

APPRAISAL REPORT

of the Real Property known as

Block: 801 | Lot: 4
Borough of Ringwood, Passaic County, New Jersey



Prepared for
The Borough of Ringwood
c/o Richard J. Clemack

as of

March 21, 2024

Submitted by

DARREN RAYMOND, MAI, SCGREA



Associated Appraisal Group



ASSOCIATED APPRAISAL GROUP

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April 23, 2024

RICHARD J. CLEMACK
55 Skyline Drive, Suite 206C
Ringwood, New Jersey 07456

***Re: Fair Market Value appraisal of Block 801 Lot 4
Skyline Drive, Ringwood Borough, Passaic County, New Jersey***

Dear Mr. Clemack:

In conformity with your request, I am providing an Appraisal Report of the above captioned real property. Development of this appraisal and this report is in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation.

The purpose of this appraisal is to estimate the market value of the fee simple interest in the property. The intended use is to assist the Client in establishing a fair purchase price for the subject property. This report serves as support for oral presentation and may be supplemented by reference to file information not necessarily reproduced in the report.

It is the basic assumption of this report that the intended users are specifically limited to the Governing Body of the Borough and professionals involved in the purchase process. This appraisal may not be used or relied upon by anyone other than the client, for any purpose whatsoever. Please refer to the Scope of Assignment and Function/Purpose sections of this report for a further discussion of its specific limitations.

a full service real estate appraisal corporation



RICHARD J. CLEMACK

Re: Appraisal of 801/4, Ringwood, NJ

April 23, 2024

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I developed my analysis on market data and from a variety of public and private sources. It is my conclusion that the fair market value of the property, as of March 21, 2024, is:

\$1,047,000

(One Million Forty-Seven Thousand Dollars)

Employment in and compensation for making this report are in no way contingent upon the value reported and I hereby certify that I have no financial interest in the subject property. I have relied upon an extraordinary assumption that access to the portion of the lot that can be developed could be accessed through an adjacent partial. No hypothetical conditions are necessary in this assignment.

My report is attached and made part of this letter of transmittal.

Respectfully,

DARREN RAYMOND, MAI, SCGREA
State Certified General Real Estate Appraiser

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Property Addresses: Skyline Drive, Ringwood Borough, Passaic County, New Jersey

Block/Lot: 801 / 4

Size of Property
(Acres/Square feet) 13.44 acres / 585,446 square feet

Property Description: The subject property consists 13.44 acres of vacant land.

Zoning: CC-80 (Community Commercial)
Highlands Preservation Area (NJ Highlands Council)

Assessed Valuation:		801 / 4
	Land:	\$100,000
	Improvement:	<u>\$0</u>
	Total:	\$100,000

Owner of Record: 801 / 4: H.L.A, LLC

Highest and Best Use: Commercial development

Purpose of Appraisal: To estimate the Market Value

Function of Appraisal: To assist the Client in establishing a fair purchase price

Interest Appraised: Fee Simple

Marketing Time: 6 – 12 months

Exposure Time: 6 – 12 months

Inspection Date: March 21, 2024

Final Value Estimate: March 21, 2024
\$1,047,000

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 I have no personal interest with respect to the parties involved.
- I have not performed services, as an appraiser, 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 the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- Darren Raymond inspected the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the people 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, Darren Raymond has completed the continuing education program for Designated Members of the Appraisal Institute.



DARREN RAYMOND, MAI, SCGREA
State Certified General Real Estate Appraiser
NJ SCGREA #42RG00208200
Valid through 12/31/2025

PURPOSE AND INTENDED USE OF APPRAISAL

The intended use of this appraisal is to assist the Client in determining the market value of the subject property as of March 21, 2024. The intended use is to assist the Client in establishing a fair purchase price for the subject property.

PROPERTY RIGHTS APPRAISED

The property rights appraised are all rights existing in fee simple as of the appraisal date. The fee simple interest is commonly defined as:

“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.”¹

These are the legal and economic interests that may rightfully be exchanged for money or equivalent goods. Property rights inherent in the ownership of tangible personal property and intangible benefits of the property itself are not the subject of this report.

DELINEATION OF TITLE

The subject parcel is currently owned by H.L.A. LLC. The subject property has not sold in the past three years and to the best of my knowledge is currently not offered for sale.

EXPOSURE AND MARKETING TIME

Exposure time is a reasonable estimate of the length of time the property interest appraised would be offered on the market, prior to a hypothetical consummation of a sale at market value, on the effective date of this appraisal. Exposure time for the subject property would be six to twelve months. Marketing time is the amount of time it might take to sell a property during the period subsequent to the effective date of this appraisal. Marketing time for the subject property would be six to twelve months.

¹ “The Appraisal of Real Estate”, Fifteenth Edition. Chicago: Appraisal Institute, 2020, Page 60.

SCOPE OF ASSIGNMENT

This is an appraisal report prepared to assist the Client in determining the market value of the subject property as of March 21, 2024. The intended use is to assist the Client in establishing a fair purchase price for the subject property. This document is intended to be supplemented by oral presentation. In performing the appraisal, I have inspected the subject property and researched, verified, and analyzed all available data that pertains to the value estimates to be made. Sufficient comparable data in all categories was available in the subject's market. All comparable sales were verified and are assumed to be correct. The properties in question is vacant land. Accordingly, and in conformity with market forces, reliance has been placed upon the sales comparison approach to value. No hypothetical conditions are necessary in this assignment. I have relied upon an extraordinary assumption that access to the portion of the lot that can be developed could be accessed through an adjacent partial. An extraordinary assumption presumes as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; which, if found to be false, could alter the opinions or conclusion of this report².

In performing the sales comparison approach, there were an adequate number of comparable sales to rely upon. The sales were competitive to the subject property and adjustments were based on market support when applicable.

I reconciled the approaches to value to reach my final opinion of the market value of the fee simple interest in the subject property.

² "The Dictionary of Real Estate Appraisal", Sixth Edition. Chicago: Appraisal Institute, 2015, Page 83-84.

Market Value is commonly defined as:

“The most probably price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest and assuming that neither is under undue duress.”³

Implicit 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 is acting in what he or she considers his or her own best interests.
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.⁴

³ “The Appraisal of Real Estate”, Fifteenth Edition. Chicago: Appraisal Institute, 2020, Page 48.

⁴ “The Appraisal of Real Estate”, Fifteenth Edition. Chicago: Appraisal Institute, 2020, Page 49.

ASSESSED VALUATION, TAX RATE & TAXES

The subject property is assessed by the Borough of Ringwood, Passaic County, New Jersey and is designated as Block: 801 Lots: 3, 4, and 4.04.

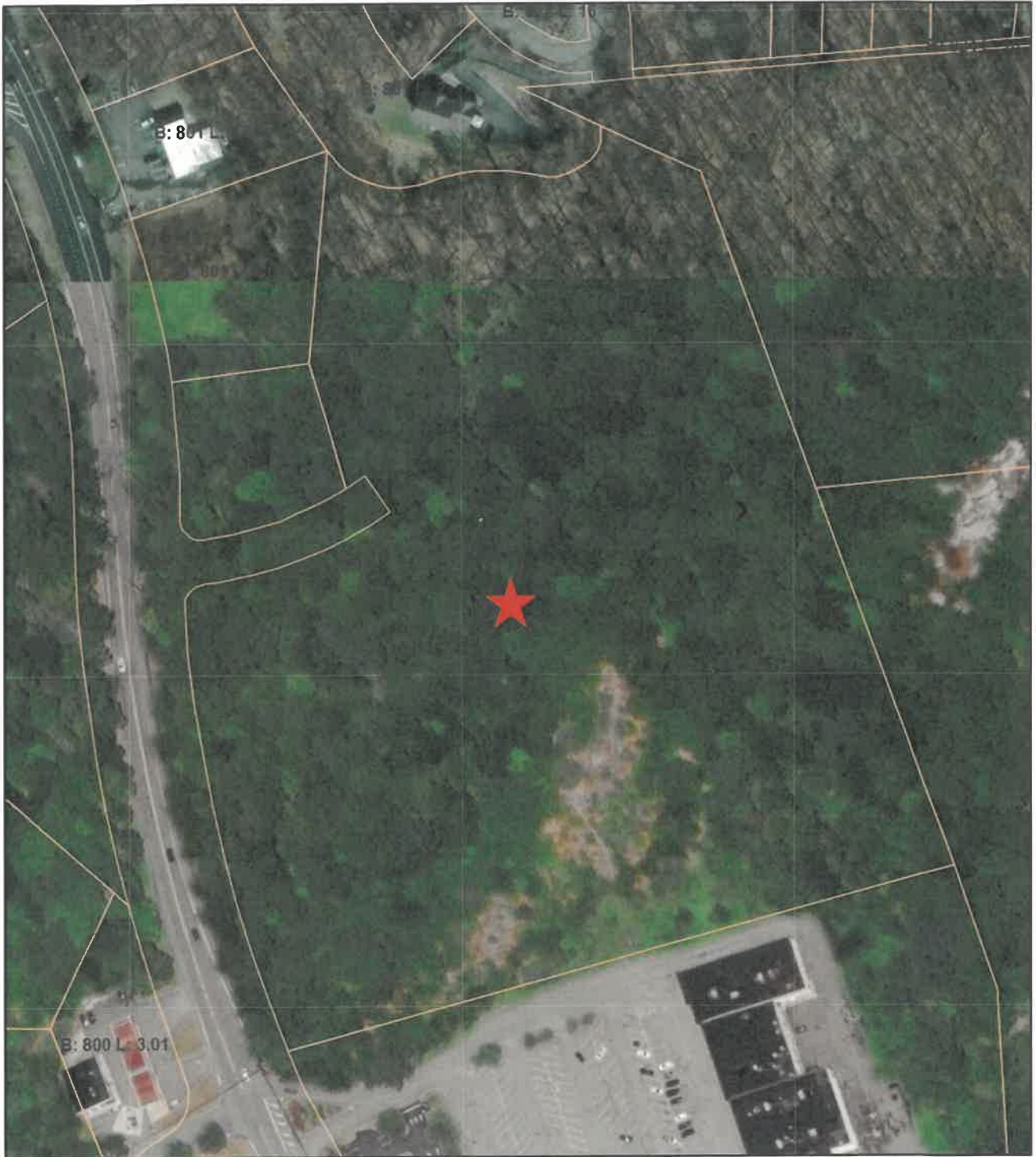
Tax Year:	801 / 4
Land:	\$100,000
Improvement:	<u>\$0</u>
Total:	\$100,000

The New Jersey Division of Taxation has advised that the following tax rate (per \$100 of assessed valuation) and equalization ratio apply to the subject municipality.

<u>YEAR</u>	<u>EQUALIZATION RATIO (%)</u>	<u>TAX RATE/\$100</u>	<u>EFFECTIVE TAX RATE (\$)</u>
2023	72.25%	\$4.025	\$2.908
2024	66.22%	N/A	N/A

TAXES FOR BLOCK 801 LOT 4

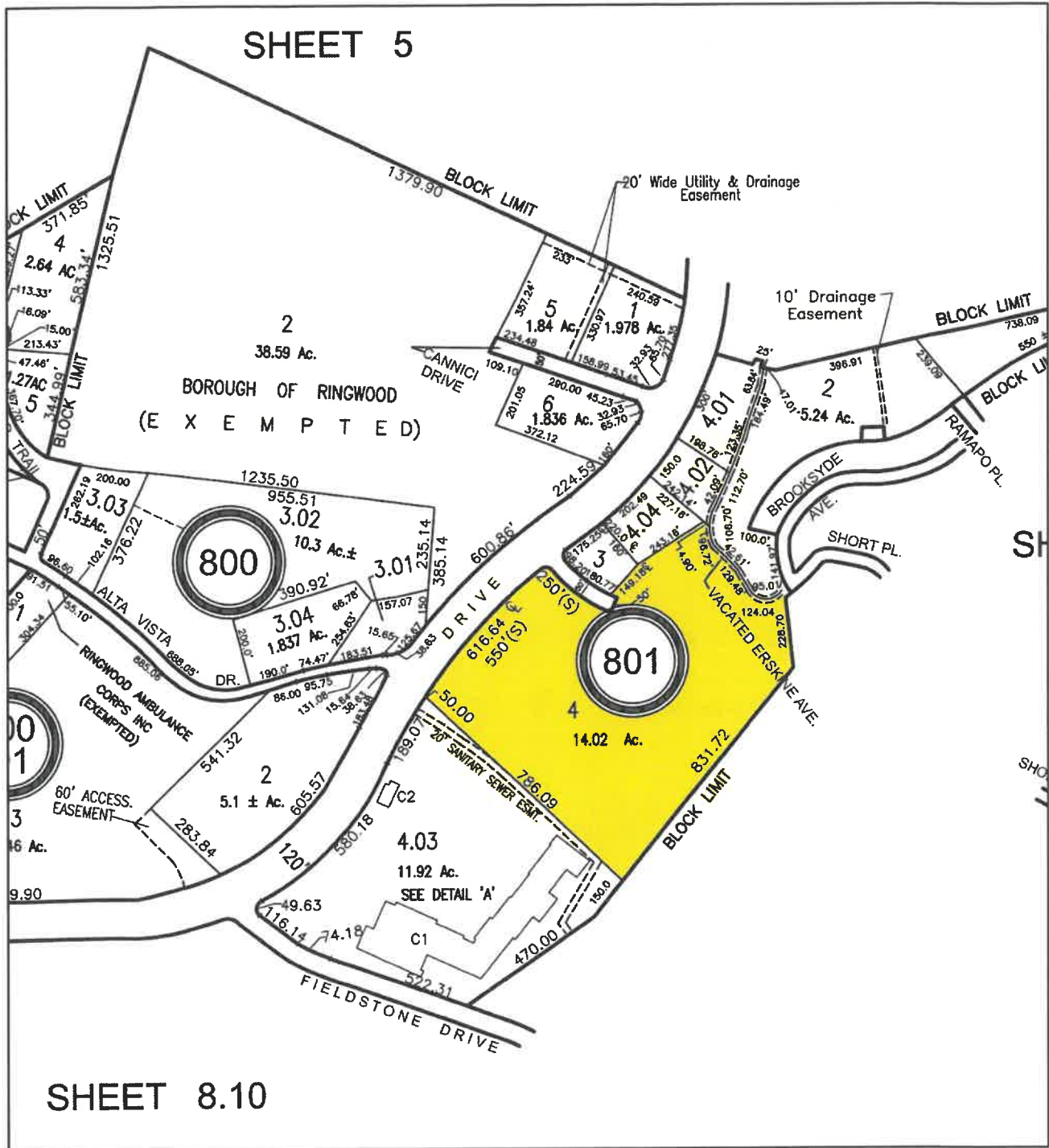
<u>YEAR</u>	<u>ASSESSED VALUE</u>	x	<u>TAX RATE</u>	=	<u>TAXES</u>
2023	\$100,000	x	\$4.025	=	\$4,025.00
2024	\$100,000	x	N/A	=	N/A

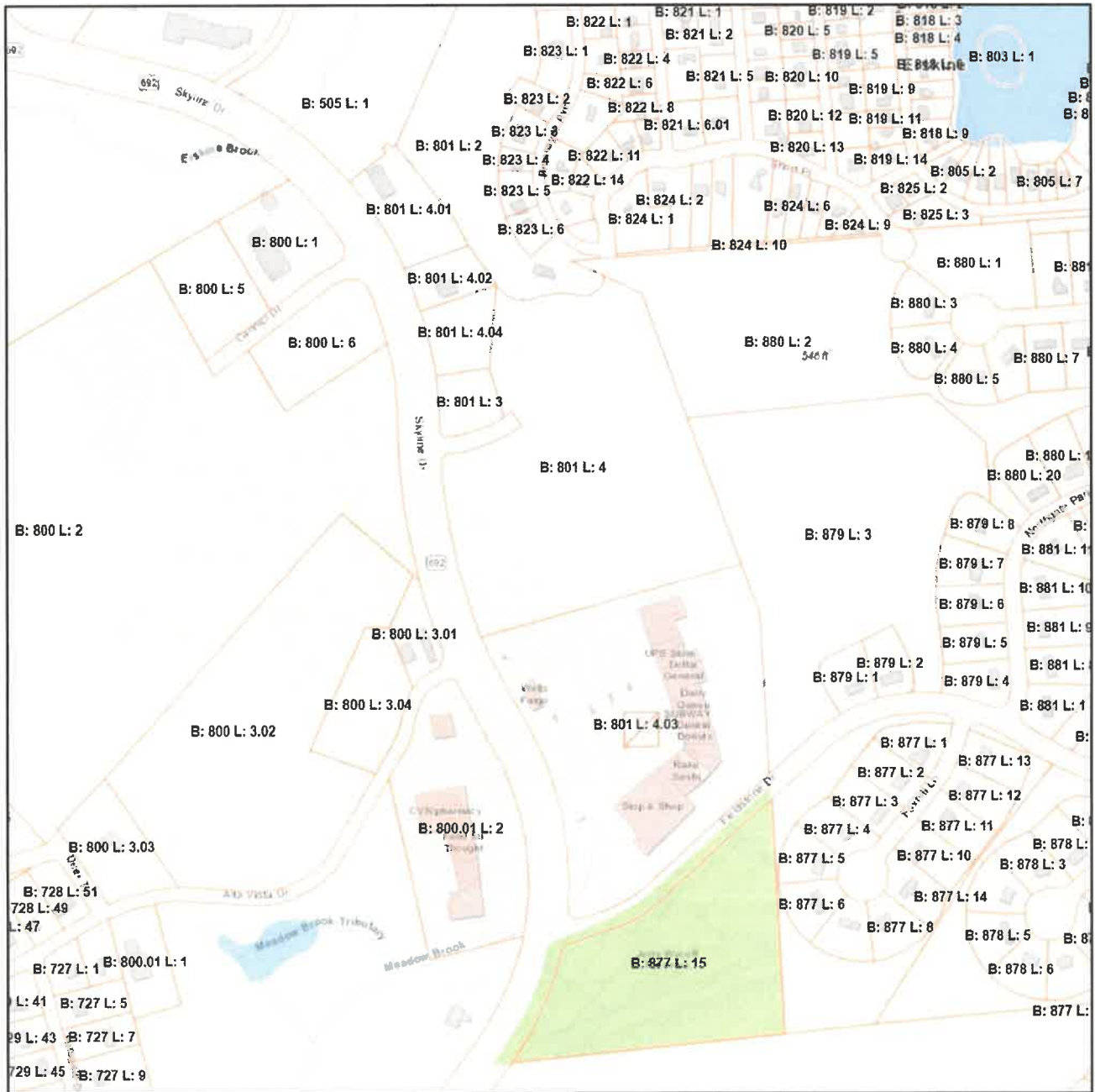


The subject parcel is located on Skyline Drive in Ringwood. Street access to the property is provided from Skyline Drive. The property has steep (rear) to moderate (along Skyline Drive) topography and is above grade from the road. The site is not supplied with public utilities but public electric, natural gas, and water are available at Skyline Drive and in the neighborhood. Waste water is handled by private septic in the immediate neighborhood. The site has various areas of steep topography and rock out-cropping's.

Site Size:	13.44 acres (585,446 square feet)
Dimensions:	Irregular (see tax map)
Shape:	Irregular (see tax map)
Topography:	Steep and moderate sloping.
Drainage:	Appears to be adequate.
Flood Hazards:	The FEMA flood map, Community 34031C, Panel # 0134G, dated April 17, 2020 shows the subject is in flood zone classification X (area determined to be outside 500-year floodplain determined to be outside the 1% and 0.2% chance floodplains).
Environmental Hazards:	None observed or reported.
Easements:	None observed or reported.
Soil Conditions:	I am unaware of any unusual or adverse soil conditions.
Frontage:	The property enjoys 616 feet of frontage along Skyline Drive.
Access:	Access is provided from Skyline Drive.
Utilities:	Electricity, public water, natural gas and telephone services are all available at Skyline Drive.
Zoning:	CC-80 (Commercial Recreation) Highlands Preservation Area (NJ Highlands Council)

I have reviewed the advanced property report provided from the New Jersey Highlands Council which indicates that the subject property contains critical wildlife habitat and is severely constrained by the Highlands Preservation Area.

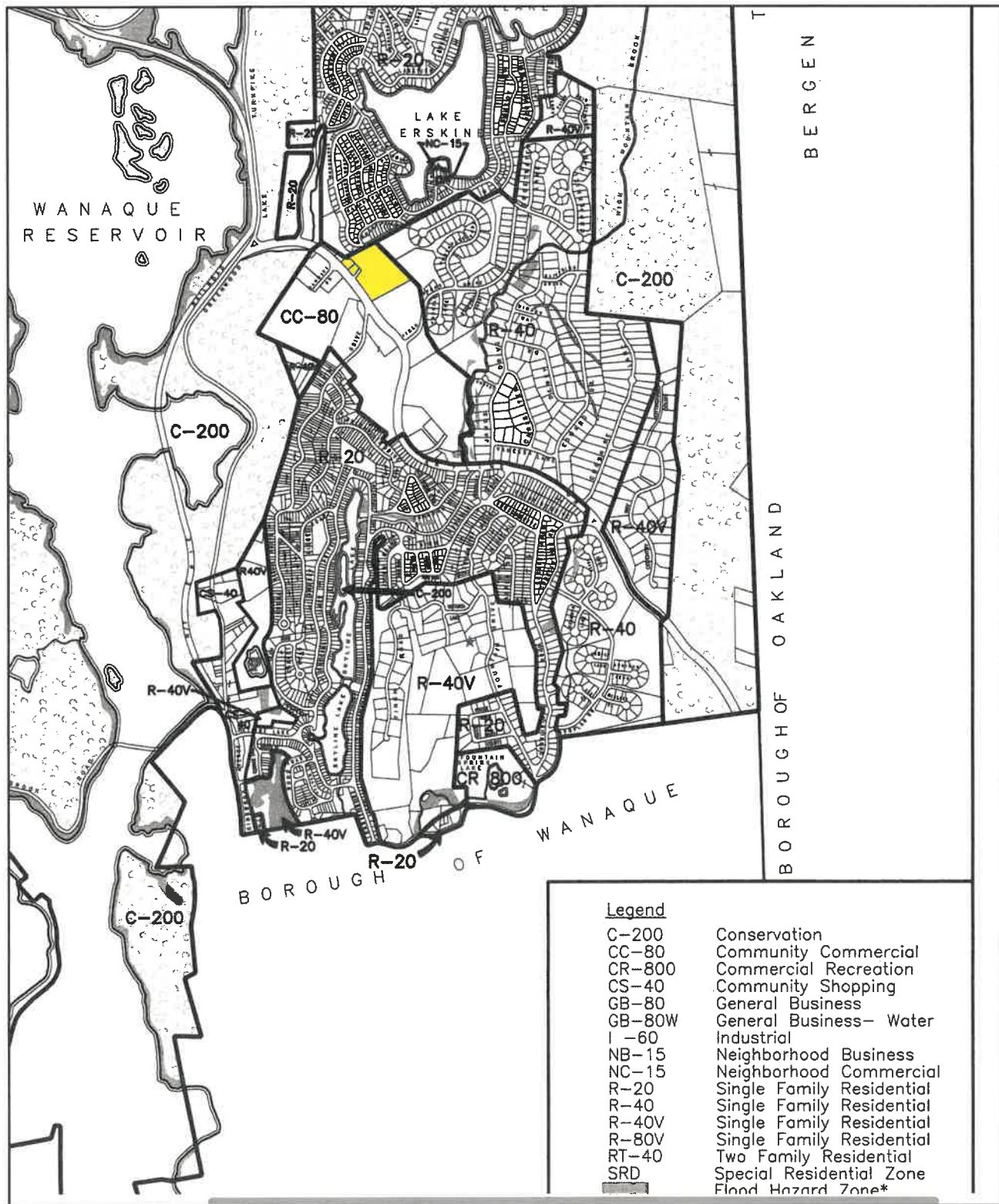




The subject property is situated in the CC-80 (community commercial) district in accordance with the zoning ordinance of the Borough of Ringwood. Permitted uses include various retail use including automobile sales and supply stores, clothing stores, clubs, lodges, and meeting rooms, banks, delis, department stores, drug stores, dry cleaning establishments, food shops, funeral homes, furniture stores, home and garden supply stores, insurance offices, liquor stores, professional and medical offices, and childcare centers. Development of the site must conform to the following guidelines.

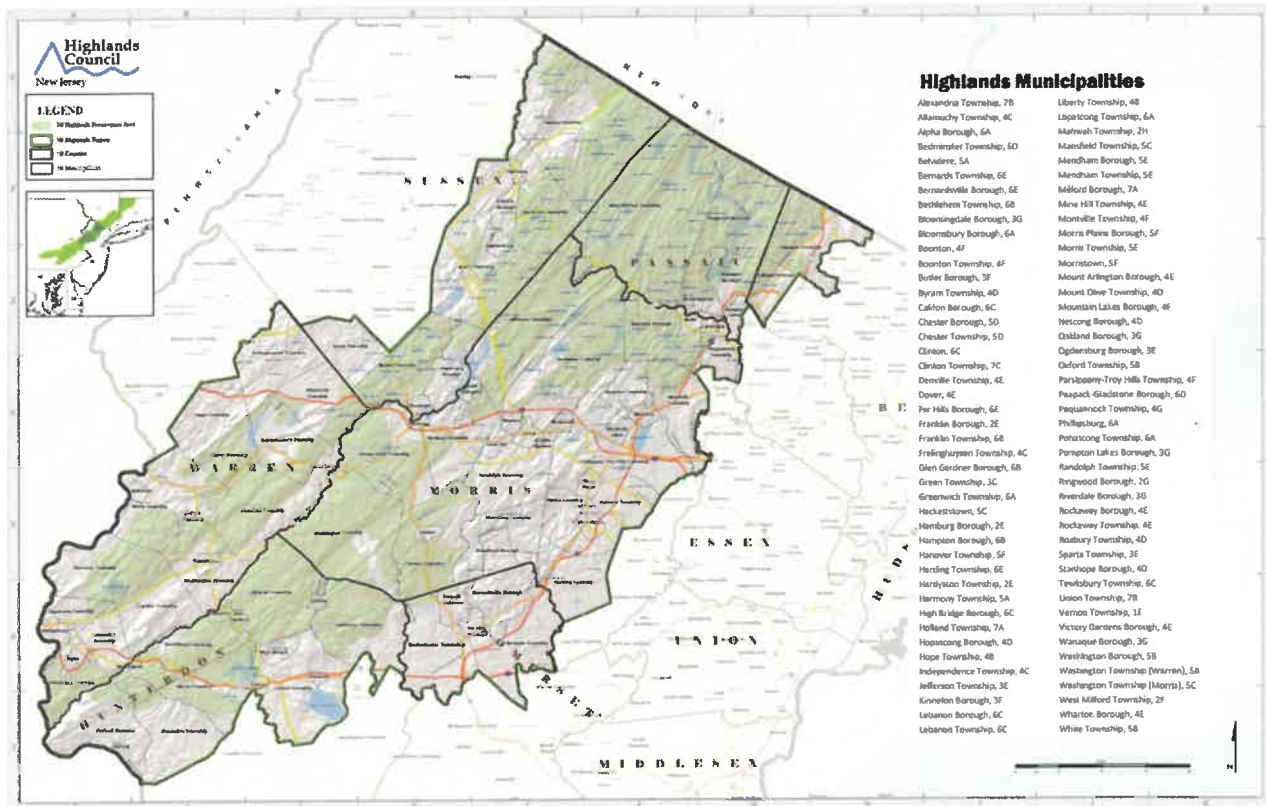
Principal Buildings:	CC-80
Minimum Lot Area:	80,000 square feet
Minimum Lot Width:	200 feet
Minimum Lot Depth:	200 feet
Maximum Improved Lot Coverage:	60%
Maximum Lot Coverage:	25%
Maximum Building Height:	35 feet / 2 ½ stories
Minimum Front Yard:	55 feet
Minimum Side Yard:	35 feet
Minimum Rear Yard:	40 feet

The subject property is conforming and could be developed without a variance.



NEW JERSEY HIGHLANDS COUNCIL CLASSIFICATION

In 2004, the New Jersey Legislature passed the Highlands Water Protection and Planning Act, which regulates land use and development in order to protect the state's greatest diversity of natural resources in the region known as the New Jersey Highlands. The Highlands Master Plan was adopted in 2008. The Master Plan denotes the geographical boundary of the Region and established the Highlands Preservation Area and the Highlands Planning Area. The Region contains over 850,000 acres and includes 88 municipalities in seven counties in northern New Jersey.



Ringwood Borough was entirely included in the Highlands Preservation area and is subject to the rules of the act and the Highlands Water Protection and Planning Council, which is a division of the New Jersey Department of Environmental Protection. Properties that are located in the Preservation area need to meet specific requirements and follow the Planning Act Rules specified by the NJDEP in order for development to be approved. Some activities and projects may be exempt. Based on my review of the reports provided from the New Jersey Highlands Council, the subject properties contain steep slopes, critical wildlife habitats, and areas of prime ground water recharge. The existence of these

attributes would require a determination of exemption by the Highlands Council in order for the subject to be developed. Based on my analysis, development of the subject properties would not be consistent with the goals, policies, and objectives of the Master Plan. However, the Highlands Council has indicated that approximately 3 acres in the southeastern corner of the subject lot could be disturbed and developed, if vehicular access from adjacent lot 4.03 (Fieldstone Shopping Center) were provided. As such, I have relied upon the letter prepared by the Court-Appointed Special Master “In The Matter of the Borough of Ringwood” docketed as PAS-L-2297-15, and determined that 3 acres of the total lot could be developed. The letter is dated April 12, 2024 and is retroactive to a determination that was established on October 6, 2022.

PHOTOGRAPHS OF THE SUBJECT PROPERTY



View of lot 4 from Skyline Drive



Rock outcroppings on lot 4

PHOTOGRAPHS OF THE SUBJECT PROPERTY, CONTINUED



Wooded slope on lot 4



Wooded slope on lot 4

Located in the northeasterly portion of the State of New Jersey, Passaic County contains approximately 197 square miles of total area of which 185 square miles is land and 12 square miles is water. The City of Paterson is the county seat.

The County is bounded on the north by Orange County, New York, on the northeast by Rockland County, New York, on the east by Bergen County, on the south by Essex County, on the southwest by Morris County and on the west by Sussex County.

The County is traversed by an extensive system of state, county and interstate roadways including Interstate Routes 80 and 287, State Routes 3, 4, 19, 20, 21 and 23, the Garden State Parkway, U.S. Routes 46 and 202, plus an extensive system of local roadways.

In addition to the extensive system of roadways, New Jersey Transit's Main Line serves the eastern part of Passaic County as well as numerous bus routes.

The County's population, as of the United States 2020 Census, was 513,936 people and 176,203 households. The reported population density for the County is 2,817 inhabitants per square mile.

Passaic County has commission form of government in which a Board of Chosen Freeholders discharges both executive and legislative responsibilities. There are seven freeholders elected at-large for three-year staggered terms. The Freeholders choose a County Administrator who is responsible, as the chief administrative officer, for the day-to-day operation of the county government and its departments. The Freeholders also appoint individuals to departments, agencies, boards and commissions in order to effectively administer the county government for the benefit of its citizens. On the federal level, there are four congressional districts that span the County.

The County's economy is a diversified commercial and industrial orientation featuring various manufacturing (including food, textiles/apparel, chemicals, etc.), retail trades, Information distribution through publishing and electronic media and other service categories (including professional and technical services, administrative and educational services, healthcare, arts and entertainment and accommodation and food services, etc.).

Healthcare facilities servicing the county include eight (8) hospitals with a combined capacity exceeding 1,600 beds.

Public education, kindergarten through 12th grade, is provided by the municipalities. Additional, there are parochial/private schools located throughout the County. Institutions of higher education include Passaic County Community College with campuses in Paterson, Wayne and Wanaque; William Paterson University in Wayne and Montclair State University with Little Falls and Clifton. Police, Fire and First Aid squads are for the most part located in and funded by the individual municipalities.

Utilities, including water, sewer, natural gas, electricity and telephone services, are available throughout the County. Garbage removal is either provided for by the various municipalities or through private service.

A range of recreational facilities, historic sites and entertainment activities are offered.

Generally, the County offers those elements needed to attract residential, commercial and industrial development. In addition to its proximity to New York City, the County is located in the "Middle Atlantic" region of the United States representing a multi-billion dollar market that stretches from Boston to Northern Virginia.

The Borough of Ringwood is located in the Northeastern portion of Passaic County. The town contains 28.49 square miles of which 2.91 square miles is water. As of the 2020 United States Census, there were 11,735 people and 4,256 households. The median household income was \$141,800 and the per capita income was \$62,750. The town consists of primarily residential and recreational uses. Commercial uses are somewhat scarce, but are adequate to serve the immediate community.

Greenwood Lake Turnpike (County Route 511) and Skyline Drive (County Route 692) are the most prominent roadways in the town. While there are no state US or Interstate Highways in Ringwood, both Greenwood Lake Turnpike and Skyline Drive intersect with Interstate 287. New Jersey Transit bus services is available from the Ringwood Park and Ride and offers service to the Port Authority Bus Terminal in Midtown Manhattan.

Ringwood is governed under the Borough form of New Jersey municipal government. The government consists of a Mayor and a Borough Council comprising six council members, with all positions elected at large. A Mayor is elected directly by the voters to a four-year term of office. The Borough Council consists of six members elected to serve three-year terms on a staggered basis, with two seats coming up for election each year.

Students in Kindergarten through twelfth grade attend the Ringwood Public schools. There are four elementary/middle schools and nine through twelfth grade students attend Lakeland Regional High School in Wanaque, which also serves the town of Wanaque. Private schools include Ringwood Christian School and St. Catherine of Bologna School.

Ringwood residents are able to join several private lake communities including Skyland Lakes, Cupsaw Lake, Erskine Lakes, and Stonetown. Ringwood State Park is located in the Ramapo Mountains and contains over 4,000 acres of trails and recreation areas. Spring Lake Day Camp provides seasonal services for children in Kindergarten through tenth grade.

The subject property is located on Skyline Drive near the traffic light intersection of Erskine Road. Surrounding uses include retail strip malls, gas stations, and professional and medical office uses. The remainder of the surrounding area consists of predominantly residential construction and open space. Recent trends in the area have been for limited residential construction on large sized lots due to the restrictions imposed by the Highlands designation. Overall, the subject enjoys an average location in a high traffic area of Ringwood.

The subject property has been valued, according to proper appraisal techniques, in terms of its highest and best use. Highest and Best use may be defined as: “the reasonably probable use of property that results in the highest value.”⁵ The definition applies specifically to the highest and best use of land. It is to be recognized that in cases where a site has existing improvements, the highest and best use may very well be determined to 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. Implied within this definition is recognition of the contribution of that 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. In other words, the use determined from analysis represents an opinion, not a fact to. In 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 is *most probable use*. In the context of investment value, an alternative term is *most profitable use*. To analyze highest and best use, two distinct scenarios are considered. The highest and best use of the land as vacant and the highest and best use of the land as improved.

SITE AS VACANT

Legally Permissible

The CC-80 district allows for development of various retail and office uses.

Physical Possibility

I have considered all readily available information pertaining to the physical characteristics of the site including its size, shape, access, topography, flood plain encroachment, and soil characteristics. Based upon my analysis, the subject parcel is conforming and could be developed without a variance. However, the topographic features of much of the parcel would severely constrain development to 3 acres.

⁵ “*The Appraisal of Real Estate*”, Fifteenth Edition Chicago: Appraisal Institute, 2020, Page 305

Financial Feasibility

In order to determine financial feasibility, an appraiser typically estimates the income that can be expected from each potential highest and best use of the property. In order to be financially feasible, revenue from the proposed development must be sufficient to satisfy the required rate of return on the investment. Essentially, a proposed development would be financially feasible if the income to be derived from selling or renting the end product will be sufficient to satisfy the costs of development and the entrepreneurial profit required for such development. The demand for commercial development in this market is low and construction costs are at historic highs. However, existing commercial development in the immediate area is aging and in need of major modernization. A new development would be very attractive to potential commercial tenants and lease up would allow the proposed development to be profitable in a reasonable amount of time.

Maximally Productive

I have considered which use would support the highest land value. The most likely use of the site if vacant is to develop with a commercial facility which is the ideal improvement.

After careful consideration of all factors including the property's physical, legal, and economic characteristics, it is my opinion that the highest and best use of the subject site is for the development of a commercial facility consistent with the requirements of the CC-80 zone. This represents the ideal improvement.

There are three (3) recognized approaches utilized in determining market value. All data utilized in these approaches must come from the market place. The approaches are commonly referred to as the cost, income, and sales comparison.

The cost approach is utilized by estimating, utilizing market costs, the replacement cost of a building and other improvements, deducting depreciation, which is a loss in value from all causes, and adding this depreciated value to the value of the land upon which the improvements are constructed. Depreciation may come from actual physical deterioration, loss in value due to functional inutility, or through a loss in value resulting from economic reasons such as factors in the market place, which would cause the property to rent or sell for an amount not adequate to justify the investment in the improvements.

The income approach to value is utilized by estimating potential gross income, deducting an amount for vacancies and other rent loss and deducting all expenses in order to apply an appropriate capitalization rate to the resulting net income in order to find market value. All income estimates, expense items and capitalization rates must be obtained from the market. In order to derive pertinent income and expense data, appraisers try to obtain all income and expense data from the income-producing properties used as comparables.”⁶

The sales comparison approach is often referred to as the direct comparison approach to value. In utilizing the Sales Comparison Approach we must complete the following procedures. Search the market for recent sales that are similar to the subject, preferably in a nearby location, but ranging as far as necessary to obtain a comprehensive picture. Consider all listings, offerings, and rental data as they may affect current economic conditions, analyze each of the sales as it compares to the subject property, then make plus and minus adjustments to each sale where it is dissimilar to the subject in important aspects such as location, time of sale, size, condition, etc. The purpose is to make each sale as nearly equal to the subject as possible; thereby forming a tight value range and indicating an overall unit of value based on an applicable land and building unit of value. Finally, select several sales that appear most reflective and formulate an opinion of the subject’s value based on this data.

In this report, all three approaches to value were considered. The subject property is vacant land. The subject property type is not typically traded based on its income generating potential and is typically purchased for owner occupancy. Therefore, the income approach was not utilized in this report. The sales comparison approach is the most common and best understood for the valuation vacant land in the subject market. The sales comparison approach was utilized in this report.

⁶“The Appraisal of Real Estate”, Fifteenth Edition Chicago: Appraisal Institute, 2020, Page 439

The sales comparison approach is based on the premise that the informed prudent and rational person (investor or user) applying the principle of substitution will pay no more for a property than the cost of acquiring a similar or comparable property with the same utility as of the valuation date. This approach is predicated on the assumption that there is, in fact, an active market for the type of property being appraised; and that data on recent sales of comparable properties in the same market, representing bona fide arm's-length transactions, are an appropriate guide to the market value of the subject property.

Application of the sales comparison approach requires the comparing and rating of other comparable properties to the property appraised. That is, to develop an indication of what they would have sold for if they had possessed all of the basic and pertinent physical and economic characteristics of the subject property. Indications of such adjusted sales prices are developed for several comparable sales. These indications fall into a pattern clustering around one figure, which, when appropriately rounded, provides an indication of the market value of the subject property as of the date of appraisal.

In addition, the sales comparison approach takes into account such important, but frequently overlooked, market elements as the effect of financing terms on sales prices and sales commissions. Market price is the basic guide to market value in the sales comparison approach. It includes whatever constitutes the cost to the typical informed purchaser.

Sales of properties, as they appear on the following pages, have been assembled for the purpose of providing a comparative basis for the value estimate of the subject property. I have analyzed sales for the 3 acres of land that can be developed and sales of open space land for the remaining 10.44 acres.

COMPARABLE DEVELOPMENT LAND SALES

COMPARABLE DEVELOPMENT LAND SALE ONE	
PROPERTY INFORMATION	
<i>Location:</i>	367 Route 46 Mountain Lakes, Morris County, NJ
<i>Block/Lot/Qualifier:</i>	9 / 3
<i>Property Type:</i>	Vacant Land
SALE INFORMATION	
<i>Date of Sale:</i>	October 1, 2022
<i>Deed Reference:</i>	24529 / 982
<i>Grantor:</i>	George R. Schnatz
<i>Grantee:</i>	GFM Properties Inc
<i>Consideration:</i>	\$300,000
<i>Estate Conveyed:</i>	Fee Simple
<i>Terms/Conditions:</i>	Arm's Length / Cash to Seller
<i>Land Sold:</i>	Subject to approvals
NEIGHBORHOOD DATA AND ANALYSIS	
<i>Zoning:</i>	R-1
<i>Utilities:</i>	All Available
SITE DATA AND ANALYSIS	
<i>Land Size (Square Feet):</i>	51,008 square feet
<i>Acres:</i>	1.171 acres
<i>Shape:</i>	Generally Rectangular
<i>Topography:</i>	Generally Level at Grade
<i>Highest and Best Use:</i>	Commercial development

COMPARABLE DEVELOPMENT LAND SALES, CONTINUED

MARKET INDICATORS	
SP / AC – Land:	\$256,191
COMMENTS	
<p>Sale of a property located on a busy highway in an established commercial corridor in Morris County. The subject sold with approvals for commercial development and required a variance to get approvals. A premium was paid since approvals were obtained prior to the sale.</p>	
TAX MAP	
<p>The tax map displays a grid of numbered lots (1-12) and various roads. Lot 9, located on the east side of Route 46, is highlighted in yellow. Other roads shown include State Highway, Rainbow Trail, Lakewood Drive, and Crestwood Drive. The map also indicates boundary lines and specific acreage for several lots, such as 3.42 acres for lot 2 and 1.09 acres for lot 9. A note at the bottom right of the map states 'TOTAL AREA 14.2 AC'.</p>	

COMPARABLE DEVELOPMENT LAND SALES, CONTINUED

COMPARABLE DEVELOPMENT LAND SALE TWO	
PROPERTY INFORMATION	
<i>Location:</i>	1414 Route 23 Butler, Morris County, NJ
<i>Block/Lot/Qualifier:</i>	51 / 9
<i>Property Type:</i>	Vacant Land
SALE INFORMATION	
<i>Date of Sale:</i>	June 5, 2023
<i>Deed Reference:</i>	24611 / 1405
<i>Grantor:</i>	PVC Corp.
<i>Grantee:</i>	PSI Atlantic Butler NJ, LLC
<i>Consideration:</i>	\$1,840,000 (\$1,640,000 adjusted for improvement value)
<i>Estate Conveyed:</i>	Fee Simple
<i>Terms/Conditions:</i>	Arm's Length / Cash to Seller
<i>Land Sold:</i>	By Right
NEIGHBORHOOD DATA AND ANALYSIS	
<i>Zoning:</i>	HC-2
<i>Utilities:</i>	All Available
SITE DATA AND ANALYSIS	
<i>Land Size (Square Feet):</i>	209,610
<i>Acres:</i>	4.812
<i>Shape:</i>	Generally Rectangular
<i>Topography:</i>	Generally Level at Grade
<i>Highest and Best Use:</i>	Commercial development

COMPARABLE DEVELOPMENT LAND SALES, CONTINUED

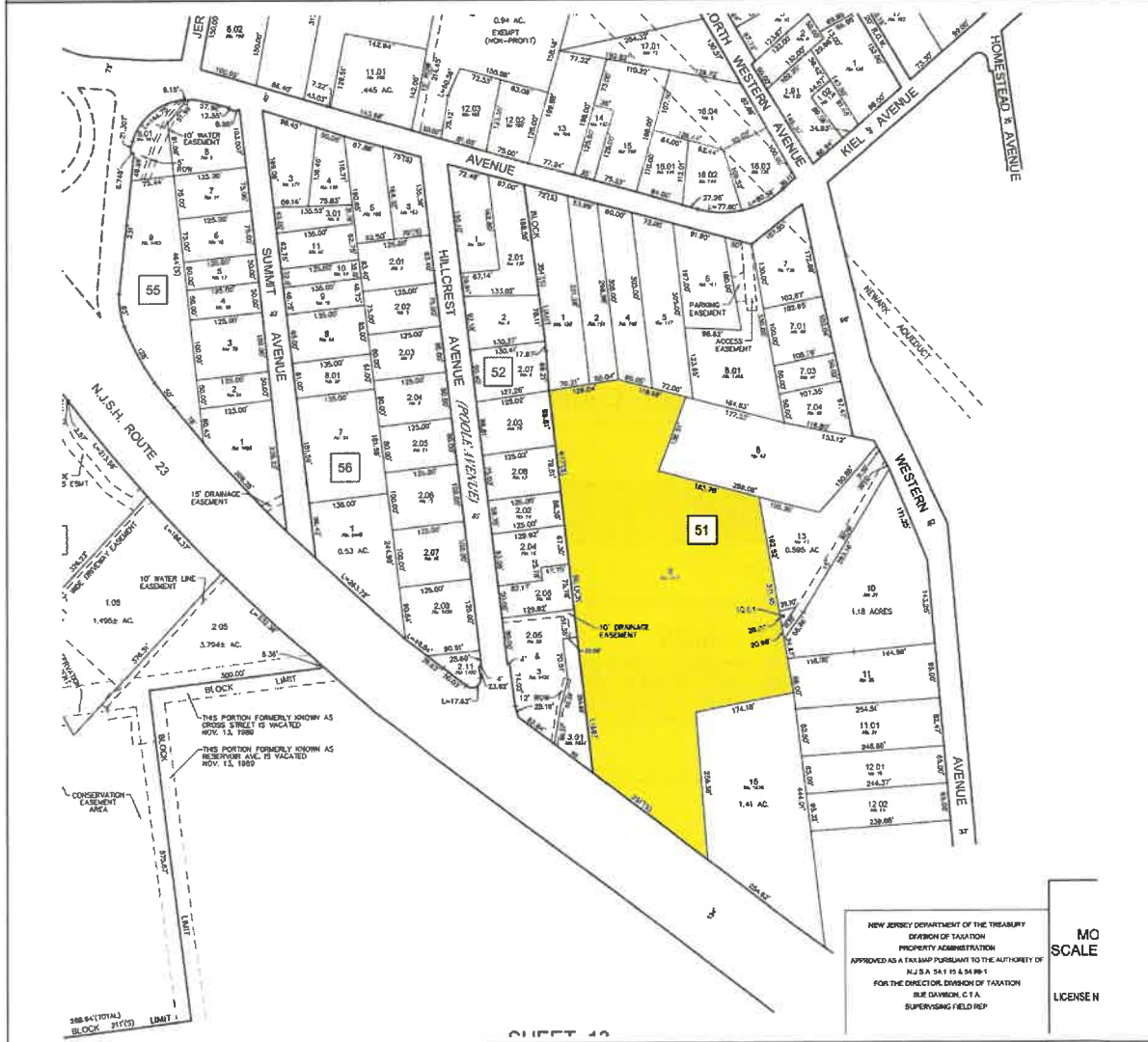
MARKET INDICATORS

SP / AC – Land: \$340,814 (after adjustment for improvement)

COMMENTS

Sale of a property located on a busy highway in an established commercial corridor in Morris County. The subject sold with a diner building (vacant ATS) containing approximately 4,000 square feet. Based on my analysis, the diner building contributed \$200,000 towards the overall purchase price. The indicated sale price for the land is \$1,640,000.

TAX MAP



COMPARABLE DEVELOPMENT LAND SALES, CONTINUED

COMPARABLE DEVELOPMENT LAND SALE THREE	
PROPERTY INFORMATION	
<i>Location:</i>	331 Route 202 Montville, Morris County, NJ
<i>Block/Lot/Qualifier:</i>	59.2 / 26
<i>Property Type:</i>	Vacant Land
SALE INFORMATION	
<i>Date of Sale:</i>	December 28, 2023
<i>Deed Reference:</i>	24702 / 126
<i>Grantor:</i>	Public Service Electric and Goas Co
<i>Grantee:</i>	DP 331 Main LLC
<i>Consideration:</i>	\$1,718,333
<i>Estate Conveyed:</i>	Fee Simple
<i>Terms/Conditions:</i>	Arm's Length / Cash to Seller
<i>Land Sold:</i>	By Right
NEIGHBORHOOD DATA AND ANALYSIS	
<i>Zoning:</i>	OB-5
<i>Utilities:</i>	All Available
SITE DATA AND ANALYSIS	
<i>Land Size (Square Feet):</i>	648,608
<i>Acres:</i>	14.89
<i>Shape:</i>	Irregular
<i>Topography:</i>	Generally Level
<i>Highest and Best Use:</i>	Commercial development

COMPARABLE DEVELOPMENT LAND SALES, CONTINUED

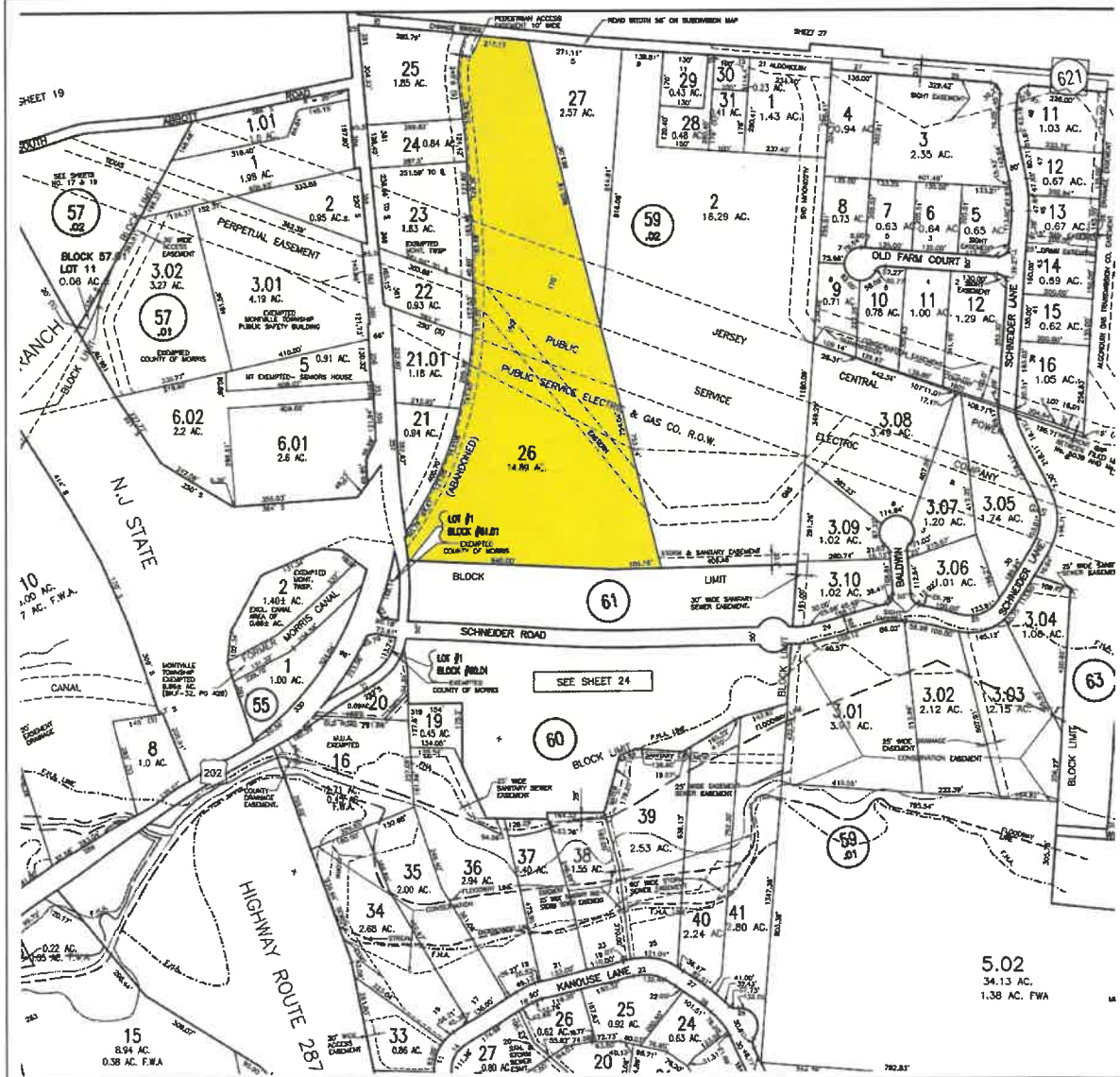
MARKET INDICATORS

SP / AC - Land: \$115,401

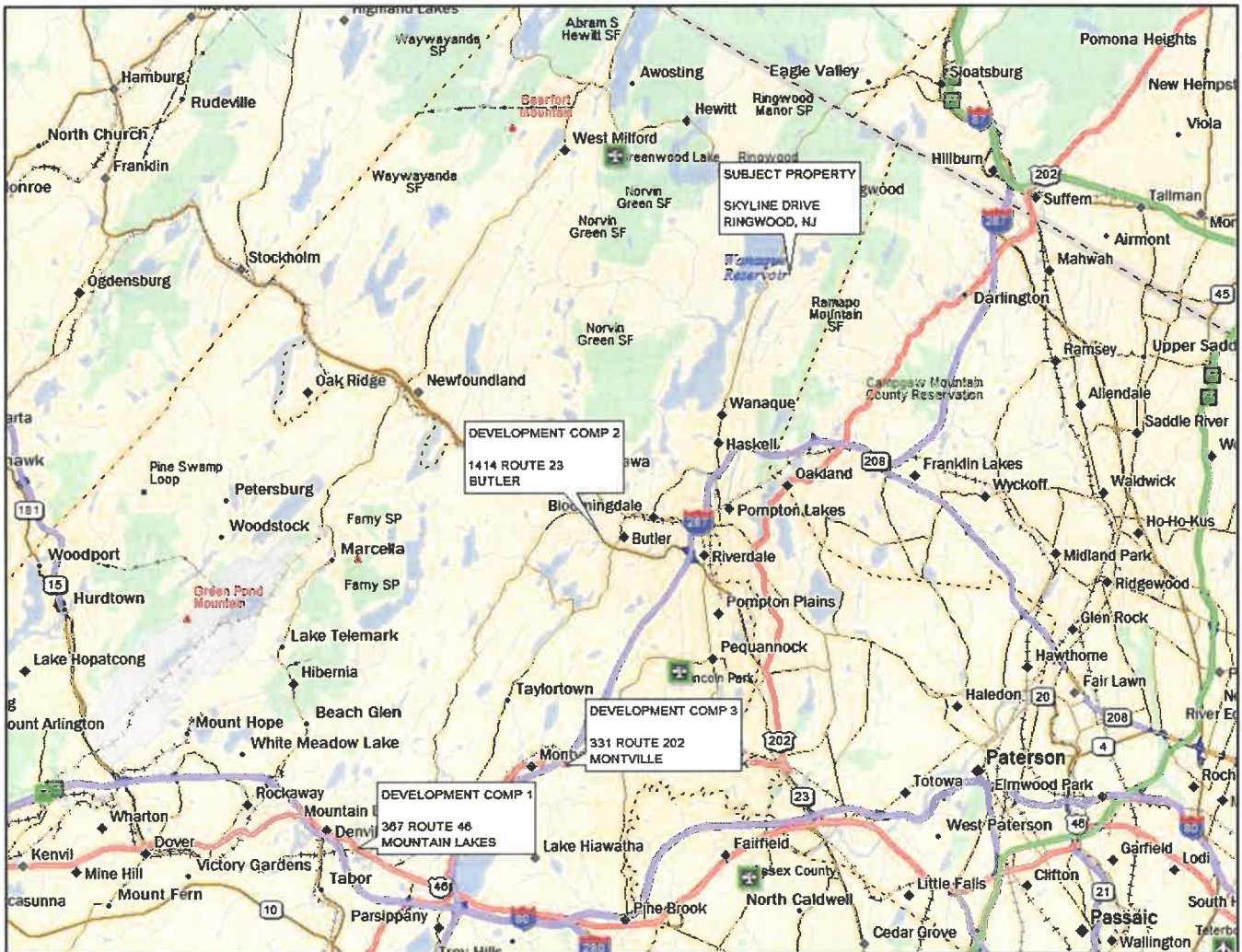
COMMENTS

Sale of a property located in a secondary commercial corridor in Morris County. The land was purchased for commercial development but no approvals were in place at the time of the sale.

TAX MAP



COMPARABLE DEVELOPMENT LAND SALES MAP



DEVELOPMENT LAND SALE SUMMARY AND ADJUSTMENT GRID

SUBJECT		COMPARABLE # 1	COMPARABLE # 2	COMPARABLE # 3
Address	Skyline Drive	367 Route 46	1414 Route 23	331 Route 202
Town	Ringwood	Mountain Lakes	Butler	Montville
Block / Lot	801 / 4	9 / 3	51 / 9	59.2 / 26
County	Passaic	Morris	Morris	Morris
Sale Amount		\$300,000	\$1,640,000	\$1,718,333
Price per Unit		\$256,191.29	\$340,814.63	\$115,401.81
Sale Date		10/1/2022	6/5/2023	12/28/2023
DESCRIPTION				
Property Rights		Fee Simple	0.00%	Fee Simple
Financing Terms		None	0.00%	None
Conditions of Sale		None	0.00%	None
Expenditures Made		None	0.00%	None
Adjusted Price:		\$300,000	\$1,640,000	\$1,718,333
Adjusted Price per Acre:		\$256,191.29	\$340,814.63	\$115,401.81
Market Conditions (Time)		10/1/2022	6/5/2023	12/28/2023
Location	Average	Superior	Superior	Similar
Lot Size	3.000	1.17	4.81	14.89
Zoning	CC-80	R-1	HC-2	OB-5
Approvals	By Right	Approvals	By Right	By Right
Lot Utility	Access	Superior	Superior	Similar
NET ADJ. (Percentage)		-40.00%	-25.00%	0.00%
NET ADJ. (Amount)		-\$102,477	-\$85,204	\$0
ADJUSTED \$ / ACRE		\$153,714.77	\$255,610.97	\$115,401.81

COMPARABLE DEVELOPMENT LAND SALE ANALYSIS

Numerous land sales were considered for analysis in order to estimate the market value of the portion of the subject land parcel that can be developed (3.00 acres). The sales selected were most comparable to the subject property. My analysis of the comparable sales considers adjustments for date of sale, lot size, zoning and any other discernible physical characteristics. In order to refine the value indicators, adjustments for the critical qualitative elements of each sale were made with respect to the particular characteristics. A comparable land sale adjustment grid is presented on the previous page. The following paragraphs explain the basis for the adjustments.

Property Rights Conveyed:

All of the sales were fee simple estate therefore, none required adjustment.

Terms of Sale/Financing/Expenditures Made:

Comparable sale two was adjusted by -\$200,000 prior to adjustment to account for the improvement value that existed on the property. None of the other comparables required adjustment.

Market Conditions (Time):

The sales occurred between October 2022 and December 2023. My research of the subject market segment has revealed that sales of properties purchased for development have remained stable over the sampling period. Therefore, no adjustment for time was warranted.

Location:

The subject property is located near the commercial center of Ringwood, which is a desirable location. Comparable sales one and two are located on primary retail corridors and were deemed to be superior to the subject. These comparables required adjustment.

Lot Size (acres):

The subject lot contains 3.00 acre of land that can be developed. Based on my analysis, none of the comparables required adjustments.

Zoning:

The subject property is located in a commercial zone in Ringwood, which is highly desirable. Comparable sale two is located in a highway commercial zone which allows for a wide range of commercial uses that exceeds the subject zoning. Comparable sale two was adjusted accordingly.

COMPARABLE DEVELOPMENT LAND SALES ANALYSIS, CONTINUED

Approvals:

The subject property does not have approvals for development but can be developed consistent with the zoning requirements, by right. Comparable sale one sold with approvals in place and required adjustment.

Lot Utility:

Access to the subject land that can be developed would have to be through the adjacent lot. Comparable sales one and two are deemed to have superior access when compared to the subject and required adjustment. Comparable sale three is restricted by easements and was deemed to be similar to the subject.

Conclusion for Development Land Valuation:

Based upon the adjustments described above, the adjusted rate per acre ranges from \$115,401 to \$255,610. Based on my analysis, I have determined that the market supports a value indication of \$175,000 per acre for the 3.00 acres of development land at the subject property or \$525,000 (\$175,000 per acre x's 3.00 acres (rounded)).

COMPARABLE OPEN SPACE LAND SALE ONE	
PROPERTY INFORMATION	
<i>Location:</i>	730 Ramapo Valley Road Mahwah, Bergen County, NJ
<i>Block/Lot/Qualifier:</i>	19 / 11
<i>Property Type:</i>	Vacant Land
SALE INFORMATION	
<i>Date of Sale:</i>	December 18, 2017
<i>Deed Reference:</i>	2872 / 150
<i>Grantor:</i>	Township of Mahwah
<i>Grantee:</i>	Bergen County c/o Co Counsel
<i>Consideration:</i>	\$1,350,000
<i>Estate Conveyed:</i>	Fee Simple
<i>Terms/Conditions:</i>	Arm's Length / Cash to Seller
<i>Land Sold:</i>	By Right
NEIGHBORHOOD DATA AND ANALYSIS	
<i>Zoning:</i>	R-80 / Highlands Preservation Area
<i>Utilities:</i>	All Available
SITE DATA AND ANALYSIS	
<i>Land Size (Square Feet):</i>	785,386 square feet
<i>Acres:</i>	18.03
<i>Shape:</i>	Generally Rectangular
<i>Topography:</i>	Generally Level at Grade
<i>Highest and Best Use:</i>	Open Space

COMPARABLE OPEN SPACE LAND SALES, CONTINUED

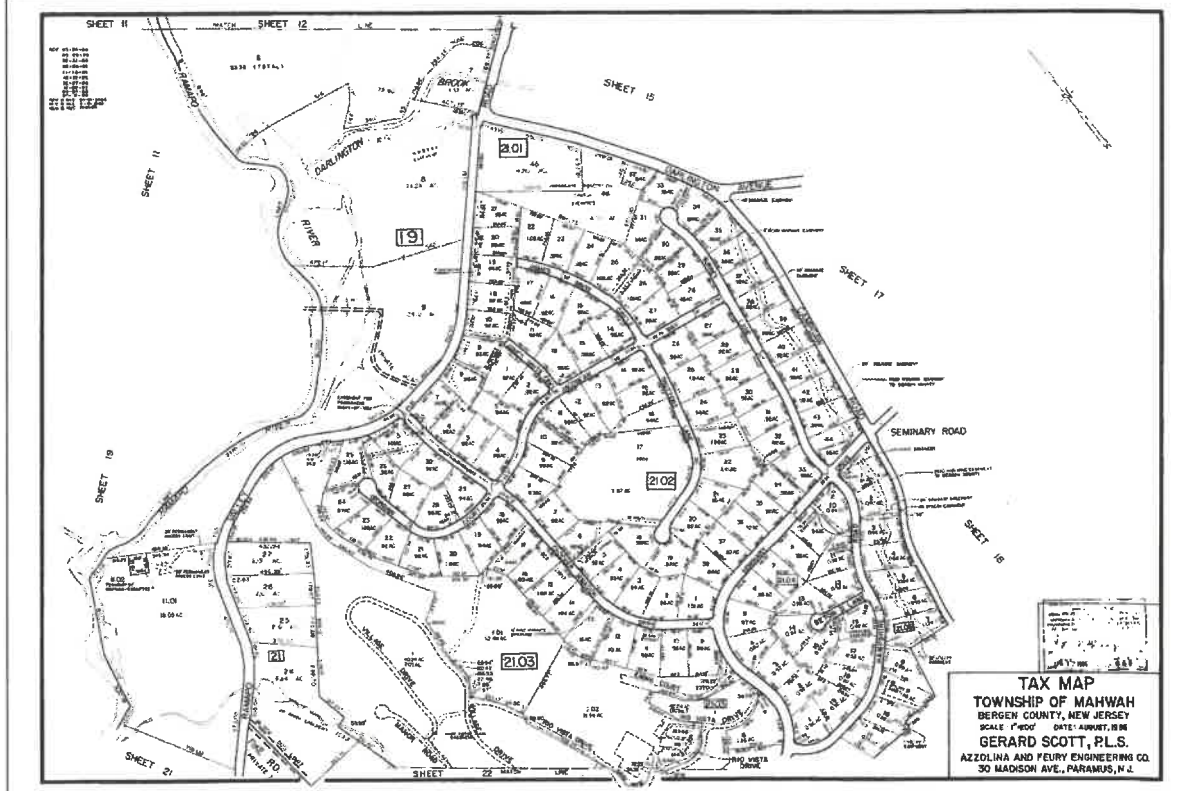
MARKET INDICATORS

SP / AC – Land: \$74,875.21

COMMENTS

Sale of a large tract of land along Ramapo Valley Road in close proximity to the subject. The property purchased for parkland use and is located in the Highlands Preservation Area. Sale conditions were confirmed with the Assessor and Grantor as well as the deed.

TAX MAP



COMPARABLE OPEN SPACE LAND SALES, CONTINUED

COMPARABLE OPEN SPACE LAND SALE TWO	
PROPERTY INFORMATION	
<i>Location:</i>	127 Summit Avenue Montvale, Bergen County, NJ
<i>Block/Lot/Qualifier:</i>	1002 / 7
<i>Property Type:</i>	Vacant Land
SALE INFORMATION	
<i>Date of Sale:</i>	May 3, 2018
<i>Deed Reference:</i>	2963 / 793
<i>Grantor:</i>	Reno A. Del Ben
<i>Grantee:</i>	Summit Avenue Holding, LLC
<i>Consideration:</i>	\$750,000
<i>Estate Conveyed:</i>	Fee Simple
<i>Terms/Conditions:</i>	Arm's Length / Cash to Seller
<i>Land Sold:</i>	By Right
NEIGHBORHOOD DATA AND ANALYSIS	
<i>Zoning:</i>	AH6
<i>Utilities:</i>	All Available
SITE DATA AND ANALYSIS	
<i>Land Size (Square Feet):</i>	1,237,278
<i>Acres:</i>	28.404
<i>Shape:</i>	Generally Rectangular
<i>Topography:</i>	Generally Level at Grade
<i>Highest and Best Use:</i>	Open Space

COMPARABLE OPEN SPACE LAND SALES, CONTINUED

MARKET INDICATORS	
SP / AC – Land:	\$26,404.73
COMMENTS	
<p>Sale of a large tract of land along Summit Avenue in Montvale. The property has two large easements thru it prohibiting development. Sale conditions were confirmed with the Assessor as well as the deed.</p>	
TAX MAP	

COMPARABLE OPEN SPACE LAND SALES, CONTINUED

COMPARABLE OPEN SPACE LAND SALE THREE	
PROPERTY INFORMATION	
<i>Location:</i>	Route 23 Riverdale, Morris County, New Jersey
<i>Block/Lot/Qualifier:</i>	37 / 4
<i>Property Type:</i>	Vacant Land
SALE INFORMATION	
<i>Date of Sale:</i>	December 26, 2018
<i>Deed Reference:</i>	23476 / 663
<i>Grantor:</i>	Estate of Anita Petracca
<i>Grantee:</i>	County of Morris
<i>Consideration:</i>	\$137,120
<i>Estate Conveyed:</i>	Fee Simple
<i>Terms/Conditions:</i>	Arm's Length / Cash to Seller
<i>Land Sold:</i>	By Right
NEIGHBORHOOD DATA AND ANALYSIS	
<i>Zoning:</i>	R120 / Highlands Preservation Area
<i>Utilities:</i>	All Available
SITE DATA AND ANALYSIS	
<i>Land Size (Square Feet):</i>	142,441 square feet
<i>Acres:</i>	3.270
<i>Shape:</i>	Irregular
<i>Topography:</i>	Steep
<i>Highest and Best Use:</i>	Open Space

COMPARABLE OPEN SPACE LAND SALES, CONTINUED

MARKET INDICATORS

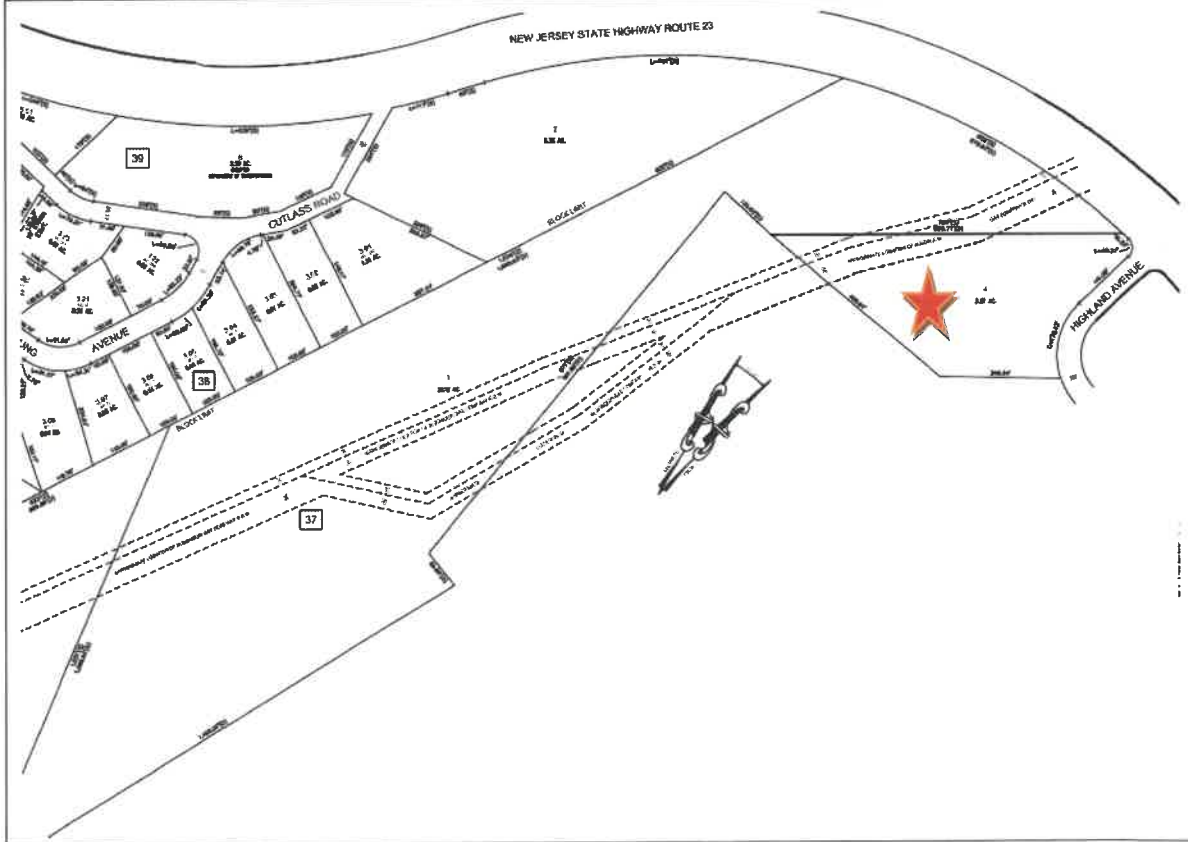
SP / AC – Land:

\$41,932.72

COMMENTS

Sale of a tract of land along Route 23. The land was purchased to be utilized as a park and is located in the Highlands Preservation Area. Sale conditions were confirmed with the Assessor and the deed.

TAX MAP



COMPARABLE OPEN SPACE LAND SALES, CONTINUED

COMPARABLE OPEN SPACE LAND SALE FOUR	
PROPERTY INFORMATION	
<i>Location:</i>	Route 23 Riverdale, Morris County, New Jersey
<i>Block/Lot/Qualifier:</i>	37 / 1 & 2
<i>Property Type:</i>	Vacant Land
SALE INFORMATION	
<i>Date of Sale:</i>	April 15, 2019
<i>Deed Reference:</i>	23527 / 1368
<i>Grantor:</i>	Allenwood Corp.
<i>Grantee:</i>	County of Morris
<i>Consideration:</i>	\$445,111
<i>Estate Conveyed:</i>	Fee Simple
<i>Terms/Conditions:</i>	Arm's Length / Cash to Seller
<i>Land Sold:</i>	By Right
NEIGHBORHOOD DATA AND ANALYSIS	
<i>Zoning:</i>	R120 / Highlands Preservation Area
<i>Utilities:</i>	All Available
SITE DATA AND ANALYSIS	
<i>Land Size (Square Feet):</i>	1,280,664 square feet
<i>Acres:</i>	29.40
<i>Shape:</i>	Irregular
<i>Topography:</i>	Steep
<i>Highest and Best Use:</i>	Open Space

COMPARABLE OPEN SPACE LAND SALES, CONTINUED

MARKET INDICATORS	
SP / AC – Land:	\$15,139
COMMENTS	
<p>Sale of a tract of land along Route 23. The land was purchased to be utilized as a park. Sale conditions were confirmed with the Assessor and the deed. The lot is severely impacted by shape, access, and easements and is located in the Highlands Preservation Area.</p>	
TAX MAP	

COMPARABLE OPEN SPACE LAND SALES, CONTINUED

COMPARABLE OPEN SPACE LAND SALE FIVE	
PROPERTY INFORMATION	
<i>Location:</i>	Eagle Rock Avenue West Orange, Essex County, New Jersey
<i>Block/Lot/Qualifier:</i>	174 / 1
<i>Property Type:</i>	Vacant Land
SALE INFORMATION	
<i>Date of Sale:</i>	December 28, 2021
<i>Deed Reference:</i>	20220 / 00971
<i>Grantor:</i>	Crestmont Country Club
<i>Grantee:</i>	Township of West Orange
<i>Consideration:</i>	\$4,500,000
<i>Estate Conveyed:</i>	Fee Simple
<i>Terms/Conditions:</i>	Arm's Length / Cash to Seller
<i>Land Sold:</i>	By Right
NEIGHBORHOOD DATA AND ANALYSIS	
<i>Zoning:</i>	R-2
<i>Utilities:</i>	All Available
SITE DATA AND ANALYSIS	
<i>Land Size (Square Feet):</i>	4,138,200 square feet
<i>Acres:</i>	95.00
<i>Shape:</i>	Irregular
<i>Topography:</i>	Rolling
<i>Highest and Best Use:</i>	Open Space

COMPARABLE OPEN SPACE LAND SALES, CONTINUED

MARKET INDICATORS	
SP / AC – Land:	\$47,368
COMMENTS	
<p>Sale of a tract of land near Crestmont Country Club. The land was purchased to be preserved as open space. Sale conditions were confirmed with the Assessor and the deed.</p>	
TAX MAP	
	

COMPARABLE OPEN SPACE LAND SALES, CONTINUED

COMPARABLE OPEN SPACE LAND SALE SIX	
PROPERTY INFORMATION	
<i>Location:</i>	29 Muller Road Oakland, Bergen County, New Jersey
<i>Block/Lot/Qualifier:</i>	301 / 2.01
<i>Property Type:</i>	Vacant Land
SALE INFORMATION	
<i>Date of Sale:</i>	June 13, 2022
<i>Deed Reference:</i>	4773 / 561
<i>Grantor:</i>	The Dewey Electronics Corporation
<i>Grantee:</i>	Dredge Muller, LLC
<i>Consideration:</i>	\$2,250,000
<i>Estate Conveyed:</i>	Fee Simple
<i>Terms/Conditions:</i>	Arm's Length / Cash to Seller
<i>Land Sold:</i>	By Right
NEIGHBORHOOD DATA AND ANALYSIS	
<i>Zoning:</i>	CO & IP
<i>Utilities:</i>	All Available
SITE DATA AND ANALYSIS	
<i>Land Size (Square Feet):</i>	2,951,625 square feet
<i>Acres:</i>	67.76
<i>Shape:</i>	Irregular
<i>Topography:</i>	Slight slope
<i>Highest and Best Use:</i>	Open Space

COMPARABLE OPEN SPACE LAND SALES, CONTINUED

MARKET INDICATORS

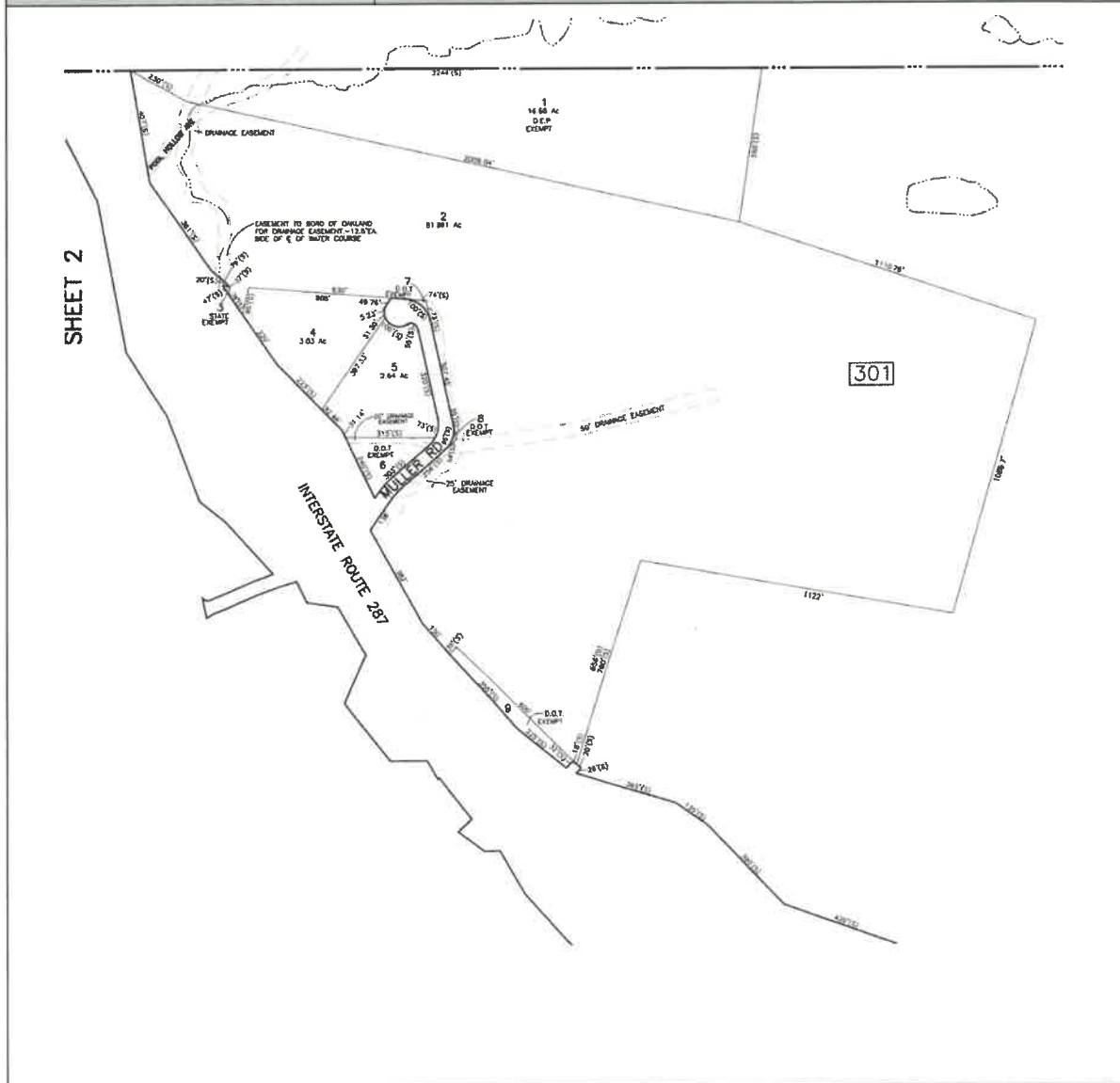
SP / AC - Land:

\$33,205

COMMENTS

Sale of a tract of land near an industrial park. The land was purchased to be preserved as open space. Sale conditions were confirmed with the Assessor and the deed.

TAX MAP



COMPARABLE OPEN SPACE LAND SALES MAP



OPEN SPACE SALE SUMMARY AND ADJUSTMENT GRID

	SUBJECT	COMPARABLE # 1	COMPARABLE # 2	COMPARABLE # 3	COMPARABLE # 4	COMPARABLE # 5	COMPARABLE # 6
Address	Skyline Drive	730 Ramapo Vly Rd	127 Summit Ave	Route 23	Route 23	Eagle Rock Ave	29 Muller Rd
Town	Ringwood	Martwah	Montvale	Riverdale	Riverdale	West Orange	Oakland
Block / Lot	801 / 4	19 / 11	1002 / 7	37 / 4	37 / 1 & 2	174 / 1	301 / 2.01
County	Passaic	Bergen	Bergen	Morris	Morris	Essex	Bergen
Sale Amount	\$1,350,000	\$750,000	\$750,000	\$137,120	\$445,111	\$4,500,000	\$2,250,000
Price per Unit	\$74,875.21	\$26,404.73	\$41,932.72	\$15,139.83	\$47,388.42	\$47,388.42	\$33,205.43
Sale Date	12/18/2017	5/3/2018	12/26/2018	4/15/2019	12/28/2021	12/28/2021	6/13/2022
	DESCRIPTION						
Property Rights		Fee Simple	0.00%	0.00%	0.00%	0.00%	Fee Simple
Financing Terms		None	0.00%	0.00%	0.00%	None	None
Conditions of Sale		None	0.00%	0.00%	0.00%	None	None
Expenditures Made		None	0.00%	0.00%	0.00%	None	None
Adjusted Price:		\$1,350,000	\$750,000	\$137,120	\$445,111	\$4,500,000	\$2,250,000
Adjusted Price per Acre:		\$74,875.21	\$26,404.73	\$41,932.72	\$15,139.83	\$47,388.42	\$33,205.43
Market Conditions (Time)		12/18/2017	5/3/2018	12/26/2018	4/15/2019	12/28/2021	6/13/2022
Location	Average	Similar	Similar	Similar	Similar	Similar	Similar
Lot Size	10.440	18.03	28.40	3.27	29.40	95.00	67.76
Zoning	CC-80	R-80 / HL	AH6	R120 - HL	R120 - HL	R-2	CO & IP
Lot Utility	Open Space	Similar	Inferior	Similar	Inferior	Inferior	Similar
NET ADJ. (Percentage)		0.00%	20.00%	0.00%	50.00%	45.00%	20.00%
NET ADJ. (Amount)		\$0	\$5,281	\$0	\$7,570	\$21,316	\$6,641
ADJUSTED \$ / ACRE		\$74,875.21	\$31,685.68	\$41,932.72	\$22,709.74	\$68,684.21	\$39,846.52

Numerous land sales were considered for analysis in order to estimate the market value of the subject land parcel. The sales selected were most comparable to the subject property. My analysis of the comparable sales considers adjustments for date of sale, lot size, zoning and any other discernible physical characteristics. In order to refine the value indicators, adjustments for the critical qualitative elements of each sale were made with respect to the particular characteristics. A comparable land sale adjustment grid is presented on the previous page. The following paragraphs explain the basis for the adjustments.

Property Rights Conveyed:

All of the sales were fee simple estate therefore, none required adjustment.

Terms of Sale/Financing/Expenditures Made:

None of the comparable sales required adjustment.

Market Conditions (Time):

The sales occurred between December 2017 and June 2022. My research of the subject market segment has revealed that sales of properties purchased for open space are remote and value indications have remained stable over the sampling period. Therefore, no adjustment for time was warranted.

Location:

The subject property is located near the commercial center of Ringwood, which is a desirable location. All comparables were deemed to be inferior in location to the subject and required adjustment.

Lot Size (acres):

The subject lot contains 10.44 acres of open space land. Based on my analysis, comparables five and six are significantly larger than the subject and required adjustment.

Zoning:

The subject property is located in a commercial zone in Ringwood, which is highly desirable. However, the restrictions imposed on the subject by the Highlands classification severely inhibit development of the 10.44 acres of remaining land. Comparables that are not located in the Highlands were adjusted accordingly.

COMPARABLE OPEN SPACE LAND SALES ANALYSIS, CONTINUED

Lot Utility:

Comparable sale four can only be accessed through an adjacent lot and is severely impacted by shape and easements that bisect the parcel. Comparable sales two and five suffer from similar influences as comparable sale four, but have street access. Based on my analysis, all of these comparables required adjustment.

Conclusion for Open Space Land Valuation:

Based upon the adjustments described above, the adjusted rate per acre ranges from \$22,709 to \$74,875. Comparable sales four, five, and six required a large amount of gross adjustments, which limits the reliability of the adjusted rate per acre. Refining the analysis to comparable sales one, two, and three provides a more accurate indication with minimal adjustments. Furthermore, comparable sales one and three are both located in the Highlands Preservation Area and are subject to the same restrictions imposed on the subject property. Based on my analysis, the most weight was given to the indications provided from comparable sales one and three. I have determined that the market supports a value indication of \$50,000 per acre for 10.44 acres of the subject property or \$522,000 (\$50,000 per acre x's 10.44 acres (rounded)).

RECONCILIATION AND VALUE CONCLUSION

In my appraisal, the three approaches to value have produced the following conclusions:

Date of Value: March 21, 2024	Development Land	Open Space Land	Overall Value
Cost Approach	Not Applicable	Not Applicable	Not Applicable
Sales Comparison Approach	\$525,000	\$522,000	\$1,047,000
Income Approach	Not Applicable	Not Applicable	Not Applicable

The Sales Comparison Approach is considered strongly supportive of value as of the appraisal dates. Through this approach, evidence was given to support my final conclusion and estimate of value. This approach is the most common and best understood because it is held that, under the sales comparison method, a whole property is compared with the sale of another whole property. The absence of perfect comparability within limits would be solved by the exercise of sound appraisal judgment. I have researched and compared numerous sales and have utilized in this report sales of similar properties situated in the subject market.

It is my opinion that the fair market value of the subject property as of March 21, 2024 is:

\$1,047,000
(One Million Forty-Seven Thousand Dollars)

CONTINGENT AND LIMITING CONDITIONS

The content, analyses, and opinions set forth in this report are the sole product of the appraiser. Use of or reliance on this appraisal report, regardless of whether such use or reliance is known or authorized by the appraiser, constitutes acknowledgment and acceptance of these general assumptions and limited conditions, any extraordinary assumptions or hypothetical conditions, and any other terms or conditions stated in this report.

No responsibility is assumed for matters legal in character or nature. No opinion is rendered as to title, which is assumed to be good and marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, having responsible ownership and competent management.

I have examined the property described herein exclusively for the purposes of identification and description of the real property. The objective of data collection is to develop an opinion of the highest and best use of the subject property and make meaningful comparisons in the valuation of the property. The appraiser's observations and reporting of the subject improvements are for the appraisal process and valuation purposes only and should not be considered as a warranty of any component of the property. This appraisal assumes (unless otherwise specifically stated) that the subject is structurally sound and all components are in working condition. If this valuation conclusion is subject to satisfactory completion, repairs, or alterations, it is assumed that the improvements will be completed competently and without significant deviation.

It is assumed that the property is in compliance with all applicable federal, state, and local laws, ordinances, regulations, building standards, use restrictions and zoning unless the lack of compliance is stated in this report. Determining and reporting on such compliance were not part of the scope of work for this assignment. It is assumed that all water, sewer facilities (if applicable) and utilities (whether existing or proposed) are or will be in good working order, are safe for use, and are or will be sufficient to serve the current or proposed uses of the subject property or any structures or other improvements. Determining and reporting on such matters were not part of the scope of work for this assignment.

Unless otherwise stated in this report, the past or current existence of hazardous materials or environmental contamination on, below, or near the subject property was not observed or known by the appraiser. The appraiser, however, is not qualified to detect such substances or to make determinations about their presence. The presence of potentially hazardous materials or environmental contamination may affect the value of the property. Unless otherwise stated, the value estimated is predicated on the assumption that there is no such material on, below or affecting the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering assistance required to discover them. The intended user is urged to retain an expert in this field, if desired.

CONTINGENT AND LIMITING CONDITIONS, CONTINUED

I have noted in this appraisal report any significant adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) discovered during the data collection process in performing the appraisal. Unless otherwise stated in this appraisal report, I have no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and have assumed that there are no such conditions and make no guarantees or warranties, expressed or implied. I will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because I am not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable public and/or private sources that I believe to be true and correct.

I will not be required to give testimony or appear in court because of having made an appraisal of the property in question, unless specific arrangements to do so have been made in advance, or as otherwise required by law. I will not disclose the contents of this appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and/or applicable federal, state or local laws.

The Client is the party or parties who engage an appraiser (by employment contract) in a specific assignment. A party receiving a copy of this report from the client does not, as a consequence, become a party to the appraiser-client relationship. Any person who receives a copy of this appraisal report as a consequence of disclosure requirements that apply to an appraiser's client, does not become an intended user of this report unless the client specifically identified them at the time of the assignment. The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by any but the applicant without the previous written consent of Associated Appraisal Group and then only with proper qualification and only in its entirety.

The distribution of the total valuation of this report between land and improvements applies only under the existing or proposed program of utilization. Should a separate value for land and building be offered, they must not be used in conjunction with any other appraisal and are invalid if so used.

CONTINGENT AND LIMITING CONDITIONS, CONTINUED

Recent civil rights legislation has been implemented which requires compliance with the "Americans with Disabilities Act" (ADA). The purpose of this legislation is to provide access for disabled or handicapped people to the public and commercial facilities. It is recommended a qualified architect inspect the property to determine its compliance.

No survey was made for this report. Property lines, area, etc., of record, or otherwise provided, are assumed to be correct. The exhibits or sketch included in this report are only to assist the reader in visualizing the property.

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. As such, it presents only a summary of the data, reasoning, and analysis that were used in the appraisal process to develop the appraisers' opinion of value.

Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion, contained in this report is specific to the needs of the client and for the intended use previously stated. The appraiser is not responsible for unauthorized use of this report.

Furthermore, this report is intended for use in conjunction with a potential purchase of the subject property and should not be used for any other purpose.

DARREN RAYMOND, MAI, SCGREA
STATE CERTIFIED GENERAL REAL ESTATE APPRAISER

EDUCATION:

UNIVERSITY OF VERMONT
Burlington, Vermont
B.A., History

REAL ESTATE EDUCATION:

THE APPRAISAL INSTITUTE:

Course 110: Appraisal Principles
Course 120: Appraisal Procedures
Course 200: Residential Market Analysis and Highest and Best Use
Course 310: Basic Income Capitalization
Course 320: General Applications
Course 410: Uniform Standards Professional Appraisal Practice
General Appraiser Report Writing and Case Studies
Advanced Market Analysis and Highest and Best Use
Advanced Income Capitalization
Advanced Concepts and Case Studies

EXPERIENCE:

2010 – Present

ASSOCIATED APPRAISAL GROUP
Senior Appraiser

- Narrative report writing for the Tax Court of New Jersey, condemnation matters, lending institutions, various governmental agencies and private clients.
- Expert witness at the Tax Court of New Jersey and various County Boards of Taxation.
- Advisory services for Tax Assessors, reassessment programs, and revaluation programs.

1998 – 2010

APPRAISAL SYSTEMS, INC.
Senior Appraiser / Commercial Supervisor

- Responsible for all phases of revaluation programs relating to commercial properties, including the estimation of all property values in municipalities throughout Bergen, Essex, Hunterdon, Monmouth, Morris, Ocean, Passaic, Sussex, Union and Warren Counties.
- Assistance in narrative report writing for the Tax Court of New Jersey, condemnation matters, lending institutions, various governmental agencies and private clients.
- Expert witness at the Tax Court of New Jersey and various County Boards of Taxation.
- Educational presenter for various County Tax Boards and New Jersey State sponsored continuing education courses.

EXPERT WITNESS:

Tax Court of New Jersey

Morris County Board of Taxation
Burlington County Board of Taxation
Essex County Board of Taxation
Hudson County Board of Taxation
Hunterdon County Board of Taxation
Mercer County Board of Taxation
Middlesex County Board of Taxation
Monmouth County Board of Taxation
Morris County Board of Taxation
Ocean County Board of Taxation
Passaic County Board of Taxation
Somerset County Board of Taxation
Sussex County Board of Taxation
Union County Board of Taxation
Warren County Board of Taxation

LICENSES AND AFFILIATIONS:

Designated Member – The Appraisal Institute

New Jersey Board of Real Estate Appraisers
State Certified General Real Estate Appraiser: **42RG00208200**
Valid through 12/31/2025

ADDENDUM



Advanced Property Report

State of New Jersey Highlands Water Protection and Planning Council
100 North Road (Route 513), Chester, NJ 07930 | Telephone: (908) 879-6737 | Fax: (908) 879-4205

Disclaimer:
Please be advised that any information generated in this report does not constitute a formal Consistency Determination from the Highlands Council. The information contained herein is provided solely for informational purposes and is not to be construed as providing advice, recommendations, endorsements, representations or warranties of any kind whatsoever.

Report for Block 801, Lot 4 in RINGWOOD BORO



MOD IV Data

Block	801
Lot	4
Municipality	RINGWOOD BORO
County	PASSAIC
Qualifier	-
Owner	N/A
Property Location	SKYLINE DR
Local Zoning	Community Commercial

NJ Highlands Data

Planning Area	-
Preservation Area	13.44 ac. (100.00%)
Plan Conformance	Petition Approved (Preservation Area only)
Designated Center	No
Lot Size	13.44 ac.

Agriculture

Agricultural Landscape >= 250 ac.	0 ac.
Agricultural Resource Area	0 ac.
Important Farmland Soils	0 ac.
Agricultural Uses	0 ac.

Critical Habitat

Confirmed Vernal Pool Buffer (300m)	3.26 ac. (24.26%)
Critical Wildlife Habitat	13.37 ac. (99.46%)
Significant Natural Area	0 ac.

Species Habitat

Broad-winged Hawk, Northern Myotis, Sable Clubtail,
Red-shouldered Hawk, Eastern Box Turtle, Northern Copperhead,
Worm-eating Warbler, Timber Rattlesnake, Cerulean Warbler,
Bobcat, Barred Owl, Veery, Brush-tipped Emerald, Wood Turtle,
Wood Thrush, Arrowhead Spiketail, Cooper's Hawk, Hooded Warbler

Forest Resources

Total Forest Area	13.37 ac. (99.46%)
Forest Resource Area	13.44 ac. (100.00%)
Core Forest	3.16 ac. (23.54%)
Forest Integrity Score - High	13.44 ac. (100.00%)
Forest Integrity Score - Moderate	0 ac.
Forest Integrity Score - Low	0 ac.

Geology

Carbonate Rock	0 ac.
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Historical & Archaeological

Archaeological 1 Sq. Mi. Grid	0 ac.
Historic District	No
Historic Property Name	No historic property present.

Land Use Capability Zones

Protection Zone (PZ)	13.44 ac. (99.98%)
Wildlife Management Sub-Zone (WMA)	0 ac.
Conservation Zone (CZ)	0 ac.
Conservation - Env. Constrained Sub-Zone (CECSZ)	0 ac.
Existing Community Zone (ECZ)	0 ac.
Existing Community - Env. Constrained Sub-Zone (ECECSZ)	0 ac.
Lake Community Sub-Zone (LCZ)	0 ac.

Open Water

Streams	None present
Wetlands	0 ac.
Open Water	0 ac.
Open Water Protection Area	0 ac.
Watershed Values - High	13.44 ac. (100.00%)
Watershed Values - Moderate	0 ac.
Watershed Values - Low	0 ac.

Preservation Priority

Special Environmental Zone	0 ac.
Conservation Priority Areas - High	0 ac.
Conservation Priority Areas - Moderate	13.28 ac. (98.84%)
Agricultural Priority Areas - High	0 ac.
Agricultural Priority Areas - Moderate	0 ac.

Preserved Open Space

Preserved Land	0 ac.
Scenic Resources	0 ac.

Riparian

Riparian Area	4.94 ac. (36.73%)
Wildlife Corridor	0 ac.
Riparian Integrity Score - High	13.44 ac. (100.00%)
Riparian Integrity Score - Moderate	0 ac.
Riparian Integrity Score - Low	0 ac.

Septic Density - Preservation Area

Forest (88)	0
Non-Forest (25)	0

Steep Slope Protection Area

Severely Constrained	7.06 ac. (52.55%)
Moderately Constrained	1.92 ac. (14.29%)
Limited Constrained	0 ac.

Transportation

Transportation Score >= 3	0 ac.
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Utilities

Public Water System	N/A
Waste Water System	N/A

Water Quality

Lake Management Area	0 ac.
Prime Groundwater Recharge	10.93 ac. (81.33%)
Wellhead Protection Area (community) - Tier 1	0 ac.
Wellhead Protection Area (community) - Tier 2	0.82 ac. (6.14%)
Wellhead Protection Area (community) - Tier 3	9.14 ac. (67.99%)

Water Quantity by Subwatershed

HUC14 Subwatershed Name	Meadow Brook/High Mountain Brook, Wanaque Reservoir (below Monks gage)
Net Water Availability	-0.99-(-0.10) Million Gallons per Day