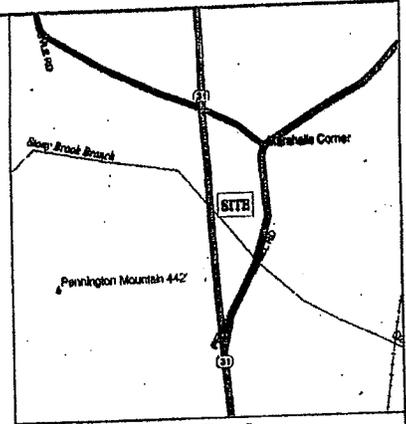
**Route 31 Looking South**

METES AND BOUNDS DESCRIPTION  
 LOT 1.02, BLOCK 33  
 TOWNSHIP OF HOPEWELL  
 MERCER COUNTY, NEW JERSEY

BEGINNING AT AN IRON PIPE FOUND AT THE INTERSECTION OF THE SOUTHWESTERLY LINE OF OLD WOODSVILLE ROAD (A.K.A. WOODSVILLE - MARSHALLS CORNER ROAD, A.K.A. COUNTY ROUTE S-12 SPUR, A.K.A. MERCER COUNTY ROUTE 812, 66 FOOT WIDE RIGHT OF WAY) WITH THE NORTHEASTERLY TERMINUS OF A LINE CONNECTING SAID SOUTHWESTERLY LINE WITH THE EASTERLY LINE OF NEW JERSEY STATE HIGHWAY ROUTE 31 (66 FOOT WIDE RIGHT OF WAY) AND FROM SAID POINT OF BEGINNING RUNNING, THENCE; ALONG THE AFOREMENTIONED SOUTHWESTERLY LINE OF OLD WOODSVILLE ROAD THE FOLLOWING FIVE (5) COURSES:

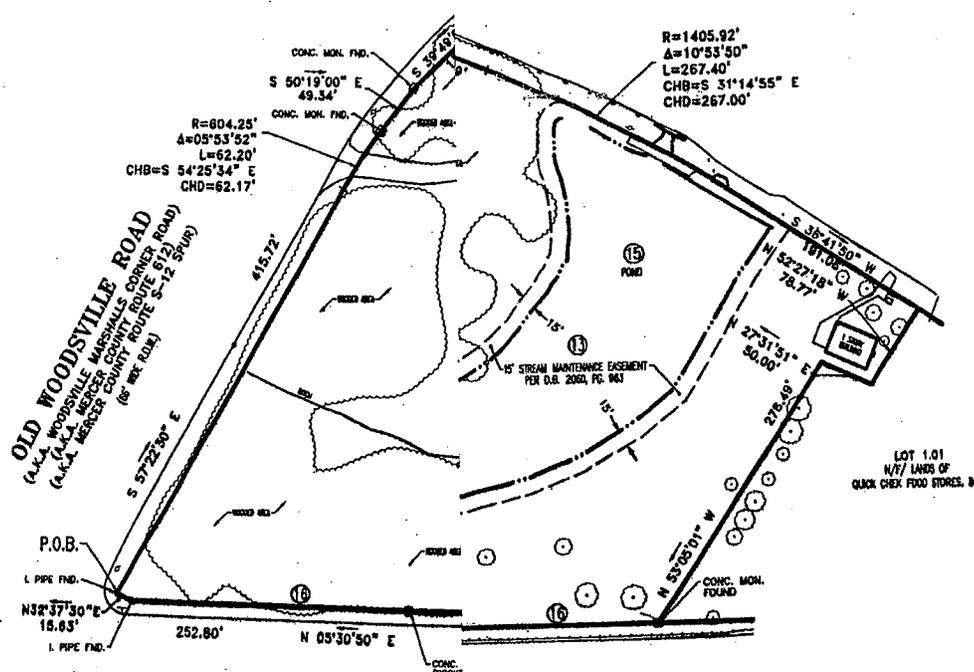
1. SOUTH 57 DEGREES - 22 MINUTES - 30 SECONDS EAST, A DISTANCE OF 415.72 FEET TO A POINT OF CURVATURE, THENCE;
2. ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 804.25 FEET, A CENTRAL ANGLE OF 05 DEGREES - 53 MINUTES - 52 SECONDS AND AN ARC LENGTH OF 62.20 FEET, ALSO BEARING A CHORD OF SOUTH 54 DEGREES - 25 MINUTES - 34 SECONDS EAST, A CHORD DISTANCE OF 62.17 FEET TO A CONCRETE MONUMENT FOUND AT POINT OF TANGENCY, THENCE;
3. SOUTH 50 DEGREES - 19 MINUTES - 00 SECONDS EAST, A DISTANCE OF 49.34 FEET TO A CONCRETE MONUMENT FOUND AT AN ANGLE POINT, THENCE;
4. SOUTH 39 DEGREES - 49 MINUTES - 00 SECONDS EAST, A DISTANCE OF 139.78 FEET TO AN ANGLE POINT, THENCE;
5. ALONG THE WESTERLY LINE OF PENNINGTON - HOPEWELL ROAD (A.K.A. MERCER COUNTY ROUTE 519 SPUR, A.K.A. MERCER COUNTY ROUTE 654, VARIABLE WIDTH RIGHT OF WAY), SOUTH 23 DEGREES - 34 MINUTES - 00 SECONDS EAST, A DISTANCE OF 178.84 FEET TO AN ANGLE POINT, THENCE;
6. CONTINUING ALONG SAME, SOUTH 01 DEGREES - 09 MINUTES - 40 SECONDS WEST, A DISTANCE OF 649.78 FEET TO A POINT OF CURVATURE, THENCE;
7. CONTINUING ALONG SAME ON A CURVE TO THE RIGHT, HAVING A RADIUS OF 915.37 FEET, A CENTRAL ANGLE OF 04 DEGREES - 45 MINUTES - 55 SECONDS AND AN ARC LENGTH OF 76.13 FEET, ALSO BEARING A CHORD OF SOUTH 03 DEGREES - 32 MINUTES - 37 SECONDS WEST, A CHORD DISTANCE OF 76.11 FEET TO A POINT, THENCE; ALONG THE DIVIDING LINE BETWEEN LOT 1.02 AND LOT 10, BLOCK 33, THE FOLLOWING THREE (3) COURSES:
8. NORTH 87 DEGREES - 09 MINUTES - 10 SECONDS WEST, A DISTANCE OF 330.00 FEET TO A CONCRETE MONUMENT FOUND, THENCE;
9. SOUTH 02 DEGREES - 53 MINUTES - 40 SECONDS WEST, A DISTANCE OF 235.00 FEET TO A CONCRETE MONUMENT FOUND, THENCE;
10. SOUTH 62 DEGREES - 22 MINUTES - 00 SECONDS EAST, A DISTANCE OF 267.80 FEET TO A POINT ON THE NORTHWESTERLY LINE OF PENNINGTON - HOPEWELL ROAD, THENCE; ALONG SAID LINE THE FOLLOWING THREE (3) COURSES:
11. SOUTH 25 DEGREES - 48 MINUTES - 00 SECONDS WEST, A DISTANCE OF 249.89 FEET TO A POINT OF CURVATURE, THENCE;
12. ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 1405.92 FEET, A CENTRAL ANGLE OF 10 DEGREES - 53 MINUTES - 50 SECONDS, AND AN ARC LENGTH OF 267.40 FEET, ALSO BEARING A CHORD OF SOUTH 31 DEGREES - 14 MINUTES - 55 SECONDS WEST, A CHORD DISTANCE OF 267.00 FEET TO A POINT OF TANGENCY, THENCE;

AS SHOWN ON THE TAX MAP OF THE TOWNSHIP OF HOPEWELL, SHEET 9.1.  
 19 S.F. OR 24,036 AC.  
 8 S.F. OR 2,189 AC.  
 ZONE C (AREAS OF MINIMAL FLOODING) PER  
 DIVIDED BY A SURVEY PREPARED IN THE FIELD BY HER REFERENCE MATERIAL AS LISTED HEREON.  
 E TO A TITLE REPORT PREPARED BY  
 IV, COMMITMENT NO. W-4688, WITH AN  
 THE FOLLOWING SURVEY RELATED EXCEPTIONS  
 STATE OF NEW JERSEY IN D.B. 610, PG. 407 -  
 IN:  
 B. 1706, PG. 271 & 274 - RECORDED DOCUMENT  
 D.B. 2084, PG 983 - SHOWN;  
 IN D.B. 2598, PG 387 - SHOWN;  
 PUBLIC, N AND TO THE WATERS OF ANY STREAM  
 AND POND: SHOWN;  
 D REGULATE ACCESS TO N.J.S.H. RT 31 -



ZONE DATA: SC1-SHOPPING CENTER 1

BULK REQUIREMENTS:	SC1 ZONE
MIN. LOT AREA	217,800 SF (5 AC.)
MAX. LOT AREA	18 ACRE
MIN. LOT DEPTH	300'
MIN. LOT WIDTH	300'
MIN. YARD SETBACKS:	
MIN. FRONT YARD	
PENNINGTON-HOPEWELL RD	100'
N.J.S.H. ROUTE 31	100'
MIN. SIDE YARD	75'
MIN. REAR YARD	75'



LEGEND

- ▲ PARKING SPACE COUNT (LEASE AREA ONLY)
- UTILITY POLE
- ⊙ TITLE REPORT EXCEPTION

ND THE SURVEY ON WHICH IT WAS STANDARD DETAIL REQUIREMENTS ESTABLISHED AND ADOPTED BY ALTA, 3, 4, 8, B, 9, 10 & 13 OF STANDARDS AS ADOPTED BY ALTA. THIS CERTIFICATION, UNDERSIGNED INTIES RESULTING FROM SURVEY FEED THE ALLOWABLE POSITIONAL	FIELD DATE 4-15-03	ALTA/ACSM LAND TITLE SURVEY <b>KOVILOOR AADHEENAM VEDANTA, INC.</b> LOT 1.02, BLOCK 33 NJSH ROUTE 31 AND PENNINGTON-HOPEWELL ROAD TOWNSHIP OF HOPEWELL MERCER COUNTY, NEW JERSEY	
	FIELD BOOK NO. 03-06	FIELD BOOK PG. 130	<b>CONTROL POINT ASSOCIATES, INC.</b> 776 MOUNTAIN BOULEVARD WATCHEUNG, NJ 07916 908.628.8899 • 908.628.9595 FAX GWINNED CORPORATE CENTER 1120 WELSH ROAD, SUITE 300 NORTH WALKER, PA 15064 215.412.8000 • 215.412-0851 FAX
DRAFTER W.P.H.	CHECKED W.P.H.	DATE 5-1-03	SCALE 1"=80'
APPROVED J.D.B.	FILE NO. C98054.01	SHEET NO. 1 OF 1	



## **PROFESSIONAL QUALIFICATIONS**

*of* **RICHARD J. CARABELLI, JR.**

**Designations:** MAI, SCGREAA, CTA

**Business Address:** Martin Appraisal Associates, Inc. **Business Phone:** (609)896-2245  
123 Franklin Corner Road, Suite 203 **Fax:** (609) 896-1533  
Lawrenceville, New Jersey 08648

**Education:** B.S. Rider University, Lawrence Township, NJ  
M.A. Public Administration, Rider University, Lawrence Township, NJ

**Courses Completed:**

Urban Planning and Development  
Contemporary Social Problems  
Administrative Analysis

**Appraisal Institute Credit Received:**

Real Estate Appraisal Principles  
Basic Valuation Procedures  
Capitalization Theory and Techniques Part A  
Capitalization Theory and Techniques Part B  
Case Studies in Real Estate Valuation  
Report Writing and Valuation Analysis  
Standards of Professional Practice

Mercer County Community College, West Windsor Township, NJ  
Real Estate Principles  
Real Estate Appraisal Principles

Lawyers Title Insurance School, Hamilton Township, Mercer County, NJ

**Professional Licenses, Affiliations and Associations:**

New Jersey State Certified General Real Estate Appraiser [42RG00010800]  
NJ Certified Tax Assessor (CTA)  
Mercer County Board of Taxation, President and Commissioner  
Member, Appraisal Institute—(MAI)  
Member, Central NJ Chapter—Appraisal Institute, Past President, Current V.P.  
New Jersey License Real Estate Salesperson  
Vice President, NJ Association of County Tax Board Commissioners and  
County Tax Administrators  
County Tax Administration Certificate  
Member, IAAO, International Association of Assessing Officers

**Experience:** Residential Properties, Multi-Family Dwellings, Commercial, Industrial,  
Income Producing Properties, Vacant Land and Condemnation, Farmland  
Preservation and Conservation Easement appraisals in conjunction with Open  
Space Farmland Preservation Programs, SADC and NJ DEP-Green Acres.

## **PROFESSIONAL QUALIFICATIONS**

*of* **DAVID J. LEVY**

***Business Address:*** Martin Appraisal Associates, Inc.  
123 Franklin Corner Road Suite 203  
Lawrenceville, New Jersey 08648

***Telephone:*** (609) 896-2245

***Fax:*** (609) 896-1533

***Education:*** B.A. in Business Administration  
North Carolina State University, 1987

Appraisal Institute  
Real Estate Appraisal Principles  
Basic Valuation Procedures  
Capitalization Theory & Techniques,  
Parts A & B  
Case Studies in Real Estate Valuation  
Standards of Professional Practice,  
Parts A & B

***Experience:*** Martin Appraisal Associates, Inc.  
(1987 - Current)

Appraisal Associate. Appraisal experience in all property types  
for public and private entities.

Deputy Tax Assessor, Township of Lawrence  
(1993 - Current)

***Professional Licenses  
and Associations:***

State Certified General Real Estate Appraiser  
[RG00597] New Jersey

# MARTIN APPRAISAL ASSOCIATES, INC.

## CLIENT LIST

### CORPORATIONS/ ORGANIZATIONS

Beazer Homes  
Bristol Myers-Squibb Company  
Capital Health Systems  
D & R Greenway  
Marriott Corporation  
Merrill Lynch  
Monmouth Conservation Foundation  
Mobil Oil Corporation  
The Presbyterian Homes of New Jersey  
Princeton Medical Center  
Princeton University  
Public Service Electric & Gas  
Southland Corporation

### MUNICIPALITIES/ GOVERNMENT AGENCIES

Bordentown Township  
Burlington Township  
Clinton Township  
Colts Neck  
Dover Township  
East Amwell Township  
East Windsor Township  
Florence Township  
Hamilton Township  
Hillsborough Township  
Hopewell Borough & Township  
Holmdel Township  
Howell Township  
Hunterdon County Board of Freeholders  
Hunterdon County Park System  
Lawrence Township  
Mercer County  
Mercer County Improvement Authority  
Medford Township  
Millstone Township  
Monmouth County Park System  
NJ Department of Environmental Protection  
NJ Department of Transportation  
NJ Department of the Treasury  
NJ Housing and Mortgage Finance  
NJ Economic Development Authority  
NJ Transit Authority  
NJ Turnpike Authority  
Pennington Borough  
Princeton Borough & Township  
South Brunswick Township  
City of Trenton  
US Internal Revenue Service  
US Marshall Service  
US Postal Service  
Washington Township  
Washington Township MUA  
West Windsor Parking Authority  
West Windsor Township

### BANKS & FIDUCIARY AGENCIES

Farmers and Mechanics Bank  
First Constitution Bank  
Grand Bank  
Hopewell Valley Community Bank  
Roma Bank  
Sovereign Bank  
Sun National Bank  
Third Federal Savings Bank  
Town Bank of Westfield  
Trust Co. of New Jersey  
Wilmington Trust Co.  
Yardville National Bank

### DEVELOPERS

R. Berman Development  
Carnegie Center Associates  
Chestnut Properties  
Crestwood Developers  
Collins Development Corporation  
DKM Properties  
Hovnanian Enterprises  
Kaplan Organization  
Lexington Corporate Properties  
Matrix Development Group, Inc.  
Nexus Properties  
The Linpro Co.  
Sussman Realty  
Toll Brothers  
Trammel Crow Company  
US Homes

### LAW FIRMS

Altman, Legband & Mayrides  
Archer & Greiner  
Bathgate, Wegener, & Wolf  
Grace A. Dennigan  
Fox & Rothschild  
Gross & Hanlon, PC  
Hill Wallack  
Jamieson, Moore, Peskin & Spicer  
Katz, Etti & Levine  
Lomurro, Davison, Eastman & Munoz, PA  
Mason, Griffin & Pierson  
McCarthy & Schatzman  
Parker McCay  
Schragger, Schragger & Levine  
Smith, Stratton, Wise, Heber & Brennan  
Stark & Stark  
Sterns & Weinroth  
Teich, Groh & Frost  
Turp, Coates, Essl & Driggers