

AN APPRAISAL REPORT OF:

A 1.4 ACRE PORTION OF BLOCK 45 LOT 1

Located At 76 Highway 12
Borough of Flemington
Hunterdon County, New Jersey

PREPARED FOR:

Betsy Driver
Mayor
Borough of Flemington
38 Park Avenue
Flemington, New Jersey 08822

PREPARED BY:

Mick Schaible, MAI, SCGREA
Chief Appraiser
Vanguard Appraisal Services
7 Sanford Road
Stockton, New Jersey 08559

EFFECTIVE DATE OF VALUE:

August 15, 2019

DATE OF REPORT PREPARATION:

September 2019

Vanguard Appraisal Services

7 Sanford Road • Stockton, New Jersey 08559 • TEL (609) 460-4530 • FAX (609) 460-4776

September 25, 2019

Betsy Driver
Mayor
The Borough of Flemington
38 Park Avenue
Flemington, New Jersey 08822

Re: **AN APPRAISAL REPORT OF:**
A 1.4 Acre Portion of Block 45 Lot 1
Located At 76 Highway 12
Borough of Flemington
Hunterdon County, New Jersey

Dear Mayor Driver:

At your request, I have conducted the required investigation, gathered the necessary data and performed certain analyses that have enabled me to form an opinion of the value of the above-captioned property. This cover letter and the appraisal report which follows, summarizes the subject property, the interest valued, and the methods of valuation.

The purpose of the appraisal is to provide an objective third party opinion of the value of a proposed 1.4 acre portion of Block 45 Lot 1 (i.e. the subject property). The value of the subject property estimated herein is defined as the difference in the market value of the land of the parent property before acquisition of subject property and the market value of the land of the parent property after acquisition of the subject property.

The report will address the value of the subject property as of August 15, 2019, which is the effective date of appraisal. This appraisal's intended use is limited to the potential acquisition of the subject property; it is not intended for any other use. The intended user of this appraisal is limited to the client, Betsy Driver, Mayor of the Borough of Flemington; it is not intended for any other user.

My value estimate is subject to the Assumptions and Limiting Conditions and the Statement of Certification contained herein. This valuation has been made in conformity with and is subject to the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation. It is also subject to the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.

Based upon an inspection of the property and the investigation and analyses undertaken, I have formed the opinion that the value of the subject property, is:

Estimated Value of the Subject 1.4 Acre Portion of Block 45 Lot 1 \$30,000.00

Note that it is concluded that the value of a permanent easement on the subject property is the equivalent of the value of its fee simple estate, or an outright acquisition of the entire bundle of rights, as is estimated above.

It has been a pleasure to be of service to you. Please call upon me with any questions you may have regarding my assumptions, opinions or conclusions.

Very truly yours,

VANGUARD APPRAISAL SERVICES



Mick Schaible, MAI, SCGREA
Chief Appraiser

State of New Jersey, Certified General Real Estate Appraiser, License #RG 282

STATEMENT OF 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 are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

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

I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment.

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 value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

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

I have made a personal inspection of the property that is the subject of this report.

STATEMENT OF CERTIFICATION (Continued)

No one provided significant real property appraisal assistance to the person signing this certification.

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

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

As of the date of this report, I have completed the continuing education requirements for Designated Members of the Appraisal Institute.

I have formed the opinion that the value of the subject property, is:

Estimated Value of the Subject 1.4 Acre Portion of Block 45 Lot 1 \$30,000.00

Note that it is concluded that the value of a permanent easement on the subject property is the equivalent of the value of its fee simple estate, or an outright acquisition of the entire bundle of rights, as is estimated above.

VANGUARD APPRAISAL SERVICES



Mick Schaible, MAI, SCGRE
Chief Appraiser

State of New Jersey, Certified General Real Estate Appraiser, License #RG 282

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Property Location: The subject property has road frontage along the south side of New Jersey Highway Route 12. It is known as a 1.4 acre portion of parent property Block 45 Lot 1, located at 76 Highway 12, Borough of Flemington, Hunterdon County, NJ.

Property Type: The subject property is a 1.4 acre parcel of land -- which is a portion of a larger parent property -- which is improved with a section of a deteriorating parking lot and dilapidated improvements formerly utilized as a batting cage; as defined by the client, the subject property will have an access easement across the parent property. The parent property is 11.28 acres which is improved with a golf driving range and related improvements.

The client is considering acquiring a 1.4 acre portion of the parent property for the purpose of a municipal well. Note that the entirety of the subject parcel and nearly the entirety of the parent property are located within a Flood Hazard Zone.

Zoning: VAS Village Artisan Shopping District.

Highest and Best Use: The parent property's highest and best use is severely restricted by its location within a Flood Hazard Zone; the current highest and best use is to continue the existing use as a golf driving range; note that subsequent to acquisition of the subject property, the parent property's highest and best use will remain unchanged.

Date of Valuation: August 15, 2019

VALUE CONCLUSION:

Estimated Value of the Subject 1.4 Acre Portion of Block 45 Lot 1 \$30,000.00

Note that it is concluded that the value of a permanent easement on the subject property is the equivalent of the value of its fee simple estate, or an outright acquisition of the entire bundle of rights, as is estimated above.

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ADDENDA

Subject Photographs
Various Maps
Qualifications of the Appraiser
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ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report is based upon the following statement:

1. This appraisal report estimates the value, as defined herein, of the subject 1.4 acres to be acquired by the client. This value does not give consideration to any soft costs required to create and/or perfect the subject subdivision, nor does it give consideration to the cost of any damage, interruption or taking of any existing improvement infrastructure vital to the parent property's ongoing use, such as parking, detention basins, utility connections or any other unforeseen costs associated with tangible or intangible real or personal property.

The subject property is a proposed 1.4 acre portion of Block 45 Lot 1; as defined by the client, the subject property will have an access easement across the parent property. The value of the subject property estimated herein is defined as the difference in the market value of the land of the parent property before acquisition of the subject property and the market value of the land of the parent property after acquisition of the subject property.

This appraisal report has been made with the following hypothetical conditions:

1. This appraisal is based on the hypothetical condition that the subject property has been subdivided and is an independent tax lot, when in reality, no such subdivision has yet occurred.
2. The parent property's land is appraised herein based on the hypothetical condition that the land is vacant, when in reality a portion of the parent property is improved with a golf driving range and related improvements.

A hypothetical condition is defined as that which is contrary to what exists, but is supposed for the purpose of analysis.

This appraisal report has been made with the following general assumptions:

1. This is an **Appraisal Report** which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report.
2. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
3. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.

ASSUMPTIONS AND LIMITING CONDITIONS (Continued)

4. Responsible ownership and competent property management are assumed.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures, that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
10. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
11. 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 in the report.
12. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the Appraisers. The Appraisers, however, are not qualified to detect contaminations of this sort. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
13. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the subject property, together with a detailed analysis of the requirements

ASSUMPTIONS AND LIMITING CONDITIONS (Continued)

of the ADA, could reveal that the subject 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 subject property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the subject property.

This appraisal report has been made with the following general limiting conditions:

1. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication.
3. The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.

GENERAL INFORMATION

DATE OF THE APPRAISAL

The appraiser inspected the property on August 15, 2019. Based on the instructions of the client, the effective date of valuation is the date of inspection, August 15, 2019.

DATE OF REPORT PREPARATION

This report was prepared in September 2019. The photographs of the subject were taken in August 2019.

GENERAL PROPERTY IDENTIFICATION AND DESCRIPTION

The subject property has road frontage along the south side of New Jersey Highway Route 12. It is known as a 1.4 acre portion of parent property Block 45 Lot 1, located at 76 Highway 12, Borough of Flemington, Hunterdon County, NJ. It is a 1.4 acre parcel of land -- which is a portion of a larger parent property -- which is improved with a section of a deteriorating parking lot and dilapidated improvements formerly utilized as a batting cage; as defined by the client, the subject property will have an access easement across the parent property. The parent property is 11.28 acres which is improved with a golf driving range and related improvements.

The client is considering acquiring the subject property -- a 1.4 acre portion of the parent property -- for the purpose of a municipal well.

SCOPE OF THE APPRAISAL DEVELOPMENT AND REPORTING PROCESS

The appraiser received authorization to begin the appraisal process from a representative of the client, Betsy Driver, Mayor of the Borough of Flemington. In appraising the subject property, the appraiser received instructions regarding the scope of the assignment from the Robert Martucci, Engineer for Flemington Borough, who provided a Conceptual Well Sketch Plat for Block 45 Lot 1, Flemington Borough, Hunterdon County, NJ, Job #4414, dated May 12, 2019.

GENERAL INFORMATION (Continued)

The appraiser contacted an owner of the subject property, Carol Dvoor, and with permission, the appraiser personally inspected the subject property by walking the land. The appraiser then investigated the subject marketplace, examining sales of comparable property. Brokers, developers, appraisers and miscellaneous professionals were interviewed. Community trends, taxes, zoning, ownership, prior transfers, and related issues were analyzed.

In valuing the subject property, the Sales Comparison Approach was employed exclusively. Finally, the value for the subject property was reconciled, and an Appraisal Report has been prepared and is herein contained.

HISTORY AND PRIOR SALES OF THE SUBJECT PROPERTY

According to the public record, current ownership of the property is:

Dvoor Family LLC
14 Kenworth Court
Flemington, NJ 08822

The property has been held in ownership by the same family for many years. The parent property is 11.28 acres which is improved with a golf driving range and related improvements. The subject property is a 1.4 acre portion of parent property which is improved with a section of a deteriorating parking lot and dilapidated improvements formerly utilized as a batting cage.

CONTRACTS OF SALE

There are no known current contracts for the sale of the subject property or the parent property. Neither is not known to be listed for sale.

GENERAL INFORMATION (Continued)

PURPOSE, USE AND INTENDED USER OF THE APPRAISAL

The purpose of the appraisal is to provide an objective third party opinion of the value of a proposed 1.4 acre portion of Block 45 Lot 1 (i.e. the subject property). The value of the subject property estimated herein is defined as the difference in the market value of the land of the parent property before acquisition of subject property and the market value of the land of the parent property after acquisition of the subject property.

The report will address the value of the subject property as of August 15, 2019, which is the effective date of appraisal. This appraisal's intended use is limited to the potential acquisition of the subject property; it is not intended for any other use. The intended user of this appraisal is limited to the client, Betsy Driver, Mayor of the Borough of Flemington; it is not intended for any other user.

PROPERTY RIGHTS APPRAISED

The property rights appraised are the surface rights only and are known as the Fee Simple Estate, which is defined by the Appraisal Institute in *The Dictionary of Real Estate Appraisal*, AIREA, Chicago, Illinois, 1989, as:

"Absolute ownership unencumbered by any interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation."

DEFINITION OF MARKET VALUE

The definition of "Market Value" as defined by the Office of the Comptroller of Currency (OCC), the Board of Governors of the Federal Reserve System (FRS) and the Federal Deposit Insurance Corporation (FDIC) in compliance with Title XI of the Federal Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) of 1989 is as follows:

GENERAL INFORMATION (Continued)

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

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised, and each acting in what they consider their 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; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

DEFINITION OF THE SUBJECT VALUE ESTIMATED HEREIN

The purpose of the appraisal is to provide an objective third party opinion of the value of a proposed 1.4 acre portion of Block 45 Lot 1 (i.e. the subject property). The value of the subject property estimated herein is defined as the difference in the market value of the land of the parent property before acquisition of subject property and the market value of the land of the parent property after acquisition of the subject property.

REASONABLE EXPOSURE TIME

Reasonable 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 market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market."

GENERAL INFORMATION (Continued)

Based on the value set forth herein, it is believed that the subject property could have been successfully marketed (in both the "before" and "after" scenarios), prior to the effective date of appraisal, over a period not exceeding one year. This estimate is based on the marketing history of comparable properties, ongoing economic trends, and on conversations with brokers, developers and investors who are knowledgeable of the sales activity within the subject market.

PROJECTED MARKETING PERIOD

Marketing Period is defined as "the term in which an owner of a property is actively attempting to sell that property in a competitive and open market."

Based on the values set forth in this appraisal, it is believed that the subject property could be successfully marketed (in both the "before" and "after" scenarios), within a one year period. This estimate is based on the marketing history of comparable properties, ongoing economic trends, and on conversations with brokers, developers and investors who are knowledgeable of the sales activity within the subject market.

ZONING INFORMATION

The subject property is located in the VAS Village Artisan Shopping District. Permitted principal uses for this zone include numerous commercial uses. Minimum lot size is 65,000 S.F. and minimum frontage is 150 feet.

REAL ESTATE TAXES

The parent property (the assessor's records, based on the tax map, indicate land size to be 10.75 acres; the Survey, according to the client's engineer, indicates 11.28 acres) is assessed for \$377,700 (\$276,500 land component and \$101,200 improvement component). The tax rate is \$3.110 per hundred and the equalization ratio is 100.96%. Based on the value conclusion contained herein, it appears that the subject land is significantly over-assessed.

SUMMARY OF THE AREA AND NEIGHBORHOOD

Flemington Borough is located in southern-central Hunterdon County in central-western New Jersey; it is the county seat. The borough is relatively densely developed with structures dating back to the 1800s. The area commonly associated with the borough consists of circular area of buildings with a diameter of approximately one mile. This area is relatively densely developed with two-story residential dwellings situated concentrically around a central business district (CBD) area.

The CBD area is located in the center of the borough along Main Street which runs north and south for one-half mile. Main Street is typically developed with 2- and 3-story brick and frame structures circa 1800s, which have been maintained and restored to good condition. These structures typically house retail stores and professional offices on the first level, offices and residential apartments on the second level, and storage areas or residential apartments on the third level. The county courthouse and jail, post office, churches, a library branch, bank branches, and restaurants are also located in the CBD.

The historic courthouse made famous by the Lindberg trial and the new courthouse are located near the center of the town center and the CBD. The majority of the retail stores and professional offices, the post office, a small center green and a war monument are located within a few blocks of where Main Street splits into North Main and East Main Streets, symbolizing the center of Flemington. Blocks of detached residential dwellings parallel the CBD to the north, east and west. The appeal of this neighborhood is good.

Flemington's CBD, which dates back to the 1800s, has been revitalized over the last several years. Renovation of the historic courthouse, and construction of a new courthouse and jail has recently been completed. Common areas and streetscapes have been improved. Community events are frequently held on Main Street. Nevertheless, new development and a significant

SUMMARY OF THE AREA (Continued)

supply of local equity-investment dollars have moved away from the CBD to the suburban outskirts due to the availability of affordable land with convenient access and parking. This is where a significant amount of both new shopping centers and new office construction has occurred over the last decades and is ongoing. Furthermore, the lack of the redevelopment of the Union Hotel landmark, the recent loss of the only liquor license along Main Street, the loss of numerous retailers and the potential impending loss of the Post Office have all served to diminish the appeal of Main Street and the downtown area.

The subject property is located on the southwestern outskirts of the town center and the CBD. This area is between the two Flemington traffic circles. This area is predominantly known as a commercial highway corridor which connects the traffic circles and the adjacent land which is improved with mixed-commercial and service-related uses, an industrial building, the subject golf driving range and the entrance and parking areas of a prominent retail outlet shopping center.

The local real estate markets were significantly affected by the economic recession which caused a downward adjustment to most real estate values during the period of 2007 through 2010. In 2011, prices and rents in most market sectors stabilized, prices and rents have remained stable through the present and investors anticipate price stability for the foreseeable future.

In conclusion, the subject is well-located on the southwestern outskirts of Flemington's CBD. The Flemington town center is attractive and contains restored buildings from the 1800s. It is occupied by the county courthouse and support services, attorneys and related professionals, and local retailers and service-oriented uses. This area has average to good appeal.

VALUATION METHODOLOGY

The purpose of the appraisal is to provide an objective third party opinion of the value of a proposed 1.4 acre portion of Block 45 Lot 1 (i.e. the subject property). The value of the subject property estimated herein is defined as the difference in the market value of the land of the parent property before acquisition (i.e. 11.28 acres) of subject property and the market value of the land of the parent property after acquisition (i.e. 9.88 acres) of the subject property.

**Estimated Market Value of the 11.28 Acre Parent Property Land, Before Acquisition
of the Subject 1.4 Acre Portion \$XXXXXXXXXXXX**

LESS:

**Estimated Market Value of the Parent Property Land (9.88 acres), After Acquisition
of the Subject 1.4 Acre Portion \$XXXXXXXXXXXX**

EQUALS:

Estimated Value of the Subject 1.4 Acre Portion of Block 45 Lot 1 \$XXXXXXXXXXXX

VALUATION OF THE PARENT PROPERTY (11.28 ACRES) BEFORE SUBJECT ACQUISITION

SUMMARY OF THE SUBJECT PROPERTY (1.4 ACRES)

Subject Property: The subject property is a 1.4 acre parcel of land with 316.9 feet of frontage along Route 12 -- which is a portion of a larger parent property. It is located within the parent property's northwest corner immediately adjacent to the road frontage. The parent property is 11.28 acres with 716.47 feet of frontage along Route 12 which is improved with a golf driving range and related improvements. The subject 1.4 acre portion of the parent property is improved with a section of a deteriorating parking lot, dilapidated improvements formerly utilized as a batting cage and what appears to be a detention basin; as defined by the client, the subject property will have an access easement across the parent property's parking area.

The client is considering acquiring a 1.4 acre portion of the parent property for the purpose of a municipal well. Note that the entirety of the subject parcel and nearly the entirety of the parent property is located within a Flood Hazard Zone.

SUMMARY OF THE SUBJECT PARENT PROPERTY (11.28 ACRES) BEFORE SUBJECT ACQUISITION

Property Location: The parent property has road frontage along the south side of New Jersey Highway Route 12. It is known as Block 45 Lot 1, located at 76 Highway 12, Borough of Flemington, Hunterdon County, NJ.

Property Type: The parent property is a 11.28 acre parcel of land which is improved with a golf driving range, mini-golf, small clubhouse, parking lot and related site improvements.

Description: The appraiser's description of the parent property is based on the following sources: 1) a physical inspection; and 2) Conceptual Well Sketch Plat for Block 45 Lot 1, Flemington Borough, Hunterdon County, NJ, Job #4414, dated May 12, 2019, prepared by Van Cleef Engineering Associates.

Land Size: According to the conceptual plan, the parent lot contains 11.28 acres (note that the tax map indicates 10.75 acres).

VALUATION OF THE PARENT PROPERTY (11.28 ACRES) BEFORE SUBJECT ACQUISITION

- Road Frontage:** According to the conceptual plan, the parent lot has 716.47 feet of road frontage along the south side of Route 12, which reflects an average of 63.52 front feet for every subject acre.
- Configuration:** The parent property is irregular in shape.
- Topography:** The land's topography is typically level at road grade and it slopes gently across its interior. The Mine Brook parallels and bisects the site's western boundary.
- Utilities:** The property has access to public water, sewer, electric, telephone and cable TV.
- Tillable/
Woodlands:** The land is typically clear of mature woodlands.
- Hydrologically
Limited Areas:** Wetland areas parallel both sides of the Mine Brook stream, which parallels and bisects the site's western boundary.
- FEMA Flood Zone:** According to the conceptual plan, all of the road frontage and nearly the entirety of the site (with very limited exceptions along the site's western edge) are located within Flood Hazard Zones.
- Development
Approvals:** The subject property has no subdivision or development approvals.
- Easements:** There are no easements which are known to significantly affect the subject property. The appraiser is not an expert in this field and suggests the appraisal sponsor obtain professional certification in regards to this matter.
- Proximity to
Hazardous Waste:** No toxic wastes are known to exist on or in the vicinity of the subject property. The appraiser is not an expert in this field and suggests the appraisal sponsor obtain professional certification in regards to this matter.
- Improvements:** A small section of the parent property immediately adjacent to Route 12 is improved with a golf driving range, mini-golf, small clubhouse, dilapidated former batting cage, detention basin, parking lot and related site improvements; the majority of the site is the lawn area of the driving range.
- Neighboring
Properties:** Properties within the immediate vicinity of the subject property consist of a residential subdivision, an industrial building and the parking lot for a shopping center.

VALUATION OF THE PARENT PROPERTY (11.28 ACRES) BEFORE SUBJECT ACQUISITION

Overall Appeal: The overall appeal of the parent site is significantly negatively affected by its being located nearly entirely within a Flood Hazard Zone.

Adaptability For Development: Based upon the subject's physical characteristics, which are mainly dominated by its being located nearly entirely within a Flood Hazard Zone, it is concluded that it is not likely that the parent property is suitable for subdivision and/or development of most kinds.

VALUATION OF THE PARENT PROPERTY (11.28 ACRES) BEFORE SUBJECT ACQUISITION

ANALYSIS OF HIGHEST AND BEST USE OF THE PARENT PROPERTY

Highest and Best Use, in appraisal theory, is defined as:

The reasonable and probable use that supports the highest present value of vacant land or improved property, as defined, as of the date of the appraisal. (It is) the reasonably probable and legal use of land or sites as though vacant, found to be physically possible, appropriately supported, financially feasible, and that results in the highest present land value.

In the appraisal practice, the concept of highest and best use represents the premise upon which value is based. In the context of most probable selling price (market value), another appropriate 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.

In order to be the highest and best use of a particular site, a use must meet four criteria. The criteria are that the use must be: (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive. These criteria should usually be considered sequentially. For instance, it makes no difference that a use is financially feasible if it is physically impossible or not legally permitted.

Analysis of Highest and Best Use

Physically Possible: It is physically possible to develop the site or to continue its existing use as a golf driving range.

Legally Permissible: Based on existing zoning, it is legally permissible to develop the site with numerous commercial uses. It is legally permissible to continue its existing use as a golf driving range.

Note that environmental rules -- particularly flood regulations, stream corridor regulations and wetlands regulations -- encumber nearly the entirety of the subject site.

VALUATION OF THE PARENT PROPERTY (11.28 ACRES) BEFORE SUBJECT ACQUISITION

Financially Feasible: Due to the costs associated with development which must comply with environmental rules (which encumber nearly the entirety of the subject site) -- particularly flood regulations, stream corridor regulations and wetlands regulations -- it is likely that it is financially feasible to develop the site with only a limited number of uses, such as passive recreation, parking, outdoor display, commercial agriculture, farmer's market and other uses which may not be prohibitively affected by the costs of complying with flood zone regulations. It is financially feasible to continue the existing use as a golf driving range.

Maximally Productive: The most productive use of the subject property, is to continue its existing use as a golf driving range. Note that it may be equally or potentially more productive to utilize the site for a limited number of other uses which may not be prohibitively affected by the costs of complying with flood zone regulations, such as passive recreation, parking, outdoor display, commercial agriculture, farmer's market and other uses; however, the economic feasibility and productivity of these uses is beyond the scope of this analysis.

Conclusion of Highest and Best Use

The parent property's highest and best use is severely restricted by its location within a Flood Hazard Zone; the current highest and best use is to continue the existing use as a golf driving range; note that subsequent to acquisition of the subject property, the parent property's highest and best use will remain unchanged.

VALUATION OF THE PARENT PROPERTY (11.28 ACRES) BEFORE SUBJECT ACQUISITION

THE APPRAISAL PROCESS

Procedures utilized by the appraiser to estimate market value typically include the Sales Comparison Approach, Cost Approach and Income Approach. Generally, the value indications produced by these approaches are correlated and weighted by the appraiser to arrive at a conclusion of market value for the property in question.

The Sales Comparison Approach produces an estimate of value by comparing the subject property to sales and/or listings 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 Cost Approach considers the current cost of reproducing a property, less depreciation from three sources: physical deterioration, functional obsolescence and economic obsolescence. Net improvement value is then added to the value of the land as if vacant to arrive at an overall property value indication. Since the subject property is being appraised as vacant land, the Cost Approach is dismissed from consideration.

The Income Approach measures the present value of a property in relation to the net rental income which it is capable of producing. In this approach, net income is capitalized into value at a rate which reflects the prevailing relationship of income to sale price for similar properties in the market. Since the subject is being appraised as vacant land, and since the vacant land would not produce a significant level of net income, the Income Approach is also dismissed from consideration.

The Sales Comparison Approach is the sole methodology employed in the valuation of the subject property; it is the only approach which the typical investor considers when estimating the market value of property with the subject's characteristics. The Sales Comparison Approach is based upon the principal of substitution, which predicates that no person would be justified

VALUATION OF THE PARENT PROPERTY (11.28 ACRES) BEFORE SUBJECT ACQUISITION

in paying more for a particular property than he would pay for a similar substitute. In applying the Sales Comparison Approach, five steps are taken in order to estimate value.

- (1) Seek out similar properties for which pertinent sales, listings, offerings, and/or rental data are available.
- (2) Qualify the prices as to terms, motivating forces, and bona fide nature.
- (3) Compare each of the comparable properties' important attributes with the corresponding ones of the property being appraised, under the elements of time, location, physical characteristics, and terms of sale.
- (4) Consider all dissimilarities in terms of their probable effect upon the sales price.
- (5) Formulate an opinion of the relative value of the property being appraised as compared with the price of each similar property.

The subject's market was investigated and four comparable sales were discovered. These sales are analyzed and presented below.

VALUATION OF THE PARENT PROPERTY (11.28 ACRES) BEFORE SUBJECT ACQUISITION

COMPARABLE SALE #1

Location: 1071 State Highway Route 12
Block 6 Lot 29.04
Kingwood Township
Hunterdon County, New Jersey
8 miles West

Date of Sale: May 20, 2019

Deed Book/Page: 2473/823

Grantor: Denise Patrylo Murray

Grantee: KB Logistics LLC

Financing: Cash to Seller

Conditions of Sale: Realtor states that the buyer was overly motivated and paid in excess of market value.

Verified By: Public records and Listing/Selling Realtor

Consideration: \$150,000 **Sale Reflects: \$18,337 per acre**

Description: The sale property consists of **8.18 acres** of vacant land which has road frontage of 50 feet along the north side of Route 12; this reflects 6.11 feet of frontage for every acre of land. It is flag in shape, is generally level at road grade and undulates gently across its interior.

COMPARABLE SALE #1 (Continued)

Soil Characteristics:	Septic Limitations: 100% Very Limited Tillable/Wooded: 100% Tillable
Hydrologically Limited Areas:	Approximately 30% of the rear of the site is constrained by C-1 streams and wetlands.
Utilities:	The sale property has access to public electric, telephone and cable TV. There is no access to public water or sewer in this area.
Zoning:	HC Highway Commercial Zone; principal primary permitted uses include commercial, service-related uses and agriculture.
Approvals:	There were no development approvals at time of sale.
Easements:	None known to affect the utility of the site.
Highest & Best Use:	The highest and best use of the property is for the development of a section of the site with a permitted commercial/industrial use, once economic feasibility is established.

COMPARABLE SALE #2

Location: 1049 Route 12
Block 6 Lot 38
Kingwood Township
Hunterdon County, New Jersey
8 miles West

Date of Sale: August 2, 2016

Deed Book/Page: 2384/747

Grantor: Gombosi Kingwood Farms LLC

Grantee: Martin DeSapio

Financing: Cash to Seller

Conditions of Sale: Normal

Verified By: Private source knowledgeable of the sale and Public Records

Consideration: \$550,000
+ 50,000 demolition (est.)
\$600,000 **Sale Reflects: \$12,280 per acre**

Description: The sale property consists of **48.86 acres** of vacant land which has road frontage of 2,000 feet along the north side of Route 12 and 215 feet along the west side of Route 519; this reflects 45.33 feet of frontage for every acre of land. It is rectangular-irregular in shape, is generally level at road grade and undulates gently across its interior.

Soil Characteristics: Septic Limitations: 100% Very Limited
Tillable/Wooded: 85% Tillable; 15% Wooded

COMPARABLE SALE #2 (Continued)

**Hydrologically
Limited Areas:**

Approximately 30% of the northern border and the center of the site is affected by wetlands and C-1 stream buffers.

Utilities:

The sale property has access to public electric, telephone and cable TV. There is no access to public water or sewer in this area.

Zoning:

VC-2; principal primary permitted uses include commercial, service-related uses and agriculture.

Approvals:

There were no development approvals at time of sale.

Easements:

None known to affect the utility of the site.

Comments:

The site is improved with totally dilapidated residences (2) and agricultural buildings whose demolition cost is estimated to total \$50,000. The buyer intends to demolish the existing structures and to construct one single family dwelling in the short term -- via a variance -- and to hold the remainder for future development.

Highest & Best Use:

The highest and best use of the property is for the development of a section of the site with a permitted commercial/industrial use, once economic feasibility is established.

COMPARABLE SALE #3

Location: 1107 State Highway Route 12
Block 6 Lot 23.01
Kingwood Township
Hunterdon County, New Jersey
9 miles West

Date of Sale: December 22, 2014

Deed Book/Page: 2345/441

Grantor: Robert, Linda and Ilona Grossman

Grantee: Ryan and Kimberly Kocsis

Financing: Cash to Seller

Conditions of Sale: Note that on the same date, the same Seller and Buyer transferred a contiguous parcel with significant improvements. Interviews with both parties indicate that both sales were independent and were not contingent on the other and each sale reflects the value of each independent parcel only.

Verified By: Contract Seller and Contract Buyer

Consideration: \$712,000 **Sale Reflects: \$9,810 per acre**

Description: The sale property consists of **72.58 acres** of vacant land which has road frontage of 241.9 feet along the north side of Route 12; this reflects 3.33 feet of frontage for every acre of land. It is irregular in shape, is generally level at road grade and undulates gently to moderately across its interior.

COMPARABLE SALE #3 (Continued)

- Soil Characteristics:** Septic Limitations: 10% Not Limited; 40% Somewhat Limited;
50% Very Limited
Tillable/Wooded: 50% Tillable; 50% Wooded
- Hydrologically Limited Areas:** Approximately 50% of the site is constrained by C-1 streams and wetlands.
- Utilities:** The sale property has access to public electric, telephone and cable TV. There is no access to public water or sewer in this area.
- Zoning:** Approximately 40% in the HC Highway Commercial Zone (4.0 acre minimum lot size) and approximately 60% in the AR-2 Agricultural and Single Family Residential District (7.0 acre minimum lot size).
- Approvals:** There were no development approvals at time of sale.
- Easements:** None known to affect the utility of the site.
- Highest & Best Use:** The highest and best use of the property is for the development of a section of the site with a permitted commercial/industrial use, once economic feasibility is established.

COMPARABLE SALE #4

Location: 838 State Highway Route 12
Block 17 Lot 11
Kingwood Township
Hunterdon County, New Jersey
6 miles West

Date of Sale: April 1, 2013

Deed Book/Page: 2317/622

Grantor: Ditzler

Grantee: Sabet

Financing: Cash to Seller

Conditions of Sale: Normal

Verified By: Public Records; Realtor

Consideration: \$130,000 **Sale Reflects:** \$15,892 per acre

Description: The sale property consists of **8.18 acres** of vacant land which has non-contiguous road frontage of 349.03 feet along the south side of Route 12; this reflects 42.67 feet of frontage for every acre of land. It is horseshoe in shape, is generally level at road grade and undulates gently across its interior.

At the time of sale, the property was improved with a dilapidated dwelling. The buyer accorded net zero value to the improvements and total value to the land.

COMPARABLE SALE #4 (Continued)

- Soil Characteristics:** Septic Limitations: 100% Very Limited
Tillable/Wooded: 75% Tillable; 25% Wooded
- Hydrologically Limited Areas:** Approximately 15% of the site is constrained by wetlands.
- Utilities:** The sale property has access to public electric, telephone and cable TV. There is no access to public water or sewer in this area.
- Zoning:** BP Business Park Zone
- Approvals:** There were no development approvals at time of sale.
- Easements:** None known to affect the utility of the site.
- Highest & Best Use:** The highest and best use of the property is for the development of a section of the site with a permitted commercial/industrial use, once economic feasibility is established.

VALUATION OF THE PARENT PROPERTY (11.28 ACRES) BEFORE SUBJECT ACQUISITION

	SUBJECT	SALE #1		SALE #2		SALE #3		SALE #4	
Property Address	76 Route 12 Flemington Boro	1071 Route 12 Kingwood Twp		1049 Route 12 Kingwood Twp		1107 Route 12 Kingwood Twp		838 Route 12 Kingwood Twp	
Owner/Grantor		Murray		Gombosi		Grossman		Ditzler	
Size in Acres	11.28	8.18		48.86		72.58		8.18	
Date of Sale		May 2019		August 2016		December 2014		April 2013	
Price - Land Only		\$150,000		\$600,000		\$712,000		\$130,000	
Sale Price/Acre		\$18,337		\$12,280		\$9,810		\$15,892	
Property Rights		Fee Simple 0%		Fee Simple 0%		Fee Simple 0%		Fee Simple 0%	
Adjusted Value		\$18,337		\$12,280		\$9,810		\$15,892	
Conditions of Sale		Other -10%		Normal 0%		Normal 0%		Normal 0%	
Adjusted Value		\$16,504		\$12,280		\$9,810		\$15,892	
Financing Terms		At Market 0%		At Market 0%		At Market 0%		At Market 0%	
Adjusted Value		\$16,504		\$12,280		\$9,810		\$15,892	
Market Conditions		Stabile 0.0%		Stabile 0.0%		Stabile 0.0%		Stabile 0.0%	
Adjusted Value		\$16,504		\$12,280		\$9,810		\$15,892	
ADJUSTED PRICE PER ACRE		\$16,504		\$12,280		\$9,810		\$15,892	
Location	Good	Average	10%	Average	10%	Average	10%	Average	10%
Size in Acres	11.28	8.18	0%	48.86	10%	72.58	25%	8.18	0%
Front Feet/Acre	63.52	6.11	15%	45.33	5%	3.33	15%	42.67	10%
Topography	Gently Sloping	Gently Sloping	0%	Gently Sloping	0%	Gently/Mod Sloping	0%	Gently Sloping	0%
Zoning	VAS Commercial	H Commercial	0%	V. Commercial 2	0%	40% Commercial 60% Res 7 Ac	0%	Business Park	0%
Easements	None	None	0%	None	0%	None	0%	None	0%
Wet/Flood/C-1 Stream (%)	nearly 100%	30%	-30%	30%	-30%	50%	-25%	15%	-40%
Public H2O/Sewer	All Public	100% Very Lmtd	20%	100% Very Lmtd	20%	50% Not/Smwht 50% Very Lmtd	20%	100% Very Lmtd	20%
Net Adjustment			15%		15%		45%		0%
INDICATED VALUE PER ACRE		\$18,979		\$14,122		\$14,224		\$15,892	

MEAN PRICE PER ACRE UNADJUSTED	\$14,080
MEAN PRICE PER ACRE AFTER ADJUSTMENT	\$15,804

VALUATION OF THE PARENT PROPERTY (11.28 ACRES) BEFORE SUBJECT ACQUISITION

DISCUSSION OF ADJUSTMENTS

Property Rights Appraised: No adjustments were required for property rights appraised since all were sales of the fee simple estate.

Conditions of Sale: All sales were sold with normal conditions of sale and no adjustments were warranted. One exception is that the buyer of Sale #1 was overly motivated and paid in excess of market value; this sale was adjusted downward.

Financing Terms: No sales required adjustments for financing, since all of the Sellers received cash or its equivalent at closing.

Market Conditions: The market declined over the period of 2007 through 2010 and has remained stable thereafter.

Location: Like the subject, all sales are located along State Highway Route 12. All sales are located to the west of the subject in Kingwood Township, farther from the Flemington town center than the subject, which is an inferior location which requires positive adjustments.

Improvements: The parent property land is being appraised as if hypothetically vacant. Sales #1 and #3 are vacant. Sale #2 was adjusted for dilapidated improvements that require razing and removal to reflect a value as if vacant. Sale #4 contained existing improvements which were generally dilapidated which the buyer attributed a net zero impact on overall price paid. No adjustments are required.

Size in Acres: Size adjustments were applied to Sales #2 and #3 based on the economic reality that the greater the number of acres purchased the lesser the price paid per acre.

VALUATION OF THE PARENT PROPERTY (11.28 ACRES) BEFORE SUBJECT ACQUISITION

Front Feet Per Acre: Significant differences in front feet per acre require adjustment since commercial use (the highest and best use of the property) is facilitated when this ratio is high. All sales required adjustment. Note that Sale #2 and #4 have comparable frontage but different adjustments; Sale #4's frontage is inferior to Sale #2's frontage because it is non-contiguous.

Topography: All sales are generally comparable to the subject in this characteristic and no adjustments were required.

Zoning: Like the subject, all sales have zoning which permits commercial or business uses. The road frontage and usable section of Sale #3 is located in a commercial zone and the rear section is located in a residential zone which is encumbered with environmental constraints; no adjustments are required for this sale.

Easements: Like the subject, no easements encumber the sales which significantly affect value.

Hydrologically Limited Areas: Nearly 100% of the subject site is affected by wetlands and flood hazard zones; while these environmental constraints severely constrain most uses, they do not prohibit all viable uses. All sales are affected by environmental constraints, but are affected to a significantly lesser degree. All sales required negative adjustments.

Public H2O/Sewer: The subject has the superior characteristic of access to public water and sewer and the sales do not. All of the sales' developable areas have soil characteristics which are very limiting (but which do not foreclose) the development of on-site waste water disposal systems. All sales required positive adjustments.

VALUATION OF THE PARENT PROPERTY (11.28 ACRES) BEFORE SUBJECT ACQUISITION

CONCLUSION OF VALUE VIA THE SALES COMPARISON APPROACH

Subsequent to all adjustments, the four sales reflect an indicated market value range of \$14,122 per acre to \$18,979 per acre and a mean of \$15,804 per acre. Moderate to strong reliability is accorded to all four sales; strong reliability is accorded to the conclusion. After all analysis, the estimated market value of the parent property land (11.28 acres) before acquisition of the subject property land is \$15,800 per acre (applied to the 11.28 acres), or...

\$178,224.00

VALUATION OF THE PARENT PROPERTY (9.88 ACRES) AFTER SUBJECT ACQUISITION

VALUATION OF THE PARENT PROPERTY (9.88 ACRES) AFTER SUBJECT ACQUISITION

SUMMARY OF THE SUBJECT PARENT PROPERTY (9.88 ACRES) AFTER SUBJECT ACQUISITION

The description of the parent property after acquisition remains the same as before acquisition, except that in this valuation scenario, the subject 1.4 acres are removed from the parent property. The salient changes are described below.

Land Size: According to the conceptual plan, the parent lot is reduced by 1.4 acres -- known as the subject property -- contained in the vicinity of the site's northwest corner immediately adjacent to the road frontage. This reduces the parent site to 9.88 acres.

Road Frontage: According to the conceptual plan, the subject 1.4 acre lot's road frontage is 316.9 feet, which reduces the parent lot's 716.47 feet of frontage to 399.57 feet, which reflects an average of 40.44 front feet for every subject acre. The location of the subject 1.4 acre lot, now causes the parent lot's road frontage to be non-contiguous.

Easements: The subject 1.4 acres will have an access easement over the parent property's parking lot, in order obtain access to Route 12.

ANALYSIS OF HIGHEST AND BEST USE OF THE PARENT PROPERTY

Conclusion of Highest and Best Use

The highest and best use of the parent property remains unchanged, to continue its existing use as a golf driving range.

THE APPRAISAL PROCESS

The appraisal process of the parent property remains unchanged, and the same comparable sales are utilized below.

VALUATION OF THE PARENT PROPERTY (9.88 ACRES) AFTER SUBJECT ACQUISITION

	SUBJECT	SALE #1		SALE #2		SALE #3		SALE #4	
Property Address	76 Route 12 Flemington Boro	1071 Route 12 Kingwood Twp		1049 Route 12 Kingwood Twp		1107 Route 12 Kingwood Twp		838 Route 12 Kingwood Twp	
Owner/Grantor		Murray		Gombosi		Grossman		Ditzler	
Size in Acres	9.88	8.18		48.86		72.58		8.18	
Date of Sale		May 2019		August 2016		December 2014		April 2013	
Price - Land Only		\$150,000		\$600,000		\$712,000		\$130,000	
Sale Price/Acre		\$18,337		\$12,280		\$9,810		\$15,892	
Property Rights		Fee Simple	0%	Fee Simple	0%	Fee Simple	0%	Fee Simple	0%
Adjusted Value		\$18,337		\$12,280		\$9,810		\$15,892	
Conditions of Sale		Other	-10%	Normal	0%	Normal	0%	Normal	0%
Adjusted Value		\$16,504		\$12,280		\$9,810		\$15,892	
Financing Terms		At Market	0%	At Market	0%	At Market	0%	At Market	0%
Adjusted Value		\$16,504		\$12,280		\$9,810		\$15,892	
Market Conditions		Stabile	0.0%	Stabile	0.0%	Stabile	0.0%	Stabile	0.0%
Adjusted Value		\$16,504		\$12,280		\$9,810		\$15,892	
ADJUSTED PRICE PER ACRE		\$16,504		\$12,280		\$9,810		\$15,892	
Location	Good	Average	10%	Average	10%	Average	10%	Average	10%
Size in Acres	9.88	8.18	0%	48.86	10%	72.58	25%	8.18	0%
Front Feet/Acre	40.44	6.11	10%	45.33	0%	3.33	10%	42.67	5%
Topography	Gently Sloping	Gently Sloping	0%	Gently Sloping	0%	Gently/Mod Sloping	0%	Gently Sloping	0%
Zoning	VAS Commercial	H Commercial	0%	V. Commercial 2	0%	40% Commercial 60% Res 7 Ac	0%	Business Park	0%
Easements	Access Easement	None	0%	None	0%	None	0%	None	0%
Wet/Flood/C-1 Stream (%)	nearly 100%	30%	-30%	30%	-30%	50%	-25%	15%	-40%
Public H2O/Sewer	All Public	100% Very Lmtd	20%	100% Very Lmtd	20%	50% Not/Smwht 50% Very Lmtd	20%	100% Very Lmtd	20%
Net Adjustment			10%		10%		40%		-5%
INDICATED VALUE PER ACRE		\$18,154		\$13,508		\$13,734		\$15,098	

MEAN PRICE PER ACRE UNADJUSTED	\$14,080
MEAN PRICE PER ACRE AFTER ADJUSTMENT	\$15,123

VALUATION OF THE PARENT PROPERTY (9.88 ACRES) AFTER SUBJECT ACQUISITION

DISCUSSION OF ADJUSTMENTS

All adjustments remain the same with the exception of adjustments for frontage. Since the parent property's frontage has been reduced and made to be non-contiguous (i.e. made less desirable), the adjustments for frontage are changed modestly. Note that even though Sale #4's frontage is now quantitatively similar to the subject, it still merits an adjustment, because the orientation of the Sale's frontage is inferior to the subject property.

Note that in this valuation, the parent property is encumbered by an access easement to provide access to the subject 1.4 acres across the parent property's parking lot. Due to the subject 1.4 acre lot's intended use as a municipal well-site, which would generate minimal traffic, this easement does not merit an adjustment.

CONCLUSION OF VALUE VIA THE SALES COMPARISON APPROACH

Subsequent to all adjustments, the four sales reflect an indicated market value range of \$13,508 per acre to \$18,154 per acre and a mean of \$15,123 per acre. Moderate to strong reliability is accorded to all four sales; strong reliability is accorded to the conclusion. After all analysis, the estimated market value of the parent property land (9.88 acres) before acquisition of the subject property land is \$15,100 per acre (applied to the 9.88 acres), or...

\$149,188.00

FINAL ESTIMATE OF THE SUBJECT PROPERTY'S VALUE

The purpose of this appraisal is to provide an objective third party opinion of the value of a 1.4 acre portion of Block 45 Lot 1 (i.e. the subject property). The value of the subject property estimated herein is defined as the difference in the market value of the land of the parent property before acquisition of subject property and the market value of the land of the parent property after acquisition of the subject property.

**Estimated Market Value of the 11.28 Acre Parent Property Land, Before Acquisition
of the Subject 1.4 Acre Portion \$178,224.00**

LESS:

**Estimated Market Value of the Parent Property Land (9.88 acres), After Acquisition
of the Subject 1.4 Acre Portion \$149,188.00**

EQUALS:

**Estimated Value of the Subject 1.4 Acre Portion of Block 45 Lot 1 \$29,036.00
(rounded) \$30,000.00**

Therefore, after all analysis, the value of the subject property is estimated to be:

\$30,000.00

Thirty Thousand Dollars.

VALUE OF THE SUBJECT PROPERTY AS AN EASEMENT

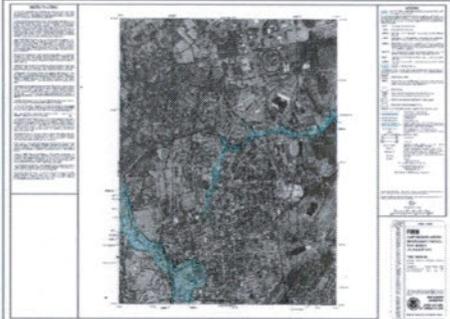
The client has requested consideration of the value of the subject property as a permanent easement, rather than as a purchase in the entirety of the fee simple estate.

Due to the parent property being contained nearly entirely within a flood hazard zone -- and the subject property portion of the parent property being contained entirely within a flood hazard zone -- potential financially feasible uses of the property are very limited. The financially feasible use of the site is limited to narrow number of uses, which may include uses such as passive recreation, parking, outdoor display, commercial agriculture, farmer's market and other uses which may not be prohibitively affected by the costs of complying with flood zone regulations. Also, it is financially feasible to continue the existing use as a golf driving range.

An easement takes away a fewer number of the bundle of property rights, than does an outright purchase or acquisition of the entire bundle of rights known as the fee simple estate. However, due to the limited number of economic uses available to the subject property due to its environmental constraints, a permanent easement would have the same equivalent value impact on the parent property as an outright acquisition of the fee simple estate. For example, one of the bundle of rights which would not be lost due to an acquisition of an easement, would be the retained ability of the parent property to utilize the land underlying the easement for density calculations for development of the parent property. However, due to the dramatically diminished development potential of the parent property resulting from environmental constraints, even retaining this portion of the bundle of rights would have negligible value.

Therefore, it is concluded that the value of a permanent easement on the subject property is the equivalent of the value of its fee simple estate, or an outright acquisition of the entire bundle of rights.

ADDENDA



POINT NAME	NORTH (Feet)	EAST (Feet)	GROUND ELEV. (Feet)	LATITUDE	LONGITUDE
STALC	808,308.72	390,121.04	176.43	41° 40' 51" 08.25" N	74° 07' 52" 00.44" W

- GENERAL NOTES:**
1. PROPERTY KNOWN AS BLOCK 45, LOT 1 AS SHOWN ON THE TAX MAP OF THE BOROUGH OF FLEMINGTON, HUNTERDON COUNTY, NEW JERSEY, SHEET 7.
 2. THIS MAP IS SUBJECT TO THE RESULTS OF AN ACCURATE PROPERTY SURVEY. LOCATION OF UNDERGROUND UTILITIES ARE UNKNOWN.
 3. AREA OF BLOCK 45, LOT 1 = 11.28 ACRES.
 4. BOUNDARY INFORMATION SHOWN IS BASED UPON A MAP ENTITLED "PRELIMINARY MAJOR SITE PLAN" AS PREPARED BY VAN CLEEF ENGINEERING ASSOCIATES DATED OCTOBER 1, 2017.
 5. TOPOGRAPHICAL INFORMATION IS BASED ON AERIAL DATA OF THE BOROUGH OF FLEMINGTON.
 6. WELL LOCATIONS PROVIDED BY ME ASSOCIATED ON XXXXX.
 7. PROPOSED FRONTAGE FOR WELL LOT = 215.7 +/-.

DATE:	MAY 12, 2019
SCALE:	1"=50'
DESIGNED BY:	RM
DRAWN BY:	BOG3
CHECKED BY:	RM
REVISIONS	AUTH. DATE JOB NO. 464

Van Cleef
ENGINEERING ASSOCIATES

CONSULTING CIVIL ENGINEERING
ENVIRONMENTAL ENGINEERING
MUNICIPAL ENGINEERING
LAND SURVEYING
PROFESSIONAL PLANNING
LANDSCAPE ARCHITECTURE

PROFESSIONAL ENGINEER NO. 34878 (P.E. IN THE STATE OF NEW JERSEY)
DATE: 01/19/2016 (EXPIRES: 12/31/2020)
PROJECT: 10/17/2017 (EXPIRES: 12/31/2020)
NO. 1112, CERT. NO. 1024291200

BY: ROBERT MARTUCCI, PROFESSIONAL ENGINEER N.J. LIC. NO. 0E47775
BOROUGH ENGINEER

CONCEPTUAL WELL - SKETCH PLAN
FOR
BLOCK 45 LOT 1
SITUATED IN
FLEMINGTON BOROUGH
HUNTERDON COUNTY, NEW JERSEY

PHOTOGRAPHS OF THE SUBJECT PROPERTY



Direct View of the Subject Property 1.4 Acres

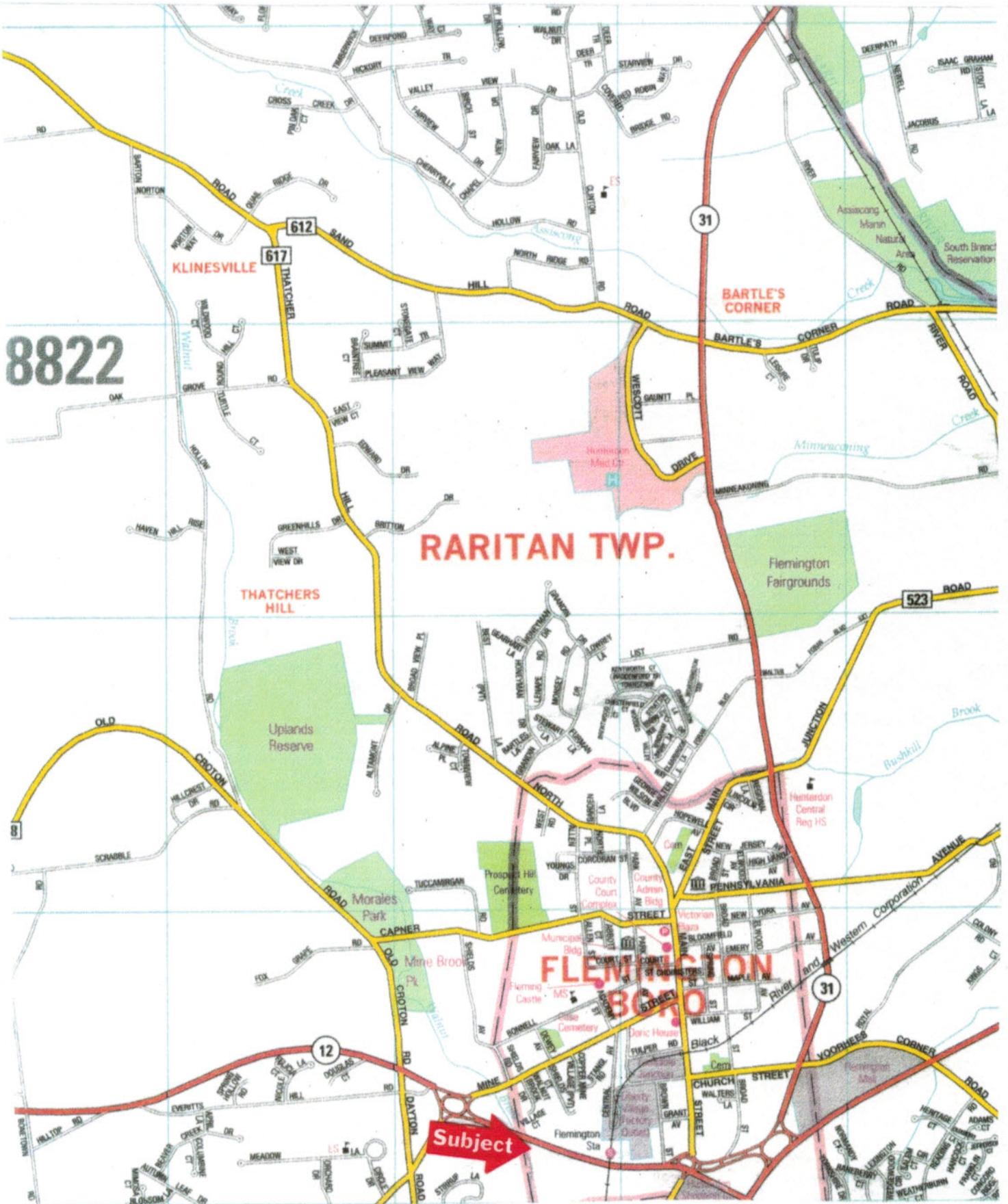


Direct View of Subject Property 1.4 Acres



View Looking West Along Route 12 – Subject to the Left in the Distance

NEIGHBORHOOD MAP

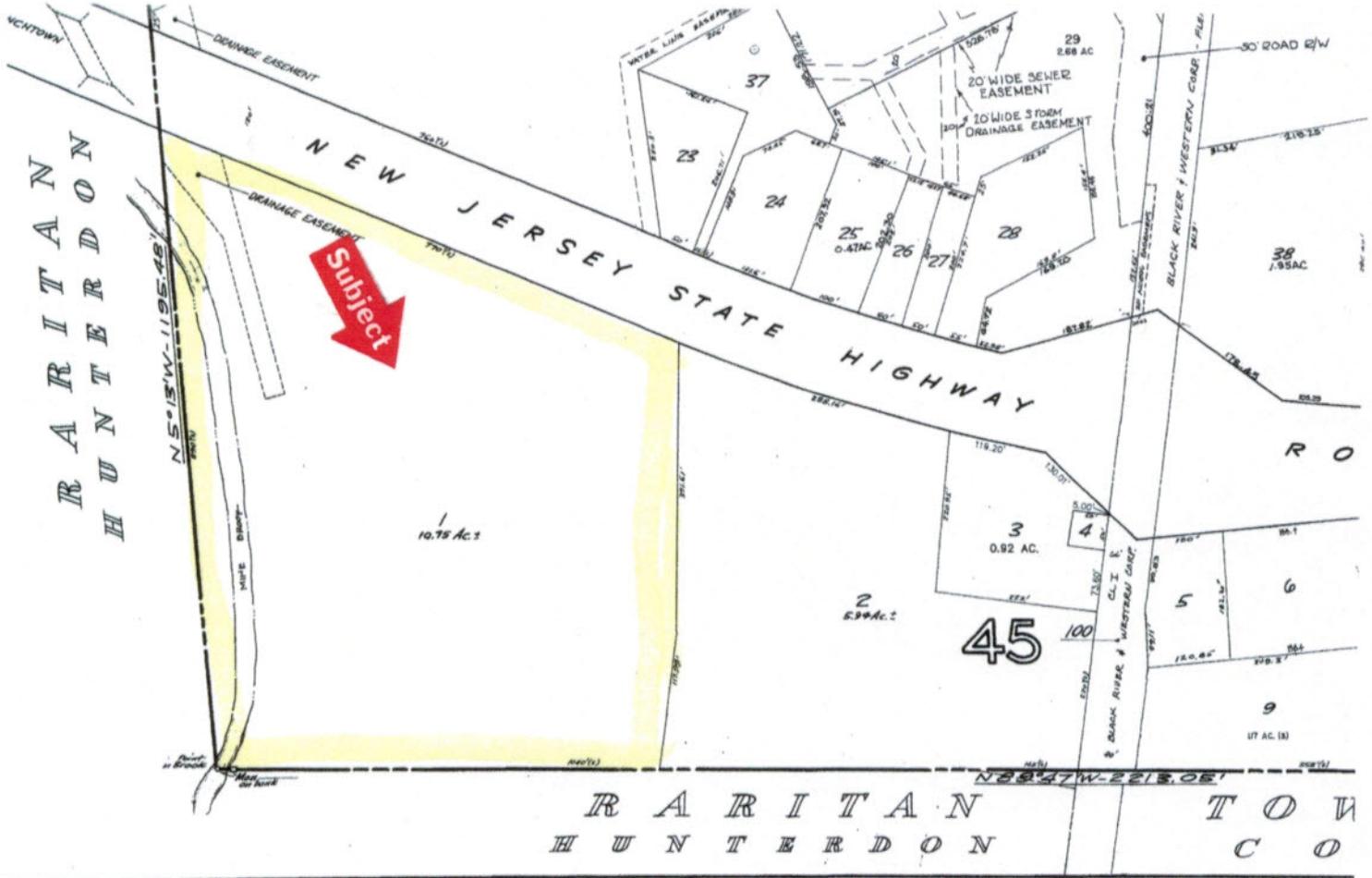


8822

RARITAN TWP.

Subject

TAX MAP



PROFESSIONAL QUALIFICATIONS

Mick Schaible, MAI is the Chief Appraiser of Vanguard Appraisal Services, a professional real estate appraisal and consulting firm with offices located in Stockton, Hunterdon County, New Jersey.

Education:

Mr. Schaible has earned a Bachelor of Science degree with honors from Vassar College, Poughkeepsie, New York, having graduated in 1981.

Professional Designations and Licenses:

MAI, Member of the Appraisal Institute, Member No. 9910

SCGREA, State of New Jersey, Certified General Real Estate Appraiser, License No. RG 00282

Professional Real Estate Appraisal Experience:

May 1992 to Present

Chief Appraiser/Consultant Vanguard Appraisal Services

Mr. Schaible is the Chief Appraiser for Vanguard Appraisal Services, which provides real estate appraisal and consulting services for all types of real property. Assignments are prepared in conformity with the requirements of the FIRREA Act of the Code of Federal Regulations and the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation. Additionally, all reports are prepared in conformity with and are subject to the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.

Vanguard Appraisal Service's clientele is primarily composed of financial institutions, municipalities, independent development companies, private attorneys, accountants, individual property owners, and federal and state regulatory agencies. Appraisal assignments are primarily located in central New Jersey, and in portions of northern and southern New Jersey. Properties most frequently analyzed include mixed-use/multi-component properties, apartment complexes, vacant land, agricultural farms, industrial buildings, retail centers, office buildings, residential subdivisions, restaurants, special purpose properties and residential dwellings.

Professional Real Estate Appraisal Experience (Continued):

May 1990 to April 1992

Senior Appraiser/Consultant
Koeppel Tener Riguardi, Inc., Central Atlantic Office,
Somerset, New Jersey

Mr. Schaible was responsible for real estate appraisal/consulting services for all types of complex, large-scale, real property. All assignments were prepared at the highest level of quality, and all were prepared in conformance with the requirements of the FIRREA Act of the Code of Federal Regulations and the Standards of Professional Practice of the Appraisal Institute.

Appraisal assignments were primarily located in the Central Atlantic States, and were concentrated in New Jersey and the tri-state region. Most frequent clients consisted of financial institutions, government institutions, and private developers. Properties most frequently analyzed included shopping malls, hotels and motels, industrials, residential subdivisions, and special purpose properties.

June 1984 to May 1990

Senior Appraiser/Consultant, Major Properties
City Federal Savings Bank, Somerset, New Jersey

Mr. Schaible was responsible for appraising, engaging appraisers and reviewing real estate appraisals for the commercial property portfolio of one of New Jersey's largest financial institutions. The appraisal conclusions and analyses were conveyed to the institution's senior officials and governmental oversight groups in both narrative reports and oral presentations.

Appraisal assignments were primarily located in the tri-state region and were concentrated in New Jersey. Properties most frequently analyzed included large-scale, mixed-use, residential developments, apartment complexes, shopping malls, industrials, health care facilities, vacant land parcels, and special purpose properties including country clubs, marinas, and restaurants.

Additional responsibilities included oversight of the organization's selection of approved appraisers, and coordination of engineering reports and construction completion analyses for existing and developing properties.

Professional Real Estate Management Experience:

January 1990 to Present

**Managing Member
President, Board of Directors****Round Top Mountain Property Owners Association, Inc.**

Mr. Schaible is the Managing Member and the President of the Board of Directors of the Round Top Mountain Property Owners Association Incorporated. RTMPOA is an association of forty-one owners of residential dwellings, primarily vacation homes, located in the Town of Plymouth, State of Vermont. The purpose of the Association is for the operation, maintenance, repair, improvement and management of the common water supply system and common private road system and other property owned and controlled by the Association. Mr. Schaible provides comprehensive management services including the collection of dues, payment of all expenses, management of subcontractors, coordination of repairs and maintenance, bookkeeping, accounting, and periodic reporting to Members of the Association.

October 2001 to Present

Managing Member

- 1) **18 Spring Street LLC** October 2001 to Present
- 2) **13 York Street LLC** February 2002 to Present
- 3) **12 Front Street LLC** May 2002 to Present
- 4) **North Union Development Group LLC** July 2004 to Present
- 5) **35 Union Street LLC** November 2013 to Present
- 6) **48 Route 523 LLC** February 2018 to Present

Mr. Schaible is the Managing Member of six Limited Liability Corporations whose purpose is to own and manage residential and commercial real estate investments. These six LLCs currently own nine properties containing thirty-two rental units in the New Jersey communities of Lambertville, Flemington and Frenchtown. Mr. Schaible provides comprehensive management services including the collection of rents, payment of all expenses, leasing, management of subcontractors, coordination of repairs and maintenance, bookkeeping, management of accounting, and periodic reporting to Members of the LLCs.

Professional Committees and Positions -- Past and Present:

Admissions - MAI Subcommittee, Appraisal Institute, Metro NJ Chapter

Regional Ethics and Counseling Panel, Appraisal Institute, National

President - Round Top Mountain Property Owner's Association, Plymouth, Vermont
(1990 - present)

Vice Chairman, Planning Board, East Amwell Township, Hunterdon County, NJ (1995 - 2006)

Association of New Jersey Environmental Commissions - East Amwell Subcommittee,
Consulting: The Economic Feasibility of Transferrable Development Credits

Major Subdivision Application Review Committee - Chairman, East Amwell Township Planning
Board (1995 - 2006)

Community Service, Memberships and Clubs -- Past and Present:

Big Brothers/Big Sisters of the United Way (Big Brother 1985 - present)

Rotary Club of Flemington (Member 1998 - present; President 2015 - 2016)

Rotary Homes of Hope Committee, Chairman, Water System Acquisition Project, Town of San
Pablo, Ecuador

Rotary Hunterdon County Soup Cook-Off, Soup Cook-Off Committee, Chairman, 2012 to
Present, Flemington Rotary Club

Sons of the American Legion, Lambertville, NJ Squad #120, Member

Flemington Tennis Club, Member

Hillsborough Country Club Tuesday Night Golf League, Member/Treasurer

President, High Ridge Ski Club, Killington, Vermont

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New Jersey Office of the Attorney General
Division of Consumer Affairs

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HAS CERTIFIED

MICHAEL R. SCHAIBLE
7 Sanford Road
Stockton, NJ 08559

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Division of Consumer Affairs
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Certified General Appraiser

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Sharon M. Joyce
ACTING DIRECTOR

11/07/2017 TO 12/31/2019

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Sharon M. Joyce
ACTING DIRECTOR

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Appraisal Institute designated members have met rigorous requirements relating to education, testing, experience and demonstration of knowledge, understanding and ability. Most designated members hold one or more of the following designations:

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The MAI membership designation is held by appraisers who are experienced in the valuation and evaluation of commercial, industrial, residential and other types of properties, and who advise clients on real estate investment decisions. The current requirements that an appraiser must fulfill to receive the MAI designation are as follows:

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- Receive a passing grade on 11 examinations that reflect 380 hours of classroom instruction and that test the appraiser's knowledge of basic and advanced appraisal principles, procedures and applications; report writing; valuation analysis and standards of professional practice
- Receive a passing grade on a four-module, two-day comprehensive examination
- Hold an undergraduate degree from a four-year accredited educational institution

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